



# CODE OF ETHICS AND CONDUCT FOR THIRD PARTIES

RELATED FROM THE COMPANIES  
PEÑOLAS AND FRESNILLO PLC

# INTRODUCTION

At Peñoles and Fresnillo plc (hereafter, the Organization) we conduct ourselves ethically in all our operations and business relationships, demonstrating this through our culture and the consistency of our actions and behaviour. Our values form the foundation of this culture and ethical conduct, which is why we extend them to the Third Parties with whom we establish business relationships, as they are essential to our value chain. Therefore, the Organization establishes this Code of Ethics and Conduct, to ensure that the behaviour of Third Parties with whom it interacts aligns with our culture throughout our business relationship.

This code is based on the Organization Code of Conduct, as well as the principles established in the United Nations Global Compact, in the areas of human rights, labour, the environment and anti-corruption. We expect third parties in turn to promote and apply these standards or their equivalents in their own value chains, thus generating a virtuous circle that benefits the entire industry and the community at large.

Third Parties with whom the Organization interacts are expected to behave ethically, maintaining honest, respectful, transparent, equitable, and fair relationships, always acting with integrity, in accordance with the law and the guidelines of this Code.

The Organization maintains internal norms as part of the Corporate Governance of each company. These norms encompass policies and procedures designated by each company, which are mandatory, and include guidelines for the evaluation and engagement of Third Parties. This Code serves as a reference framework for the actions of our Third Parties.

The hiring, Compliance and Audit departments are responsible for verifying the compliance with this Code in our relationships with Third Parties.

# MESSAGE FROM THE OFFICE OF THE CEO

The recognition of Peñoles and Fresnillo plc in the industry and the trust our stakeholders place in us is a tangible manifestation of always working in adherence to our institutional values of Confidence, Responsibility, Respect, Integrity, and Loyalty (CRIL) and in strict compliance with the applicable laws and regulations.

We recognize that our third parties contribute to the Organization success by establishing mutually beneficial, long-term strategic and commercial relations, that enable us to work together sustainably to create value, based on sound business practices and a solid ethical commitment.

Additionally, their cooperation is key to fulfil our vision, promoting to ethically managing our companies by enabling us to establish responsible supply chains that positively impact the environment and foster the wellbeing and development of society.

Given the importance of a close cooperation with our commercial partners, we share and communicate the guidelines and expected behaviours set out in our Third-Party Code of Conduct, which are the standards to establish and maintain business relationships with the Organization.

We are grateful for your adherence to this Code and to communicate its content to their collaborators to promote principles and practices herein. We are confident that with their support, we can build a more ethical society with an unwavering integrity and promote long-term relationships of mutual benefit that ensure sustainable business growth based on a culture of integrity and corporate responsibility.



**RAFAEL REBOLLAR**  
Chief Executive Officer  
Industrias Peñoles, S.A.B.  
de C.V.



**OCTAVIO ALVÍDREZ**  
Chief Executive Officer  
Fresnillo plc

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## I. DURATION AND OBJECTIVES

This Code of Ethics and Conduct defines the ethical standards that must guide the conduct of all Third Parties engaging with Peñoles and Fresnillo plc. It is mandatory and remains valid indefinitely as long as the business relationship is maintained.

The term “Third Parties” refers to, but is not limited to, consultants, external representatives, distributors, agents, dealerships, advisors, franchisees, external accountants and lawyers, sales representatives, customs agents, similar intermediaries or any supplier of products or services with whom the Organization companies have a relationship. This concept also includes all Business Partners with whom the Organization conduct business, as well as any person interacting with entities or government officials at

any level of government, on behalf of their engaging company.

The Code clearly sets out the guidelines our business partners must adhere to, who, in turn, are expected to promote, use, and respect such standards in their own value chains to generate a virtuous circle that benefits society as a whole.

The signature of a letter of adherence to the code is a requirement to start a business relationship with the Organization, therefore its compliance is mandatory and is considered an extension to the terms and conditions ruling any existent agreement or contract entered by the Organization companies and its Third Parties.



## II. CORPORATE **VALUES**

# T R I L

The reputation of the Organization has been forged and remains constant thanks to the principles upheld by our employees both within and outside the workplace; it is our individual commitment to uphold the following values:

## **A) TRUST**

We trust our capacity as a team, the sum of talents and the consistent work of each person to achieve extraordinary results.

## **B) RESPONSIBILITY**

We fulfil our commitments and attain our goals, taking full responsibility for our actions, decisions, and results.

## **C) RESPECT**

We acknowledge the value inherent to each person, so that they are treated fairly, without any distinction whatsoever, in order to preserve their dignity and integrity, avoiding any conduct that could be offensive. Of essence to this principle is that we value the views and beliefs of all people and communities. Therefore, we listen to ideas different from ours, we recognize their value and accept the right of people to disagree. Moreover, we have a profound commitment to abide the law and its spirit, as well as to protect the environment.

## **D) INTEGRITY**

We always act righteously, following the principles of honesty, truth, justice and transparency, so as to be consistent with what we think, what we say and what we do, as well as to undertake, in an individual, free and conscious manner, the commitment to develop the tasks assigned and the responsibility of performing them carefully and promptly, in order to achieve the quality and excellence that set us apart.

## **E) LOYALTY**

Even in adverse conditions, we always fulfil our commitments with the shareholders, the Group companies, our clients, colleagues, suppliers, the authorities, the society and even with ourselves. We take care of the Group companies' equity by safekeeping the assets entrusted to us, keeping confidential the information we handle and protecting the intellectual property rights and trade secrets of the Group companies.





### III. GENERAL PRINCIPLES

The Organization is committed to excellence and innovation, conducting business in compliance with applicable regulations and establishing relationships with Third Parties based on criteria such as quality, profitability, service, technical capacity, competitiveness, impartiality, economic aspects, experience, in addition to their ethics and integrity, aligned with the needs of The Organization companies.

Therefore, in addition to sharing our values, it is imperative that those who have commercial relationships with the Organization:

- **a)** Are either legally incorporated companies or individuals conducting business both maintaining a reputable standing.
- **b)** Comply with and ensure compliance with relevant laws, regulatory frameworks, and provisions applicable.
- **c)** Base their relationships on good business practices, ethical commitments, and the current legislation, as well as this Code of Ethics.
- **d)** Establish mutually beneficial, long-term relationships.
- **e)** Report, through the “Línea Correcta” hotline reporting mechanism, any unlawful activity, malpractice or breach of this Code or any applicable regulations,

of which they are aware, involving employees of the companies that integrate the Organization or related Third Parties.

