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# **CODE OF PROFESSIONAL ETHICS AND CONDUCT**

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## #1 - OUR COMPANY

Our organization is strictly committed to ethics in all of its actions. Ethics defines the essence of those who participate in the company and the way in which they relate to the external world. These values are present and described in the standards of this Code of Professional Ethics and Conduct. The policy derived from this aims to encourage transparent relationships, avoiding opportunism and generating respect to public and private rules.

## #2 - PURPOSE

This Code of Professional Ethics and Conduct reaches all the Collaborators of Surcos and all of its subsidiaries or affiliates in the different countries where it operates (hereinafter, "the Company"), and all those integrating its Value Chain (vendors, clients and commercial partners of the company). This Code serves as a reference, as it cannot address all situations or replace common sense or good judgment.

It is not a static document. In the context in which we operate, applicable laws, human rights conventions, international labor entities, environmental protection conventions and the fight against corruption in all its forms and aspects are the basis to generate changes or additions to the Code of Conduct, which would opportunely be communicated.

Compliance with this Code is the sole and personal responsibility of each Collaborator and each person who is part of our Value Chain. We trust that each one will recognize and report any illegal or unethical conduct that may affect our Company.

## #3 - COMPLIANCE WITH STANDARDS

Collaborators must observe and comply with the following general rules:

- a) Comply with national legislation and with that applicable in each jurisdiction.
- b) Comply with their functions and with the company internal directives, policies, regulations and manuals.

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- c) Be responsible for the accuracy in the preparation of records and reports.
  - d) Be responsible for the correct functioning of internal controls.
  - e) Act in a manner that the work environment is professional, safe, healthy, fair and based on mutual respect. Staff must comply with all applicable environmental, health and safety laws.
  - f) Conduct business in a socially responsible manner and protecting the environment.
  - g) Take an active role to achieve open and honest communication at all levels, with staff having immediate access to their superiors in order to address any problem related to the company or to themselves.
  - h) Discrimination is prohibited. Any ethnic, racial, religious, sexual or other bullying or abuse will not be tolerated, and such actions will be penalized. Bullying includes offensive language, gestures, physical contact, or other conduct in the workplace that creates intimidation or an offensive environment.
  - i) The company establishes equal opportunities as a policy, in both the recruitment and the promotion stages.

## **#4- RELATIONSHIP WITH THE COMMUNITY**

The company promotes relationships of mutual respect and collaboration with the business community, clients, vendors, public and private institutions.

The company is strongly committed with the protection of the environment, so our products and facilities comply with the applicable environmental regulations.

The policy for the development of our technologies primarily aims at safeguarding the environment.

The company maintains collaborative relationships the national, provincial and municipal authorities, respecting current legislation and the principles expressed in this Code of Conduct.

A mutually beneficial relationship is maintained with our vendors, to allow continuity in the supply and growth of our activity. Purchase decisions are based on objective criteria. However, long-term relationships with vendors who are interested in joint development are promoted.

A fair competition policy sustainable over time is developed with our competitors, in line with our ethical business conduct.

## #5 - ACCOUNTING INTEGRITY AND RECORDS ACCURACY

It is the policy of the company to have complete and reliable information in its accounting records, so that both commercial transactions and company assets are correctly reflected.

The accounting results and the financial position of the company must be recorded according to the requirements of the law and the current accounting standards.

The concealment of information is prohibited, whether at a managerial level, as well as internal or external audits.

Making false entries in any of the company books is prohibited.

It is also prohibited to make payments on behalf of the company with the intention of using them for a purpose different than that described in the documents that support them.

Acquiring any asset or account that is not entered in the books or records is prohibited.

Using company assets for illegal purposes is prohibited.

Any possibility of falsification or inaccuracy in accounting and financial entries must be immediately reported through the channels provided in the Code of Conduct.

## #6 - DATA PRIVACY AND CONFIDENTIALITY

Company assets can be tangible or intangible. They include buildings, vehicles, equipment, software, information, know-how, logos, trade names and trade secrets. All such assets must be protected against misuse, theft for personal gain or illicit purpose, loss, deterioration or infringement.

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Both internal and commercial information are very important and relevant assets of the company. The knowledge acquired over the years to conduct operations in an increasingly efficient way is property of the company. It is therefore essential to protect it from any undue disclosure, so as not to harm our competitive advantage.

The confidential information ranges from strategic objectives, accounting information, future projects, new product launches, lists of customers and vendors, market and commercial research, among others.

All company staff must respect the strictest confidentiality of the information that they have knowledge of during the performance of their activities.

It is prohibited to disclose such information to people who do not belong to the company or who are not duly authorized. It is also prohibited to use it for personal gain.

The documents with confidential information must be handled according to the company security measures to prevent it from being obtained by third parties.

The obligation of custody of confidential information continues after the termination of the employment relationship with the company.

