

	RISK MANAGEMENT CORPORATE POLICY	CÓDE	VERSIÓN
		GEN – FIN – PC – 001	03
		INITIAL EFFECTIVE DATE	FINAL EFFECTIVE DATE
		18.12.2017	31.12.2023
PROCESSING MANAGEMENT	CORPORATE FINANCE MANAGEMENT		
ELABORATED BY	REVIEWED BY	APPROVED BY	
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CORPORATE RISK EXECUTIVE	CORPORATE FINANCE MANAGER	GENERAL MANAGER	

1. OBJECTIVE

The objective of this corporate policy is to establish the risk management framework at Ferreycorp, at the corporate level, and to provide the subsidiaries' management with the guidelines to identify, analyze, evaluate, respond to, monitor and communicate the risks and opportunities that impact the achievement of their objectives. This policy promotes an innovative culture to do business, since it allows to be bolder and more competitive in decision making. In addition, it contributes to strengthening the good corporate governance of Ferreycorp and its subsidiaries.

The specific objectives of the Corporate Risk Management Policy are:

- Establish a framework for comprehensive risk management and guarantee its application in Ferreycorp and all its subsidiaries.
- Define governance by establishing the roles and responsibilities of those involved in the administration of the comprehensive risk management system.
- Provide a clear and consistent basis to make informed decisions at all levels of Ferreycorp and each subsidiary.

2. SCOPE

This policy is applicable to all subsidiaries, divisions, processes, business decisions and collaborators of the entire corporation, and it is the responsibility of each of them to manage the risks and opportunities inherent to their function, effectively.

3. DEFINITIONS

- This policy is applicable to all subsidiaries, divisions, processes, business decisions and collaborators of the entire corporation, and it is the responsibility of each of them to manage the risks and opportunities inherent to their function, effectively.
- Inherent Risk: Level of risk in the absence of mitigation actions.
- Residual Risk: Risk level after effectively implementing mitigation actions

4. PRINCIPLES AND RISK METHODOLOGY

- Ferreycorp and its subsidiaries have a growth strategy that contemplates the possibility of taking advantage of business opportunities even internationally and under different regulatory frameworks. Due to the fact that these opportunities involve risks, Ferreycorp has established a standard methodology to reasonably guarantee the adequate management of its risks and, in this way, achieve the corporation's objectives, which include meeting the economic expectations of its shareholders.
- Ferreycorp considers that corporate risk management is a continuous process and a fundamental component for an effective corporate governance.
- Ferreycorp has defined a comprehensive risk management methodology, which has an open and receptive approach between the Corporate Risks Unit and the General Managements of the subsidiaries, which allows risk management to be integrated into the business processes and aligned to the strategic objectives of the corporation and its values.
- Ferreycorp has as a reference various international standards for the definition of its risk management methodology, such as COSO ERM, ISO 31000 and AS/NZ 4360. Based on these standards, an internal methodology has been developed that includes the following components:
 - Internal Environment: Refers to the entire environment at the corporate level and creates the basis for how risks and opportunities are managed by Ferreycorp and its subsidiaries' employees, including the culture of risk, integrity and ethical values, and the climate in which it operates.
 - Establishment of Objectives: The objectives must exist before the managements identify potential events that may positively or negatively affect their achievement.
 - Event Identification: Internal and external events affect the objectives of Ferreycorp and its subsidiaries, and these must be identified and classified as risks or opportunities. The opportunities are channeled towards the strategy and establishment of objectives to take advantage of them.

The risks of Ferreycorp and its subsidiaries are classified in the following categories:

- Strategic and Business
- Operational
- Financial
- Compliance

➢ Risk Assessment: Each subsidiary of the corporation must analyze its risks on the basis of impact evaluation criteria and probability of occurrence to determine the response and management thereof. The risks are evaluated in their inherent and residual state, and are prioritized according to their level of severity or criticality in 4 levels:

- Critical
- High
- Moderate
- Low

➤ Response to Risk: Managers must select the type of response to the risks (avoid, accept, share or mitigate). Control activities are part of the organization's response to risks.

