



COMPLIANCE

Corporate Integrity Manual

Objective

Establish mechanisms for prevention, compliance, supervision and accountability to avoid acts related to administrative misconduct and the Code of Conduct by Peñoles employees in their business relationships with other people, especially entities and public servants, in accordance with articles 24 and 25 of the General Law of Administrative Responsibilities (LGRA) and the best corporate practices applicable to Peñoles.

It includes the Group's vision, mission and corporate values, its organisational structure, its corporate leadership scheme, its training and communication programmes, as well as the mechanisms for evaluation, verification and monitoring of compliance with the internal and external regulations applicable to the Companies.

Scope

It is applicable to all personnel employed by Peñoles (directors, managers, leaders, advisors, facilitators, temporary staff and interns), and who maintain a business relationship in representation (legal or factual), on behalf of and/or in the name of Peñoles with any public entity, public servants, authorities, individuals and, in general, with any third party.

Operational Rules

General Principles

The following general policies shall be followed by employed personnel:

- i. Inappropriate influence
Influence peddling is prohibited and employees must not inappropriately influence public servants, customers, suppliers or any third party by offering them anything of value to obtain an advantage for the benefit of Peñoles. For further information please refer to [Procedure for donations, sponsorships, presents, hospitality and entertaining](#).
- ii. Bribery, extortion and facilitation payments.
 - It is prohibited to promise, offer or give anything of value to public servants, customers, suppliers or any third party, either directly or indirectly, in exchange for realization or refraining from realization of activities related to their duties.
 - Payments outside the regulations, made to facilitate or expedite the obtaining of a license, authorization, permit and in general any governmental procedure are prohibited, even when the payment is requested by public servants or is considered a common practice. For further information please refer to [Procedure for relationships with government](#).
- iii. Unlawful participation in administrative proceedings and collusion.
 - All employees shall carry out the principles of integrity presented in this manual in private contracting, always complying with the corresponding internal procedures.
 - Employees shall refrain from colluding with third parties, whether in the public or private sector, for the purpose of improperly obtaining any public or private sector procurement.
- iv. Adequate documentation as a means of prevention.
Ensure that the books, records and accounts clearly and adequately reflect and document Peñoles' business activities and affairs in accordance with internal procedures, best practices, laws, rules and regulations applicable in Mexico.
- v. Hiring public servants and former public servants, as well as persons who do not comply with the restrictions stipulated in the LGRA.
 - Human Resources areas shall ensure that their recruitment procedures are in compliance with the LGRA.
 - They must refrain from hiring, within the periods established by regulation, a public servant, Public Official or public employee who possesses privileged information that he/she has directly acquired as a result of his/her employment, and which could generate a benefit for Peñoles in the market or place it in an advantageous situation compared to its competitors. For further information please refer to [Procedure for recruitment, selection and hiring personnel](#).
- vi. Proper handling or safeguarding of information.
 - It is the responsibility of employees to register, integrate, safeguard and take care of the

documentation and information for which they are responsible and to prevent or avoid its improper use, disclosure, theft, destruction, concealment or disuse without such actions being carried out in accordance with the provisions of internal regulations.

- Obstruction of investigative powers by providing false information, delaying its delivery, manipulating, altering or deleting any type of file, whether digital or physical, which is the subject of any investigation or request by the authorities is strictly prohibited.
- The use of false information to obtain a sale, an authorisation, a benefit or to harm any person is prohibited.

vii. Concealing the true purpose of certain transactions.

Practices that create the appearance of compliance but are intended to conceal an agreement or transaction that results in non-compliance with laws should be avoided.

viii. Misuse of public resources.

In the case of public resources, they should be used in accordance with the established objective and with transparency in the rendering of accounts in order to verify the destination of such resources.

Elements of the Organization and Procedures

corporate integrity regulations.

