

SUSTAINABILITY REPORT 2021



Together we create development

ASSURANCE STATEMENT OF SGS DEL PERÚ S.A.C. ABOUTSUSTAINABILITY ACTIVITIES IN THE "2021 SUSTAINABILITY REPORT" OF FERREYCORP S.A.A

NATURE AND SCOPE OF INSURANCE

SGS del Perú S.A.C. was hired by FERREYCORP S.A. A to carry out an independent assurance of its "Sustainability Report 2021". The scope of assurance, based on SGS's Sustainability Reporting Assurance methodology, includes the 2021 text and data contained in this Report. The information presented in the "Sustainability Report 2021" is the responsibility of FERREYCORP S.A.A. and the scope is for the following social reasons: FERRERYCORP S.A.A, FERREYROS S.A, SOLTRAK S.A, ORVISA S.A, UNIMAQ S.A, FARGOLINE S.A., FORBIS LOGISTIC S.A, SOLUCIONES SITECH PERÚ S.A, FERRENERGY S.A and MOTRIZA S.A. It includes all the operations of these corporate reasons in Peru. SGS Peru has not participated in the preparation of any material included in the "Sustainability Report 2021". Our responsibility is to comment on the text, data, graphics and statements, within the scope of the assurance, with the intention of informing all interested parties of FERREYCORP S.A.A

The SGS Group has developed a set of protocols for Sustainability Assurance based on the best practices given in the *Global Reporting Initiative* (GRI) standards published in 2016 and the updates of 2018, 2019, 2021 and the ISAE3000 assurance standard. These protocols give different options of Assurance levels, depending on the context and capacity of the Reporting Organization. This report has been secured using our protocols for the evaluation of the veracity of the content and its alignment with the GRI standards at a limited level.

The assurance included a combination of prior research, interviews with strategic partners, review of documentation, records and data; and evaluation of the report for alignment with GRI protocols. The consolidated financial statements of Ferreycorp S.A.A and Subsidiaries as of December 31, 2021 were audited by independent auditors. All the indicators included in the Materiality listed in the GRI table of contents have been verified and are the following: **GRI 200 Economic** (201-1; 203-1; 204-1; 205-1), **GRI 300 Environmental** (302-1; 303-3; 303-5; 305-1; 305-2; 306-3; 306-4; 306-5) **GRI 400 Social** (401-1; 401-3; 403-1; 403-9; 404-1; 404-3; 405-1; 406-1; 417-1; 418-1).

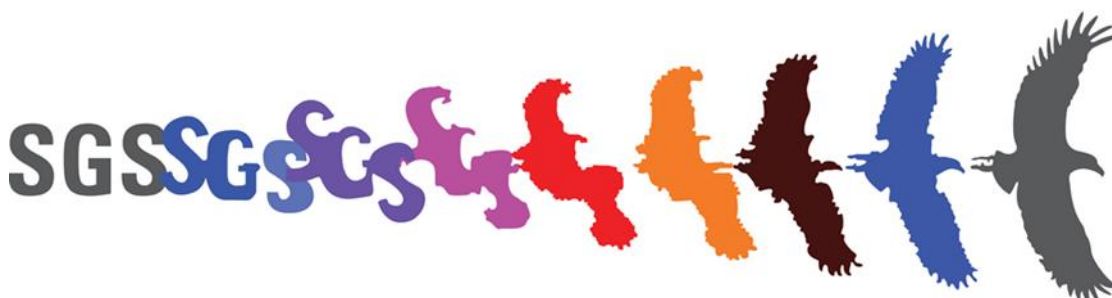
DECLARATION OF INDEPENDENCE AND COMPETENCE

The SGS Group is the world leader in inspection, analysis and verification, operating in more than 140 countries and providing services including certification of management systems; audits and training in quality, environmental, social and ethical issues; assurance of sustainability reports and verification of greenhouse gases. SGS Peru affirms its independence from FERREYCORP S.A. A, being free of bias and conflicts of interest with the organization and stakeholders.

The assurance team was chosen based on knowledge, experience and qualifications for this task; and was composed of two people trained in Sustainability Reporting Assurance. The Lead Auditor has the following experience: Environmental Management System, Quality, Occupational Health and Safety, Compliance and Anti-Bribery Systems, Social Responsibility Systems. She is also a Lead Sustainability Report Assurance Auditor, Greenhouse Gas Verifier and Water Footprint Auditor.

ASSURANCE OPINION

Based on the methodology described and the verification carried out, we have not observed circumstances that indicate that the information and data contained in the verified "Sustainability Report 2021" are not reliable and do not provide a fair and balanced representation of the sustainability activities of FERREYCORP S.A. A in 2021. The assurance team believes that the report can be used by the interested parties of FERREYCORP S.A. A. We state that the organization has chosen an appropriate level of assurance for its needs. In our opinion, the content of the report complies with the requirements of the *Global Reporting*



DECLARATION OF ASSURANCE



Initiative (GRI) Standards published in 2016 and its updated indicators in 2018 ("Water and Effluents" and "Occupational Health and Safety"), 2019 ("Taxation") and 2021 ("Waste") with Essential Option.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS, WITH RESPECT TO THE GRI STANDARDS

The "Sustainability Report 2021" of FERREYCORP S.A. A, is adequately aligned with the *Global Reporting Initiative* (GRI) Standards published in 2016 and its subsequent updates, with Essential Option. The material aspects and their limits inside and outside the organization have been defined according to the GRI Principles for Definition of Content of the Report (Stakeholder Participation, Sustainability Context, Materiality and Completeness). Likewise, the content of the Report complies with the quality principles of the GRI.

During the audit, we found strengths of FERREYCORP S.A. To which we detail below:

- They have a fairly robust Environmental Management System.
- FERREYCORP S.A.A has published GRI Sustainability Reports consistently for 8 consecutive years, and 2022 is the second time to be audited.
- The scope of the sites or social reasons included in the Sustainability Report is being expanded, this year they include all social reasons in Peru and new GRI indicators are also being included.
- FERREYCORP S.A.A has been included for the fifth consecutive year in the Dow Jones Sustainability Index | MILA-Pacific Alliance, which recognizes the leading companies in sustainability in the Pacific Alliance region.

Some opportunities for improvement were identified to consider in future sustainability reports:

- A new stakeholder consultation is planned for the presentation of the Sustainability Report in 2022, which would update the interests and needs of Stakeholders. Include most stakeholders in the consultation and ensure that the collection of information is direct.
- If surveys are to be used to gather information from stakeholders, these consultations have to include the 3 scenarios: Social, Environmental and Economic.
- The reported Scope 1 and 2 emissions have been reviewed but independent Third-Party Verification is still pending for 2021.

Pamela Castillo Rubiños

Lead Auditor - Sustainability Reporting Assurance

APPROVED ON BEHALF OF SGS BY:

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Ursula Antúnez de Mayolo Corzo

Technical Review - Sustainability Reporting Assurance

Issue Date: 28 May 2022

www.sgs.pe



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1. We are Ferreycorp



After its foundation in Peru in 1922, and about to celebrate its 100th anniversary institutional, Ferreycorp is a corporation specialized in the provision of goods of capital and related services, which operates in Peru -where it generates close to 90% of their income–, in some Central and South American countries, through subsidiary companies focused on their respective businesses and with a high degree of specialization

It has a team of more than 6,000 employees and pays great attention to being a means of development for them and their families, standing out in human management practices and talent development, evidenced in excellent organizational climates.

Ferreycorp has been in the stock market for nearly 60 years, having listed its shares on the Lima Stock Exchange (BVL) in 1962. Today, this widely held company has local institutional investors (such as pension funds, mutual funds and insurance companies) and foreign investors, as well as a large number of individuals who allocate their savings to the capital market, seeing the corporation as an attractive investment alternative. Its track record is recognized in the capital market and it is a benchmark for its good corporate governance practices and responsible management, in the interest of sustainability.

It is widely recognized as one of the leading companies in the Peruvian market, for its value-based management, deployment of good business practices and financial management, which is why it is present in a number of business groups and initiatives, promoting the development of the country through such participation.

For almost 80 years, it has maintained a solid relationship with Caterpillar, a world leader in machinery, and is a distributor of other prestigious brands. It stands out for the quality of the machinery it offers and especially for the services related to capital goods, including maintenance, repairs, condition monitoring, consulting in the use of equipment, training and financing, among others. In this way, Ferreycorp's companies integrate a complete portfolio of solutions for their customers and enhance their market coverage.

1.1 Mission and vision

MISSION

To operate, through its subsidiaries with focus and high degree of specialization, businesses of distribution of capital goods and supplies and services and support, for prestigious global brands with high standards, efficiency and profitability, achieving at the same time the development of its employees and being referents of modern and responsible companies.

VISION

To be recognized as a leading economic group in Peru, with presence in Latin America, and an excellent supplier of capital goods, inputs and related services, that contributes to increase productivity and profitability in the economic sectors in which it participates, that promotes the development of the countries and their different stakeholders, and that in turn is recognized by global brands as the preferred corporation to adopt new businesses and representations, in the fields in which it operates, due to its operational and financial capacity.

1.2 Purpose Ferreycorp (GRI 102-16)

Ferreycorp defined its corporate purpose after a collaborative and inclusive exercise of reflection on its vocation and on the footprint left on the road travelled over the years and projected into the future:

PURPOSE FERREYCORP

Together we create development

This expression shows the company's dedication to creating development in the places where it operates, not only through the services and capital goods and inputs it provides as part of its activities, but also in the breadth of the positive impact links it creates and maintains with all its stakeholders

It is a vision that has been intimately present in Ferreycorp and its companies since its beginnings, and whose essence has been maintained over time, transcending the transformations of the organization. The Ferreycorp Manifesto, detailed below, puts this purpose into perspective:

“At Ferreycorp we provide services, capital goods and inputs that give our partners the tools they need to contribute to the growth of industries that are fundamental to the development of the countries in which we operate.

For almost 100 years, with integrity and under the highest quality standards, we have been a key agent in the development of infrastructure, impacting the quality of life of millions of people and generating greater access to opportunities. Thus, over time, we have become a leading corporation, with a presence in different countries and internationally recognized prestige

*While we are proud of what we have achieved, we know that there is still much to do. Therefore, today more than ever we reaffirm our commitment to society and assume the responsibility of continuing to **create development**, seeking to constantly innovate and amplify our impact on society”.*

To outline the Ferreycorp Purpose, several reflection and co-creation workshops were carried out, bringing together the vision of a representative group of employees; the general managers of all subsidiaries; and the Strategic Planning Committee, in charge of articulating this definition process.

This included the application of a survey to 656 Ferreycorp employees, who answered questions such as: "What is Ferreycorp like today?", "What do we want it to be like?", "If you had the opportunity to change or improve something in society, what would it be?", "Imagine that 100 years have passed: what impact did Ferreycorp have on society?".

The results were quite positive: 89% of employees considered that Ferreycorp's companies have a transcendent purpose and seek to generate a positive impact on society, while 94% are committed to Ferreycorp and its purpose.

As a final part of the process, a campaign was launched to disseminate the Ferreycorp Purpose internally, within the framework of the recommendations of the Organizational Development Committee, with employees as the main protagonists.

