

	CORPORATE POLICY RISK MANAGEMENT		CODE	VERSION
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			START DATE OF VALIDITY	END DATE OF VALIDITY
			03/15/2024	12/31/2025
MANAGEMENT IN CHARGE	CORPORATE FINANCE MANAGEMENT			
PREPARED BY	CHECKED BY	APPROVED BY		
Elizabeth Guardamino Zegarra	Patricia Gastelumendi Lukis	Mariela García de Fabbri		
SENIOR CORPORATE RISK EXECUTIVE	CORPORATE FINANCE MANAGER	GENERAL MANAGER		

1. OBJECTIVE

The purpose of this corporate policy is to establish the framework for risk management at Ferreycorp, at the corporate level, and to provide the company management with guidelines for identifying, evaluating, treating, reporting, communicating, and monitoring the risks they are exposed to, according to the size and complexity of their operations. This policy promotes an innovative culture for doing business, as it allows for bolder and more competitive decision-making. Additionally, it helps strengthen the good corporate governance of Ferreycorp and its companies.

The specific objectives of the Corporate Policy Risk Management are:

- Establish a framework for comprehensive risk management and ensure its implementation in Ferreycorp and all its companies.
- Define governance by establishing the roles and responsibilities of those involved in administrating the comprehensive risk management system.
- To provide a clear and consistent basis for making informed decisions at all levels of Ferreycorp and of each company.

2. SCOPE

This policy is applicable to all companies, their divisions, to the processes, business decisions, and employees throughout the Corporation, and it is the responsibility of each of them to manage effectively the risks and opportunities inherent to their role.

3. DEFINITIONS

- Risk: Effect of uncertainty on business objectives. At a quantitative level composed of the probability of an event occurring and the negative impact on the fulfillment of business objectives.

- **Inherent Risk:** Inherent risk level of the company's activity, without taking into account the effect of the risk treatment performed.
- **Residual Risk:** The resulting level of risk considering the treatment performed by the company on the inherent risk.
- **Risk Appetite:** The level of risk a company is willing to assume to achieve its business objectives, within its risk capacity.
- **Risk Capacity:** The maximum level of risk a company can assume given its current resources, business objectives, and contractual obligations.
- **Risks Management Committee (RMC):** RMC, is the advisory body at the corporate level for risk management.

Additional definitions can be found in the Corporate Risk Management Manual.

4. PRINCIPLES AND RISK METHODOLOGY

- Ferreycorp and its companies have a growth strategy that considers the possibility of taking advantage of business opportunities, even internationally and under different regulatory frameworks. Since these opportunities involve risks, Ferreycorp has established a standard methodology to reasonably ensure the proper management of its risks at the entity level, and thereby, achieve the Corporation's objectives.
- Ferreycorp considers corporate risk management to be a continuous process and a fundamental component for effective corporate governance.
- Ferreycorp has defined a comprehensive risk management methodology, which has an open and responsive approach between the Corporate Risk Department and the General Management of the companies, allowing risk management to be integrated into business processes and aligned with the corporation's strategic objectives and values.
- Ferreycorp draws on various international standards as references for defining its risk management methodology, such as:

- COSO ERM
- ISO 31000 – Risk Management
- Comprehensive Risk Management Regulation approved by the Resolution SMV No. 001-2023-SMV/01
- IFRS S1 – IFRS Standard on Sustainability-related Disclosure; General Requirements for Sustainability-related Financial Disclosure
- IFRS S2 – IFRS Standard on Sustainability-related Disclosure; Climate-related Disclosure

Based on these standards, an internal methodology has been developed that includes the following components:

- **Internal Environment:** It encompasses the corporate culture and values, the technical and moral suitability of its staff, the organizational structure, and the conditions for delegating powers and assigning responsibilities.
- **Objective Setting:** The process by which strategic objectives are determined in accordance with risk appetite and within risk capacity.
- **Risk Identification:** The process by which internal and external risks affecting the strategy and business objectives are identified. Risks should be identified and prioritized to establish their impact on compliance.

The risks of Ferreycorp and its companies are classified into the following categories: Strategic, Operational, Financial, Compliance, and Emerging.

- **Risk Assessment:** The process by which the risks of a company, operation, or project are evaluated using qualitative or quantitative techniques or a combination of both. Risks are assessed in their inherent and residual states and are prioritized according to their criticality into 4 levels: Critical, High, Moderate, Low.
- **Risk Treatment:** The process by which the risk is addressed by choosing to accept the risk; *mitigate* the risk, which means to reduce the probability of occurrence/frequency and/or decrease the impact; *transfer* it wholly or partially; avoid it, or a combination of the above measures.

- Information and Communication: The process by which timely information is communicated through appropriate channels to the General Management of the company, Comprehensive Risk Management Committee, and Risk and Internal Audit Committee.

- Monitoring: Follow-up of the risk treatment defined for the main business risks.

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 risk management of each company must be effective and integrated with business processes. It is the responsibility of management, heads, and/or process owners to ensure that risk management measures are implemented as planned. Likewise, they must be implemented by the agreed dates with the Corporate Risk Management Department.

- 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 Risk Department 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 Management** 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 Department**, 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.

Structurally:

Indicators	Name and position	Risk Reporting Line
Senior person with dedicated responsibility for risk management at the operational level (not CEO)	Corporate Finance Manager	Board of Audit and Risk Committee, chaired by an independent director.
Senior person responsible for overseeing and auditing risk management results at the operational level (not CEO).	Corporate Finance Manager	Board of Audit and Risk Committee, chaired by an independent director.

The Risk Department is a body independent of the business operations.

- The **RMC** is the Corporate-level advisory body on risk management, chaired by the Corporate Finance Management. It's worth noting that the Corporate General Management, Corporate Strategy and Development Management, Corporate Affairs Manager, and/or any guest considered by the RMC may participate. The RMC shall convene twice a year, mandatory sessions, attending the Board of Audit and Risk Committee.
- The **Corporate Risk Department** is responsible for addressing internal and/or external audits. These audits will be conducted whenever necessary, in accordance with changes in risk management guidelines, standards, and best practices.
- **Each company within the corporation is responsible for maintaining a risk management process within its domains**, which should be consistent with the complexity of its operations and in accordance with the Corporate Risk Management Policy. This responsibility lies with the General Manager, the Financial Manager of the company, and/or another individual designated by its General Management.

7. POLICY AMENDMENTS

The policy will be reviewed every three years or whenever deemed necessary, and will be updated as required in response to changes in risk management guidelines, standards, and best practices.

THIS DOCUMENT HAS BEEN AUTHORIZED IN THE REGULATORY SYSTEM BY:

ROLE	NAME	POSITION	DATE
Preparing	Elizabeth Guardamino Zegarra	SENIOR CORPORATE RISK EXECUTIVE	Approved - 03/14/2024 17:12
Checking	Patricia Gastelumendi Lukis	CORPORATE FINANCE MANAGER	Approved - 03/14/2024 20:05
Approving	Mariela Garcia De Fabbri	GENERAL MANAGER	Approved - 03/17/2024 23:04