



# COMPLIANCE

## Anticorruption and Bribery Guideline

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| <b>Objective</b>            | This document complements the Code of Conduct and the Third Party Code of Conduct to continue strengthening the fundamental principles of ethical business conduct and the standards to be followed when interacting with our stakeholders: the community and its public officials, customers, suppliers, shareholders and employees. It also defines which activities are permitted and situations that require special attention, prior assessment and authorization.   |
| <b>Scope</b>                | Applies to all employees of Industrias Peñoles S.A.B. de C.V. (Peñoles), as well as its stakeholders and third parties who have a business relationship with Peñoles.   |
| <b>Regulatory Framework</b> | Bribery and Corruption Laws to which Industrias Peñoles S.A.B. de C.V. is subject to, including but not limited to the UK Bribery Act 2010, the General Law of Administrative Responsibilities (LGRA), the Federal Criminal Code, and the secondary federal and state laws applicable to the private sector in anti-corruption matters; as well as the Code of Integrity and Business Ethics of the Business Coordinating Council, and other codes of best practices in ethics and transparency applicable in Mexico or internationally recognized. |
| <b>Risks</b>                | Breaches of this guideline result in violations of current bribery and corruption regulations, which entail legal consequences (fines and penalties) for both Peñoles and the individuals involved. In addition, Peñoles may be restricted from conducting international business and may suffer reputational damage, and even impact its operational continuity.   |

### Standards, principles and general guidelines

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| <b>Overview</b> | <p>Bribery and corruption harm the functioning of the free market, undermine public confidence in companies and governments; furthermore, there is no doubt that the publicity and negative perceptions associated with a company that engages in corrupt practices damage its reputation; that is why Peñoles, in keeping with its vision of ethical business conduct as a differentiating factor, collaborates with the authorities that investigate alleged infractions and issue the corresponding sanctions.</p> <p>Additionally, Peñoles believes in the following principles:</p> <ul style="list-style-type: none"> <li>- All personnel employed by companies and governments must perform their duties objectively and in accordance with the law.</li> <li>- Each person must maintain a zero-tolerance stance towards undesirable situations, including bribery and corruption, and must refrain from accepting or giving any gift or favor that may affect objectivity in the performance of the job.</li> <li>- All employed personnel must act ethically to ensure that interactions with third parties, whether business partners or public officials, continue to ensure a positive image of the company and maintain the trust and respect of its Stakeholders.</li> <li>- All Group companies must strictly comply with the corresponding laws and obligations.</li> </ul> |
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| <b>Basic Guidelines</b> | <p><u>Prevent corruption and bribery</u></p> <p>To ensure that bribery and corruption are combated, employees must avoid offering, promising, or giving anything of value that could influence a person's professional objectivity, either for their own benefit or that of Peñoles. Furthermore, employees must avoid requesting or accepting anything of value that could affect their objectivity in carrying out their work.</p> <p>When third parties collaborate with Peñoles, it is essential to ensure that they adhere to the same standards and organizational philosophy as Peñoles.</p> <p>Valuable items that may give the appearance of bribery or corruption can manifest themselves in a variety of ways. Among the most common of these are promises or concessions of:</p> |
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- payments, illicit contributions or commissions of a monetary nature;
- Cash equivalents such as gift cards and gift certificates;
- In-kind payments;
- Gifts, entertainment and hospitality (e.g., meals, lodging, transportation);
- Preferential treatment, favors or undue advantages;
- Free of charge education or formation;
- Job offers;
- Granting loans;
- Charity donations;
- Discounted or free products or services;
- Confidential and/or privileged information;
- Assuming debts, obligations, and/or providing extraordinary services to public officials, authorities, private companies and their representatives.

#### Facilitation Payments

Unofficial payments of any amount, commonly known as facilitation payments, should never be offered or made to accomplish or expedite a routine action by a government official. If a public official requests such a payment, such request must be refused, even if it may have negative consequences for the business. If an employee is faced with such a situation, he or she may obtain assistance from the Compliance and Risk Department. For further information, please refer to [Procedure of relations with government](#).