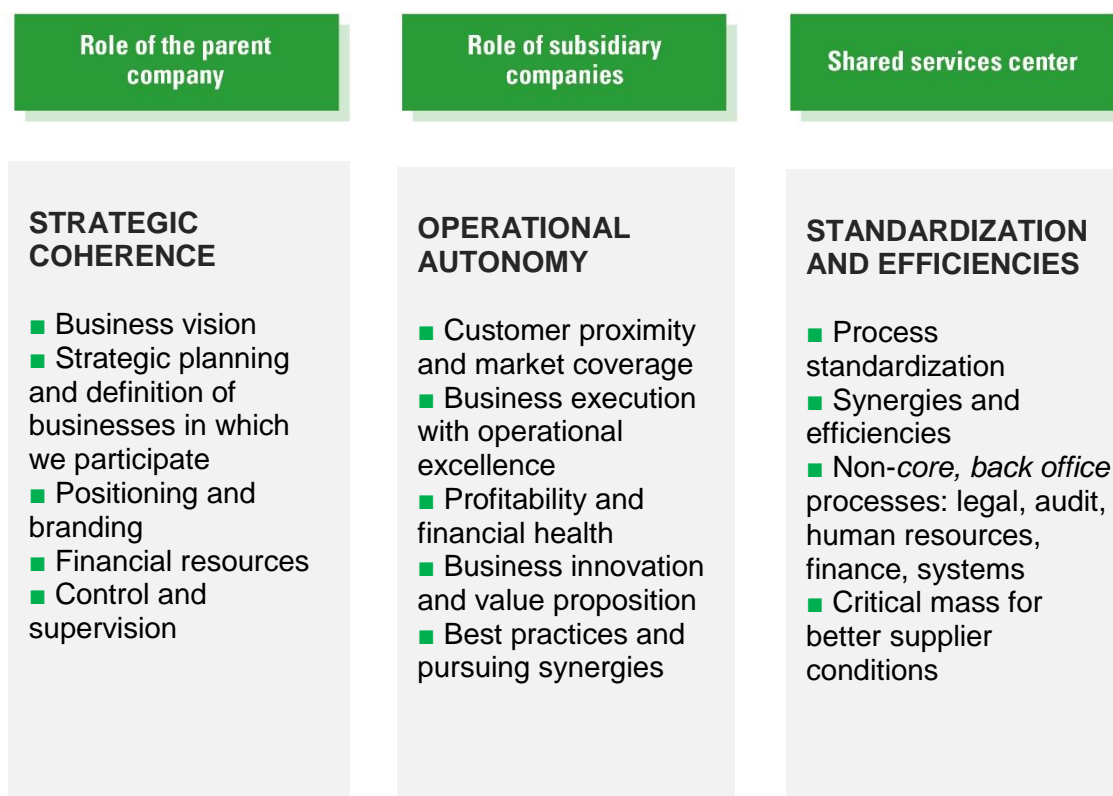
Corporate values

Together with Ferreycorp's Purpose, the importance of the corporation's values should be emphasized, as they are fundamental to everything it does, the definition of its strategy and its day-to-day execution. These are the pillars that guide the daily actions of the corporation's employees, maintain the ethical conduct of the organization and contribute to the sustainability of the business.



1.3 Corporation's operating model

Ferreycorp's operating model is one of strategic coherence with operational autonomy, which is provided by the corporate entity and the operational autonomy of the company's subsidiaries. There are three types of roles in the organization: that of the holding company of the economic group, which provides strategic coherence and guidelines; that of the subsidiaries, which are responsible for operating their business with operational autonomy within the corporate guidelines; and that of shared services, which promotes efficiencies and synergies among the subsidiaries, as shown below.



Within the framework of these roles, the parent company allocates funds for the growth and investment of the companies, defines guidelines to standardize management with time-tested practices, and creates spaces for the subsidiaries to share best practices and enhance their value propositions. At the same time, the subsidiaries contribute to the productivity and efficiency of their clients, through the provision of capital goods of leading and renowned brands, as well as related world-class services, with a vision of excellence and innovation.

As part of the revenue and profit generation they generate for the economic group, the subsidiaries deploy a broad market coverage and enrich the organization's solutions offering. They also complement each other's critical capabilities, such as national coverage and logistical deployment, generating synergies in favor of clients.

In this way, the corporation's vast portfolio of products and services maximizes the possibilities of meeting the varied needs of its customers, operating as a *one stop shop*. Thus, many customers of the flagship company Ferreyros receive goods and services from other subsidiaries of the group.

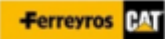











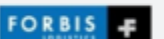

At the same time, the Shared Services Center contributes to increasing efficiencies and encouraging synergies in processes and activities in various areas of specialization, serving the various subsidiaries of the organization.

With this strategic perspective, we seek to boost the dynamism and growth of the corporation, with positive transversal impacts on its different stakeholders.

1.4 Companies of the corporation

(GRI 102-2, 102-4, 102-6, 102-7)

Ferreycorp is comprised of the following subsidiaries and/or businesses:

Representatives of Caterpillar and allied brands in Peru			
 CAT heavy machinery and allies	 CAT light machinery and allies	 CAT machinery and allies in the Selva region	 Assembly and operation of power generation plants
Representatives of Caterpillar and allied brands in Central America			
 CAT machinery (Guatemala and Belize)	 CAT machinery (El Salvador)	 Consumables (Nicaragua)	 Spare parts for heavy transport (El Salvador and Honduras)
Complementary businesses in Peru and other countries in South America			
 Consumables	 Cranes, platforms and port equipment (Chile, Ecuador, Colombia and Peru)	 Light machinery (Ecuador)	
 Temporary, customs and bonded warehousing	 Freight forwarder	 Technological solutions	





By the end of 2021, Motored will start commercial operations in Peru

The subsidiaries contribute to the development of the countries where they operate by directing their products and services to sectors such as mining, construction, industry, energy, oil, fishing, agriculture, trade and transportation.





Chapter 3 - Business Management provides an extensive description of these subsidiaries, their businesses and operations.

For information on the economic group according to the denomination of the Superintendence of Securities Market (SMV) (Superintendencia del Mercado de Valores, SMV), see Appendix 2, section 2.1.3.

Following is more information on each subsidiary of Ferreycorp:

Representatives of Caterpillar and allied brands in Peru						
Name	Year of incorporation	Sectors served	Product / Service	Country / Region	Number of locations	Number of employees
Ferreyros 	1922	Construction, mining, hydrocarbons, energy, marine and fishing, government, agriculture, trade, industry and services.	Commercialization of heavy machinery and equipment. Rental and supply of spare parts and services..	Peru North: Piura, Tumbes, Lambayeque, Cajamarca, Trujillo, Chimbote Central: Cerro de Pasco, Huancayo, Ica, Ayacucho, Huaraz, Lima. South: Arequipa, Cusco, Moquegua and Puno.	23	3,967
Ferreenergy 	2006	Mining, hydrocarbons, government, energy, construction, fishing and industry	Power solutions from 1MW up to the unlimited amount required, with gas, diesel, solar and residual oil (HFO) generating equipment.	Peru Lima Brazil Recife Ecuador Francisco de Orellana-El Coca Guatemala Ciudad de Guatemala Its presence in countries in the region is on a temporary basis for the projects it serves.	2	60
Unimaq 	1999	Construction, mining, hydrocarbons, agriculture, government, trade, industry and services.	Commercialization and rental of light equipment.	Peru North: Cajamarca, Chiclayo, Piura, Trujillo Central: Cerro de Pasco, Huancayo, Lima, Huaraz South: Arequipa, Ayacucho, Cusco, Ilo, Moquegua, Puno	16	597
Orvisa 	1973	Construction, forestry, agriculture, government, river transportation, hydrocarbons and energy.	Commercialization of equipment, spare parts, services and consumables.	Peru North: Bagua, Iquitos, Tarapoto Central: Pucallpa, Huanuco South: Puerto Maldonado	7	140

Representatives of Caterpillar and allied brands in Central America

Name	Year of incorporation	Sectors served	Product / Service	Country / Region	Number of locations	Number of employees
Gentrac 	2010	Construction, aggregates, agriculture, government, mining, oil extraction, energy, industry and commerce	Commercialization of heavy machinery and equipment. Rental and supply of spare parts and services.	Guatemala Ciudad de Guatemala, Quetzaltenango, Teculután, Escuintla, Morales, Retalhuleu, Huehuetenango, Cobán and Peten Belice Ladyville	8	350
General de Equipos 	2010	Construction, housing, power generation, industrial, government, agricultural and automotive.	Commercialization of heavy machinery and equipment. Rental and supply of spare parts, services and lubricants.	El Salvador San Salvador, Sonsonate, San Miguel	3	202
Soltrak 	2013	Construction, industry, transportation.	Marketing of lubricants.	Nicaragua Managua	1	23
Motored 	2015	Construction, freight and passenger transportation, government, trade and services.	Supply of spare parts for trucks and buses; consumables; trucks and buses.	El Salvador San Salvador, Santa Ana, Sonsonate, San Miguel, Metapán, Lourdes, Santa Rosa de Lima, Soyapango, Zacatecoluca, Aguilares and Usulután Honduras Tegucigalpa, San Pedro Sula	14	188

Complementary businesses in Peru and other countries in South America

Name	Year of incorporation	Sectors served	Product / Service	Country / Region	Number of locations	Number of employees
Soltrak 	2007	Mining, construction, transportation, industry, energy and hydrocarbons, agriculture, fishing and forestry.	Comprehensive solution for tire management, lubricants, filtration, predictive maintenance and personal protective equipment and other industrial safety products.	Peru North: Piura, La Libertad Central: Lima South: Arequipa	5	363
Trex 	2014	Mining, port industry, commerce, services and construction, among others.	Cranes and other lifting solutions.	Peru Lima Chile Santiago, Antofagasta, Calama Colombia Barranquilla, Bogota Ecuador Quito, Guayaquil	8	225
Fargoline 	1983	Capital goods, consumer goods, energy, mining, construction, fishing, agriculture, trade and services.	Temporary warehouse for containers, loose and rolling cargo, customs deposit; simple storage; movement of project cargo; transportation and distribution.	Peru Callao and Arequipa	4	203
Forbis Logistics 	2010	Automotive, mass consumption, mining, energy, retail, industry, industrial.	International air and ocean freight forwarding for import and export, and cargo consolidation, inspection and processing services.	Peru Lima USA Miami Chile Santiago	3	115
Sitech 	2013	Mining, construction and hydrocarbons.	Integration of technologies to create solutions that enhance customer productivity	Peru Lima	1	31
Maquicentro 	2015	Construction, mining, oil, industrial, transportation and agricultural.	Commercialization and rental of light equipment.	Ecuador Guayaquil, Quito and Riobamba	2	25

1.5 Representation (GRI 102-6, GRI 102-7)

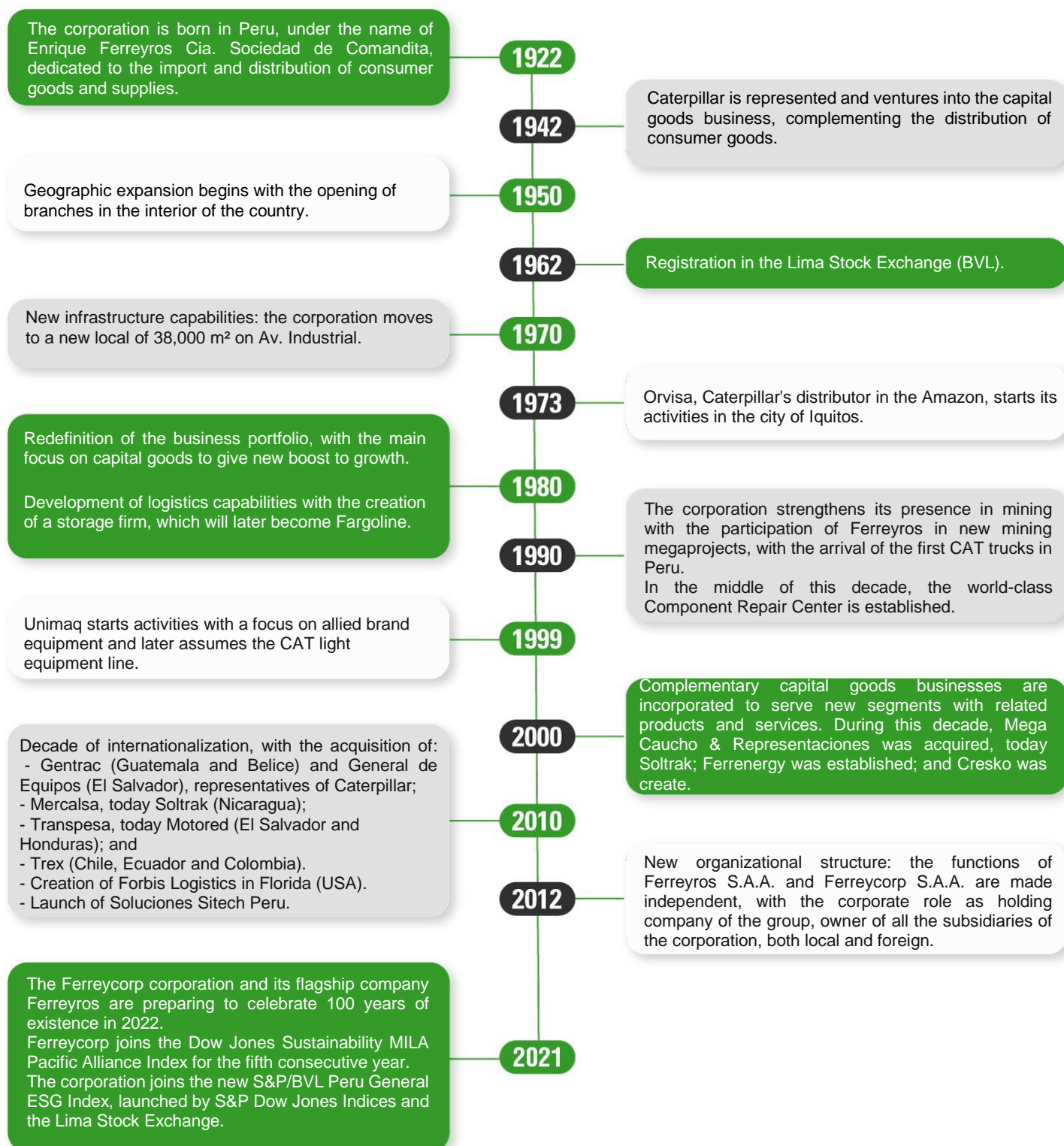
In its first years of existence, the organization - founded nearly a century ago - was dedicated to the marketing of consumer products. However, in 1942, it marked a key milestone in its history: the beginning of its partnership with Caterpillar in Peru. This close relationship has been strengthened over the years, achieving wide recognition of this distinguished global brand, as evidenced by a series of awards received. The granting of the Caterpillar representation contract in Central America in 2010 is a clear demonstration of this relationship of trust.