- **f)** Impose the appropriate sanctions for non-compliance with this Code.

The development of local third parties is considered a beneficial contribution to the communities in which Fresnillo plc operates. We try to hire locally whenever possible, in keeping with regulatory guidelines and the company’s health, safety and environmental policies.

The minimum expected behaviours from Third Parties include:

- **a)** Consistently fulfilling their commitments, with honesty, and responsibility.
- **b)** Treating the Organization personnel with full respect for their dignity, refraining from any conduct that may be offensive such as harassment, mobbing, discrimination, or defamation. Likewise, treating their own staff with respect and dignity, upholding their human and labour rights.
- **c)** Ensuring there is no forced or child labour.
- **d)** Projecting the good image of the Organization through their appropriate behaviour, especially when acting on its behalf or representing it.
- **e)** Avoiding actions that may jeopardize the safety



- or health of any individuals on the premises of the companies of the Organization.
- **f)** Respecting the established behavioural rules within the facilities of the companies of the Organization.
- **g)** Refraining from misrepresenting facts, information, or documents, and cooperating with investigations regarding violations of this Code of Ethics and Conduct, by truthfully providing information.
- **h)** Promoting and adhering to high standards of environmental protection and community welfare.
- **i)** Safeguarding received confidential information, regardless of the reason of its provision.
- **j)** Respecting individual's privacy.
- **k)** Upon acceptance as a Third Party, affirming their commitment to this Code by signing their adherence, as well as to the Conflict-of-Interest Statement. Ratificar su compromiso con respecto a este Código al momento de ser aceptado como un Tercero, mediante la firma de su adhesión al Código, la Declaración sobre Conflictos de Interés realizada en el proceso de debida diligencia y del Compromiso sobre la Confidencialidad y manejo de la información.

Peñoles and Fresnillo plc maintain a zero-tolerance policy towards bribery and corruption. Therefore, Third Parties associated with the group must adhere to the applicable laws and refrain from:

- **a)** Requesting the Organization personnel or related Third Parties to provide any information related to competitors' quotations or confidential information to receive benefits or advantages such as being hired.
- **b)** Requesting or managing invoice payments outside the agreed terms or deadlines, or beyond our internal policies.
- **c)** Directing payments to entities or individuals other than those stipulated by contract, or genuinely associated to the Organization companies.
- **d)** Giving or offering gifts, hospitality, sponsorship, incentives, or payments of any kind to the Organization personnel or companies, outside our internal policies.
- **e)** Giving, offering, or receiving gifts, hospitality, sponsorship, incentives, or payments in cash or in kind, to unfairly obtain an advantage, commercial benefit or to illegitimate influence any government authority towards any of the Organization companies.
- **f)** Providing or offering payments or bribes directly or indirectly to expedite any government procedures in which any of the companies of the Organization may be involved.





IV.

# COMPLIANCE WITH LAWS AND **REGULATIONS**



The Organization requires adherence to applicable laws and regulations, and Third Parties are expected to take necessary measures to comply with relevant regulations. Therefore, Third Parties must provide the documentation that may be required by the Group companies to ensure regulatory compliance, such as, the required information to ensure the compliance with the tax and social security obligations of the specialized service providers.

### **a) Protection of Personal Data**

Third Parties must respect the privacy of their employee's and client's data, comply with applicable regulations on personal data protection, handle and safeguard data appropriately and promptly report potential breaches involving the Organization companies.

### **b) Anti Money Laundering**

Third Parties acting on behalf of or associated with the Organization companies must understand and comply with the legal provisions to prevent of money laundering and terrorist financing, ensuring the Organization services or products are not used to conceal or simulate illicit resource origins. The Organization does not engage in business with Third Parties showing objective indications of involvement in such activities.

Peñoles y Fresnillo plc expect related third parties to apply the measures necessary to ensure that the commercial transactions they conduct involve only legally obtained resources.



#### **Behaviours expected from our Third Parties**

- ✓ *Implementing a policy of zero tolerance regarding money laundering and terrorism financing.*
- ✓ *Carefully verifying the identity of companies and individuals with whom they have business relationships to ensure that business transactions are carried out with resources from legal origin.*
- ✓ *Having internal control mechanisms in place to detect timely risk warnings and identify suspicious transactions.*
- ✓ *Immediate notification of cases that require that the Organization pay or receive payment from other entities than the ones set out in the corresponding contract; since without exception all internal administrative requirements must be fulfilled, such as the Third-Party Due Diligence Process.*



#### **Behaviours opposed to the Code**

- ✗ *Ignoring signals of warning, risk alerts, and suspicious transactions that could show inappropriate behaviours and/or involvement in illegal activities in their operation or in connection with it.*
- ✗ *Knowingly participating in transactions that facilitate money laundering or terrorism financing to get a financial gain and/or other reasons.*
- ✗ *After completing business transactions, requesting the Organization for making payments or receiving payments from individuals or entities different from the ones that provided the goods or services or different from the ones to which goods or services were delivered to, and with which there is no agreement ruling such transaction or Third-Party Due Diligence Process.*



### c) Crime prevention

Peñoles and Fresnillo plc are committed to prevent crime within its companies, requiring diligent compliance with applicable laws from all related Third Parties.

Third Parties must immediately report, through the whistleblower hotline ("Línea Correcta"), any crimes potentially affecting or related to the Organization.

Third Parties are expected to maintain effective controls for crime prevention and in case of crime being committed by their personnel to the detriment of the Organization, establish corrective measures.

The Organization companies will enforce appropriate disciplinary measures, in addition to any legal consequences.