Peñoles has regulations related to Organisation and Procedures, which are intended to define the duties, functions, powers and responsibilities of each of Peñoles' areas, as well as those of its employees, and to clearly specify the chains of command and leadership. To this end, it must have the following elements, which will be updated and reviewed on an ongoing basis:

- 1) Corporate Organization Chart: reflects the location of positions within the organizational structure, indicating the reporting lines for the main positions that make up the corporate organization.
- 2) Job descriptions: is the process through which the functions and responsibilities, chain of command and leadership are determined for each position within Peñoles' organizational structure, taking into account their purpose in terms of their expected objectives. Likewise, the characteristics of the people who occupy each position (in terms of technical and professional capacity, experience, competencies, aptitudes, integrity, honor and credibility). These aspects should be taken into account when carrying out the recruitment process of the personnel to be hired to fill each of the posts (indefinite and temporary), always in strict compliance with human rights.
- 3) The areas and individuals who have a relationship with public entities and authorities for business purposes, attention to requirements, inspections, audits, and any other relationship with them and who must conduct themselves with a sense of legality, integrity and transparency in such corporate relationships, in accordance with this manual and the Code of Conduct, must be duly identified.
- 4) Internal Working Regulations: This is the set of mandatory internal labour provisions applicable to employees and to Peñoles to ensure the proper performance of their duties.

The Human Resources area of Peñoles will be responsible for managing, ensuring and promoting, through the correct application of the applicable labour regulations, that relations between employees, trade unions and Peñoles develop within a framework of legality, integrity, ethics, respect, justice, transparency and fairness in order to facilitate and promote compliance with labour regulations, to the benefit of both employees and Peñoles.

Code of Conduct

Peñoles has a Code of Conduct (Code) approved by the Corporate Governance body or corresponding official, duly disseminated, published and socialised among Peñoles employees, so that they are aware of it, understand it and apply it and have systems and mechanisms for its application and constant supervision of its compliance and updating.

The Code defines the ethical standards that guide the corporate actions of all Peñoles employees, as well as the standards that must be present in Peñoles' decision-making and management. Among the guidelines included in this Code are those governing employees when dealing with stakeholders (i.e. all those who may be affected, directly or indirectly, by the development of business activities), authorities or interested third parties to avoid illegal acts, corruption, bribery, conflict of interest or any other act that goes against the Group's corporate values; as well as guidelines that establish the obligation to maintain knowledge and application of the laws, regulations, policies and procedures, both internal and external, applicable to Peñoles' activities, by all employees.

It is the obligation of all employees to accredit their knowledge and understanding of the Code and its annual certification through the systems designated for this purpose, otherwise, they must report it to their immediate supervisor, the Ethics and Corporate Values Committee or the Director of Compliance and Risks to request that the Code be made known to them, as well as submitting their written declaration of compliance and

knowledge of the Code and the declaration on conflicts of interest annually or earlier, if applicable.

The content of the Code and any amendments to it must be authorised by the corporate governance bodies or corresponding officers of Peñoles, in accordance with applicable legislation, as well as best corporate practices that ensure the development of Peñoles' activities in an environment of corporate and business ethics. The Code must be reviewed and approved periodically.

Third Party Code of Conduct

The Code of Conduct for Third Parties was approved by the Corporate Governance Body and is aligned with the Peñoles Code of Conduct. This Code contains the behaviors and conduct expected from Third Parties as a regulatory framework in order to be consistent with the principles that distinguish us as an organization.

The Code of Conduct for Third Parties expressly states the behaviours expected of our business partners and constitutes the guideline for the initiation and maintenance of any business relationship with Peñoles. The Code was developed in compliance with applicable regulations and adherence to internationally recognised standards such as the United Nations Global Compact, the core conventions of the International Labour Organisation and guidelines promoting corporate responsibility issued by the Organisation for Economic Co-operation and Development (OECD) and the United Nations (UN).

To ensure a responsible supply chain, all Peñoles third parties must formalise their adherence to the Code of Conduct for Third Parties by signing the corresponding letter of commitment to the Code of Conduct for Third Parties.