Similarly, during its trajectory, the corporation and its companies took on the distribution of other prestigious brands, both in Peru and in other Latin American countries, to increase the scope of its service to customers in different economic sectors, exercising the capabilities and knowledge already developed and its alignment with those represented for the local deployment of initiatives that the factories intend to replicate around the world. This has allowed them to consolidate a prestigious portfolio of represented brands and generate excellent long-term relationships with all of them, becoming the undisputed leader in its field.



1.6 History

The following are the corporation's main milestones in its development.



1.7 Main awards

Ferreycorp is constantly seeking to improve its operational performance and corporate management. This has led the corporation to be distinguished with a series of recognitions in different aspects of its management, either from the global companies it represents, or from associations and business entities.



Caterpillar 2021 Programs of Excellence

Gold: Ferreyros (Service, Parts, Digital, Rental, Marketing and Sales), Unimaq (Rental, Marketing and Sales), Gentrac Guatemala (Marketing and Sales).

Silver: Unimaq (Service, Digital); Orvisa (Service, Marketing and Sales); Gentrac Guatemala (Services and Rental); General de Equipos (Digital).

Bronze: Orvisa (Digital); Gentrac Guatemala (Parts, Digital); General de Equipos (Service, Parts, Marketing and Sales).



Five Stars in Pollution Control from Caterpillar

Thirteen Ferreyros workshops (Arequipa; Cajamarca; Spare Parts Distribution Center (CDR); Training Center (CDT); Component Repair Center (CRC) in Lima and La Joya; Cusco; Chimbote; Huancayo; Lambayeque; Piura; Lima Machine Shop; Trujillo), as well as one from Orvisa (Tarapoto), have this distinction by the end of 2021.



Certificación Caterpillar: Talleres *World Class*

Ferreyros maintains the certification granted by the main represented Caterpillar to the company's two Component Repair Centers (CRC), located in Lima and La Joya (Arequipa), as world-class workshops.



Indice de Sostenibilidad Dow Jones | MILA- Alianza del Pacifico

Ferreycorp, the only Peruvian firm to be included for the fifth consecutive year in this index, which recognizes the leading companies in sustainability in the Pacific Alliance region.



S&P/BVL Peru General ESG Index

Ferreycorp integrates this new index of S&P Dow Jones Indices and the Lima Stock Exchange, which provides an ESG benchmark for the Peruvian stock market.



Merco Corporate Responsibility and Corporate Governance

Ferreycorp distinguished among the five companies with best social responsibility and corporate governance.



Socially Responsible Company Distinction (ESR)

Awarded by Perú 2021 to Ferreycorp, Ferreyros, Unimaq, Orvisa, Fargoline, Soltrak and Motored.



Most Admired Companies of Peru Award (EMA)

The corporate community chooses Ferreycorp among the 10 most admired companies in Peru through the EMA 2021 Award, organized by PwC and G de Gestión.



Ranking Merco Empresas y Líderes

For the tenth consecutive year, Ferreyros is recognized among the ten companies with the best corporate reputation in Peru and as a leader in the sector.



ALAS 2020 Awards

In 2021, the parent company Ferreycorp is recognized as a leading company in sustainability in Peru.



Merco Talent Ranking

Ferreyros is ranked among the top ten companies, and the leading company in its industry, for attracting and retaining talent in Peru, for the eighth consecutive year.

2. Sustainable Management

(GRI 102-12, 102-16, 102-40, 102-42)

Ferreycorp is firmly convinced that the sustainability of the organization is not only based on profitable growth, but also on an inclusive and responsible vision towards society and the environment. Long before the dissemination of the current concepts of sustainability and social responsibility, Ferreycorp has been committed to create value for all stakeholders with whom it interacts, which includes acting as a change agent in society, maintaining transparent and ethical behavior, and developing win-win relationships

(GRI 102-40) The sustainable management model adopted by Ferreycorp contemplates the development of ESG (environmental, social and governance) best practices, creating value for its seven stakeholders: shareholders and investors, employees, customers, community, suppliers, environment, government and society in general. The corporation establishes strategies and actions for each of these groups and incorporates their opinions and expectations in the development of projects and programs.

Responsible management of its economic, social and environmental impacts contributes to obtaining outstanding results in areas of great importance, such as attracting, motivating and retaining talent; investor relations; access to capital; comprehensive risk management; and positioning and reputation in the market and society in which it operates.

The following chapters will explore Ferreycorp's sustainable management model with its various stakeholders, as well as the main results obtained during the year 2021. It will also specify which Sustainable Development Goal (SDG) is considered in the impacts generated.

2.1 Reporting Process

(GRI 102-42, 102-44, 102-46, 102-47, 102-49)

The Sustainability Report presented contains information on the sustainable management based on economic, social and environmental aspects of the operations of the corporation Ferreycorp and its subsidiaries in Peru from January 1 to December 31, 2021.

Ferreycorp reports in this document 18 specific contents of the GRI Standards, which were selected considering the following sustainability reporting criteria:

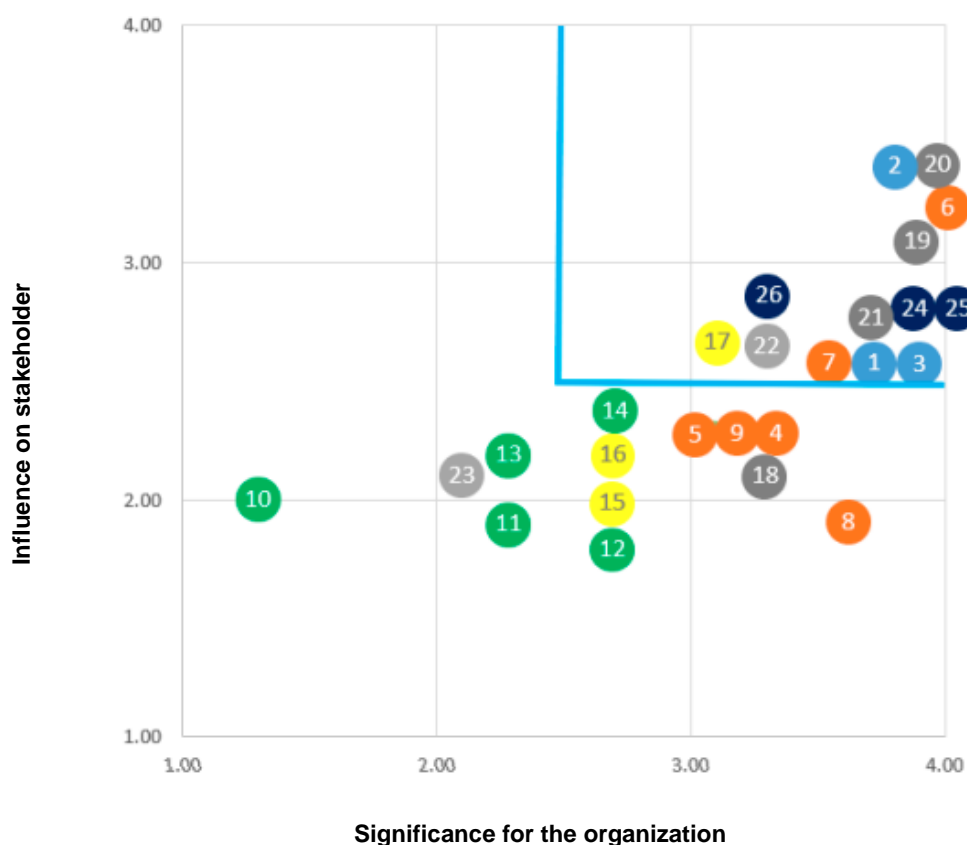
- a. Stakeholder inclusiveness: The participation of employees and customers was included in the materiality process, considering the expectations of both stakeholders, collected through the Working Environment survey and The Voice of the Customer survey, as well as the interests of shareholders.
- b. Sustainability context: The risks and impacts for the Trading & Distribution Companies sector of the S&P SAM Sustainability Yearbook, to which Ferreycorp and its subsidiaries belong, were considered.
- c. Completeness: The risks and impacts of each material content were considered and their coverage was specified using the GRI 103 Management Approach Standards for each material content.

- d. Materiality: The materiality analysis was updated in December 2021, based on the analysis held in 2020. The selection process of the 26 material issues, organized into six thematic aspects, is detailed below. Thirteen issues were prioritized at the threshold of high relevance (position above 2.5 points in each axis).

Stages of materiality analysis

1. Review	2. Identification	3. Prioritization	4. Validation	5. Grouping
Ferreycorp's 2020 materiality analysis and S&P SAM Sustainability Yearbook 2021 were used as input, highlighting the GRI thematic standards of the material topics reported.	Interviews were conducted with the main management and corporate heads selected for the report, where the main impacts were defined.	The risks and expectations collected in the identification stage were reviewed and then prioritized. Organizational leaders validated the importance criteria for each stakeholder group and assigned a rating to the issues identified.	The materiality results were validated with the Corporate Finance Management	Finally, the 13 material topics, organized in six aspects, were selected.

