



Risks Associated with Corporate Strategy

2023 Results



Market

- 1. Slowdown and/or recession of the local and international economy - Government & Politics
- 2. Social conflicts
- 3. Market competition (adaptation of the portfolio to the energy transition)
- 4. Loss of Nomination - Disintermediation



Efficiency and productivity

- 5. Disruption of operations



Finance Asset Management

- 6. Inventory Management
- 7. Financing Restrictions for Customers
- 8. Collections



- 14. Health and Safety
- 15. Succession and Talent Plan



- 9. Reputation, brand and image damage [anti-bribery, corruption, drug trafficking]

- 10. Growth through New Businesses and Lines



New Products and Services



Business Digitalization



Advanced Analytics

- 11. Digital Transformation



- 12. Information Systems Security



- 13. Disruption of information systems



- Ad-Hoc Committee Sessions



- Risks impacted by the Global and Coastal El Niño Phenomenon



- Risks impacted by environmental management

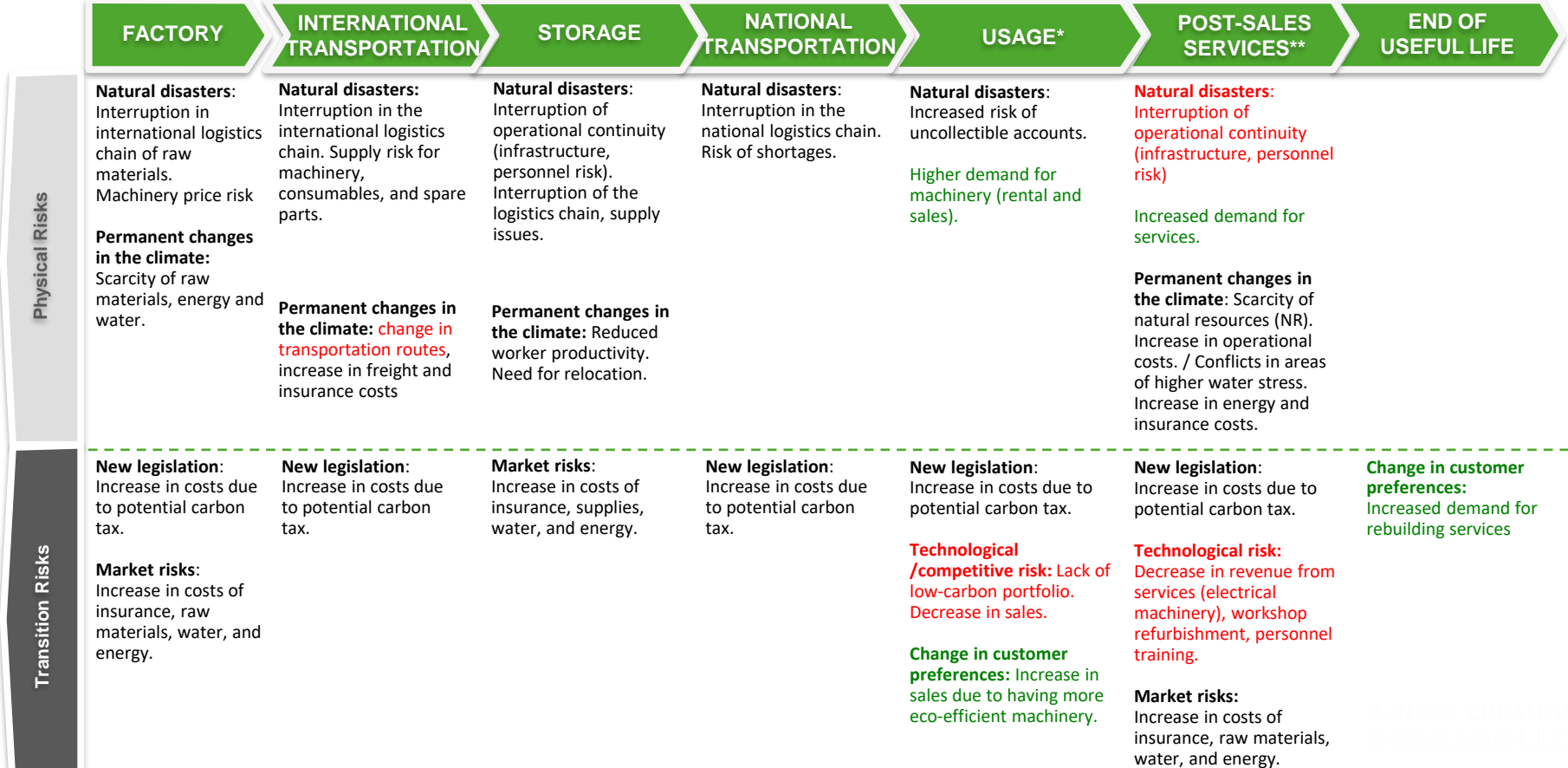


- Risks impacted by the situation of the Panama Canal





Climate Risks in the Value Chain



IDENTIFICATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES IN THE VALUE CHAIN