Hotline for Complaints

Peñoles has implemented a whistleblowing hotline that can be used by employees and/or third parties, called the Correct Line. Disciplinary processes and specific sanctions must be applied in respect of those who act in a manner contrary to the Code, the Corporate Integrity Manual and other internal rules or applicable legislation. In cases where the situation justifies it, the competent authority will be informed.

All Peñoles employees and third parties with whom the company interacts are responsible for reporting deviations, breaches or violations of the Code of Conduct and the Code of Conduct for Third Parties, as well as any applicable internal or external regulations, through any of the reporting channels implemented (telephone line, email, instant messaging and website, etc.).

It is strictly forbidden to retaliate against anyone who makes a report based on factual allegations. Furthermore, Peñoles must make its employees aware of the responsible use of the reporting systems in order to avoid false reports.

If there is any question about the whistleblowing process, the Compliance and Risk Director should be contacted.

A number of anonymous and confidential means of communication are available to facilitate the reporting process and can be found at the following link: penoles.lineacorrecta.com

Ethics and Corporate Values Committee

The Ethics and Corporate Values Committee is a body made up of officials from different areas responsible for holding regular meetings to review, update, monitor and follow up compliance with the Code. This Committee is empowered to hear, analyse and sanction complaints involving breaches of the Code. All complaints are treated anonymously and confidentially.

Whistleblower protection

For the protection of whistleblowers who make known or report to Peñoles the probable existence of administrative misconduct, violations of the Code or of applicable internal and external regulations, or those whistleblowers who present or help to raise a genuine concern about the lawfulness, legality, diligence, integrity, ethics, honorability, permissibility, authorization and/or any other, regarding any conduct, contract, tender, permit, license, relationship, transaction, omission, intermediary, supplier, person, entity, authority and/or situation in general related to the development of corporate activities; The Code states that it is prohibited to impose any form of punishment or retaliation against whistleblowers. Retaliation will be grounds for internal disciplinary measures, which may even constitute grounds for justified dismissal.

All Peñoles employees and third parties interacting with the company must inform the Ethics and Corporate Values Committee, the Compliance and Risk Director or the whistleblower hotline when they are unable to perform their duties due to pressure, harassment, oppression, violence, intimidation, coercion, threat, blackmail, duress and/or the like by a third party as a result of their position, office, position, hierarchy, prestige, authority or influence in Peñoles.

Control, monitoring and audit systems

Compliance

The Compliance and Risk Director is responsible for establishing an adequate and effective control and monitoring system that constantly and periodically examines compliance with integrity standards throughout the organization. Its objective is to ensure the design, establishment, verification and updating of policies, processes, guidelines and controls that promote compliance with internal and external regulations applicable to both Peñoles and its employees in relation to its corporate and business activities. Among its functions are:

- 1) To foster a culture of compliance with applicable internal and external regulations among Peñoles employees, emphasizing to all levels of staff the importance of their implementation and compliance, as well as integrity in their professional conduct, avoiding practices that may generate incentives or opportunities for the realization of inappropriate, criminal, dishonest, deceitful, improper, unlawful or illegal activities or activities that go against corporate principles and values.
- 2) Definition of internal activities and mechanisms for the prevention and detection of non-compliance, including evaluation measures for each area, and follow-up controls in respect of possible non-compliance with internal and external regulations applicable to Peñoles. Prevention activities must ensure that areas with potential conflicts of interest are identified in order to implement the necessary and effective measures to prevent and sanction conduct that compromises the impartiality of employees in the ethical, efficient and objective performance of their duties.
- 3) Supervise compliance with applicable external and internal regulatory provisions, including but not limited to the analysis of regulatory changes and updates that apply to them, attention to official letters and other information issued by the authorities.
- 4) Implementation of internal monitoring and remediation mechanisms that allow for the understanding of the reported situation, providing the results and recommendations derived from the compliance function with the purpose of ensuring the application of the corresponding corrective, preventive and improvement measures.
- 5) Establishment of internal information and communication mechanisms, implementing clear and timely lines of communication and reporting. These lines of communication within Peñoles should encourage the reporting of administrative offences, breaches of applicable internal and external regulations, as well as any problems, complaints, concerns, doubts, comments or suggestions regarding the day-to-day activities carried out by employees in the performance of their duties, in order to prevent employees from concealing information and to foster a working environment of regulatory compliance and continuous corporate improvement. To this end, the information and communication mechanisms should provide, when the urgency or relevance of the situation so warrants, for the possibility of direct reporting without necessarily observing the Company's chain of command.