#### Behaviours expected from our Third Parties



*In case of knowing about the commission of any crime, report it to the authorities and/or to the whistleblowing line "Línea Correcta".*



#### Behaviours opposed to the Code



*Gaps in compliance with the law and/or internal policies to which our Third Parties abide while being in the Organization companies' facilities.*



#### Behaviours expected from our Third Parties



*Performing their duties in accordance with the legal framework, promoting the highest standards of corporate, operative, and social responsibility.*



*Fulfilling the obligations set out in the service and mining works agreements entered with the Organization.*



*Continuous oversight of the legal and regulatory changes that could have an impact on their operations and compliance with the applicable regulations.*



#### Behaviours opposed to the Code



*Failure to give timely notice to the Organization about any legal breach that could negatively impact our organization.*



*Knowingly benefiting from the violation of any current and applicable regulation.*



*Subcontracting services to perform works or dealings that the Third Party previously agreed to do for Peñoles and/or Fresnillo plc or on its behalf, without its prior written approval. This would increase the risk for the Organization to be perceived as a participant in unlawful or illegal actions made by other entities since those actions are being carried out for its benefit.*

### d) Outsourcing of specialized services

A third party is considered to provide services or specialized works when these are different from those considered in the corporate purpose and economic activity of the contracting party and for this purpose it provides its own workers at the contracting party's facilities. The Organization companies may only outsource specialized services to Third Parties, duly registered in the registry of the Department of Labor and Social Welfare (Secretaría del Trabajo y Previsión Social) and that provide all the information requested by the Organization companies to demonstrate compliance with the applicable tax and labour requirements, committed to continue providing the information required of them, and may only begin to provide services or specialized works, provided that they have a contract with the contracting company.

### e) Fair competition

The Organization promotes healthy, fair, and free competition in its business, expecting Third Parties to comply with applicable competition and antitrust laws and regulations, including:

- Independently participating in procurement processes, tenders, or bids.
- Refraining from agreements that could artificially and improperly manipulate prices and restrict free competition.
- Not to share, within a procurement process, sensitive information that could lead to distortions in competition, such as price catalogues or quotations.
- Refrain from sharing information using unethical methods or from unlawful sources.



### Behaviours expected from our Third Parties



During interactions or participation in forums, business, or professional associations, Third Parties must not make any comments about topics posing a risk to the Organization concerning compliance to the fair competition laws.



### Behaviours opposed to the Code

- ✗ Abusing their power to prevent competitors from entering the market.
- ✗ Participating in actions and commercial practices that could be considered unfair or deceitful.
- ✗ Making agreements with competitors, suppliers, or clients to restrict free competition, manipulating prices, allot market share, or limiting the offer.
- ✗ Getting, concealing, and/or manipulating privileged or restricted information that could limit free competition and/or provide an advantage in their business interactions with the Organization.
- ✗ Disclosing any industrial secrets or confidential information proprietary of the Organization.





V.

# ANTI-CORRUPTION

**P**eñoles and Fresnillo plc conduct all its operations and business relationships in an ethical manner. Therefore, it has established a zero-tolerance policy for corruption, bribery, and facilitation payments.

Third Parties related to Peñoles share this commitment and refrain from engaging in acts of corruption and bribery, or acts that could be deemed as such, whether they are carried out with public officials, authorities, private companies or between private individuals.

## a) Corruption

Corruption involves the abuse of power for personal benefit or for a third party. It encompasses various situations such as bribery, nepotism, collusion, influence peddling, facilitating, or accelerating payments, conflicts of interest, theft, extortion, embezzlement, misuse of resources, among others.

## b) Bribery

Bribery constitutes any offer, promise or giving of a benefit, whether in money, gifts, entertainment payments, hospitality, travel, dues payments, vacations, offers of employment, privileges, loans, personal services,

assumption of obligations or the giving of anything of value in exchange for:

- Avoiding compliance with a legal provision, administrative or judicial resolution.
- Failing to comply with another company's code of conduct or statement of ethical principles.
- Obtaining a direct or indirect advantage or personal benefit.
- Influencing a decision.
- Securing businesses.

The above applies whether it is carried out with public officials, authorities, private companies or between individuals.

It is important to highlight that an offer or promise is enough to be considered bribery since it does not have to be accepted and the benefit does not have to be given.

It is expected that our Third Parties are aware that promising or giving the following are some of the most common types of bribery or corruption:

- Illicit monetary payments, contributions, or fees;
- Payments in kind;
- Preferential treatment, unlawful favours or advantages;



- Free education or training;
- Free products or services, or special discounts;
- Confidential and/or privileged information;
- Taking in debts, obligations, and/or giving preferential treatment to public officials, authorities, private companies, and their representatives.

### c) Facilitation Payments

A facilitation payment is any form of monetary or in-kind payment (typically of small value) made to a public servant to expedite or secure the performance of a routine governmental action". A "routinary governmental action" is an activity for which the public servant is responsible. When conducting business activities regarding to or on behalf of the Organization companies, Third Parties shall

- Comply with applicable local and international anti-corruption regulations, including but not limited to the Mexican General Law of Administrative Responsibilities (Ley General de Responsabilidades Administrativas or LGRA), the Federal Criminal Code (Código Penal Federal or CPF), the Foreign Corrupt Practices Act (FCPA), and the United Kingdom Bribery Act (UKBA).
- Ensure that all their staff and others working on their behalf are aware of and comply with these regulations.
- Always act with integrity and transparency, especially when interacting with government authorities, public agencies, and public service personnel
- Refrain from engaging in or being perceived as participants in bribery, facilitation, or corruption, either on their own behalf or on behalf of the Organization companies.
- Refrain from promising, implying, offering, or giving bribes, gifts, hospitality, fees, rewards, facilitation payments or any other type of benefit to any staff of the public service or the Organization companies, including invitations to entertainment events, travel, donations, or anything comparable, to obtain an undue advantage or illegitimately influence any action or decision.

Based on the aforementioned, it is essential that our Third Parties train their personnel for them to be aware of the multiple ways bribery and corruption can occur, ensuring that their behaviour inside the company and the interactions with other entities, businesses, or individuals occur within the applicable regulations and in strict adherence to this Third-Party Code of Conduct.

If any Third Party participates in an act of bribery, facilitation, or corruption, or in any conduct that could be perceived as such, any type of relationship with the Organization companies may be terminated, and they may be as a supplier or Third Party, regardless of any measures, if any, that may be legally appropriate.

### d) Gifts and hospitality

Throughout the year, the Organization personnel are prohibited from accepting or requesting any form of special treatment, gifts, compensation, or gratuities from Third Parties, that could be perceived as a bribe, or that could compromise the exercise of their function in any way, whether real or perceived by others. Our personnel is only allowed to give and receive promotional items, being these items of little value that are given openly and distributed in



a generalized manner to any person; such as mugs, books, pens, calendars, among others.

Therefore, it is the Organization's policy to prohibit the acceptance and/or giving of a gift, and under no circumstances is it permitted to accept a gift in cash or its equivalent in gift cards or with commercial conditions other than those offered to the public.

The Organization is prohibited from accepting invitations from supplier's personnel, customers, financial institutions, or Third Parties to shows or sporting or entertainment events. In the case of invitations for commercial or business-related purposes, such as presentations and conferences, these must be authorized in accordance with the corresponding Internal Policy before being accepted, and travel expenses will be covered by the Organization.