#### Gifts, hospitality and entertainment

Giving or receiving gifts, hospitality and entertainment is a way of showing appreciation or gratitude in our culture. However, in accordance with our Code of Conduct and Third-Party Code of Conduct, it is our obligation to refrain from accepting or giving gifts, hospitality or entertainment. Only the exchange of promotional items is acceptable, which are items of little value that are given in a generalized and obvious manner.

#### Preferences, favors or undue advantages

Employees must avoid offering, promising, making, accepting or requesting any preference, favor or other improper advantage that could influence or give the appearance of influencing their professional objectivity or that of the recipient. For further information, please refer to [Procedure for donations, sponsorships, gifts, hospitality and entertainment](#).

#### Third Parties acting on behalf of Peñoles

Employees have an obligation to prevent Peñoles from being held liable for acts of bribery or corruption carried out by third parties in their interaction with public officials and/or private individuals arising from their acting on behalf of Peñoles. Examples of such third parties include: government relations advisors, immigration advisors, lawyers, tax advisors, technical advisors, customs brokers, security service providers, logistics service providers, major equipment suppliers and distributors, as well as any third party that has a relationship with Peñoles.

Before hiring or renewing the contract of a third party who is likely to interact with public officials on behalf of Peñoles, the employed person should:

- Refer to the [Procedure for relations with government](#).
- Follow the applicable contracting processes in coordination with the Legal Department.
- Comply with the [Third Party Due Diligence – TPDD Procedure](#), including the signing of the "Commitment to the Third Party Code of Conduct" form.
- Sign a contract endorsed by the Legal Department that clearly defines in writing the scope of services, billing requirements, anti-bribery rules, as well as a clause providing for termination for noncompliance.
- Ensure that payments to the third party are made only in exchange for the supporting documentation for the services rendered and at a market price.

If employed personnel manage a relationship with a third party that interacts with public officials on behalf of Peñoles, they must take special care to ensure that all relevant personnel of the third party understand Peñoles' requirements and how those requirements apply to their activities.

## Commercial Interactions

There are other customary business practices and social activities that may be carried out by employees or third parties on behalf of Peñoles that require special attention.

### Political Lobbyists

Peñoles maintains an ongoing dialogue with public officials to contribute information to or help shape the political debate and to assist public officials in their decision-making process on matters of importance to Peñoles. Consequently, Peñoles employees previously authorized by the General Management and the Compliance and Risk Department must commit to act with transparency and fairness in their lobbying activities and comply with all laws and regulations applicable to such activities.

The expected behavior of employees and third parties who engage in lobbying or public policy advocacy activities on behalf of Peñoles can be found in the following [Procedure for relations with government](#).

### Donations, sponsorship and social development

Social development projects and the use of sponsorships and donations (collectively referred to as "contributions") are part of Peñoles' contribution to the well-being of the environment and the communities in which it operates; as part of being a socially responsible company, employees must avoid promising, offering or granting that such contributions are or may be perceived to be made to gain or maintain a business advantage or other improper purpose. For more information, please refer to [Procedure for donations, sponsorships, gifts, hospitality and entertainment](#).

### Political contributions and donations related to or in connection with government officials

Peñoles refrains from making direct or indirect contributions or donations on behalf of its companies to political parties, electoral campaigns or any individual or legal entity, association, organization, union or any other type of public or private entity related to political activities in Mexico or abroad. Also, such abstentions include the following:

- In-kind contributions;
- Free or discounted use of Peñoles' facilities, equipment or other resources; and
- Any other form of contribution related to or connected with public officials shall only be permitted if so provided by written law and after preliminary assessment and authorization by the General Management and approval by the Compliance and Risk Department.

In the event that employees and directors of Peñoles make personal contributions, such contributions must comply with applicable legislation.

### Hiring former or serving government officials and/or their family members

When employing or contracting a former or serving public official or one of their family members as an employee, board member or contractor/supplier, special care should be taken to avoid any actual or apparent corruption, conflict of interest or malpractice in connection with such appointment.

In particular, any such relationship must comply with local written laws. In addition, as with any hiring, our hiring standards and qualification requirements, as well as fair market remuneration principles and mandatory conditions, such as individual compliance and acceptance statements of the Peñoles Code of Conduct and Third-Party Code of Conduct, must be clearly applied and documented.