Any action that could result in a violation of this procedure or any other applicable internal or external regulations must be reported to the Compliance and Risk Director who will escalate the highest risk issues to the appropriate corporate governance body.

Audit

Peñoles' Internal Audit Function must include in its audit programme a review of the effectiveness of the controls implemented to ensure compliance with internal integrity standards, as well as the sufficiency and suitability of such standards, in order to detect and, where appropriate, prevent acts related to bribery, corruption, administrative offences or breaches of any external or internal regulations applicable to corporate and business activities carried out by employees, suppliers or third parties.

Training systems and processes

Training

The Compliance and Risk Department, in coordination with Human Resources, is responsible for establishing adequate training and education systems and processes with respect to the integrity measures contained in this manual. To this end, it shall draw up and implement a risk-based training program, with the aim of ensuring that all employees who, by reason of their position, function and/or area, or processes in which they are directly or indirectly involved, and/or who by provision of applicable internal or external regulations require ongoing or specific training, are given such training in accordance with the time, form and content required, in conjunction with the experts in the subject to be trained.

Dissemination of the regulatory framework

Peñoles has tools through which internal policies, standards and procedures, as well as laws, regulations, codes and other legal or corporate provisions applicable to Peñoles and its activities are disseminated, socialized and explained to employees. These tools will be accessible to all employees, with some exceptions for confidentiality reasons.

In addition, Peñoles must have procedures in place to ensure that business relations with customers and suppliers, as well as relations with the authorities, are conducted in an environment of ethics, integrity, transparency and legality, providing security for both Peñoles and its stakeholders.

The following documents are some of those that should be considered part of this Corporate Integrity Manual and should be disseminated:

- [Policy of Integrity and Compliance.](#)
- [Code of Conduct.](#)
- [Code of Conduct for Third Parties](#)
- [Procedure for personnel recruitment, selection and hiring.](#)
- [Procedure for anticorruption and bribery o](#)
- [Procedure of authorization and verification of travel expenses and local expenses.](#)
- [Procedure for relationships with government o](#)
- [Procedure for donations, sponsorships, presents, hospitality and entertainment.](#)
- [Manual of compliance with the Federal Law for Prevention and Identification of Transactions with Resources of Illegal Origin.](#)
- [Procedure for the *Third Party Due Diligence* - TPDD.](#)
- [Guideline procedure for personal data management.](#)
- [Procedure for conflicts of interest management.](#)
- [Procedure for fraud prevention and deterrence.](#)

Human Resources Procedures

Human Resources procedures aim to recruit suitable candidates who meet the profile of the position, in an environment of integrity, legality and corporate ethics. Under no circumstances should these procedures authorize discrimination against any person based on ethnic or national origin, gender, age, disability, social status, health conditions, religion, opinions, sexual preferences, marital status or any other factor that violates human dignity and is intended to nullify or undermine the rights and freedom of individuals.

The procedures must establish that persons entering as employed personnel must meet the requirements of technical and professional quality, aptitudes, experience, specific skills, honorability and credibility to carry out in a competent, integral and ethical manner the functions and responsibilities assigned to them according to the hierarchical level and position to be performed.

The Human Resources area, when it deems it necessary, should apply additional confidence tests to employed personnel that allow and help to measure the potential risks of inappropriate behavior within Peñoles.

Transparency mechanisms and disclosure of interests.

