



Governance

The Committee on Ethics and Corporate Values—composed of company executives—oversees compliance with the Code of Ethics and Conduct and addresses cases of unethical behavior, applying sanctions when violations occur.

The compliance department reports to the Audit Committee of the Board of Directors on progress, performance, and continuous improvement efforts related to the Integrity and Compliance Program.

Our corporate compliance department—led by our Chief Compliance Officer—coordinates strategies and initiatives with a preventive approach to avoid incidents of bribery and/or corruption, and to ensure adherence to internal regulations. These efforts focus on processes, areas, and personnel that, due to their nature and level of exposure, are required to maintain an anti-bribery and anti-corruption focus.

Our [Code of Ethics and Conduct](#) sets out the ethical standards that guide the behavior of all employees at Industrias Peñoles, S.A.B. de C.V. It is grounded in the principles that distinguish us as a company—what we do, how we do it, our organizational philosophy, and our values.

In 2024, we updated the Third-Party Code of Ethics and Conduct, which outlines the standards our business partners are expected to follow. In turn, these partners are expected to promote and apply the same principles throughout their value chains, generating a virtuous cycle for the benefit of society.

We also maintain a comprehensive set of policies, guidelines, and procedures to prevent fraud, corruption, bribery, misuse of donations and sponsorships, unlawful interactions with government entities, personal data breaches, discrimination, conflicts of interest, and retaliation. This regulatory framework supports the implementation and enhancement of internal controls designed to mitigate these risks.

In 2024, we updated the Third-Party Code of Ethics and Conduct.

ESG governance

IROs management

Ethics and integrity

Responsible value chain

Policies, guidelines, and procedures

Code of Ethics and Conduct	Third-Party Code of Conduct	Integrity and Compliance Policy	Labor Equality and Non-Discrimination Policy
Anticorruption and Anti-Bribery Guideline	Crime Prevention Guideline	Anti-Retaliation Guideline	Conflict of Interest Guideline
Fraud Prevention Guideline	Third-Party Due Diligence Procedure	Donations, Sponsorships, Gifts, Hospitality, and Entertainment Procedure	Personal Data Management Procedure
	Government Relations Procedure	Protocol for Handling Cases of Harassment, Stalking, and Sexual Violence in the Workplace	

Integrity and compliance risk management

Preventing, detecting, and mitigating integrity and compliance risks is essential to maintaining stakeholder trust and ensuring long-term business success. We have established formal processes to manage these risks, which are supported by a robust due diligence system and a three-lines-of-defense model:

First line: Operational areas are responsible for implementing processes, controls, and technologies to prevent incidents and ensure compliance with applicable laws and regulations in day-to-day activities.

Second line: Oversight functions—such as comptrollers, risk management, compliance, and legal affairs—are responsible for monitoring, reporting, and managing risk indicators.

Third line: The internal audit function provides independent assurance to the Audit Committee and senior management regarding risk mitigation, control effectiveness and efficiency, and corporate governance.