Materiality matrix of Ferreycorp corporation and its subsidiaries in Peru



Corporate Governance and Compliance	
1	Corporate Governance
2	Compliance, ethics and integrity
3	Internal control and risk management

Employee development and well-being	
4	Talent Development
5	Training and educational opportunities for employees
6	Occupational health and safety
7	Competitive salary and equal pay
8	Diversity and inclusion
9	Human Rights

Commitment to environmental management	
10	Materials
11	Energy efficiency
12	Emissions
13	Waste
14	Water and effluents

Commitment to society	
15	Water and wastewater infrastructure and educational infrastructure
16	Youth education programs
17	Development of operators and technicians

Excellence in services	
18	Supply Chain Management
19	Relationship with represented brands
20	Relationship with clients
21	Innovation, business digitization and adoption of new technologies
22	Operational efficiencies
23	Extended Product Liability

Business management	
24	Financial results
25	Market economic conditions
26	Competitors

Identification of specific GRI content and Coverage				
N°	Thematic focus	Specific GRI related content	Coverage	Related stakeholders
1	Corporate governance and compliance	Anticorruption	Internal and external	Employees, customer, suppliers and government
2	Employee development and well-being	Employment	Internal	Employees
		Training and education	Internal	Employees
		Market presence	Internal	Employees
		Occupational health and safety	Internal and external	Employees and suppliers
		Diversity and equal opportunities	Internal	Employees
		Non – discrimination	Internal	Employees
		Freedom of association and collective bargaining	Internal and external	Employees and suppliers
		Child labor	Internal and external	Employees and suppliers
3	Commitment to environmental management	Forced or compulsory labor	Internal and external	Employees and suppliers
		Materials	External	Community and environment
		Energy	External	Costumers
		Emissions	External	Community and environment
		Effluents and waste	External	Community and environment
4	Commitment to society	Water	External	Community and environment
		Local communities	External	Community
		Indirect economic impacts	External	Community
		Customer health and safety	External	Customers
5	Excellence in services	Procurement practices	External	Suppliers
		Marketing and labeling	External	Customers
		Customer privacy	External	Customers
		Economic performance	Internal	Shareholders
6	Business management	Economic performance	Internal	Shareholders

3. Financial Management

(GRI 102-45, GRI 103-1, GRI 103-2, GRI 103-3)

The main focus of the corporation's financial management during year 2021 was concentrated on taking care of the profitability of the businesses, maximizing asset turnover and improving the debt structure of the different companies in order to protect liquidity and reduce corporate financial expenses. These actions became effective at a time of great challenges in the countries where Ferreycorp develops its operations, characterized by the reactivation of their economies after the slowdown they experienced as a result of the pandemic that emerged in 2020, as well as by the political uncertainty in some of the main countries where the corporation is present.

Perú was no exception in the recovery process generated after the pandemic imposed restrictions on economic activity. The corporation thus showed a steady improvement in sales during 2021, mainly boosted by the dynamism in the mining sector under a very favorable scenario of commodity prices. The sales of Ferreycorp and its subsidiaries at the end of the year amounted to S/ 6,111.8 million.

As a consequence of higher margins and the decrease in financial expenses, at the end of the 2021 fiscal year, a net profit of S/ 376 million was recorded.

On the other hand, accumulated earnings before interest, tax, depreciation and amortization (EBITDA), at S/ 1,008 million, showed an increase of 65% compared to 2020 (S/ 611 million). The EBITDA margin for 2021 was 16.5%, mainly due to the increase in the operating margin.

Higher sales, accompanied by better margins, as well as good levels of collections and expense control, allowed us to generate positive operating cash flows. Thus, despite higher inventory purchases to sustain the increase in sales, there was no impact on the corporation's debt level, remaining at lower levels than in 2019, even before the pandemic and the current political and economic uncertainty in the country.

Likewise, during 2021, Ferreycorp corporation saw the need to reschedule its debt, which during the year was concentrated in the short term. The company managed to establish 63% of its debt with long-term maturities (non-current debt), following the strategy of matching obligations with the life of the assets it supports and under a conservative approach, given the country's current situation. The average rate of the corporation's debt, at 2.77%, was lower than that recorded in 2020 (3.53%).

In another area, despite the difficult situation of the Peruvian economy and the uncertainty that the market presented in the second half of the year, after the electoral process, Ferreycorp's shares had a positive performance in 2021, as the share price went from S/ 1.72 at the opening to S/ 2.05 at the closing, obtaining its lowest point of the year in June, when it traded at S/ 1.37. However, the strength of the business and the good results led to a recovery of the share. In 2021, the company paid shareholders S/ 186.4 million in dividends (S/ 86.4 million corresponding to fiscal year 2020 and S/ 100 million as an advance on dividends for fiscal year 2021), which represented, in soles, S/ 0.197 per share, or a *dividend yield* of 9.6%.

The S/ 100 million delivered as an advance dividend payment was equivalent to a cash dividend of S/ 0.1057 per share, which was paid to shareholders on October 29, 2021.

It is also worth mentioning that the Board, at its meeting of October 30, 2019, approved a program to repurchase own shares for up to 50 million shares (5% of capital), in a

context in which the share price was below its fundamental value, and even book value, which made it a good investment opportunity.

The execution of this program has allowed the corporation to meet several objectives, including giving the market a message of confidence in the business environment and ensuring that the share price did not fall abruptly by withdrawing shares from the market. However, it is worth mentioning that the maximum holding period for treasury stock is two years, in accordance with the provisions of the General Corporations Law, which implies making a decision on the best use of the shares.

Thus, in November 2021, the General Shareholders Meeting decided to redeem 16,788,791 treasury shares and the consequent reduction of the capital stock, which amounted to S/ 958,894,238 at the end of the year. The balance of treasury shares as of December 31, 2021 is 12,830,950 shares.

3.1 Economic value generated and distributed to stakeholders (GRI 201-1)

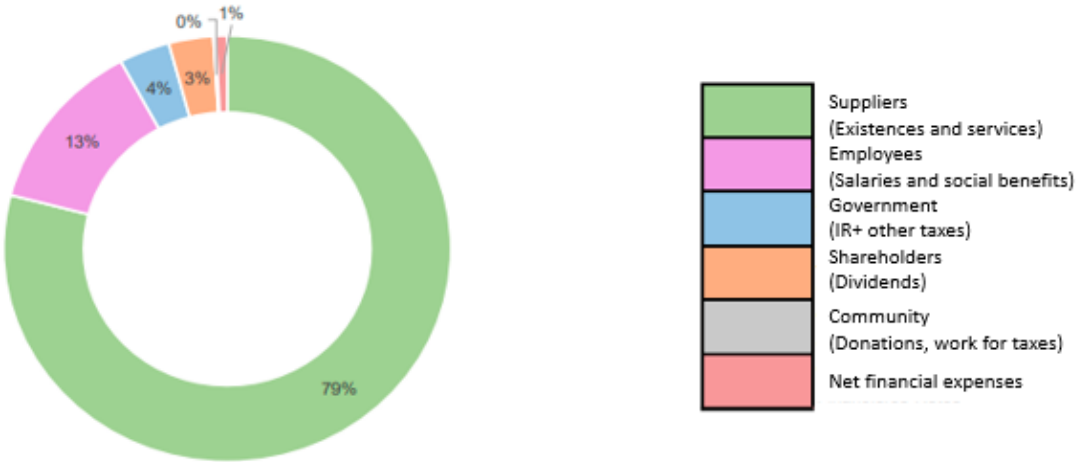
The analysis of economic value generated and distributed allows Ferreycorp and its subsidiaries to measure the direct and indirect economic impact of its operations on the stakeholders that are part of its value chain. Through this indicator, the corporation reflects, beyond the reporting of financial information, how its operations generate and distribute wealth, thus participating in the development of the sector and the countries in which it operates.

The broad scope of the economic value generated and distributed by Ferreycorp and its subsidiaries to its stakeholders is shown below.

Ferreycorp (S/ thousands)	Year 2020	Year 2021
Direct Economic Value Generated (VEC)		
Sales (Net sales + share of subsidiaries)	4,858,826	6,207,965
Other income (Sales of fixed assets + other investments)	1,338	1,998
Economic Value Distributed (EVD)		
Suppliers (Stocks and services)	-3,747,480	-4,587,770
Employees (Salaries and social benefits)	-616,775	-757,300
Government (Income tax + other taxes)	-93,542	-213,132
Shareholders (Dividends)	-146,913	-186,369
Community (Donations, work for taxes covid expenses)	-24,410	-9,069
Net financial expenses	-75,085	-48,854
Retained economic value (REV)	155,959	407,469

In 2021, 93.4% of Ferreycorp's economic value was distributed (96.8% in 2020). Of the total economic value distributed, 79.1% corresponded in 2021 to payments to suppliers, mainly inventories and services (79.8% in 2020). The remaining 20.9% was distributed among stakeholders, government, community, employees and shareholders (20.2% in 2020).

Percentage distribution of value in 2021



4. Corporate Governance and Economic Dimension

4.1 Corporate governance

(GRI 103-1, GRI 103-2, GRI 103-3)

Some of the basic principles that govern Ferreycorp's commitment to transparent governance and sustainability include having clear Board policies; ensuring equitable treatment of shareholders; conducting the organization with integrity, fairness and reliability; guaranteeing transparency of information in the management of the company; and developing areas of control, risk management and compliance.



In order to serve its shareholders and investors every day, with whom it maintains excellent relations, the corporation permanently updates and improves its corporate governance practices, not only according to global trends but, above all, in accordance with what is required or recommended for Peruvian companies. Likewise, it remains alert to the opinion of the market whose expectation is to establish a direct and transparent relationship with the issuing companies with which it is linked.

(GRI 102-12) The corporation has voluntarily adhered to the principles of the Code of Good Corporate Governance for Peruvian Companies, updated in 2013, which establishes five pillars organized into thematic areas: **i) Shareholders' Rights; ii) General Shareholders' Meeting; iii) The Board and Senior Management; iv) Transparency of Information; and v) Risks and Compliance.**

The adoption of good corporate governance practices promotes a context of respect for the rights of shareholders and investors in general; contributes to the generation of value, soundness and efficiency in companies; brings about better risk management; facilitates access to the capital market; leads to a reduction in the cost of capital, as well as greater and better access to sources of financing and long-term investment; and helps mitigate market failures due to information asymmetry.

The corporation and its companies make significant efforts to maintain their market leadership, generate the expected profitability and maintain a healthy financial structure. These attributes of Ferreycorp are valued by its shareholders and investors, who increasingly demand the company's commitment to society and the environment, beyond profitability.

Ferreycorp is also characterized by its high standards of compliance and leadership, which has earned it recognition both in Peru and abroad for its good ESG (environmental, social and corporate governance) practices. In this regard, the number of shareholders that follow responsible investment practices and guidelines represents 32% of the shareholder base at the end of 2021.

The following is a summary of the treatment given by the corporation to the five pillars of the Code of Good Corporate Governance, whose further development can be found in the Annual Report 2021.

4.1.1 Shareholders' rights

The protection of the **rights of all its shareholders**, both majority and minority, local and foreign, is the way in which Ferreycorp guarantees equitable treatment to its 3,112 shareholders. All corporate matters considered relevant are disclosed in an adequate and timely manner, following strict insider information guidelines, while ensuring the strategic management of the organization through the effective monitoring of the Board and the definition of its responsibilities to shareholders.

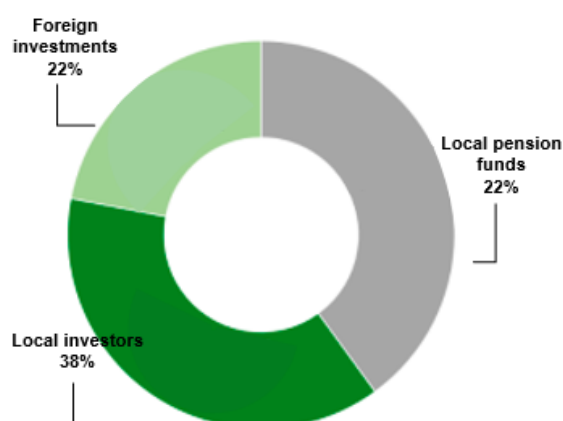
Ferreycorp shareholders

(GRI 102-7)

Ferreycorp has a widespread shareholding, in which 39.64% is in hands of Peruvian pension fund administrators and approximately 15.48% corresponds to retail shareholders.

With respect to the origin of the corporation's shareholders, the following is the composition of shareholders at the end of 2021.

Composition of Ferreycorp's shareholders as of December 31, 2021



Majority stockholders of Ferreycorp as of December 31, 2021*

Full name	Number of shares	Equity interest (%)	Source
Prima - Fondo 2	61,188,098	6.27%	Peru
Profuturo – Fondo 3	55,829,583	5.72%	Peru
Profuturo – Fondo 2	52,072,925	5.34%	Peru
Integra - Fondo 2	50,634,820	5.19%	Peru
Integra - Fondo 3	48,050,589	4.92%	Peru
Letko Brosseau Emerging Markets Equity Fund	46,314,000	4.75%	Canada
Prima - Fondo 3	44,398,776	4.55%	Peru
Corporacion Cervesur S.A.A.	43,137,164	4.42%	Peru
Interseguro Compañía de Seguros de Vida S.A.	42,405,262	4.35%	Peru

*Shareholders with 4% or more of the company's capital stock.

