



Ethics and Compliance

Promotional Expenses Policy

Rationale of the policy

Fresnillo plc is proud of being an ethical company in accordance to its institutional values. Therefore, it has a zero-tolerance approach towards bribery and corruption. In addition, Fresnillo plc personnel must comply with the provisions of applicable laws, which include but are not limited to the UK Antibribery Act 2010, the General Law of Administrative Accountability (LGRA for its Spanish acronym), Mexican Federal Criminal Code, and other federal and state secondary legislation applicable to the private sector related to anticorruption.

We are dedicated to promoting an ethical and responsible culture, including those activities for which promotional expenses are exercised. For this reason, Fresnillo plc seeks to prevent any participation in situations related to or that may be perceived as related to bribery and corruption.

Policy of Fresnillo plc:

It is the policy of Fresnillo plc to refrain from participating in acts of bribery and corruption in any form; as well as in situations that may be perceived as bribery or corruption, directly or indirectly, as part of the process of promotional activities. To prevent any possible perception of bribery or corruption, promotional activities shall not be offered or accepted in periods of commercial negotiations or when dealing with the obtention of permits, licenses or governmental authorizations.

This policy is applicable for promotional expenses and benefits, either granted or received, in third party relations, including: gifts, hospitality and travel expenditures, lobbying and industrial chambers, conferences and trainings, sponsorships and subsidies, public relations and marketing.

General guidelines

Gifts

The personnel must not accept gifts, except during the December Christmas holidays, or when it comes to promotional gifts with symbolic value from third parties, for example, pens, notebooks, caps, with the brand or logo of a third party and which are granted generally to anyone.

Additionally, the authorized gifts shall meet the following conditions:

Acceptance:

- It is strictly prohibited to accept gifts from third parties that are or could be perceived as bribes or that could compromise the independent exercise of the functions of the personnel of Fresnillo plc.
- Gifts from public officials must be rejected and such situation shall be reported to the Compliance Officer.
- The personnel of Fresnillo plc must report all received gifts to the Compliance Officer for the relevant records.
- The authorized maximum monetary value to receive a gift is US\$100 dollars (US currency) or its equivalent in Mexican currency (peso); furthermore, it must not compromise the independent judgement of the person who receives it. If a received gift exceeds the determined value and returning it is not feasible, it must be delivered to the Compliance Department to decide on its disposal.

Granting:

- Only personnel with executive positions (directors and subdirectors) are entitled to grant gifts directly.
- Gifts that can be granted shall be included on the list of authorized gifts previously approved by the Honor Commission.
- Those that are not included on the list, shall be reported to the Compliance Officer, who might authorize their delivery together with the CEO.
- The value of these gifts must not exceed US\$100 dollars (US currency) and must be properly identified as granted by the company
- Expenses for this purpose shall be duly identified in the accounting records.

Prohibitions:

- Granting or receiving gifts in cash
- Offering gifts within a commercial negotiation period and up to 60 calendar days after its closing.
- Offering or accepting restricted or legally - prohibited gifts, like drugs, exotic animals, weapons, etc.
- Offering or accepting gifts in a location other than the company address, for example the home address
- Offering or accepting gifts from public officials or their relatives, since they are forbidden to receive them under applicable regulations.
- Granting or receiving gifts through third parties.

Hospitality expenses

Any form of hospitality granted or received by Fresnillo plc must be legitimate, reasonable, adequate and proportional to the business objectives in question. Likewise, hospitality must be in accordance with corporate ethics and preferably shall be related to any or the following purposes:

- Improvement of the commercial image of Fresnillo plc
- Presentation of products or services of Fresnillo plc
- Engagement in cordial business relationships

Some examples of hospitality expenses include travel, lodging, meal and transport expenditures that are exercised as part of the legitimate, reasonable, proportionated and business – related interactions. Such disbursements could arise from events, seminars, conferences of the industry sector, among others.

Granted by Fresnillo plc:

- Whether for hospitality or travel expenses, the personnel shall comply with the provisions set forth in this Policy and with the Proceedings of authorization and reporting of travel and local expenses. These documents provide that the reason for coverage of expenses to third parties and related parties must be clearly documented.

Received from third parties:

- Any invitation that does not meet the reasonability and proportionality criteria, must be reported to the Honor Commission or to the Compliance Officer.
 - Both hospitalities, granted and received from public officials must be reported to the Compliance Officer for its proper record, indicating the individual or individuals to whom they are granted or from whom they are received, the reason and amount.
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Sponsorships and subsidies

Fresnillo plc will only make sponsorships with the purpose to promote the company's brand and shall prevent at any moment to compromise its integrity and independence; therefore, its personnel must avoid situations where a sponsorship or concession is granted or provided as part of a specific negotiation or in exchange for a direct commercial benefit for Fresnillo plc. This is applicable, regardless of whether the benefit is in fact real or just perceived as existing. For sponsorships, the following guidelines must be met:

- They should be duly supported by a written agreement, by a process of evaluation of the beneficiary (*due diligence*) and with the due authorization granted by the CEO and briefing the Honor Commission in its closest session to the granting of the sponsorship.
 - Payments in cash must not be made
 - Obligations as jointly and severally liable must not be accepted
 - Sponsorships for undetermined periods of time must not be accepted
 - They must be duly recorded in the accounting records
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Conferences and training offered / received from third parties

Any conference or entertainment that Fresnillo plc provides or receives from third parties must comply with the following criteria:

- The event must serve a legitimate business requirement for Fresnillo plc
- The contents of the event shall be mainly informative and related to the business of Fresnillo plc.
- The location and conditions under which an event is held, must be adequate for the informative purposes or the promotion of products or services related to the industry sector.
- For events organized by Fresnillo plc, the profile of the participants must be consistent with the general purpose of the event
- The provisions in this policy and those on the Proceedings of authorization and reporting of travel and local expenses must be complied with.

Attendance to any conference or training course must be carried out in accordance with the provisions of the Proceedings to request external training and academic studies.

Lobbying and industrial chambers

Fresnillo plc performs lobbying activities in an ethical and responsible manner, as part of its legitimate interest to carry out commercial activities in the mining industry; for example, with government, industrial chambers or councils.

The CEO must be informed of any lobbying activities performed on behalf of Fresnillo plc. They can be performed through:

- The Fresnillo plc organization
- An intermediary
- Industrial chambers, for example: The Mining Chamber

Public relations and marketing

These activities must be carried out with due ethical care, preventing any participation in relations that compromise the integrity and independence of Fresnillo plc.

The authorized positions to carry out public relations activities on behalf of Fresnillo plc are.

1. At the corporate level:
 - a. The official in charge of the London office for investor relations;
 - b. The executive assigned by the CEO, in a case by case basis
2. In mining units: The Unit Manager

Guidance

Please contact the Compliance Officer for any doubt concerning:

- Permitted gifts
- Reasonable, adequate and proportional hospitality
- Any other question related to the topics related to this policy for which you may need assistance

Information to update this document

Date of issuance/ Actual date	Next Revision	Version
July 2011 / April 2020	April 2022	3