Any form of hospitality received by employees of The Organization companies must be for legitimate business purposes and therefore it should be appropriate, lawful, and proportionate to this purpose.

Because of the above mentioned, our Third Parties are expected to refrain from giving gifts, entertainment, and hospitalities to the Organization personnel to avoid compromising their duties, or that such actions are perceived as an improper influence on the decision-making process or as a possible conflict of interest.

### e) Expense reimbursement

Reimbursement of travel and other business expenses incurred by the Third Party on behalf of or in representation of Peñoles and/or Fresnillo plc, shall be solely for reasons related to the business of the relevant Company, for business purposes and in the ordinary course of its operations; in all cases, this shall be stated in the respective contracts.







## f) Government relations and Political Contributions

The Organization recognizes and respects everyone's right to engage in political activities. If a Third Party decides to make contributions for political purposes, such contributions must comply with applicable laws, be legal and must not interfere with or compromise the obligations and responsibilities of the Third Party or be made with the expectation of obtaining a direct or indirect benefit for any of the companies of the Organization. It is important to mention that our Third Parties must refrain from doing any lobbying activities on behalf of the companies of the Organization.

We aim at consolidating a strong and positive institutional image to the different entities and government institutions with whom it collaborates; being CRIL values the basis of the relationship, maintaining a respectful treatment, open to a dialog, and contributing always so that the authorities can perform their duties in compliance with the current regulatory framework.

The nature of Peñoles and Fresnillo plc operations frequently requires interaction with public officials and agencies from different government levels (federal, state, and municipal) in Mexico and abroad. In case a Third Party carries out procedures with any governmental agency on behalf of the company, they must have proper written authorization from the Organization and do so acting strictly in adherence to the current applicable regulation and accurately gathering all data, documents, and records related to such procedures in the period set out by the law.



### Behaviours expected from our Third Parties

- ✓ For activities carried out on behalf of the Organization, Third Parties must start any governmental procedure promptly, considering response times to prevent unnecessary pressure and/or possible fines or contingencies due to non-compliance.
- ✓ In case any government agencies request documents related to transactions involving the Organization, Third Parties must provide all requested information accurately and transparently. Errors or omissions can harm the reputation and credibility of the company.



### Behaviours opposed to the Code

- ✗ Obstructing gathering of legal information, data, testimonies, or records, and/or lack of cooperation to inspections made through government organisms regarding transactions involving the Organization.
- ✗ Retaliation against personnel that cooperates legally and appropriately with government agencies.
- ✗ Using the Organization resources (offices, equipment, utility vehicles, machinery, etc.) Third Parties have access to because of their business relationship, to promote causes and/or political activities.



# VI. CONFLICT OF INTEREST

Conflict of interests occur when there is a potential impairment of the impartial and objective performance of a Third Party's duties due to personal, family or business interests conflicting with those of the Organization companies. The interests of the Organization companies must always take precedence over any other interests.

A conflict of interest exists when, but is not limited to, a Third Party, its shareholders, directors, or key personnel related to the Organization companies:

- Breach their responsibilities due to pressure exerted by a Third Party, because of their position, authority, or influence.
- Receive any improper benefit, whether personal, through a family member or a Third Party, due to their relationship with the Organization companies.
- Is a former employee of the Organization companies and provides goods or services, without the corresponding authorization in accordance with the Internal Policy.

Third Parties must identify and avoid situations where a real, potential, or apparent conflict of interest may exist. If detected, they must immediately inform the Compliance area via email at: **Orientación\_eticacumplimiento@penoles.com.mx** or **Oficial\_Cumplimiento@fresnilloplc.com**, or via "Línea Correcta": the institutional whistle-blowing line.



## Behaviours expected from our Third Parties

- ✓ *Communicating the conflicts of interest (real, potential, or apparent) known by the Third Party as part of the Third-Party Due Diligence Process carried out by the Organization before starting the business relationships.*
- ✓ *Requesting guidance to the area of direct contact with Peñoles regarding uncertain situations that might result in a conflict of interest.*



## Behaviours opposed to the Code

- ✗ *Failure of a Third Party to provide a transparent report on any possible conflicts of interest. This includes the omission to inform any conflicts of interest known by the Third-Party regarding situations that involve the professionals/companies hired by the Third Party.*
- ✗ *Consciously benefiting from the materialization of a conflict of interest that promotes a personal or financial advantage resulting from the business relationship with the Organization.*
- ✗ *Carry out commercial activities within the Organization facilities or when acting on its behalf, which differ from the purpose for which they were contracted.*

## VII.

# INTELLECTUAL PROPERTY AND CONFIDENTIALITY

The Organization requires Third Parties to respect its intellectual and industrial property rights and refrain from disclosing confidential or sensitive information of the Organization companies to unauthorized third parties, even after the commercial or legal relationship has ended.

Taking photographs, videos, audio recordings and live broadcasts within the Organization company's facilities is strictly prohibited without prior authorization.

Third Parties, when accessing confidential information through their business relationships (any non-public information) must take necessary measures to ensure that non-public and potentially trade secret information remains strictly confidential. They are responsible for safeguarding and refraining from disclosing it.

New technologies, inventions or literary and artistic works created by Third Parties for their assignment are the exclusive property of the Organization companies.



### Behaviours expected from our Third Parties

- ✓ *Immediately notifying the area of direct contact with the Organization in case of detecting vulnerabilities in the confidentiality of the information, likely damage to the assets (physical and intangible assets), or a violation of the Organization intellectual or industrial property.*
- ✓ *Adhering to standards and best practices when using any of our tangible, intangible, technology, and informatics resources.*
- ✓ *Protecting all the assets and confidential information of the Organization from non-authorized access, damage, unlawful use, loss, fraud, and theft.*

## VIII.

# CARE AND PROTECTION OF RESOURCES

Assets owned, leased, or used by The Organization companies, whether tangible (cash, securities, furniture, real estate, machinery, equipment, vehicles, email, etc.) or intangible (trademarks, patents, logos, concessions, etc.); as well as technological and informatics resources (email, instant messaging applications, internet, fixed phone lines, software, among others), may only be used by Third Parties expressly authorized for operational purposes, of the Organization companies and not for personal use.

In the case of tangible assets, our Third Parties are responsible for keeping them in good working condition, respecting related maintenance criteria and frequency and when applicable, operating equipment only in case their authorized personnel have been fully trained to do so.



