

# FINANCIAL AND SUSTAINABILITY REPORT



2017

**Mexichem**<sup>®</sup>

**CORPORATE  
GOVERNANCE  
& ETHICS**

**CHAPTER**

**4**

# ETHICAL EXCELLENCE & COMPLIANCE

GRI 103-1

Our relationships and business conduct around the world reflect the spirit and professional ethics that characterize Mexichem. Our commitment to sustainable development begins by ensuring that our actions are consistent with our corporate values, doing what we say, and being an exemplary citizen.

GRI 102-16

## OUR VALUES



### INNOVATION

We seek to continually drive innovation and generate a positive impact on the world around us.



### RESPONSIBILITY

We act responsibly and fairly in the communities where we do business.



### COMMITMENT

We are dedicated to teamwork and focus on achieving shared goals in order to exceed the expectations of our clients.



### RESULTS

We have the ability to deliver positive results, sustainable growth and products that make a difference.



### INTEGRITY

We are committed to being an ethical, honest, and trustworthy company.



### SAFETY

The health and safety of our people is our priority.

## COMPLIANCE PROGRAM

GRI 103-2  
GRI 103-3

After a review of our policies and global market best practices, during the last quarter of 2017 we launched a new version of our [Code of Ethics](#), updated our Compliance Program, and strengthened our follow up process for claims. These changes seek to reinforce our culture of compliance in accordance with our values.

The program covers important issues to Mexichem, given our international presence, which include but are not limited to integrity and anti-corruption measures, economic competence, foreign trade, prevention of money laundering, protection against retaliation, prevention of modern slavery, and human trafficking.

Training and certifying all our employees at a global level has been essential. We developed a communications and cascading training strategy that begins at the highest levels of the organization, and includes:



**FACE TO FACE TRAINING  
SESSIONS FOR 100%  
OF THE MANAGERS IN  
17 DIFFERENT LOCATIONS  
AROUND THE WORLD**



**SELECTION AND TRAINING  
OF 127 COMPLIANCE  
TRAINERS IN CHARGE  
OF DEPLOY TRAININGS IN  
THEIR LOCATIONS**



**ONLINE  
TRAINING**  
AVAILABLE IN 6 LANGUAGES

**As of the end of 2017, 11% of employees had completed the recently launched Compliance Training program. We are on the way to train 100% of the employees by the end of the second quarter of 2018.**

GRI 102-17

## WHISTLEBLOWER LINE

During 2017, we received 116 reports through our [Whistleblower Line](#). 100% of the cases were investigated and 27 of them were confirmed as unethical actions for which corresponding measures were taken. All information is anonymous and the reports are treated confidentially.

# CORPORATE GOVERNANCE

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 102-18  
GRI 102-22

Corporate governance ensures Mexichem's responsible management and commitment to sustainability. A proper governance reinforces the trust that stakeholders have placed in us and allows us to guarantee good economic, social and environmental performance.

Mexichem S.A.B. management is overseen by a Board of Directors and an independent Chief Executive Officer. The General Shareholders Meeting is where members of the Board are ratified. Shareholders must ensure that at least 25% of the Board members are independent. The independent members and their corresponding substitutes, if any, are selected based on their experience, ability and professional background, as the ability to perform their duties free from conflicts of interest and without being subject to personal, patrimonial or economic interests.

The Secretary of the Board of Directors provides the members with an annual report containing the main obligations and recommendations applicable to the company so that they can envision the responsibility required from their position. The report also describes the main responsibilities of Board members, which is supported by three committees: the Corporate Practices Committee, Audit Committee and Finance Committee<sup>2</sup>.

## AUDIT COMMITTEE

Fernando Ruiz Sahagún (President and financial expert)  
Divo Milán Haddad  
Eduardo Tricio Haro  
Jaime Ruiz Sacristán (permanent invitee)

## FINANCE COMMITTEE

Jaime Ruiz Sacristán (President)  
Guillermo Ortíz Martínez  
Antonio del Valle Perochena  
María de Guadalupe del Valle Perochena  
Adolfo del Valle Ruiz  
Ignacio del Valle Ruiz

## CORPORATE PRACTICES COMMITTEE

Eugenio Santiago Clariond Reyes (President)  
Divo Milán Haddad  
Juan Pablo del Valle Perochena

<sup>2</sup> For more information regarding the functions and duties of our committees, please refer to the 2016 Sustainability Report.

## THE 2017 BOARD WAS MADE UP BY 11 DIRECTORS, 45% OF THEM INDEPENDENT.

GRI 405-1  
GRI 102-22

### COMPOSITION OF THE HIGHEST GOVERNANCE BODY

NAME	TYPE	INDEPENDENCE	TENURE (YEARS)	GENDER	AGE GROUP
• Juan Pablo del Valle Perochena	Non-executive	Not Independent	15	Male	30-50
• Antonio del Valle Perochena	“	Not Independent	15	Male	>50
• María de Guadalupe del Valle Perochena	“	Not Independent	12	Female	>50
• Adolfo del Valle Ruiz	“	Not Independent	24	Male	>50
• Ignacio del Valle Ruiz	“	Not Independent	17	Male	>50
• Jaime Ruiz Sacristán	“	Not Independent	17	Male	>50
• Divo Milán Haddad	“	Independent	14	Male	>50
• Fernando Ruiz Sahagún	“	Independent	14	Male	>50
• Guillermo Ortiz Martínez	“	Independent	7	Male	>50
• Eduardo Tricio Haro	“	Independent	9	Male	>50
• Eugenio Santiago Clariond Reyes	“	Independent	10	Male	>50

**Secretary:** Juan Pablo del Río Benítez

**Pro Secretary:** Francisco Ramón Hernández