

Third-party due diligence

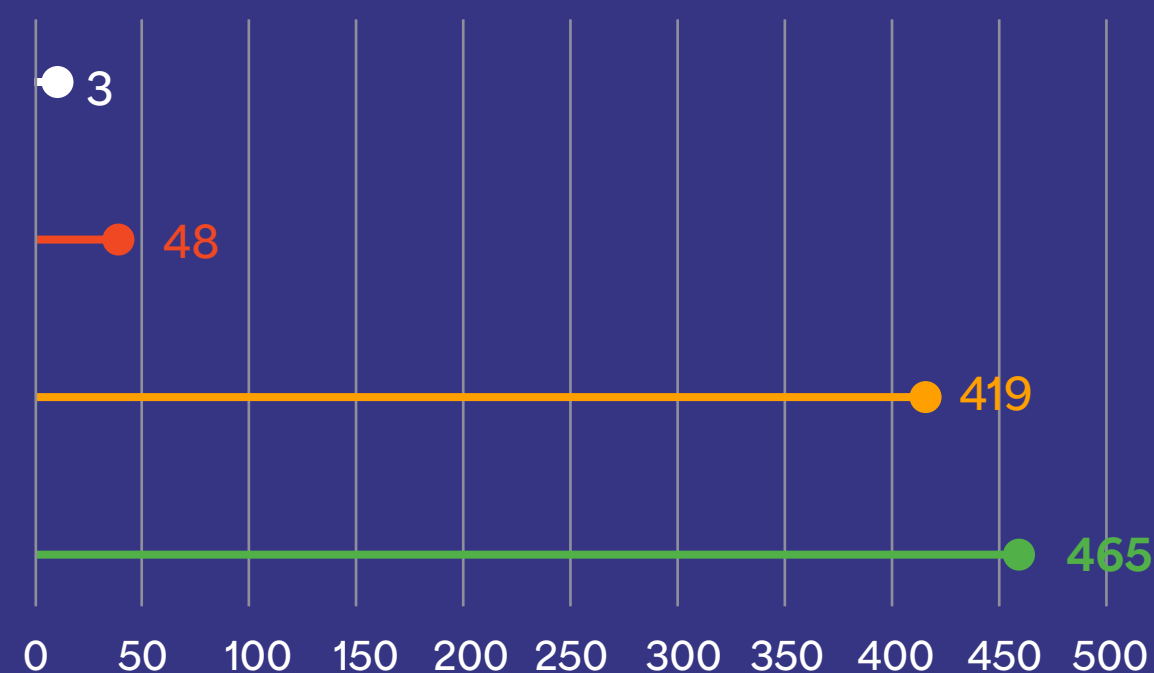
Our [Third-Party Code of Conduct](#) sets out Peñoles' expectations for responsible business conduct by all outside parties intending to do or doing business with Industrias Peñoles. Before entering into a business relationship with any [outside party](#)—raw material suppliers, contractors, customers, suppliers, or business partners—we complete a verification process based on risks and mitigation measures. As part of the due diligence process, our business partners pledge to comply with our expectations of ethical behavior and integrity, human and labor rights, occupational health and safety, and respect for communities and the environment.

In 2023, we concluded the installation of BAL's Evalúa platform to automate and optimize the third-party due dili-

gence process. This process transformation and standardization considers the criticality of outside parties from an approach based on risk levels, by which we can efficiently detect alerts and have an accurate methodology for making informed decisions on establishing or continuing the business relationships. The duration of due diligence—from one to three years—is determined based on the assigned risk.

Automating this process ensures better traceability of transactions with outside parties and reduces response times, in addition to simplifying the process for both our business partners and our internal personnel. In 2024, we will continue to train employees in the use of the BAL Evalúa platform and stabilize the process in order to ensure that due diligence is performed exclusively using the platform.

Requests for third-party due diligence



Note: 33 of these requests were addressed through the BAL Evalúa platform.

- High risk with veto
- High risk
- Medium risk
- Low risk