### Behaviours opposed to the Code

- ✗ *Storing confidential information in non-authorized locations, either physical or electronic.*
- ✗ *Disclosing or making available confidential or sensitive information of the Organization to other entities without the corresponding written authorization.*
- ✗ *Using the Organization assets and confidential information deliberately for their own benefit or that of a related entity.*





IX.

KEEPING ACCURATE

# BOOKS AND RECORDS



Our Third Parties are expected to share our commitment to generating accurate operative, administrative, commercial, accounting, and financial records; thriving to safeguard their integrity.

Third Parties must maintain a reasonable level of detail of the records related to their commercial activities with the Organization, in a way that reflects adequately the business carried out, respecting all the applicable legal and regulatory requirements.



### Behaviours expected from our Third Parties

- ✓ Recognizing and recording all assets and liabilities promptly, adequately, and at a fair value.
- ✓ Providing complete, correct, and timely accounting and financial information required by the Organization personnel: or, to third parties such as stock exchanges, government agencies, and auditors.
- ✓ Adequately and timely recording of operations, activities, advances, or delivery of services/goods resulting from the business relationships with the Organization.
- ✓ Adequately safekeeping information, protecting the integrity of physical and electronic information.



### Behaviours opposed to the Code

- ✗ Misrepresenting any facts, information, or document.
- ✗ Hiding/altering information for third parties.
- ✗ Intentionally delaying recording assets and liabilities in an accounting period, or misleadingly posting the record.
- ✗ Altering, deceitfully posting records, or intentionally hiding records, transactions, logs, and delivery of services/goods resulting from business activities with the Organization.
- ✗ Destruction of information, documents, or registry before the end of legal or contractual periods of conservation.
- ✗ Ignoring processes of review and approval of records to ensure accuracy and truthfulness.





# X. SUSTAINABILITY

**W**e believe responsible mining meets the highest expectations of our stakeholders in terms of ethical, social, and environmental performance, and we recognize that our social license to operate depends on the level of trust we inspire in them. This is why it is important to maintain responsible business practices that are closely connected with our business model.

Third Parties are expected to promote respect for human rights, good community relations and environmental care where we operate, as well as to safeguard the Group's physical and informational assets.

## a) Human and Labour rights

Third Parties commit to protect the human and labour rights of their personnel, ensuring dignity and respect, without discrimination based on ethnic origin, nationality, gender, age, disability, social or economic status, health conditions, religion, sexual orientation, marital status, union membership, or any other action that violates human dignity. All the above should be carried out through actions aimed to:

- Comply with all applicable local and international labour and human rights regulations, including, but not limited to, the Political Constitution of the United Mexican States (Constitución Política de los Estados Unidos Mexicanos) and the Federal Labor Law (Ley Federal del Trabajo), among others.
- Promote and implement fair labour practices in accordance with the law.
- Fulfil the legal requirements for the compensation and benefits of its personnel.
- Limit overtime to the maximum allowed by law.
- Apply reasonable pay for performance systems.
- Not to use payroll deductions and withholdings as a disciplinary measure.
- Implement the necessary measures prevent forced labour, child labour and recruitment of persons related to human trafficking.
- Ensure that their personnel are treated fairly and with dignity.
- Ensure that their workplace is free from any form of discrimination, harassment, and retaliation.
- Respect freedom of expression and association.
- Respect and promote diversity and inclusion.
- Respect different preferences and backgrounds, including religious, spiritual, and ideological beliefs.
- Provide the necessary facilities and conditions for employees with disabilities within their workplaces.
- Promote gender equality prevent gender-based violence.
- Prevent harassment, including labour and sexual harassment.
- Respect individual's privacy.
- Respect political preferences and affiliations, without interfering or restricting participation in political affairs.



## b) Responsible business practices

### **Free of conflict supply chain**

Peñoles and Fresnillo plc expect that its Third Parties have sustainable provisioning practices, respectful to the environment, the protection of life, health, and ecosystems in harmony with the community; and that they do not contribute, directly or indirectly, to conflicts such as abuses on human and labour rights, crimes against humanity, sexual violence or inhuman treatment, support armed groups, support security agencies to control illegal operations, money laundering, bribery, corruption, and tax evasion.

In addition to the above, the Organization makes emphasis on the legitimacy of the raw material, so it is expected that the Third Parties that supply minerals or their corresponding derivatives, sourced them legally and from mining operations that have the corresponding mining permits.

### **Economic sanctions and export controls**

Peñoles and Fresnillo plc refrain from establishing relationships, directly or indirectly, with countries, individuals, or legal entities that have been subject to sanctions, and it also refrains to engage in business transactions in which such countries, individuals, or entities might participate.

Our Third Parties must conduct their operations in strict compliance with the applicable regulations ruling foreign business, including regulations regarding economic sanctions and export control imposed by the United States, United Kingdom, European Union, and the United Nations.



### **Behaviours expected from our Third Parties**

- ✓ Adhering to standards and best practices regarding responsible provisioning, following environmental, social, and governance criteria (ESG).
- ✓ Refrain from doing business with sanctioned entities when acting on behalf of the Organization.
- ✓ Immediately reporting at:  
*Orientacion\_Eticacumplimiento@penoles.com.mx* or *Oficial\_Cumplimiento@fresnilloplc.com* cases where during their business relationship with the Organization they have been included in any list of sanctions or when the equity structure changed in such a way that individually or as a group, there are sanctioned shareholders with 50 or more equity ownership.



### **Behaviours opposed to the Code**

- ✗ Lack of reasonable controls to identify current or potential risks in their supply chain.
- ✗ Deficiency in the implementation of a process that allows having continuous monitoring and updated information about changing sanction regulations and export controls.







### c) Stance on child labour

Peñoles and Fresnillo plc promote society's development creating job opportunities for people who have the minimum age to work, according to the applicable regulations or that are above the established age to complete the compulsory education, always following the most restrictive requirement.

Third Parties that have any relationship with Peñoles and/or Fresnillo plc must adhere to Convention 138 about minimum age and Convention 182 about eliminating the worst ways of child labour by the International Labor Organization (ILO).

It's essential that Third Parties refrain from using child labour in their operations and that they oversight that child labour is not being used in their supply chains, understanding child labour as the work that is dangerous for the health, safety, or morals of children, work that interferes with the compulsory education, or such work that children are simply too young to perform.

Young people under 18 must not perform tasks that are dangerous or that can jeopardize their health or safety, this includes night shifts, overtime, and activities related to mineral extraction.