### Participation in Trade Unions

Special attention must be paid to those trade associations that interact with or lobby public officials on behalf of Peñoles, because if such organizations incur in an undesirable situation, they could compromise the Group's reputation and give rise to liabilities. Before initiating or renewing Peñoles' membership in an organization, employees initiating or renewing such membership must meet the requirements for [\(Third Party Due Diligence - TPDD\)](#)

## Reporting and Recordkeeping

Any activity mentioned in the "basic guidelines" or "business interactions" sections of this document must be identifiable and properly recorded and documented.

If any person directly or indirectly requests personnel to carry out an undesired activity towards another person, in breach of this guideline, it is mandatory to report the facts immediately to the Compliance and Risk Director or through the Peñoles Línea Correcta whistleblower hotline through its communication channels.:

- W-mail address: [penoles@lineacorrecta.com](mailto:penoles@lineacorrecta.com)
- Website: <https://penoles.lineacorrecta.com>
- Toll Free Phone Calls: 800 002 8477 (Mexico)
- Instant Messaging: (52) (155) 6538 5504 (Mexico)

## Disciplinary Measures

Peñoles has an Ethics and Corporate Values Committee, which is a multidisciplinary body made up of senior management that, among other functions, determines the remedial actions and disciplinary measures applicable to situations that represent non-compliance with applicable regulations (internal/external) or conduct contrary to the Code of Conduct, including those related to acts of bribery and corruption. Remedial actions and disciplinary measures will vary depending on the severity of the offense committed and may include those mentioned in the Code of Conduct, as well as any other actions that may be legally applicable.

With respect to our business partners, the Ethics and Corporate Values Committee, supported by the Compliance Department, monitors adherence to the Third-Party Code of Conduct, and also determines remedial actions and disciplinary measures in the event of situations or behavior contrary to the Code. Other disciplinary measures may include suspension of the commercial relationship, termination of the commercial contract and/or any other legally appropriate measures.

Finally, it is noted that the General Law of Administrative Responsibilities, the Federal Criminal Code, the National Code of Criminal Procedures and the Criminal Codes of each of the states of the Mexican Republic, together with the UK Bribery Act 2010, include both corporate and individual sanctions, including administrative or criminal sanctions as appropriate, for persons declared as directly involved or complicit in acts of bribery or corruption.

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## Training

Ethical principles are expressly included in the Peñoles Code of Conduct, which applies to all employees. Certain personnel, identified as high exposure employees, must satisfy additional training requirements, such as online training and face-to-face courses, in both cases the frequency must be sufficient to keep their skills up to date and be prepared to respond to their duties. The information must be provided by a member of the Compliance and Risk Department or by a person who has received the appropriate training; furthermore, such training must be documented by means of a record.

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## Consultation, assessment and approval

Requests for consultation, assessment and approval related to this guideline should be sent to the Compliance and Risk Department.

In addition to the specific assessment and approval requirements mentioned in the previous sections, if the employee has any concerns about a transaction, because it could be considered bribery, corruption or undue advantage, he/she must preliminarily request the advice and approval of the Compliance and Risk Department.

E-mail addresses to contact the Compliance and Risks Department are the following:

- [Orientacion\\_Eticacumplimiento@penoles.com.mx](mailto:Orientacion_Eticacumplimiento@penoles.com.mx)

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## Definitions

### Promotional Items

Promotional items contain a company's logo for advertising purposes; they are of low value and are delivered in an obvious manner. For example: agendas, calendars, pencils, pens, mugs, key rings, or similar items. Similarly, promotional items are the only gifts that Peñoles gives to its customers, suppliers and third parties with whom it maintains business relationships.

### Corruption

It is the abuse of power for one's own benefit or that of a third party. Corruption encompasses a variety of situations, such as bribery, nepotism, collusion, influence peddling, facilitating or accelerating payments, conflicts of interest, theft, extortion, embezzlement, fraud, misuse of resources, and others.

Corruption may be committed by public officials, entities that handle public resources and are in authority vis-à-vis private individuals, company officials and private companies with the aim of obtaining a business advantage or a decision that would not have corresponded but for such activities, conduct or omissions.

### Donation

Free and voluntary delivery of an asset given or received by Peñoles with a genuine interest in contributing to a specific purpose, whether monetary, in kind, in the form of time or any other material benefit and a genuine interest in contributing to a specific purpose or a combination of these, without demanding in exchange any favor or consideration.