On the other hand, the *free float* of the corporation went from 81.22% in 2020 to 80.62% in 2021. In this regard, the table below shows the shareholding structure by type of investor at the end of 2021, from which information the *free float* calculation is obtained, according to the MSCI (Morgan Stanley Capital Investment) methodology. Thus, to obtain it, the non-*free float* corresponding to the shares held by members of the Board and Senior Management, including relatives (number 1 of the table); workers (number 2); Peruvian State entities (number 6); banks, finance companies, municipal savings banks under the supervision of the SBS (number 7); entities not included in previous numbers (number 15) and shares in portfolio (number 16) must be discounted from the total.

Stock: FERREYCORP		
Holdings by type of shareholder of the shares or equity securities comprising the S&P Peru Select Index (as of year-end 2021)	Number of holders	% of participation
1. Members of the board and senior management of the company, including relatives ⁽¹⁾ .	23	2.63%
2. Workers of the company, not included in numeral 1 above.	48	0.01%
3. Natural persons, not included in numeral 1 and 2.	2,827	12.85%
4. Pension funds managed by the Pension Fund Administrators under the supervision of the Superintendence of Banking, Insurance and AFP (SBS).	12	39.64%
5. Pension fund administered by the Pension Normalization Office (ONP) (Oficina de Normalizacion Previsional, ONP).	-	
6. Entities of the Peruvian State, with the exception of the case included in numeral 5.	1	0.21%
7. Banks, finance companies, municipal financial cooperatives, edpymes, rural financial cooperatives and savings and credit cooperatives under the supervision of the Superintendence of Banking, Insurance and AFP (SBS).	3	0.19%
8. Insurance companies under the supervision of the Superintendence of Banking, Insurance and AFP.	3	9.11%
9. Brokerage agents, under the supervision of the SMV.	5	0.03%
10. Investment funds, mutual funds and trust funds under the scope of the Securities Market Law and the Investment Funds Law and bank trusts under the scope of the General Law of the Financial System.	19	1.47%
11. Autonomous estates and banking trusts abroad, to the extent that they can be identified.	111	17.47%
12. Foreign depositaries listed as holders of the share under ADR or ADS programs.		
13. Foreign depositaries and custodians that appear as holders of shares not included in numeral 12.	3	0.07%

Stock: FERREYCORP		
Holdings by type of shareholder of the shares or equity securities comprising the S&P Peru Select Index (as of year-end 2021)	Number of holders	% of participation
14. Foreign custodians who are listed as holders of shares.		
15. Entities not included in the preceding numerals ⁽²⁾ .	56	13.31%
16. Shares belonging to the S&P/BVL Peru Select Index or a security representative of these shares in the company's portfolio.	1	3.04%
Total	3,112	100.00%

(1) Term "Relatives" according to the indirect ownership, linkage and economic groups regulations.

(2) Term "Entities" according to the indirect ownership, linkage and economic groups regulations.

As for Ferreycorp's retail shareholders, at year-end 2021 they totaled 2,898, 6% less than the number in 2020 due to the unstable situation in the country, but still 28% higher than in 2019.

Shareholder returns

The corporation promotes the permanent improvement of the stock value through the achievement of good financial results and transparent information practices. In this way, it has a Dividend Policy, modified by the General Shareholders' Meeting of 2019, to allow the delivery of extraordinary dividends above the established limit, and which has been fully complied with for more than 20 years, as it recognizes that one of the main rights of shareholders is to receive the return on their investment.

In May 2021, shareholders were paid S/ 86,368,865.74 in dividends corresponding to fiscal year 2020, equivalent to S/ 0.091 per share, which represented a *dividend yield* of 4.4%.

Likewise, in October 2021, shareholders were paid S/ 100,000,000.00 on account of 2021 profits, equivalent to S/ 0.106 per share, which represented a *dividend yield* of 5.2%. Considering the total dividend distribution in 2021, the dividend yield for the year was 9.6%.

Dividend yield* of Ferreycorp in the last 10 years

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>Dividend yield</i>	2.7%	3.6%	4.4%	5.2%	5.0%	5.3%	5.7%	10.4%	8.8%	9.6%

(*) The dividend yield indicates how much of the investment can be recovered solely from the company's dividend payout. It is a way of measuring the productivity of the investment.

Dividend payment detail

Fiscal year	Capital stock (S/ million)	Freely distributable income (S/ million)	Cash dividends (S/ million)	Dividends (% Freely distributable income)	Cash dividends per share (%)	Dividend per share (S/.)
2004	239	25	12	48%	5.5%	0.055
2005	266	27	13	49%	5.5%	0.055
2006	284	80	28	36%	11.0%	0.110
2007	335	114	40	35%	13.2%	0.132
2008	415	72	21	29%	5.5%	0.055
2009	467	90	28	31%	6.0%	0.066
2010	531	125	32	26%	6.0%	0.066
2011	698	147	42	29%	6.0%	0.060
2012	803	158	48	30%	6.0%	0.060
2013	945	93	56	60%	5.9%	0.059
2014	1,014	118	61	52%	6.0%	0.060
2015	1,014	146	87	60%	8.9%	0.089
2016	1,014	207	124	60%	12.8%	0.128
2017	975	240	132	55%	13.5%	0.135
2018	975	202	121	60%	12.5%	0.125
Dividend ext. 2018			100		10.2%	0.102
2019	975	245	147	60%	15.3%	0.153
2020	975	144	86	60%	9.1%	0.091
Advance Div. 2021			100		10.6%	0.106

In terms of share value, despite the difficult situation of the Peruvian economy and the uncertainty in the market since mid-year after the electoral process, Ferreycorp's shares had a positive performance. The opening price for 2021 was S/ 1.72 and the closing price was S/ 2.05, passing through its lowest point of the year in June when it traded at S/ 1.37. This increase in the share price added to the total dividend per share of S/ 0.197, is reflected in a shareholder return of 31% in 2021.

It should be noted that, since 2016, the corporation has had a market maker in order to provide greater liquidity for its shares on the BVL.

4.1.2 Shareholders Meeting (GRI 102-18)

The General Shareholders' Meeting is the sovereign and supreme body of the company. Their processes and procedures must allow equal treatment of all shareholders.

The exclusive and non-delegable functions of the General Shareholders' Meeting are the approval of the remuneration policy of the Board of Directors, the approval of the financial statements and the appointment of the members of the Board of Directors. The Statute recognizes and clearly attributes these functions in the government of society and in the control of the administrators.

In turn, the Regulations of the Shareholders' Meeting include the procedures related to the participation and the exercise of the rights of the shareholders, among them the convening mechanism, the proposals for agenda items, the procedure for the exercise of vote, the delegation of the vote and the monitoring of the board agreements.

Likewise, it is the function of the General Management to monitor the agreements adopted at the Shareholders' Meeting to be later presented to the Board of Directors Committee of Appointments, Remuneration, Corporate Governance and Sustainability and to the Directory in full, and communicated through the website.

In line with the best corporate governance practices, Ferreycorp promotes the active participation in the Shareholders' Meeting and promotes that the motions on the agenda are approved by the largest number of shareholders present at the meeting or their representatives.

According to what was approved by the 2020 Shareholders' Meeting and established in its bylaws, the General Meeting was held on March 31, 2021 Annual Mandatory Shareholders' Meeting by the Cisco platform Webex, whose call was made with due anticipation, publishing the corresponding notice. In addition to the issuance of the Proxy Statement, the informative document on the procedure for the holding the non-face-to-face Shareholders' Meeting and the guide for using the Cisco Webex platform were published. All this information and documentation related to the matters to be discussed at the Meeting was published as a Matter Fact in the SMV's website and in the 2021 General Shareholders Meeting section of the Ferreycorp website.

Additionally, it was sent by email to the shareholders who have updated their personal information. Having repealed the emergency decree, to the Non-Personal General Shareholders' Meeting on November 15, 2021 will be they followed the guidelines established in the General Law of Companies. In this occasion the Cisco Webex-Events platform was also used.

The remote Meeting was attended by 140 shareholders, including those who granted powers, which allowed it to meet with a quorum that came to 79.5%, after starting the session. As a result of Superintendent Resolution No. 017- 2021-SMV/02, published on February 20, 2021, which allows the participation of custodians without the need to present a specific power of attorney to represent their customers, the March 2021 Meeting had the largest abroad shareholder participation (a total of 50).

Likewise, the two main international consultants (proxy advisors) that provide voting management recommendations – Institutional Shareholder Services Inc. (ISS) and Glass, Lewis & Co. – advised investors in general to vote in favor of all the items on the agenda.

During this appointment, the General Manager reported on the compliance and follow-up of the resolutions adopted at the Annual General Shareholders' Meeting, held in July 2020. These agreements, in turn, had already been reported to the Board of Directors and revealed to the market as a Matter Fact, as well as published on the website Ferreycorp website.

At the Shareholders' Meeting held on March 31, 2021, the audited financial statements, the Annual Report and the following agenda items that are detailed below were approved:

- (i) Payment of the dividend in cash, in accordance with the Dividend Policy - that the company has had since 1997- which establishes the criteria distribution of profits. On the recommendation of the Board, it was agreed to distribution of cash dividends of S/ 86,368,865.74, equivalent to S/ 0.091053181425 per share. The Board delegated to the Board the power to determine the date of registration and delivery, within the following 45 days. The dividend was paid to shareholders on May 14, 2021.

(ii) The modification of articles 19°, 26° and 30° of the Bylaws of Ferreycorp S.A.A. and Ferreyros S.A., to contemplate the possibility of hold non-face-to-face shareholders' meetings.

(iii) The proposal for Ferreycorp S.A.A. or its subsidiaries can place on the local or international market one or more issues of debt instruments, through public and/or private offer, maintaining as a maximum current balance the amount of US\$ 400 million denominated in United States dollars and/or soles (amount outstanding); as well as delegate powers to carry out these operations to officials appointed by the Board.

(iv) The auditing firm Paredes, Burga & Asociados Sociedad Civil was appointed of Limited Liability, an EY member firm, as external auditors for the year 2021, delegating to the board the negotiation and approval of the contracting conditions.

4.1.3 The Board and Senior Management (GRI 102-18)

Within its internal structure, the diversity of experience, training and background of its members, who actively participate in the sessions and committees, make the **Board** a space where the plurality of opinions is relevant for the creation of value for shareholders, as well as for the formulation of the strategic plan of the corporation and its subsidiaries, working together with Management, which marks the future of the organization.

The policies and practices of the Board of Directors are defined in the Bylaws of the Company and in its operating regulations, which contemplates its responsibilities and functions, their composition and selection criteria, the induction procedure, the rules for calling and conducting the sessions, the referral of information, its evaluation and the definition of its remuneration, among other aspects.

In addition, the Board of Directors has a work plan that contributes to the efficiency of key functions, among which are:

- Evaluate, approve and direct the corporate strategy; set goals and the main action plans, the monitoring policy, risk control and management, annual budgets and business plans; control their implementation; and monitor the main expenses, investments, acquisitions and disposals.
- Select, control and, when necessary, replace executives principals, as well as setting their remuneration.
- Evaluate the remuneration of the main executives and the members of the Board of Directors, ensuring that the procedure for electing directors is formal and transparent.
- Carry out the monitoring and control of possible conflicts of interest between the management, members of the Board of Directors and shareholders, including the use fraudulent use of corporate assets and abuse in transactions between parties interested.
- Ensure the integrity of accounting systems and financial statements of the company, including an independent audit, and the existence of the proper control systems, in particular, control of financial risks and non-financial and law enforcement.
- Supervise the effectiveness of governance practices according to which operates, making changes as they become necessary.
- Supervise the information policy.

It should be noted that the functions of the Chairman of the Board, as well as the General Manager must be clearly delimited in the Statute and in the internal regulations of the company in order to avoid duplication of functions and possible conflicts.