Peñoles accepts the legal ways of work that are managed adequately, that are carried out according to the requirements

set out by the ILO fundamental conventions, and that have as an objective being a legitimate learning or training program in the workplace for the educational benefit of young people, such as internship programs.



#### Behaviours expected from our Third Parties



*As a part of the hiring process, age verification procedures must be in place.*



#### Behaviours opposed to the Code



*Lack of control and monitoring mechanisms to prevent child labour in their facilities and/or supply chain.*



#### d) Stance on forced labour

Third Parties are expected to allow free employment choice and use only workforce hired by a formal voluntary employment agreement. Considering that, as a part of the personnel hiring process, the basic terms and conditions for hiring must be communicated and provided in writing in the language they understand.

Our Third Parties must not use or benefit from any kind of forced or compulsory labour, penitentiary work labour, servitude, slavery, or human trafficking in their operations or supply chains.

#### e) Freedom of association

The Organization acknowledges and respects the right that workers are free to join a union or association.

It is essential that our Third Parties establish open communication and a constructive dialog among their labour personnel and their union representatives, allowing respectful freedom of speech among the parties.

By adhering to the regulations and applicable international agreements, the Organization expects that Third Parties respect their personnel's free will and their right to freely join a union or association.



##### Behaviours expected from our Third Parties



*Establishing prevention mechanisms, such as providing personnel training to promote awareness regarding forced labour issues.*



##### Behaviours expected from our Third Parties



*Fully complying with laws and regulations and respecting different channels established to facilitate an effective representation of the personnel and their interests.*



##### Behaviours opposed to the Code



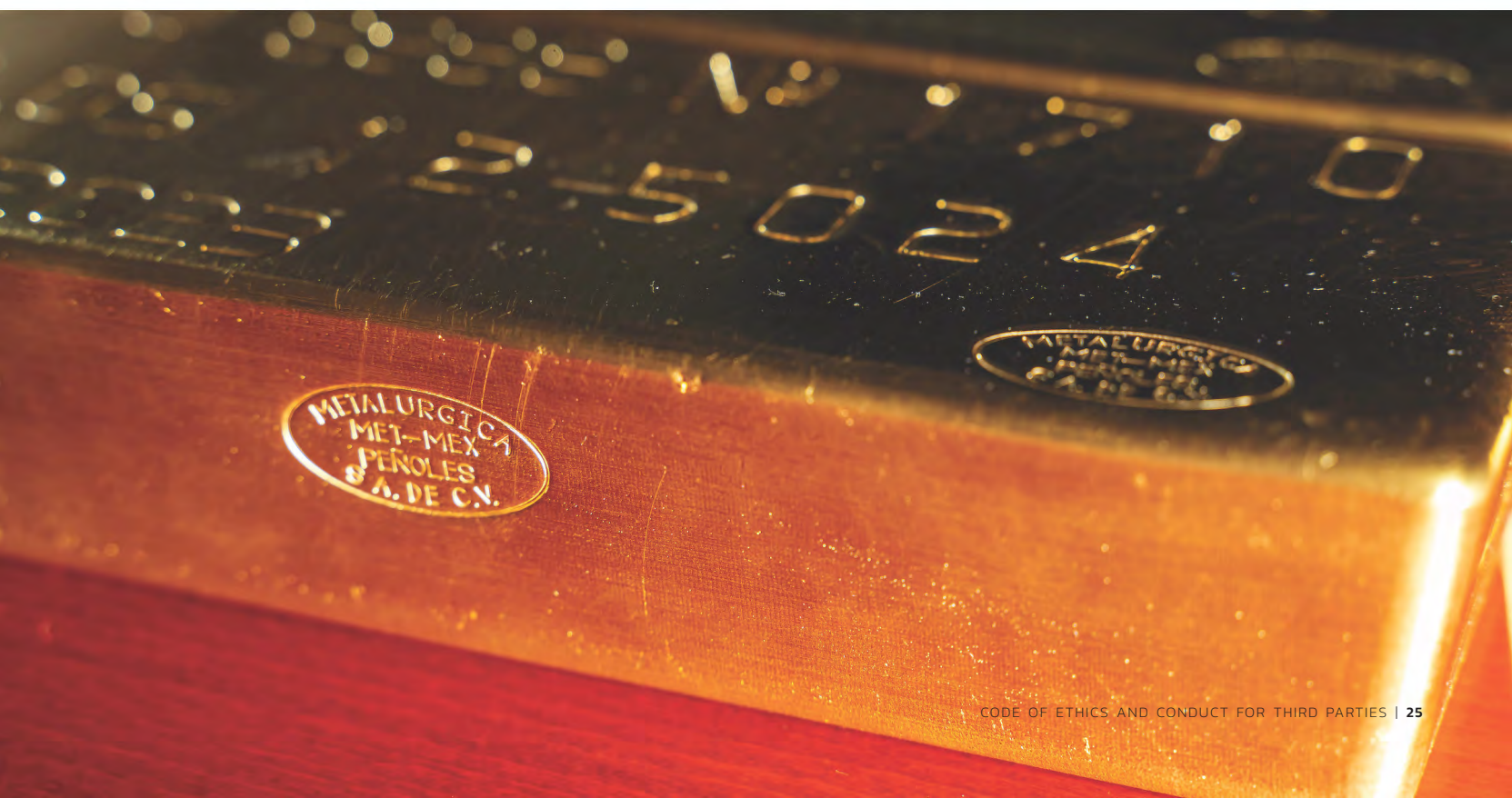
*Restricting freedom to access, exit, or walk around the work facilities without justification.  
Asking workers to pay hiring or recruiting fees.  
Keeping documents of identity, immigration, work permits, or deposits (hiring fees) from personnel as a condition for employment.*



##### Behaviours opposed to the Code



*All actions that, including but not limited, might prevent freedom of association and union such as retaliation, intimidation, or harassment to personnel who exercise their right to their liberties.*





## f) Fair treatment

Our Third parties are expected to treat every person with dignity and respect, without discriminating for any reasons such as ethnic or cultural origin, skin colour, nationality, language, religion, social origin, marital status, political affiliation, union affiliation, pregnancy and maternity, disability, medical condition, or any other condition that might prevent or alter equal opportunities or treatment related to employment or occupation.

Fair treatment must be embedded in the recruitment, hiring, training, compensation, promotion, transfer, discipline, dismissal, and retirement processes.