### Entertainment

An activity intended to provide enjoyment, amusement or recreation, such as a show, performance or sporting event, to a Peñoles employee in the company of a third party (e.g., a current or potential customer, business partner, supplier, or public official). If both a Peñoles employee and a third party are not present at the activities or meals, they will be considered a Gift, and the rules relating to them must be applied.

### Family member

Refers to (a) immediate family members (spouse, partner, parents, grandparents, children, stepchildren and siblings), persons in a romantic relationship (girlfriend or boyfriend) or persons with whom you are in a

personal relationship of trust (mother-in-law, father-in-law, brothers and sisters-in-law, compadres and comadres).

For the purpose of this document, the following are considered family members:

1. By blood: father, mother, grandfather, grandmother, child, fully adopted child, sibling, half-sibling, grandchild, uncle, cousin, nephew or niece),
2. By affinity: spouse, common-law spouse, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepson, brother-in-law, sister-in-law).
3. By custom: godfathers, godmothers, godchildren.
4. By proximity: Anyone with whom the employee has a personal, trusting and unconditional relationship whose nature may interfere with his or her ability to make objective and fair business decisions. This typically includes girlfriends, boyfriends, friends (e.g., childhood, college or recent) and generally those with whom you spend a lot of time on a regular basis.

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| <b>Government Officials</b>    | Any officer, employee, candidate for elected office or other person acting on behalf of a government, its department, agency or governmental body.  |
| <b>Political Lobbyists</b>     | Individuals or companies that communicate directly or indirectly with public officials to influence policies, laws, programs, regulations or stances. They may engage in activities related to politics or other official acts, or advise Peñoles on such matters.  |
| <b>Hospitality</b>             | Refers to the act of facilitating business travel, which is domestic or international travel (including flights, transportation, lodging and other related expenses) provided by Peñoles employees to third parties or travel accepted by any Peñoles employee, third party or representative to perform work for Peñoles for a legitimate business purpose beyond developing business relationships. To be considered hospitality, the person facilitating the hospitality must be present and there must be a legitimate business purpose. Otherwise, hospitality must be considered a Gift and the rules regarding Gifts must apply. |
| <b>Governmental Agency</b>     | Any government-controlled entity; this includes some governmental universities, hospitals and commercial entities. An entity is controlled by the Government if the Government (a) owns or controls 50% or more of the shares of the entity or (b) may otherwise direct the management, policies or affairs of such entity.   |
| <b>Sponsorship</b>             | Support the needs of a third party to promote business with Peñoles.<br>Involve a monetary or in-kind contribution to a charitable or non-profit organization in exchange for the continued rights to be associated with an activity, item, person, organization or property or in exchange for building a reputation.  |
| <b>Employees</b>               | Any person who works for Peñoles, under the terms of an employment contract, whether temporary or permanent.  |
| <b>High-Exposure Personnel</b> | All personnel who perform their duties in the following roles or positions: Director of Grupo Peñoles, Directors, Assistant Directors, Managers, Superintendents, all personnel employed who have contact with public officials and all personnel employed who are involved in any purchase and sale procedure either with customers or suppliers.  |
| <b>Gift</b>                    | Any object of value (except hospitality) given or offered to a person, such as a material gift, benefit, gratuity, loan, discount or scholarship. It also includes anything of no economic value such as a favor or benefit, or of an intangible nature that is of value to the recipient.  |
| <b>Bribery</b>                 | When the employee or third party promises, offers or delivers any undue benefit to one or more public servants, public entities or individuals, directly or through third parties, in exchange for such public servants, public entities or individuals to perform or refrain from performing an act related to their functions or those of another public servant, entity or individual, or abuse their real or supposed influence, with the purpose of obtaining or maintaining, for themselves or a third party, a benefit or advantage, regardless of the acceptance or receipt of the benefit or the result obtained.              |
| <b>Undue Advantage</b>         | Refers to something to which the company or person in question has no clear or legitimate right, such as an operating license for a factory that does not meet regulatory requirements.   |

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| <b>Procedure Flows</b> | <b>Forms/ Templates</b> |
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| <b>Annexes</b> | <ul style="list-style-type: none"> <li>• <a href="#">N/A</a></li> </ul> |
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**Information to update the present document**

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