Peñoles shall establish mechanisms to ensure transparency and disclosure of corporate interests at all times, to that end, we must meet the following criteria:

- Complies with securities market disclosure requirements.
- Keeps its corporate and accounting records up to date and in accordance with the applicable regulations.
- Employees and suppliers declare on an annual basis or when they arise, the relationships that could generate potential conflicts of interest in order to prevent and sanction conduct that compromises the impartiality of personnel in the ethical, efficient and objective performance of their duties.
- The Code of Conduct, the Code of Conduct for Third Parties, the Integrity and Compliance Program, as well as various guidelines related to this Program, are made public on Peñoles' websites.

Sanctions

Violations of the rules contained in this document will result in justified disciplinary measures dictated by the Ethics and Corporate Values Committee that will vary, depending on the circumstances and seriousness of each case based on the provisions of the Code of Conduct, the Internal Labor Regulations and, if necessary, those established in the applicable laws.

Guidance

If you have any questions or concerns regarding the contents of this Manual, please contact the Compliance and Risk Management Department directly at the following e-mail address: Orientacion_Eticacumplimiento@penoles.com.mx

Definitions

- Client:** Beneficiaries and contractors of any of the goods or services rendered by the Companies.
- Employee:** Any individual who renders services to the Companies, including directors and executives, who are part of its organizational structure and who maintain a business relationship in representation (legal or factual) of the Company.

Extorsion:	Unlawful use of a public office or position to obtain property or funds; as well as, to oblige and/or force another to give, do, stop doing and/or tolerate something, with the purpose of obtaining a benefit for oneself or for another, causing a patrimonial detriment to someone else.
Lack of probity:	Acts or omissions of private individuals or legal entities that are related to or may give rise to administrative offenses.
Fraud:	Deliberate deception put into practice, or the taking advantage of the error in which another is, with the intention of obtaining some undue advantage.
Individual:	Any person capable of contracting obligations and exercising rights.
Legal Entity:	It is an organization of persons capable of contracting rights and obligations, as well as the Mexican nation, the states, Mexico City and the municipalities.
Provider:	Any individual or legal entity, including their representatives (legal or factual), employees and jointly and severally liable persons, who carry out the sale or rental of any type of goods or the rendering of services to the Companies.
Collusion:	When the employee or third party executes with one or more private parties, in matters of public contracting, actions that imply or have the purpose or effect of obtaining an undue benefit or advantage in federal, local or municipal public contracting. Collusion shall also be considered when employees or third parties agree or enter into contracts, agreements, arrangements or combinations among competitors, the purpose or effect of which is to obtain an undue benefit or cause damage to a third party, the public treasury or the assets of public entities.
Conflict of interest:	A situation in which an employee's professional judgment or behavior in relation to his or her work or in the care of IPSAB may be affected by an interest other than the interest of the Organization. This interest may be personal, that of their family members, that of a third party or of another person with whom the employee or their family members have a close relationship.
Improper hiring of former public servants:	When hiring someone who has been a public servant during the year prior to the date of hiring in the company, who possesses privileged information directly acquired by reason of his employment, position or commission in the public service.
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, misuse of resources, among 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.
Public Entity:	The legislative, executive and judicial branches, the Secretaries of State, the Legal Counsel's Office, autonomous constitutional bodies, parastatal entities, majority state-owned companies; agencies, organs, agencies and entities of the Federal Public Administration (centralized and parastatal), public trusts, the Federal Attorney General's Office, jurisdictional bodies that are not part of the judicial branches, state productive companies; as well as any other entity over which any of the aforementioned branches and public bodies of the three levels of government have control; as well as the counterparts of all the aforementioned public entities and entities that exist in the federal entities, municipalities and mayor's offices of Mexico City and their agencies and entities; as well as the public servants of the agencies to which the Political Constitution of the United Mexican States grants autonomy (for example, Banco de México, National Electoral Institute, National Human Rights Commission, National Institute of Statistics and Geography, Federal Institute of Telecommunications, Federal Economic Competition Commission, National Institute of Transparency, Access to Information and Data Protection, Attorney General's Office); as well as the counterparts of all these public servants that exist at the state, municipal and Mexico City territorial demarcation levels.
Administrative Offense:	These are the acts provided for in Chapter III, Title Three of the LGRA, which are mentioned in this manual. As well as the misdemeanors that, under the terms of the LGRA, are sanctioned by the Secretaries of State and the Internal Control Bodies. Any non-compliance with this document or with any other internal regulation that must be sanctioned in accordance with the Code of Conduct is also considered an administrative offense.
Civil servant or public official:	Any person who holds a job within the structure of the Mexican State; such as, among others: <ul style="list-style-type: none"> • Personnel employed by any public entity at the national, state or local level. • Elected or appointed public officials and their family members, including former and current officials, and those waiting to take office. • Political party leaders and staff employed by political parties. • Candidates for elected office. <p>Personnel employed by organizations covered by international treaties, especially those to which Mexico is a party, for example, the European Union, United Nations, Inter-American Court of Human Rights, Organization for Economic Cooperation and Development, World Bank, International Labor Organization, World Health Organization, International Monetary Fund, etc.</p>