Regarding the functions, powers and responsibilities of the General Management it should be considered that:

- Management must have sufficient autonomy to develop its functions adequately within the guidelines designated by the Board of Directors.
- Management must act under the same principles of diligence, loyalty and reservation, which has the Directory.
- The General Manager must comply with the approved delivery policy for information to the Board of Directors or to the directors individually, without prejudice to the responsibilities established by statute

Board election

The plurality of opinions is extremely important: Board of Directors must gather different points of view and approaches derived from the diversity of skills and trajectory of its members, in addition to other relevant qualities, such as professional experience and moral and economic solvency.

In addition, at least one third of the Board of Directors must be independent; the criteria to determine the independence of the director of Ferreycorp are aligned with those published by the SMV in June 2019 through SMV Resolution No. 016-2019-SMV/01, are stipulated in the bylaws of the company and also it is up to the corresponding directors to annually declare their independence.

Basically, the SMV Resolution considers the independence of the director in relation to his disassociation from the company, its shareholders and directors.

The Board of Directors is specifically elected by the Shareholders' Meeting and, through the Proxy Statement, the shareholders are made aware of the professional trajectory of the candidates. The resume of every member, as well as the independence condition of the directory, is published on the Ferreycorp website.

The Shareholders' Meeting held on July 30, 2020 elected the Board of Directors of Ferreycorp S.A.A. for the period 2020-2023. The Board has nine members from diverse professional backgrounds and experience in various sectors, from different gender and nationalities: four of them are independent, one is a foreigner and two are women. The president and vice president are elected by the members of the Directory.

Ferreycorp provides the necessary channels and procedures for directors participating in the monthly sessions of the Board of Directors, even non-face-to-face. The issues to be discussed in each session must be available to the directors in advance that allows them to review, except in the case of strategic matters that require confidentiality, In this case, the necessary mechanisms will be established to evaluate this information properly.

It should be noted that the Board of Directors can form special bodies as mechanisms of support, according to the needs and size of the organization, and refer to appointment, remuneration, control and planning functions. They must be preferably composed of independent directors, in order to make decisions impartial in the event of conflicts of interest.

Under this guideline, the Ferreycorp Board of Directors has four special committees, chaired three of them by independent directors:

- Audit and Risk Committee
- Appointments, Remuneration, Corporate Governance and Sustainability Committee
- Innovation and Technology Committee
- Investment Committee

After the election of the new board of directors in 2020, an induction session was held addressed to its members in which the strategies, business plans, structure and results of the different companies of the organization, making them delivery in addition to the main policies and regulations of the corporation (Social Bylaws, Corporate Compliance Policy, Regulations of the General Meeting of Shareholders and Board of Directors, Corporate Standard to Safeguard Confidentiality, Transparency and Dissemination of Information to the Capital Market and Sworn Declaration of the Director). Also explained how the directory administration platform works and a guided tour of the facilities of the main subsidiaries was held.

During 2021, the Board of Directors carried out, as every year, a self-assessment on its performance with scope on the call, agenda, sessions and conduct of the themselves.

Additionally, this year the self-assessment was accompanied by an evaluation carried out by an external consultant. This evaluation measures the performance Board of Directors and each director individually. Also, it reviews the regulations that regulate the operation of the Board of Directors, its functions and the sessions organized, in addition to conducting surveys to each of its members.

It is worth mentioning that although the regulations of the board of directors indicate that the external evaluation should be carried out every two years, it was considered convenient to carry out the external evaluation corresponding to the year 2021 (which was carried out in 2022) in substitution of that of the financial year 2020, due to the fact that the 2020 management had a shorter term than usual (due to the conjuncture of the pandemic, the Board had to be postponed and the consequent election of the Directory). The result of the performance of the Board of Directors for fiscal year 2021 was outstanding, both as a collegiate body and on an individual level.

4.1.4 Information Transparency

The Board of Directors -through the Corporate Standard to Safeguard Confidentiality, Transparency and Dissemination of Information to the Capital Market- establishes an information policy for shareholders, investors and the market in general, which in a formal, orderly and comprehensive manner defines the guidelines, standards and criteria that will be applied in the management, compilation, elaboration, classification, organization and/or distribution of information generated or received by society.

The information policy covers everything that could influence decisions of its users, such as the objectives of the organization, the list of members of the Board of Directors and Senior Management, the shareholding structure, the description of the economic group to which it belongs and the financial statements, among others.

Ferreycorp ensures the appropriate disclosure of information and its transparency through permanent interaction with shareholders, displaying strict procedures for handling confidential and privileged information.

This ensures that information is presented accurately and regularly about all relevant matters, including the financial situation, the business performance, market situation, group information and the delivery of rights to shareholders, among other issues which are communicated through different channels such as the website for investors and communications to the market regulator.

About privileged information, it should be noted that the name of Internal Rules of Conduct to Safeguard Confidentiality, Transparency and Dissemination of Information to the Capital Market was changed, now being called as the Corporate Standard of Conduct to Safeguard Confidentiality, Transparency and Dissemination of Information to the Capital Market. The Blackout Period was included in that rule, which establishes that all persons who in the performance of their duties have access to privileged information may not buy or sell securities of Ferreycorp and its subsidiaries, during the 15 days prior to the publication of results.

Ferreycorp has always had the vocation to participate very closely in the market for capitals and that is why it has an area dedicated exclusively to serving them: the Investor Relations and Securities Management, which is part of the Management Corporate Finance.

4.1.5 Risks and Compliance

On the other hand, in order to ensure that the actions of all Ferreycorp's employees are within the values and ethical principles, a **Compliance System** for the Prevention of Corruption has been implemented, which is framed within a culture of integrity, the central foundation of all its activities.

4.2 Risk management and compliance

4.2.1 Internal control environment

(GRI 102-16)

At Ferreycorp, the internal control environment promotes socially responsible business, contributes to strengthening stakeholder confidence and promotes decision-making based on risk analysis. In this environment, of general scope to all employees and managers of the organization, both the Compliance System and corporate risk management are articulated, framing a corporate performance based on values and promoting the sustainability of the company.



The Board, as part of its fiduciary duty towards the company and the shareholders, has the function of ensuring the integrity of the accounting systems and financial reports, which is achieved through internal and external control. For this reason, it proposes to the Shareholders' Meeting which external auditing firm will be responsible for auditing the individual and consolidated financial statements of the corporation's companies each year. In accordance with the internal policy on hiring external auditors, they may perform this task for five consecutive years, with the possibility of being appointed for an additional period of the same duration, which will depend on the evaluation made by the Audit and Risk Committee of the Board.

The external auditing firm must present, at the beginning of the year, its proposed work plan, methodology to be followed and the responsible team that would be in charge of the work, as well as the economic proposal first to the Management and then to the Audit and Risk Committee, so that the Board can finally propose it to the Shareholders' Meeting. Following this process, at the Shareholders' Meeting held on March 31, 2021, the Board approved the proposal to hire the firm EY to prepare the 2021 audited financial statements.

Likewise, to safeguard an internal control environment, Ferreycorp has an internal auditor and a team of auditors who perform decentralized reviews in all companies and business units, in order to validate that the processes defined for the development of the business and operations are complied with. The reviews respond to an annual plan approved by the Audit and Risk Committee, which is outlined on the basis of certain criteria that allow prioritizing the review to a selection of the auditable universe. The Internal Audit area performs its work with complete independence and autonomy, and its findings and recommendations, as well as their implementation, are presented to the Committee. As the Board is responsible for internal control, internal audit ensures that these controls are effective and function as established.

The Audit and Risk Committee of the Board approved an annual plan for 2021 consisting of 154 tasks during the year and ratified the internal auditor at its meeting of February 15, 2021. It also reviewed in its four sessions the progress of the Annual Plan and the implementation of the recommendations that were still pending from the previous year - 99% of the total was implemented - as well as the 469 recommendations issued during the year.

During 2021, the Audit and Risk Committee of the Board held four sessions, as mentioned above, in which it reported on the plans for an external audit with the participation of the external auditors in two sessions; the internal audit work, with the participation of the internal auditor in all sessions; the control of financial and business risks, with the presentation of the risk map and the mitigation and control plans in the month of December; and the observance of the Compliance System, with the semiannual presentation of the compliance report, by the Corporate Affairs Manager and Compliance Officer.

4.2.2 Risk Management

(GRI 102-15)

The integral risk management system allows the identification, measurement, administration, control and follow-up of critical risks within the organization, both those that reach the parent company Ferreycorp and all the subsidiary companies of the group, especially those risks related to the business, operations and finances. It should be noted that the corporation has a Corporate Policy for Integral Risk Management.

Ferreycorp has a Risk Area within the Corporate Finance Management, which is responsible for identifying, evaluating, monitoring and communicating potential business risks and determining, together with those responsible for each subsidiary, the action plans to control or mitigate them.

These actions are carried out with the participation of the different areas of each subsidiary and the parent company, and have the final approval of the General Management or the director responsible for each company, who undertakes to carry out the contingency plans established for each of the risks identified and submit them to the Audit and Risk Committee of the Board, made up of five independent directors.

For the year 2021, the high impact risks identified as common to the different Ferreycorp companies are as follows:

Government / politics and slowdown and/or recession of the local and international economy

The corporation has established measures to respond to an eventual severe drop in market demand as a result of both risks mentioned above, such as outlining possible scenarios and contingency plans within a risk control and mitigation plan presented by Management to the Audit and Risk Committee of the Company's Board; monitoring the efficient management of assets; rationalizing operating expenses and optimizing the use of resources. Also, given the volatility of the exchange rate as a collateral effect of political instability that impacts financial results, scenarios and plans for exchange rate increases, the transfer of debt to a currency other than the currency of origin, the use of financial instruments such as *forwards*, and the follow-up of exchange control measures are permanently evaluated.

Competition risk

Ferreycorp believes that it has competitive advantages that allow it to mitigate the possible risks generated by the actions of traditional and non-traditional competitors. Such advantages are its strategic alignment with Caterpillar, the main brand it represents, with which it permanently develops commercial strategies to maintain its leadership in market share in the sectors in which it is present; and its experience in the industry and optimal customer satisfaction, with a portfolio of products from prestigious brands and high-level services; nationwide coverage, through a broad network of branches and offices and at the customers' own place of operation; a recognized after-sales service; rental and pre-owned equipment sales alternatives; financial services that include direct financing or alternatives with CAT; and constant improvement of the value proposition, through the analysis and monitoring of customer satisfaction and experience.

Information systems security

As a result of the identification and assessment of these risks, Ferreycorp has developed an Information Security Program that is articulated through initiatives such as training employees in information security; deploying controls in business processes and information technology; controls required by the Personal Data Protection Law (in Peru); measures to promptly address security incidents; and business continuity planning and testing.

Ferreycorp has an Information Security Program that is articulated to through initiatives such as training employees in the area of security of the information; deploy controls in business processes and information technology information (more than 150 controls); controls required by the Law for the Protection of personal data (in Peru); measures to respond promptly to incidents of security; and business continuity planning and testing. This program has a defined road map, which is constantly reviewed and updated by Management of IT, Processes and Innovation.

Inventory Management

The corporation, through its subsidiaries and especially its logistics areas, maintains close coordination with its key suppliers, either with the factory for the supply of machinery, consumables and/or spare parts or with shipping lines and airlines for the logistic flow of cargo, in response to the risk associated with the limited availability of equipment and/or spare parts of the brands represented, as a result of the shortage and increase in the cost of raw materials and labor shortages worldwide, as well as the international logistics crisis.

Innovation risk

Faced with the emergence of new business models and innovative ways of penetrating the market, Ferreycorp has deployed various initiatives such as the creation of the Innovation Committee of the Board and the Strategic Planning Committee for Monitoring Initiatives; the existence of the Innovation area in the Strategy Management; and the innovation itself of the brands represented in the development of products with technological change, e-commerce and connectivity; the program "For the next 100 years " focused on the development of skills and leadership for the managers and middle managers on customer-centric digital transformation; and development of own initiatives for improving the customer's digital experience, electronic commerce, supply chain, productivity and development of new products and/or services.