Our Third Parties are expected to follow the Organization commitment to promoting a favourable organizational environment, free from any kind of violence, intimidation, harassment, abuse, threats, and persecution, either verbal, sexual, physical, or psychological.



### Behaviours expected from our Third Parties



*Establishing mechanisms for prevention and identification of psychosocial risk factors.*



*Providing an inclusive and supportive work environment, where diversity is respected and encouraged.*



### Behaviours opposed to the Code



*Any distinction, exclusion, or preference that might prevent or alter equal opportunities or treatment in the job or occupation.*



## g) Working hours, compensation, and benefits

Peñoles and Fresnillo plc expect that our Third Parties give their personnel a fair compensation package that ensures an adequate living standard. The compensation must be equal to or above the minimum requirements of the industry and applicable regulations according to the minimum wage, benefits, and paid leave.

Working hours should not exceed the maximum established by Law and personnel should be entitled to breaks, rest periods, and vacations.



### Behaviours expected from our Third Parties

- ✓ Giving their personnel opportunities for development and training.
- ✓ In the case of Third Parties who entered into a service and mining works agreement with Peñoles must comply with the provisions of the Labor Clause included in such contract, where the Third Party is the employer and only responsible for the job relationships with their employees.



### Behaviours opposed to the Code

- ✗ Using salary deductions and withholdings as disciplinary measures.

## h) Health and safety

The Organization prioritizes health and safety in its workplaces and maintains an appropriate culture for risk prevention, providing training, equipment, and tools necessary to maintain a safe and healthy work environment.

Third Parties must comply with the internal conduct, safety, and hygiene rules of the Organization companies, and under no circumstances shall endanger anyone's physical integrity.

It is forbidden to consume, possess or sell alcohol beverages, narcotics, or any other prohibited substances on the premises of the Organization companies, as well as to enter under their influence. Possession or use of weapons within the workplaces of the Organization companies is also prohibited.

Third Parties are expected to adopt strict health and safety measures in accordance with regulations and high standards to protect their personnel and the Organization employees' integrity.

If the Third Party's activities are carried out outside the premises of the Organization companies, the Third Party is expected to ensure healthy and safe workplaces with adequate measures to prevent accidents and occupational diseases.

If lodging is provided (worker camps), they must be healthy and safe:

- With the appropriate dimensions and spaces to avoid overcrowding, separate for men and women, and with the infrastructure necessary to protect against adverse weather conditions.
- With access to potable water and facilities for personal cleanliness, separate for men and women and with the appropriate privacy.
- Camp waste and discharges must be handled in such a way to avoid risks to health or the environment.







## i) Environment

The Organization is committed to environmental protection, and encourages Third Parties to adopt measures to protect, care and mitigate environmental risks, carrying out actions such as those indicated below:

### **Compliance and environmental management system:**

- To promote environmental protection.
- Complying with all the applicable environmental laws and regulations, making sure all the permits, licenses, approvals, and records are duly granted and maintained legally.
- Inform and collaborate with authorities, communities, and other stakeholders when environmental incidents occur.
- In our operations:
  - ▶ Strict adherence to the internal standards and procedures regarding the environment that the Organization has in place when working inside its facilities.
  - ▶ Providing continuous training to their personnel with responsibility regarding the environment or whose activities might have an impact on this matter, having as an objective to ensure they are qualified to adequately perform their duties.
  - ▶ Engaging with the Organization to develop a mutual understanding of relevant environmental aspects and their impact management.
- We recommend implementing reasonable environmental management according to the nature of their operations, with a preventive approach and supported by policies, procedures, and directives that have as an objective the detection, control, and mitigation of environmental risks.
- We urge setting a contingency plan that allows adequate preparation and response to any environmental emergency or incident, minimizing the impact it could have on the air, water, soil, and biodiversity.
- Incorporating processes, systems, and technology that promotes the sustainable and efficient use of natural resources, minimizing residues and waste.
- Seek the efficient use of non-renewable materials, recognising their social, environmental, and economic value.

### **Climate change and other atmospheric emissions:**

- Implement energy efficiency measures and adopt clean technologies and energy sources that allow for a cost-effective reduction of the carbon footprint.
- Quantify the carbon emissions of products and services to enable the company to understand the carbon footprint of its value chain.
- Contribute to maintaining air quality by responsibly managing atmospheric emissions in compliance with legal frameworks.
- We encourage voluntary initiatives by our business partners aimed at achieving carbon neutrality.

### **Water**

- Adopt water efficiency measures and use new technologies to cost-effectively reduce the water footprint.
- Manage the impacts on water quality responsibly, in compliance with legal frameworks.
- Quantify the water consumption of products and services to allow the company to understand the water footprint of its value chain.
- We value the voluntary actions of our business partners aimed at having a net positive impact on water resources.

### **Natural capital**

- Manage the impacts on biodiversity and ecosystem services responsibly by employing the mitigation hierarchy: identify, avoid, minimize, restore, and offset. For third-party mining operations, consider responsible management of impacts throughout the entire life cycle.
- We encourage voluntary actions by our business partners aimed at having net positive impacts on biodiversity and ecosystem services.
- Protect ecosystems by promoting reforestation and wildlife care, among other actions.






## Waste

- Contribute to the transition to a circular economy with measures to reduce, reuse, and recycle waste.
- Manage hazardous, special handling, and municipal solid waste responsibly, in compliance with legal frameworks.
- Manage mineral waste responsibly, in accordance with legal frameworks.
- We encourage the adoption of international best practices for the safe management of tailings deposits.



## Chemical management:

- Manage chemicals used in production processes responsibly, in accordance with legal frameworks.
- We value the adoption of international best practices for the safe management of cyanide, from its production and transport to its use.
- We urge the adoption of responsible practices to minimise the impacts of mercury, in line with commitments made under the Minamata Convention.

### Behaviours expected from our Third Parties

-  Adhering to the “International Cyanide Management Code” and the “Minamata Convention on Mercury” in case of having mining operations where they are applicable.
-  Respecting ecosystems and biodiversity by taking actions to care for and protect flora and fauna.
-  Refrain from having operations on sites categorized as World Cultural or Natural Heritage by UNESCO, or in neighbouring zones that could damage such Heritage sites.

### Behaviours opposed to the Code

-  Ignoring or failing to report any environmental incident, real or potential.
-  Starting works knowingly that there are no appropriate controls in place to minimize the environmental impact or with the risk of incurring in situations of non-compliance or contravention of the current environmental regulation.

