



## GRUPO HERDEZ POLICY TO PREVENT AND ADDRESS FRAUDULENT CONDUCT

### 1. OBJECTIVE:

Establish the elements that allow employees of Grupo Herdez and subsidiaries (from now on "Grupo Herdez") to prevent and detect fraudulent conduct in the development of their activities or operations.

### 2. REACH:

This Policy is applicable to all Grupo Herdez employees.

### 3. DEFINITIONS:

**Fraud:** Crime that consists in deceiving or taking advantage of someone's error to illegally obtain something or obtain an improper profit.

Depending on who is committing the fraud, it can be **internal, external or mixed**.

**Internal fraud:** Also known as labor fraud, it is the one committed against the company, by any of its collaborators.

**External fraud:** It is fraud committed against the company by any person external to it, such as customers, suppliers or any other third party.

**Mixed fraud:** It is one in which both people who collaborate in the company and people outside of it participate.

**Fraudulent conduct:** Any conduct or abstention, which intentionally seeks to mislead or take advantage of the error in which a person is, in order to obtain an advantage or avoid complying with an obligation.

### 4. CONTENT:

In order to comply with this policy, the following general guidelines must be adopted:

- Adopt a "zero tolerance" position for fraudulent behaviors in the performance of each of our functions.



- Avoid entering into any relationship or operation with people (physical or legal), who are known to have committed any Fraudulent Conduct or who have been convicted of Fraud by the competent authority.
- Immediately report any Fraudulent Conduct of which you become aware, through the means indicated in section VI of this Policy.

All of the above, under responsibility. In case of not doing so, or incurring some type of complicity or collaboration, which, like those who directly commit Fraud, is sanctioned in terms of criminal laws, with penalties that can lead to imprisonment.

For the purposes of the things listed before, some of these behaviors are exemplified below in an enunciative but non-limiting way:

**Intern fraud:**

- Demand the payment of overtime that was not really worked, in order to receive a payment that is not due.
- Presenting fraudulent expense reports, that is, demanding the reimbursement of invoices, receipts, etc., false or altered, for food, travel, transportation, gasoline or any other, in order to obtain payment for something improper.
- Receive payment from a client and not record the sale made, in order to keep those resources; or, register the sale, and not deliver the product or service to it.
- Include in any report, work material, etc., false information, and derived from it, obtain a benefit such as increased sales, attraction of investors, or any other illegal or incorrect act among others.
- Present false or altered information to any outsider in order to close a deal, business or carry out an operation.
- Present false or altered information to authorities, or on the contrary hide information in order to evade the fulfillment of any obligation.



- Deliver payments intentionally and without justification, to people or companies other than those that provided the services or received the products.

#### **External Fraud:**

- Presentation of invoices by a supplier, contractor, or third party that is related to Grupo Herdez, for goods or services not provided.
- Presentation of invoices by a supplier, contractor or third party related to Grupo Herdez, with inflated prices.
- Receipt of undue payments made by Grupo Herdez, whether due to error or confusion, without the supplier, contractor or third party notifying the company, thus allowing the error to persist.
- The placement in a state of insolvency by a client, supplier, contractor, in order not to comply with the obligations contracted with Grupo Herdez.
- The delivery by any third party of Grupo Herdez's confidential information for the purpose of deceiving any person to obtain an undue profit or advantage of any kind.

#### **Mixed fraud:**

- The collaborator who acts with a third party to present false information within Grupo Herdez.
- The collaborator who authorizes the provision of services by a third party, who does not comply with the requirements or policies of Grupo Herdez, in order to obtain an undue profit.

### **5. PROCEDURE IN CASE OF DOUBTS:**

In order to support compliance with this Policy, Grupo Herdez makes available the telephone number 52015655 extensions 1973 and 2720, through which it will provide the necessary help for its interpretation and application.



## **6. PROCEDURE IN CASE OF POLICY VIOLATION:**

Grupo Herdez makes the following confidential and permanent means available, in which it will receive all complaints about any possible violation of this Policy and will follow up on them: email [confidence@herdez.com](mailto:confidence@herdez.com) and / or telephone 01 800 CONFIANZA (01-800 -266-34-26-92) free of charge and / or the complaint and suggestion boxes in each location.

Staff are encouraged to speak with their immediate boss, manager or director, when in doubt about the best course of action to take in a particular situation.

Any complaint will be thoroughly investigated by an interdisciplinary team, so the complainant or complainant should avoid doing any investigation on their own.

If the violation of this Policy is confirmed, the person in charge may be requested to carry out the actions deemed necessary for that purpose and without prejudice to the disciplinary measures that may be applied and / or the exercise of the corresponding legal actions.

The Audit Committee will be notified in order to inform the Board of Directors about this type of incident.

By Grupo Herdez policy there will be no retaliation for reports made by anyone in good faith. Additionally, it is important that staff cooperate with internal investigations conducted for violations of this Policy.

Absolute confidentiality of the people who make complaints will be maintained and we request that the information provided be based on demonstrable facts, in order to avoid the misuse of these means of communication.

Lic. Héctor Hernández-Pons Torres  
General Director  
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