Search for operational efficiency

The corporation has deployed efforts and resources to address this risk, which include the Business Excellence Project (SAP), as a cutting-edge technological platform; the development of initiatives in connectivity (productivity), supply chain, product support, e-commerce, CRM and remote assistance; participation in the Caterpillar Excellence Programs in Marketing and Sales, Digital, Service, Parts and Rental, and in the periodic evaluations that other represented brands perform on their dealers; and the Ferreycorp Circles, as spaces for collaboration and exchange of knowledge of best practices among the subsidiaries. Ferreycorp has Supply Chain, Product Support, Marketing and Sustainability circles.

Damage to corporate reputation and/or brand

Ferreycorp has been working on a series of measures with its different stakeholders to prevent the materialization of this risk, including the implementation of the Compliance System; the preparation of crime risk matrices in the parent company and four subsidiaries of the corporation (Ferreycorp, Ferreyros, Unimaq, Soltrak and Fargoline); implementation of due diligence processes for clients by the Unit for the Control of Money Laundering and Financing of Terrorism (LAFT) and Illegal Mining (UCMI); and incorporation of anti-corruption clauses in commercial contracts and protocol for customers questioned for corruption.

Health and safety

The commitment of Ferreycorp and all its employees is to eliminate, minimize and control this risk through measures such as the annual Occupational Health and Safety (OSH) Program; monthly monitoring of OSH indicators; and certification in the highest international standards, ISO 45001 (Occupational Health and Safety Management System) in Ferreycorp, Forbis Logistics Peru and Trex Chile.

4.2.3. Internal Control System

In order to guarantee an adequate internal control system, the corporation has a corporate internal audit area, which is responsible for checking the review work in all companies and business units to ensure that the processes defined for the management of business and operations are complied with.

4.2.4 Compliance System

To ensure that the actions of all Ferreycorp's employees are carried out within the framework of a culture of integrity, aligned with ethical values and principles, as well as observing the legal framework applicable to all areas of business management, the Compliance System has been implemented to prevent crimes, especially money laundering and corruption.

The **Corporate Code of Ethics** details the values of the corporation that guide the behavior and decision-making of all employees, including Ferreycorp's officers and directors, without exception. In addition, it clearly and explicitly determines the fundamental lines of action that must govern relations with the different stakeholders, based on ethical principles.

For its part, the **Corporate Compliance Policy** reflects the commitment of the corporation in its fight against bribery in any form; through an agent or third party; in

relation to a public employee or a natural or legal person; in any situation that may arise; as well as against the crimes of collusion, influence peddling, money laundering and financing of terrorism. The development of this policy, as well as the measures and the design of the Compliance System that is deployed, takes into consideration the requirements established by the ISO 37001:2016 standard, as well as the current laws and regulations on compliance and crime prevention.

A set of specific corporate **standards** constitutes a guide for the actions of employees, officers and directors in circumstances that could present risk situations, such as the giving or receiving of gifts, conflict of interest, business with State agencies and relations with public officials, as well as other standards related to reputational risk control and preventing corruption in business with third parties. Likewise, there are **procedures** focused on the identification and evaluation of risks; the administration of communications; the performance of audits of the system, among others, contributing to its efficient management.

(GRI 102-52) Regarding the 2021 fiscal year, as in previous years, the Audit and Risk Committee of the Board received Ferreycorp's Compliance Report, with a progress report on *compliance* at the end of the first half of the year and a final report at the end of the year. The edition with information at the end of 2020 was presented at the June committee meeting, while the report focused on the first half of 2021 was presented at the September committee meeting. The final report for the year 2021 was presented at the Audit and Risk Committee meeting of the Board on February 14, 2022.

(GRI 205-1) The report is an evaluation of the degree of compliance in ten dimensions of specialized regulations and major compliance risks: Corporate Compliance System, Financial Intelligence Unit, illegal mining, personal data protection, contracting with public sector entities, customer and supplier relations, securities market, imports, taxes and transfer pricing, and labor and health issues.

With regard to the Compliance System for the prevention of corruption crimes of the corporation and its subsidiaries, it includes the regulations related to the prevention of money laundering and financing of terrorism, and its subsequent reporting to the Financial Intelligence Unit (FIU); the control of illegal mining, fishing and logging; the protection of personal data; contracting with the State; relations with customers and suppliers; the securities market and the disclosure of information; the declaration and payment of taxes, as well as compliance with transfer pricing provisions; foreign trade regulations; and compliance with labor obligations with respect to workers.

(GRI 205-1) In fiscal year 2021, the implementation of the Compliance System was strengthened, which systematizes, organizes and implements various Ferreycorp initiatives in this area, from the existing and long-standing ones to those recently created. The system is currently implemented in the 50% of the corporation's subsidiaries in Peru: Ferreycorp, Ferreyros, Unimaq, Soltrak and Fargoline.

It should be noted that one of the main elements for the operation of the system is a Corporate Ethics and Compliance Officer, a whistleblower channel and training processes for employees in this area.

In 2021, Ferreyros obtained the recertification of the "Certified Anti-Bribery Company" distinction, thus showing the consolidation of the management system for the prevention of corruption in the main subsidiary, which at the end of 2019 earned it this certification for the first time granted by the association Empresarios por la Integridad (Businessmen for Integrity).

Ferreycorp and three of its subsidiaries, Unimaq, Soltrak and Fargoline, also obtained this distinction in 2021, awarded on the basis of an audit conducted by an independent third party of recognized trajectory, which evaluates key processes of each of these companies. This recognition demonstrates the existence and proper functioning of an anti-corruption regulatory system, and the commitment to a culture of integrity in the corporation and its subsidiaries, with clear principles to promote ethical behavior, based on values, with all stakeholders.

During the year, Ferreycorp actively participated in the Corruption Prevention Program "De Empresas para Empresas" (DEPE) of the *Alliance for Integrity*, which is implemented in Peru in collaboration with USAID Peru's Transparent Public Investment Project (TPI) and the Good Governance Project developed by the German cooperation agency GIZ Peru.

This program seeks that small and medium-sized enterprises (S&MEs) in various regions of the country strengthen their integrity standards, implement effective anti-corruption mechanisms and improve their competitiveness. In 2021, the corporation participated in the training of 118 S&MEs in the construction sector, including some of its suppliers, sharing its leadership experience in the adoption of best practices that promote ethical business performance, with an impact on its stakeholders and benefiting the development of the country.

4.3 Customer relationship management

(GRI 103-1, GRI 103-2, GRI 103-3)

The corporation, through its operating companies in Peru and abroad, is mainly engaged in the import and marketing of products of prestigious brands and recognized quality. The organization develops capabilities that allow it to have the preference of customers, maintaining a high market share in the lines it distributes.

Ferreycorp, through its subsidiaries, focuses on the commercialization of capital goods and related services in several Latin American countries. Within the framework of this mission, it complies with the attributes of excellence in the quality of products and services, as well as in the safety of customers, with the purpose of satisfying their expectations, establishing solid long-term relationships and generating recommendation of Ferreycorp companies, achieving higher and higher levels of loyalty.

In this sense, it offers nationwide coverage in the territories where it operates; it has a wide infrastructure of workshops and an assorted inventory to meet the needs of customers in an efficient and timely manner; and it provides, through trained technicians, after-sales service with the best quality standards.

In addition, the corporation provides its customers with an efficient supply chain. The company has a large stock of spare parts in Lima and its branches; a network of approved carriers to guarantee the best service; and a significant logistics capacity deployed through its subsidiaries Fargoline and Forbis Logistics. The latter contribute significantly to the efficiency of the supply chain, offering customers the shortest possible time for the arrival in the country of the required products and their dispatch.

Finally, the corporation offers medium-term credit for the purchase of machinery, equipment and spare parts and, through Caterpillar's financial arm, financing with excellent financial conditions.

4.3.1 Product quality and customer satisfaction

In order to build customer loyalty, the subsidiaries implement a customer experience management model consisting of the following best practices:

- Design of experiences consistent with the brand promise of products and services.
- Periodic information gathering mechanisms such as the "Voice of the Customer" survey.
- Loyalty indicators specification (satisfaction, repurchase, recommendation).
- Performing service recovery actions.
- Analysis of customer *pain points* or *insights*.
- Specification of initiatives to improve customer experience and/or improve the value proposition of products and services.

Through the Voice of the Customer survey, the corporate Customer Experience Management area standardizes complaint management, implements customer experience standards and supports the development of experience protocols for customer service channels in the corporation's subsidiaries.

It should be noted that this survey provides the customer satisfaction index, as well as the NLS (*Net Loyalty Score*), which considers three rigorous indicators: satisfaction, repurchase intention and recommendation; based on these three ratings, under a scale of 1 to 10, we identify the number of loyalists or promoters -who score 9 or 10 in the three questions- minus detractors - those who score 5 or less on any of the questions.

The following shows the level of customer satisfaction with the products or services offered by the six subsidiaries with the highest operating volumes in Peru: Ferreyros, Unimaq, Orvisa, Soltrak, Fargoline and Forbis Logistics. The improvement in the results of most of these companies stands out.

Consolidated results of the level of customer satisfaction with the products or services offered by the company *

Type of survey	Ferreyros		Unimaq	
	Satisfaction 2020 (%)	Satisfaction 2021 (%)	Satisfaction 2020 (%)	Satisfaction 2021 (%)
New machinery	61	58	48	45
Services	64	70	50	60
Spare parts	64	65	46	44
Used equipment sales	53	60	50	59
After-sales service allied brands	-	-	50	54
Rental	79	81	51	70
% Total	64	67	47	47

Type of survey	Orvisa	
	Satisfaction 2020 (%)	Satisfaction 2021 (%)
New machinery	69	77
Services	58	67
Spare parts	56	60
% Total	59	65

Type of survey	Fargoline		Forbis Logistics	
	Satisfaction	Satisfaction	Satisfaction	Satisfaction
	2020 (%)	2021 (%)	2020 (%)	2021 (%)
Service	47	49	72	69
% Total	47	49	72	69

Type of survey	Soltrak	
	Satisfaction 2020 (%)	Satisfaction 2021 (%)
Lubricants	56	59
EPPs	43	35
Tires	39	47
% Total	46	47

(*) Consider: Ferreyros, Unimaq, Orvisa, Forbis Logistics, Fargoline and Soltrak

In addition, most of Ferreycorp's companies with the largest operating volumes in Peru show a consistent improvement in the level of customer loyalty to the products and services offered.

Consolidated results of NLS customer loyalty level with the products or services offered by the company

Type of survey	Ferreyros		Unimaq	
	NLS 2020 (%)	NLS 2021 (%)	NLS 2020 (%)	NLS 2021 (%)
New machinery	52	53	36	36
Services	59	68	38	54
Spare parts	59	61	33	33
Used equipment sales	47	47	29	53
After-sales service allied brands	-	.	47	53
Rental	79	81	42	68
% Total	59	61	35	37

Type of survey	Orvisa	
	NLS 2020 (%)	NLS 2021 (%)
New machinery	65	77
Services	47	63
Spare parts	46	50
% Total	55	65

Type of survey	Fargoline		Forbis Logistics	
	NLS	NLS	NLS	NLS
	2020 (%)	2021 (%)	2020 (%)	2021 (%)
Service	40	40	59	66
% Total	40	40	59	66

Type of survey	Soltrak	
	NLS 2020 (%)	NLS 2021 (%)
Lubricants	53	57
EPPs	36	35
Tire	31	67
% Total	39	46

(* Consider: Ferreyros, Unimaq, Orvisa, Fargoline, Forbis Logistics and Soltrak

All Ferreycorp companies have permanent channels for customer service and for receiving suggestions and complaints regarding products and services, through various means of communication such as telephone, mail, website and social networks. Specifically, in Peru, in accordance with Law No. 29571, a complaints book is available to customers.

Additionally, each subsidiary company, based on its operational independence, has generated processes for receiving and managing complaints and claims. For example, Ferreyros, Orvisa and Unimaq have a process for handling complaints and indicators; registration and follow-up are carried out through the SAP CRM system.