## j) Community relations

The social performance of our Third Parties is crucial for maintaining the trust and acceptance of the communities where our value chain has a presence or influence. Therefore, we expect third parties to adopt the following commitments:

- Respect the human rights of communities and contribute to their promotion.
- Treating the community members with dignity and respect, and take steps to prevent coercion, harassment, abuse, threat, or use of violence towards community members.
- It is essential that our Third Parties respect the culture, costumes, and cultural heritage of the community where they operate, with adherence to the legal framework that protects the rights of indigenous communities when our value chain activities are conducted or have an influence in their territory.
- Comply with any special requirements requested by the Organization when operating in indigenous and Afro-descendant communities.
- Raise awareness among on-site personnel to prevent negative impacts on the health, safety, wellbeing, culture, customs, cultural heritage, environment, and natural resources of the communities.
- Listening intently to all concerns and recommendations expressed by the community, addressing them promptly, and providing an effective and clear response. Collaborate with the company in addressing complaints or grievances from the communities.
- Address and remedy negative impacts on communities, including those related to human rights, by notifying the Organization.
- Promote local employment, training, and supply opportunities within the community where we operate.
- Fulfil payments for services contracted from the community.
- Honour voluntarily agreed support commitments with the community.
- Maintaining the social license to operate, contributing to the culture of social responsibility, respect for nature and the communities in which the Organization companies operate.
- For personnel directly hired or provided through community service providers, ensure compliance with:
  - Labour obligations and provisions of decent working conditions in their dining areas, camps, dormitories, and transport.
  - Implement the necessary measures to prevent involvement in contemporary forms of slavery, forced labour, child labour, human trafficking, and sexual exploitation.

Also, we encourage our Third Parties to maximize the opportunities of social and economic development of their operations, so that they help improve the life quality of people, having as objective the generation of sustainable and inclusive value.





# XI. DUE DILIGENCE



Third Parties intending to be engaged or currently engaged in business relationships with one or more of the Organization companies must comply with the due diligence process applicable. This process identifies, evaluates, and mitigates risks related to reputation, integrity, regulatory compliance, sustainability, and information security.

The due diligence process documents and evaluates, with a risk-based approach, factors as the nature of the goods or service to be delivered, focusing on key matters of corporate ethics and integrity, legal compliance, anti-money laundering, human rights, personal data protection, labour and social security compliance, sustainability, and outsourcing.



XII.

THIRD-PARTY CODE OF  
ETHICS AND CONDUCT

# ADHERENCE MANAGEMENT



## a) Ensuring compliance with the Code

We acknowledge that our Third Parties are strategic partners with whom we work collaboratively to achieve our objectives. According to the relevance of such relationship, for Peñoles and Fresnillo plc it is very important to have reasonable assurance on the level of compliance and adherence by our Third Parties to the standards defined in the present Code.

Considering this, the Organization reserves the right to conduct assurance activities during the process of selection and/or during the period of the business relationship. Such activities of assurance are described as follows:

- Due Diligence. – Third-Party process of verification made regularly intending to have a better understanding of the operative profile and guarantee that this is aligned to the standards of the Organization.
- On-site visits and/or validation activities. – Employing in-house personnel or qualified independent entities, the Organization can visit the facilities of the Third Parties to confirm its compliance with the present Code. In this case, documentation can be requested to support the validation of compliance.
- Training. – With the purpose of ensuring the understanding of the content and the adequate application of the Third-Party Code of Conduct, the Organization can carry out activities of education, diffusion, and training.

Our Third Parties are expected to fully cooperate with the assurance activities carried out by the Organization, considering them a collaborative effort to guarantee the continuous improvement of our operations. The lack of cooperation will be considered as non-compliance with the Third -Party Code of Conduct.

## b) Remedial actions

The Corporate Ethics and Values Committee (Peñoles) and the Honor Commission (Fresnillo plc) are a multidisciplinary entity integrated by directive personnel and is responsible for supervising and monitoring the adherence to the present Third-Party Code of Conduct, as well as defining remedial actions to situations or behaviours that are considered deviations to the Code.

In consideration of the circumstances and severity of the faults committed, the adequate remedial actions will vary and might include the suspension or termination of a business relationship in addition to the legal consequences that proceed according to the case.

The following actions are considered as deviations of the Third-Party Code of Ethics and Conduct:

- Any situation or behaviour that fails to comply with the contents of the present Code.
- Requesting any individual or entity related to our Third Parties not to comply with the Code.
- Failing to report any observed infractions or suspicion of infractions.
- Lack of cooperation regarding the assurance activities implemented by the Organization (Due Diligence, On-site visits, Training).
- Failing to cooperate or obstructing investigations related to non-compliance with the Code.
- Omissions related to the implementation of remedial actions requested by the Organization to keep the business relationship.

## c) Expectations of adherence

Third Parties in business relationships with Peñoles and Fresnillo plc must commit to respect this Code by signing an adherence letter or accepting the corresponding clause(s) included in their contract.

For any questions or concerns regarding this Code, please contact the Fresnillo plc Compliance Department by e-mail at:

- **Orientación\_EticaCumplimiento@penoles.com.mx**
- **Oficial\_Cumplimiento@fresnilloplc.com**

This Code of Ethics and Conduct, along with the related policies, are accessible for easy access and dissemination on:

- **<https://penoles.com.mx>**
- **<https://www.fresnilloplc.com>**

Acceptance and adherence to the present Code do not imply or link any labour relationship between Third Parties and the Organization, as it is only a supporting tool in the strategy and business relationship that the Organization and our Third Parties have established based on the best national and international practices.

## d) Whistleblowing and protection against retaliation

The Organization encourages Third Parties to use the anonymous and confidential complaints mechanism, to report concerns without fear of retaliation.

A whistleblower mechanism is also available to report any conduct contrary to this Code of Ethics and Conduct.

### E-mail:

[penoles@lineacorrecta.com](mailto:penoles@lineacorrecta.com)  
[fresnilloplc@lineacorrecta.com](mailto:fresnilloplc@lineacorrecta.com)

### Website:

<https://penoles.lineacorrecta.com>  
<https://fresnilloplc.lineacorrecta.com>

**Toll free telephone number:** 800 367 8477 (Mexico)  
800 367 8477 (México)

**Instant messaging:** 55 6538 5504 (México)

The Organization is committed to the protection and confidentiality of whistleblowers, so is forbidden to impose any form of punishment or retaliation against those who raise or assist in raising a genuine concern in good faith about a breach of this Code, as well as those who cooperate in any investigation.

