

# Ethics and Integrity Management

The responsibility of the management of Arca continental’s Code of Ethics and all the conduct policies of the company and its subsidiaries falls within the Ethics and Integrity Committee. This committee is subdivided into two groups with different, but complementary tasks: the executive and the operative committees.

- The executive committee is led by the company’s CEO and groups the highest ranks within the company. This group, that session regularly every three months, oversees the Code’s adherence encouragement, both inside and outside of the company, as well as promotes the company’s commitment to an ethic and integral behavior.
- The operative committee is responsible to solve, as fast and effective as possible, all the Code’s and policies deviations. The committee is comprised by five highest level Directors, which lead an area of investigation around their expertise, to ensure that the best possible solutions to a multi-stakeholder, complex-matrix problems are found.

The Executive Secretary of the Ethics and Integrity Committee is an essential link between these two groups. The Secretary ensures that the information effectively flows between both committees and channelizes the transparency mailbox requests accordingly (see figure 1). This figure is also responsible to solve all the Code of Ethics and conduct policies’ that might rise within or outside the company.

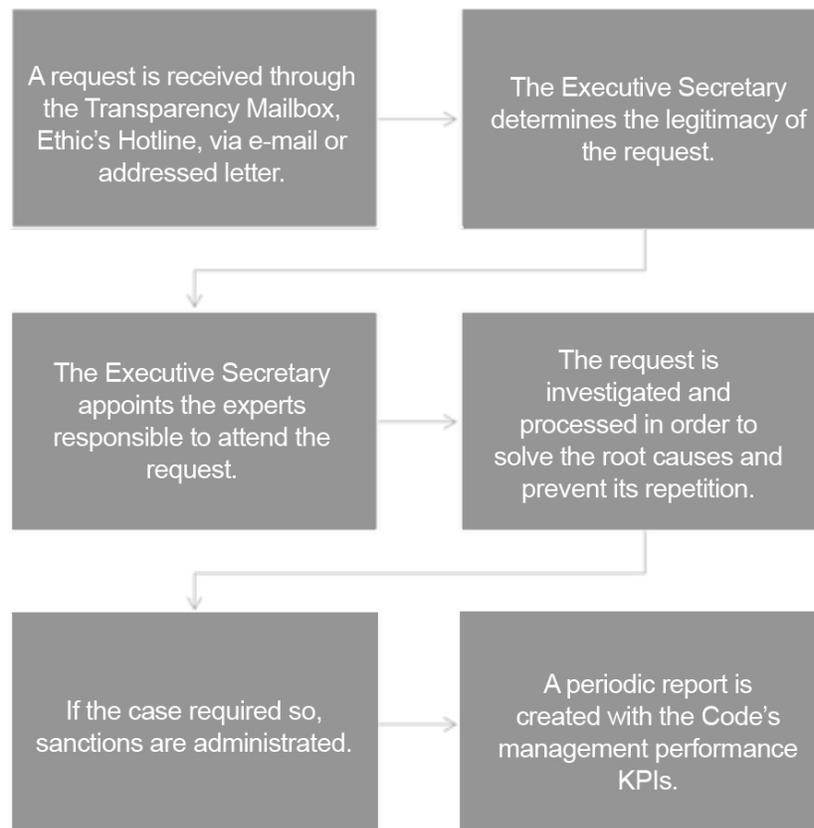


Figure 1. The composition of the Ethics and Integrity Committee, its members and both groups: executive and operative.

How these processes, groups and responsibilities operate are described in detail in the Code of Ethics and Conduct Policies Management Manual. The Manual, which was approved by the Board, also describes how the performance reports are to be generated and their periodicity.



Once a request is received through the Transparency Mailbox, Ethic's Hotline, via e-mail or addressed letter, the Executive Secretary begins the follow-up procedure described in the Manual. A simplified version of this process can be seen in figure 2.



In 2016, Arca Continental and an expert third party, elaborated the Abuse of Trust Risks Management Program, to:

- Identify the potential areas vulnerable to abuse of trust, both internal and external.
- The possible scenarios where these actions might be conducted.

The elaboration of the Program included activities such as: setting up the evaluation criteria, identifying the abuse of trust risks universe for an industry such as Arca Continental and interviews and surveys with key personnel to evaluate these identified risks. A vulnerability assessment was conducted, where the risks were evaluated in terms of impact and probability in order to prioritize them. Tougher controls were created seeking to minimize these potential risks.