## **#7 - CONFLICTS OF INTEREST**

Collaborators of SURCOS must know when a conflict of interest may occur. It may happen when a collaborator puts his/her personal interests before those of the company, and when those personal interests unduly influence his/her business judgment, decisions or actions towards the company.

Those situations may occur when building relations with clients, vendors, officials, auditors, or also between closely related collaborators, such as family members. Issuing judgments, making decisions or taking actions when we are facing a conflict of interest can hinder the purpose and effective performance of tasks at SURCOS, and, in some cases, can have legal and regulatory consequences.

Some typical examples of situations where conflicts of interest may arise are the following:

- > Personal relationships in the workplace (e.g., hiring or supervising a closely related person),
- > External mandates (e.g., being part of the Board of Directors or the Scientific Advisory Council of a competitor of SURCOS),
- > External employment (e.g., having a second job in the company of a client, supplier or competitor of SURCOS),
- > Favouring personal financial interests or those of a closely related person (e.g., having a significant stake in a company that provides SURCOS and, at the same time, being in a position to guide SURCOS business in that direction),
- > Receiving fees, commissions, discounts, gifts, invitations to entertainment activities or services (e.g., receiving a money compensation from a SURCOS business partner), among others.

Situations that may give rise to conflicts of interests should be avoided. The mere perception of a conflict of interest should also be avoided.

Unless the company approves any of those situations, it is prohibited to: have a participation in investments or businesses that are within the scope of Surcos activities; participate in transactions for the sale of goods or services with a direct or indirect competitor, vendor or client of Surcos; any work-related conduct that generates personal gain for employees, their family members or close friends, that would harm the company or any of its stakeholders.

Staff are obliged to inform their Management if any of their family members have participation or interests in any company that does business with Surcos.

No gifts or loans from companies or entities which Surcos does business with should be received. This includes close family members.

## #8 - INTELLECTUAL PROPERTY

All intellectual property rights developed by an employee during working hours in the normal course of his/her tasks, or with the company materials and/or facilities that relate to the business belong to Surcos. No compensation will be owed to the employee for such rights.

The intellectual property rights of third parties must not be deliberately infringed.

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## #9 - ILLEGAL PRACTICES

Employees must not engage in illegal or other corrupt practices, and must report any unusual operations.

The company does not admit bribery or corruption. It prohibits the granting of a financial advantage to another person, company, public body or official to induce an improper task to be carried out with the purpose of obtaining a reward for that activity.

The company has a zero tolerance policy for the use of illegal drugs and alcohol. Possession, purchase, sale, use or presence of illegal substances in the company offices and plants is prohibited

The company has a zero tolerance policy as regards betting or gambling practices.

## #10 - OBLIGATIONS

Being part of the Surcos team or its Value Chain necessarily implies accepting compliance with the rules of conduct included in this Code, as well as respecting and enforcing the policies, procedures and instructions issued by each area.

A Committee will be appointed to ensure compliance with the Code of Conduct. The Committee will be responsible for investigating complaints of violations of the Code and ensuring confidentiality of the case, as requested by the collaborator, subject to disclosure if required by law or by a court order.

The Human Resources & Corporate Affairs Department is responsible for communicating the rules of conduct included in this Code, as well as for training, advising and guiding collaborators in their understanding, promoting their compliance with Directors and Managers.

## #11 - BREACHING OF THE CODE

We are fully committed to complying with law, our ethical standards and our values. Failure to comply with the provisions of this Code will represent a serious offense and will be subject to different penalties, depending on whether they are caused by a Collaborator or a member of the Value Chain. Those penalizations will be defined by the Conduct Committee; will be applied to the extent permitted by local laws and contracts that may have been entered into, and will be adapted to the seriousness of the offense. In the case of Collaborators, penalizations could include, among others, warnings, suspensions and/or contract termination with the Collaborator. In the case of the members of the Value Chain, penalizations could include warnings, fines provided in the respective contracts and/or justified suspension or unilateral termination of the contractual relationship, without the right to compensation or any prior notice. If there is a violation of laws by the Collaborator or a member of the Value Chain, we will cooperate with the corresponding authorities.

## #12 - REPORT OF VIOLATIONS OF THE CODE PROFESSIONAL OF ETHICS AND CONDUCT

To file a complaint or make inquiries, it will be necessary to:

1. Talk to your direct supervisor. Generally, your direct supervisor will be in the best position to quickly resolve any integrity concerns you may have.
2. Contact the next management level. If you do not feel comfortable bringing the concern to your direct supervisor, you can communicate with the next hierarchical level or use one of the following communication channels:
3. Contact the Human Resources & Corporate Affairs Department.
4. Send an Email to [codigodeconducta@redsurcos.com](mailto:codigodeconducta@redsurcos.com)

**SURCOS** 