Process	Contributing Factor to the Undesired Event / Context	Risk / Opportunity to Ferreycorp / Subsidiary	Type of Climate-Related Risk	Type of Risk	Time Horizon	
					◆ Short Term: Less than 5 years	◆ Medium Term: Between 5 and 10 years
Factory	Natural disasters affect the availability of natural resources	R01	Disruption in the international logistics chain for sourcing raw materials for machinery, spare parts, and consumables	Physical risk	acute	Short term
		R02	Price risk: increase in the cost of acquiring machinery, spare parts, and components.	Physical risk	acute	Medium term
	Permanent changes in the climate.	R03	Scarcity of raw materials, energy, and water.	Physical risk	chronic	Long term
	New legislation/taxes and sanctions.	R04	Increase in costs due to potential carbon tax.	Transition risk	Political and legal	Medium term
	Modification of current market models.	R05	Increase in costs of insurance, raw materials, water, and energy.	Transition risk	market	Short term
		R06	Impact on sales due to more sustainable alternatives.	Transition risk	market	Medium term
International transportation	Natural disasters affect air and sea availability	R07	Disruption in the international logistics chain due to impacts on ports and airports.	Physical risk	acute	Short term
		R08	Supply risk for machinery, consumables, and spare parts.	Physical risk	acute	Short term
	Permanent changes in the climate	R09	Change in transportation routes, increase in freight and insurance costs.	Physical risk	chronic	Medium term
	New legislation / taxes (e.g., carbon tax) and sanctions	R10	Increase in international transportation logistics costs due to potential carbon tax	Transition risk	Political and legal	Medium term
National transportation	Extreme natural disasters affect land availability	R11	Disruption in the national logistics chain due to impacts on highways.	Physical risk	acute	Short term
		R12	Risk of supply shortages.	Physical risk	acute	Medium term
	New legislation / taxes (e.g., carbon tax) and sanctions	R13	Increase in national transportation logistics costs due to potential carbon tax.	Transition risk	Political and legal	Medium term
Storage	Extreme natural disasters	R14	Disruption in operational continuity (infrastructure, risk to personnel).	Physical risk	acute	Short term
		R15	Disruption in the logistics chain: issues with supply of machinery, consumables, and spare parts.	Physical risk	acute	Short term
	Permanent changes in the climate	R16	Decreased worker productivity.	Physical risk	chronic	Long term
		R17	Need to move	Physical risk	chronic	Long term
	Modification of current market models	R18	Increase in insurance, supplies, water and energy costs.	Transition risk	market	Medium term
Customer Use	Extreme natural disasters	R19	Increased bad debt due to lack of liquidity in clients	Physical risk	acute	Medium term
		O.1	Increased demand for machinery leads to higher rental and sales.	Opportunity	market	Medium term
	New legislation / taxes and sanctions	R20	Increase in costs due to potential carbon tax.	Transition risk	Political and legal	Medium term
		R21	Competitor: Not having a low-carbon portfolio.	Transition risk	technological	Medium term
		R22	Decrease in sales	Transition risk	market	Medium term
		R23	Damage to reputation, brand, and image due to lack of a low-carbon portfolio.	Transition risk	reputational	Medium term
		O.2	Change in customer preferences: increase in sales due to more eco-efficient machinery.	Opportunity	market	Medium term
Post-Sales Service	Extreme natural disasters and sea level rise	R24	Disruption in operational continuity (infrastructure, risk to personnel)	Physical risk	acute	Short term
		R25	Supply chain issues for sourcing machinery and spare parts.	Physical risk	acute	Short term
		O.3	Higher demand for workshop services	Opportunity	market	Medium term
	Permanent changes in the climate	R26	Increased operational costs / conflicts in areas with higher water stress.	Physical risk	chronic	Long term
		R27	Scarcity of natural resources	Physical risk	chronic	Long term
		R28	Increase in energy and insurance costs	Riesgo fisico	chronic	Medium term
	New legislation / taxes (e.g., carbon tax) and sanctions	R29	Increased operational costs due to potential carbon tax	Transition risk	Political and legal	Medium term
		R30	Decrease in service billing (electrical machinery requires less maintenance)	Transition risk	technological	Medium term
		R31	Need for new investments in workshop refurbishment and staff training	Transition risk	technological	Medium term
	Modification of current market models	R32	Increase in insurance, raw materials, water, and energy costs	Transition risk	market	Medium term
End of useful life	Change in customer preferences	O.4	Higher demand for machinery reconstruction services.	Opportunity	market	Medium term
	Use of resale machinery in illegal activities in the black market / dump sites / illegal mining	R33	Damage to reputation, brand, and image.	Transition risk	reputational	Medium term