LGRA:	Means the General Law of Administrative Responsibilities, which is an ordinance of public order and of general observance throughout the Mexican Republic, whose purpose is to distribute competencies among the levels of government to establish the administrative responsibilities of public servants, their obligations, the applicable sanctions for the acts or omissions in which they incur and those that correspond to individuals linked to administrative offenses, as well as the procedures for their application.
Obstruction of investigative powers:	When the employee or third party, having information related to an investigation by the competent authorities regarding the probable commission of administrative misconduct, provides false information, deliberately and unjustifiably delays the delivery thereof, or fails to respond to the requirements or resolutions of the investigating, substantive or adjudicating authorities, provided that the employee or third party has been previously imposed with measures of constraint in accordance with the applicable provisions. For the purposes of this Corporate Integrity Manual, this may also be considered as obstruction of investigative powers, even when there has not been the imposition of measures of compulsion.
Unlawful participation in administrative proceedings:	When the employee or third party performs acts or omissions to participate in such administrative proceedings, whether federal, local or municipal, notwithstanding the fact that by law or resolution of a competent authority he/she is prevented or disqualified from doing so. It is also considered when the employee or any other person intervenes in his own name, on behalf of or in representation (legal or factual) of others, or on behalf of Peñoles, when they are prevented or disqualified from participating in federal, local or municipal administrative proceedings, with the purpose of obtaining, totally or partially, the benefits derived from such proceedings.
Private individuals or entities:	Any individual or legal entity that does not belong to, work for, represent (legally or factually), or act (legally or factually) in the name of or on behalf of a public entity.
Bribery:	When the employee or third party promises, offers or delivers any undue benefit to one or more public servants, public or private entities, directly or through third parties, in exchange for such public servants, public or private entities 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 retaining, for themselves or for a third party, a benefit or advantage, regardless of the acceptance or receipt of the benefit or the result obtained.
Influence Peddling:	When the employee or third party induces the authority by using his influence, economic or political power, real or fictitious, over any individual, public servant or public official, with the purpose of obtaining for himself or for Peñoles a benefit or advantage, or to cause harm to any person or to the public service, regardless of the acceptance of the third party, or the result obtained.
Misuse of public resources:	When employees or third parties perform acts by means of which they appropriate, misuse or deviate from the purpose for which the public resources are intended, whether material, human, financial or of any other nature, when for any reason they handle, receive, administer or have access to these resources. Also considered as misuse of public resources is the failure to render accounts that prove the destination of such resources.
Use of false information:	When employees or third parties present false or altered documentation or information, or simulate compliance with requirements or rules established in administrative procedures, with the purpose of obtaining an authorization, a benefit, an advantage or to harm any person.

Procedure Flow	Templates
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Annexes	• N/A	• N/A
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Information to update the present document

Date of Issuance / Current Date	Next revision	Version
January 2019 / September 2021	September 2023	2