



## Ethics and Compliance Zero Tolerance on Bribery and Corruption Policy

### Rationale of the Policy

The ethical behaviour of Fresnillo Plc's staff, in line with our institutional values, is the key to achieving the strategic objectives and sustained growth of Fresnillo Plc. In this regard, and as one of the leading precious metal companies, we strive to maintain a well-established ethical culture, demonstrated by our behaviour and actions. Therefore, all staff must strictly comply with the applicable laws related to bribery and corruption to which Fresnillo Plc is subject, including, but not limited to, the UK Bribery Act 2010, the Mexican General Law of Administrative Accountability (LGRA for its acronym in Spanish), the Mexican Federal Criminal Code, and the federal and state secondary laws applicable to the private sector in relation to anticorruption; as well as, the Code of Business Ethics and Integrity issued by Mexican Business Coordinating Council (CCE for its acronym in Spanish) and other codes of best practices in ethics and transparency applicable in Mexico or internationally recognized.

Bribery is defined of two kinds.

**Active:** Offering, promising or giving a benefit (financial or in kind) to another person in order to obtain or retain business or a benefit through an undue advantage.

**Passive:** Accepting or promising to accept a benefit (financial or in kind) in exchange for the improper execution of a relevant function or activity to grant an undue advantage to someone else.

Corruption is considered the abuse of power for self or third-party benefit. Corruption encompasses a variety of situations such as: bribery, nepotism, collusion, influence peddling, facilitation payments (grease payments), payoffs, conflict of interest, theft, extortion, embezzlement, fraud, improper use of resources, among others.

### Fresnillo Plc's Policy

It is Fresnillo Plc's policy to:

- a) Maintain a zero-tolerance position regarding corruption and bribery in any form and to comply with all the applicable laws related to bribery and corruption prevention to which Fresnillo Plc is subject.
- b) Report all suspicions of bribery and corruption through institutional channels. Specifically, our confidential anonymous and secure whistleblowing hotline to report any irregular or unethical activity named "Línea Correcta".
- c) Investigate all reports of bribery and corruption.
- d) Refrain from doing business with any third parties where, as a result of the proper analysis and verification of its profile and due diligence evaluation process, concern arises that there is a risk or suspicion that such third party may engage in bribery or corruption on behalf of Fresnillo Plc.
- e) Record all transactions in a precise and transparent way in its accounting books and accounts.

This policy is applicable and mandatory to all Fresnillo plc staff; also, related third parties acting on behalf of or in representation of Fresnillo plc, are expected to adopt and adhere to this policy and to contribute to its compliance within the regulatory framework and internal processes.

Those responsible for contracting suppliers, agents, contractors, and any third party, should make them aware about the Fresnillo plc Code of Conduct and the Fresnillo plc ABAC letter which contain the principles established in this policy, so they accept and are bound by its provisions.

### General Guidelines

#### Prohibitions

It is strictly prohibited to:

- Offer and/or accept a bribe or participate in any act of bribery or corruption, directly or through third parties.
- Provide payments to expedite a routine governmental process rightfully entitled by law (e.g. for permits, customs procedures, etc.), commonly known as "facilitation payments" or "grease payments"
- Receive payments or other incentives aside the contractual conditions (bribes) from suppliers and contractors in exchange for the subscription or extension of a contract.
- Participate in situations that can be perceived as bribery or corruption.
- Promise, offer or provide, in exchange for an undue advantage, any of, but not limited to, the following:
  - Unlawful monetary payments of contributions;
  - Gifts, entertainment and hospitality (e.g., meals, lodging, or transportation);

- Preferential treatments, undue favours or advantages;
- Free education or training;
- Products or services on discount or for free;
- Confidential and/or privileged information;
- Donations or sponsorships that are or can be perceived for obtaining an improper advantage;
- Any other payment or contribution either monetary or in kind that may be perceived as bribery or corruption

## Disciplinary Measures

That employee of Fresnillo Plc who are found to have participated in an act of bribery or corruption will be subject to the termination of their employment with Fresnillo Plc as established in Article 47 of Mexico's Federal Labour Law ("Ley Federal de Trabajo") and other applicable regulations.

Fresnillo Plc will terminate any existing contract or will not enter in any contractual agreement with a third party where, as a result of the proper analysis and verification of its profile and due diligence evaluation process, concern arises that there is a risk or suspicion that such third party may engage in bribery or corruption on behalf of Fresnillo Plc. This provision must be set forth in the clauses of the contracts subscribed with third parties.

Finally, it is further observed that the UK Bribery Act 2010, the Mexican General Law on Administrative Accountability, the Mexican Federal Criminal Code, the Mexican National Code of Criminal Proceedings and the Mexican Criminal Codes for each state, provide both corporate and individual penalties, including fines and the imprisonment of individuals found to be directly involved or complicit in acts of bribery and corruption.

## Training

Ethical principles are expressly contained in the Fresnillo plc Code of Conduct

All staff have the responsibility to periodically perform online and on-site training assigned to them according to their role. The training must be provided with the means that are determined by the Compliance Department for that purpose.

## Guidance and Complaints

In case of any doubts, please contact Fresnillo Plc's Compliance Officer or Legal Manager at Company headquarters in Mexico City.

In order to report a suspicion or knowledge of bribery or corruption cases, you can use any of the institutional reporting channels depending on which you consider most appropriate:

- Institutional reporting line:
  - "Línea correcta" through available channels:
    - E-mail: [fresnilloplc@lineacorrecta.com](mailto:fresnilloplc@lineacorrecta.com)
    - Web page: <https://fresnilloplc.lineacorrecta.com>
    - Free hotline which can be reached from any part of Mexico: 800 367 8477
    - Instant messaging: (52) (155) 6538 5504
- Direct report to any of the following:
  - CEO of Fresnillo Plc
  - Compliance Officer
  - Corporate Legal Management
  - Internal Audit Director of Peñoles

## References

- UK Bribery Act  
<https://www.legislation.gov.uk/ukpga/2010/23/contents>
- Mexican General Law on Administrative Accountability  
<http://www.diputados.gob.mx/LeyesBiblio/ref/lgra.htm>
- Mexican Federal Criminal Code  
<http://www.diputados.gob.mx/LeyesBiblio/ref/cpf.htm>
- Corporate Ethics and Integrity Code  
<http://codigoeticaeintegridad.com/codigo-de-integridad-y-etica-empresarial>

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