➤ Information and Communication: Relevant information must be identified, captured and disseminated in a timely manner and by an appropriate channel that allows the employees of the Ferreycorp subsidiaries to fulfill their duties and the government entities to be informed of the main risks.

➤ Monitoring: It implies monitoring the implementation of defined response plans for the main risks of Ferreycorp and its subsidiaries. Likewise, it refers to the fact that the risk management process must be monitored to identify improvements and implement them and will be carried out annually.

- Ferreycorp has defined risk management delegation levels according to the experience of each level of authority in the corporation as shown in the attached table:

Risk levels or limits	Critical	High	Moderate	Low
Board Committee of Audit and Risks	Faculty to accept risks of "critical" level of the corporation.			
General Manager of Ferreycorp	Responsible for validating risk response plans at the "critical" level of the corporation.	Faculty to accept risks of "high" level of the corporation.		
General Manager of the subsidiary	Responsible for validating risk response plans at the "critical" level of the subsidiary.	Faculty to accept risks of "high" level of the subsidiary.	Faculty to accept risks of "moderate" level of the subsidiary.	
Line managers of the subsidiary			Responsible for validating risk response plans at the "moderate" level of the subsidiary.	Faculty to accept risks of "low" level of the subsidiary.
Heads/Supervisors of the subsidiary				Responsible for validating risk response plans at the "low" level of the subsidiary (if applicable).

5. GUIDELINES

- All decisions made at Ferreycorp and its subsidiaries will be made considering that there are inherent risks to the business, and employees of the entire corporation must be aware of the risks in their respective domains, of the associated response measures; as well as the opportunities that arise to reformulate strategies or action plans.
- The response measures to the risks adopted by each subsidiary must be effective and integrated with the business processes. Likewise, they must be implemented on the dates agreed with the Corporate Risks Unit.
- The communication and documentation of risk management will be carried out by the Corporate Risk Executive.
- In the event that a collaborator identifies a risk in any process, project, decision, etc., he/she has the responsibility to inform the Corporate Finance Management and Corporate Risks Unit so that it evaluates the materiality of the impact and define, if it is necessary, a response plan, in coordination with the owner of the process or responsible in the subsidiary, for its immediate implementation.

6. ROLE AND RESPONSIBILITIES

The Corporate Finance Division is responsible for assisting the Board of Directors of Ferreycorp, General Management and Corporate Audit Management, through the Board of Audit and Risk Committee in the supervision of the comprehensive risk management of Ferreycorp and its subsidiaries.

The Corporate Finance Management, through the Corporate Risks Unit, is responsible for facilitating the integral risk management of Ferreycorp and its subsidiaries based on the established methodology, that is, supporting them in the process of identifying, evaluating, giving response, inform, monitor the most important risks and establish an agreement with the managements, the action plans to mitigate the risks found in each company. Likewise, it is responsible for reporting to the General Management of Ferreycorp through the Corporate Finance Committee about the main risks of the Ferreycorp corporation, as well as the status of the defined response plans.

Each subsidiary of the corporation is responsible for maintaining a risk management process in its application domains in compliance with the comprehensive risk management policy. It is up to managers and/or owners of key processes of the subsidiaries to determine a response to the risks and implement actions when the level of residual risk is above the acceptable area. Otherwise, it will not be necessary to implement actions; however, risk behavior must be continuously monitored.

7. POLICY APPROVAL

The Audit and Risk Board Committee will be the approval authority for Ferreycorp's corporate risk management policy at the corporate level.

8. POLICY AMENDMENTS

La The policy will be reviewed every two years or at any time that is necessary and updated, if necessary, according to the changes in risk management guidelines, standards and best practices.

THIS DOCUMENT HAS BEEN AUTHORIZED IN THE REGULATORY SYSTEM BY:

ROLE	NAME	POSITION	DATE
Developer	Elizabeth Guardamino Zegarra	CORPORATE RISK EXECUTIVE	Approved - 12/09/2022 18:48
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Approver	Mariela García Figari De Fabbri	GENERAL MANAGER	Approved - 12/09/2022 22:09