5.1.3.2 Customer health and safety (GRI 417-1)

In all the countries where it operates, Ferreycorp is committed to providing a safe environment to ensure the physical integrity of its employees, customers, suppliers and third parties.

In Peru, the subsidiaries have integrated quality and safety management policies that mention the commitment to be responsible for the health of its employees, customers and suppliers, as well as care for the environment. Likewise, there are internal safety regulations in the offices, workshops and operations that seek to guarantee the integrity of all those who are in such spaces. Likewise, procedures have been established for the handling, segregation, and storage of solid waste and hazardous liquids. Currently, the subsidiaries abroad are in the process of adapting their management systems in this area.

The following is information on Ferreycorp's five largest companies in Peru. These companies have hundreds of products and product families, including equipment, accessories and spare parts of the different brands they represent. 100% of the products show the data required by current regulations, such as origin, safety instructions, and product disposal instructions. In the case of equipment, these have safety manuals with specific information for each model.

Product and service labeling information (*)

Labelling	Ferreycorp				Unimaq				Orvisa				Soltrak			
	Equipment	Accessories	Spare parts	Services	Equipment	Accessories	Spare parts	Services	Equipment	Accessories	Spare parts	Services	Equipment	Accessories	Spare parts	Services
Origen	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	-	-	Yes	-	-
Content: Presence of substances that may affect the environment	-	-	Yes	Yes	-	-	Yes	Yes	-	-	Yes	Yes	-	Yes	-	Yes
Safety instructions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	-	Yes
Product disposal	-	-	Yes	Yes	-	-	Yes	Yes	-	-	Yes	Yes	-	Yes	-	Yes

(*) Considers: Ferreycorp, Unimaq, Orvisa and Soltrak

4.3.3 Customer privacy (GRI 418-1)

In compliance with the Peruvian Personal Data Protection Law, Ferreycorp and its subsidiaries in the country request the prior, informed, express and unequivocal consent to process the data or information of a natural person. In case of processing of sensitive data, written consent is also required.

Likewise, Ferreycorp has established rules and procedures to ensure the proper handling and storage of customer data.

A relevant aspect in data management regulations is to have the consent of the owner for access to his personal data, except in cases exempted by law, and its use for the established purposes.

4.3.4 Innovation initiatives focused on customers

A few years ago, Ferreycorp defined some business and operations fronts to prioritize transformation and innovation projects linked to these dimensions. With the customer as the central focus of innovation and transformation, the prioritized fronts were the advancement of the digital customer experience (including e-commerce), improvements in customer business productivity, supply chain efficiencies, and the development of new technology-based solutions and businesses. The initiatives that have been developed have incorporated agile innovation project management methodologies. The following are some of the deployments carried out in the 2021 period.

a) Advancing the digital customer experience and e-commerce

Digital interactions with customers and their online shopping experience with Ferreycorp companies showed significant growth during the year.

- Caterpillar's Parts.Cat.Com (PCC) *e-commerce* solution for spare parts has been used by Ferreyros, Unimaq and Orvisa in Peru, by Gentrac in Guatemala and by General de Equipos in El Salvador, with good results, generating combined sales of US\$ 53 million. At Ferreyros, this online channel accounted for 43% of the sales of spare parts made by the company's stores.
- As part of the development of its digital business, Soltrak recently implemented its new e-commerce store, which is currently in the white march stage. It is expected to be officially launched during the first quarter of 2022. It can be accessed through <https://tiendaonline.soltrak.com.pe/> and Soltrak's website, www.soltrak.com.pe.
- Cat dealers in Peru, Guatemala and El Salvador organized for the second year the *Cat Live Festival*, a *streaming* event created by Caterpillar Latin America, with offers and discounts on machinery, parts and services. In 2021, Ferreyros, Unimaq, Orvisa, Gentrac and General de Equipos generated business opportunities for more than US\$ 125 million in just one day.
- Fargoline continued to migrate its administrative procedures - previously carried out in person - to digital platforms; thus, 80% of its core operations will be carried out digitally by the end of 2021.
- Ferreyros incorporated new mining customers to the implementation projects of integrated purchasing systems (CAT IP). These integrations are personalized and generate efficiencies in the purchasing processes. Motored, in El Salvador, continued with its *online* commerce, generating sales of US\$ 900,000, higher than in the previous year.
- Fer, Ferreyros' *chatbot*, answered more than 5,000 different customer queries during the year. At the end of 2021, a new version was launched, which allows you to chat directly with Fer: it can now solve queries and assist customers not only through chat, but also through voice audio.

b) Productivity improvements in customers' businesses

During the year, we continued to contribute to the productivity of our customers and their teams, capitalizing on digital and technological resources.

- In 2021, Ferreyros and Caterpillar put into operation the first autonomous trucks in Peru in a major copper project in the south of the country, thanks to Cat Command technology for hauling, from Caterpillar's MineStar platform.
- Once again, the number of customers using the equipment management solutions portfolio doubled during the year. These solutions (Vision Link, My.Cat.Com, Ferreyrnet and Monthly Fleet Management Reports) are used by the majority of

Ferreyros customers who have at least one machine connected in their fleet, from all productive sectors.

- Nearly 3,500 Cat machines and engines from various sectors reported information directly to customers, which in turn was analyzed remotely at Ferreyros' Monitoring and Planning Centers to contribute to decision-making.
- Sitech implemented a preventive fatigue monitoring solution in a Peruvian mining complex, with more than 1,500 *smartbands* that will mitigate the risk of microsleep in machinery operators.
- Soltrak introduced Chevron Express, an innovative “*retail*” service model. This is a mobile vehicle lubrication workshop that travels to wherever customers indicate to perform oil and filter changes, as well as other basic vehicle maintenance services. It focuses on sedans and vehicles of the sedan and SUV type, with the possibility of also servicing other types of vehicles in general.

c) Supply chain

We promote the fulfillment of the delivery of products and services to customers at the time offered, exceeding their expectations.

- In 2021, a project for the purchase, storage and sale of spare parts began between Ferreyros and Unimaq, as part of a collaborative work between companies of the corporation to optimize processes and generate synergies, starting with the preparation of the pre-delivery of Unimaq's machines. This project transfers Ferreyros' economies of scale, which promote better operating costs: storage and operation, import costs and local transportation.
- In a pilot phase, Ferreyros implemented a new system for the optimization of central workshop planning. This system, whose final implementation is scheduled for 2022, will integrate the complete planning of the different workshops (Machine, CRC, Machining, Welding, Hydraulics, Rail) involved in the repair of machines and components.
- The implementation of strategies to reduce congestion and maintain order in its spaces helped Fargoline to handle its customers' containers in a timely manner. Thus, the company completed 70% of yard shipments within 40 minutes, less than the market average.
- During the year, the use of the traceability application (app), which is being used by the vast majority of Ferreyros' transportation units nationwide, was consolidated. Ferreyros established a dedicated work team, the Traceability Area, to get the most out of the information accessible by this means.

d) New products and services

Through innovative solutions, we seek to satisfy the needs of our customers through new products and services.

- In 2021, in its third year of activities, OperApp, the first job marketplace for machine operators in Peru and Latin America, increased its reach compared to the previous year. Today it has more than 21,000 operators, 900 registered companies, 45,000 applications and 2,400 job offers published. This initiative, created by Ferreycorp, allows companies to publish job offers and connect with the best machine operators.
- Soltrak has introduced a service in the line of personal protective equipment (PPE). This is a PPE management system that allows each company to carry out an adequate record and traceability, to facilitate safety management and achieve optimum control of the performance of each protective equipment. The initiative is in its initial stages and is expected to be available to customers by 2022.

- Sitech launched a new anti-collision system that was implemented in a large number of mining trucks in an important mine in the country. This integrated technology solution informs the machine operator about the type, position and distance of the different units, obstacles and people around them, significantly increasing safety and productivity levels in mining operations.

4.3.5 Relationship and frequency

(GRI 102-43)

Communication with customers is daily and personalized, in order to contribute to the success of their business through products, services and solutions. Contact is made by e-mail, telephone, online digital platforms, among others.

5.1.4 Supply chain management

(GRI 103-1, GRI 103-2, GRI 103-3)

Ferreycorp develops reliable and permanent relationships with its suppliers, under a perspective of mutual growth, fair, loyal and transparent treatment. The corporation and its subsidiaries seek that its suppliers maintain an ethical commitment and act with social and environmental responsibility, while orienting its management with this group of stakeholders towards their development, to improve their capabilities and train them in values and respect for human rights, whether they are natural persons with business, micro, small, medium and large companies.

Thus, the corporation's suppliers must carry out their activities in accordance with the regulations in force within the scope of their business activity, as well as in accordance with the Corporate Code of Ethics, Supplier Code of Conduct, and Compliance System and other related corporate standards.

To this end, they must provide high quality competitive products and services, in accordance with the requirements and technical specifications negotiated and corporate safety standards; and may not receive remuneration that transcends the commercial relationship. Also, they must respect personal data, confidentiality and intellectual property, and ensure the protection of information according to corporate standards, without disclosing or using it independently, as well as respecting trademarks and patents, and not making counterfeits. Additionally, they must avoid any situation that presents itself as a conflict of interest, guided by the principles of good faith. Corporate's suppliers must respect the corporate's health and safety standards; maintain a commitment to human rights, not using or promoting child labor and forced labor, ensuring equal treatment of its stakeholders without discrimination, and preserving freedom of association and collective bargaining. They must act with due diligence in the selection of its own suppliers and subcontractors to ensure responsible sourcing throughout the supply chain: and having the highest standards of moral and ethical conduct, within the framework of the fight against bribery and corruption.

4.1 Suppliers type (GRI 102-9)

Ferreycorp and its subsidiaries classify their suppliers according to different characteristics and conditions. By type of relationship with the companies, they can be commercial and non-commercial; by type of transaction, local and foreign; and by criticality by contracting volume and substitutability.

Within this classification, the corporation's main commercial suppliers, mostly foreign, are the manufacturers of the brands represented, whose goods are imported from various parts of the world by Ferreycorp's subsidiaries. It is worth mentioning the relationship maintained with Caterpillar, the organization's flagship brand, since 1942.

It is worth noting that Caterpillar and other represented brands are leading companies with a recognized track record in international markets, with world-class sustainability practices. Their commitments range from a high level of environmental and social responsibility to the principle of promoting lasting relationships with their stakeholders, which includes providing products that comply with safety and environmental regulations; inclusive work environments; and respect for human rights, among other aspects.

There are several types of commercial suppliers within the value chain of Ferreycorp subsidiaries engaged in the sale of consumable products and other companies of services, both local and foreign. These acquisitions make up mostly the cost of sales of products sold to customers.

The non-commercial suppliers are part of the operating expense as they refer to both local and foreign suppliers that are part of the business activity that is not billed to a customer but is necessary to its operation as: insurance and telephone companies; and suppliers of van fleets; travel, customs and logistics agencies; general services and cleaning companies; infrastructure, environmental and technology services; and suppliers of stationery, uniforms and *merchandising*, among many others. Also included are suppliers that provide goods for IT services such as computers, supplies and fixed assets.

4.2 Supplier evaluation and selection process

In 2021, the corporate standard for evaluation, selection and approval of non-commercial suppliers was published, which incorporates issues such as internal and external approval of current and future suppliers, and provides guidelines to all subsidiaries on the conditions necessary for their suppliers to comply with due diligence. This process requires the completion of relevant information regarding the policies, standards and procedures established in the Compliance System for the prevention of corruption crimes of the corporation and its subsidiaries. On the other hand, each company of the Ferreycorp group has the power to define whether it will work the required activities through a third party or directly.

Ferreycorp and/or its subsidiaries must carry out a competitive bidding process, either through a private bidding process or an administrative procedure, in which several suppliers are quoted. This process takes into account variables such as price, quality, delivery time, good sustainability practices (environmental, social responsibility, and compliance), as well as a review of the financial aspects and commercial references of the candidates. In a subsequent period, non-commercial purchases are expected to be made only with approved suppliers.

By the year 2021, 1,249 suppliers will have been corporately certified internally and/or externally.

Supplier approvals in 2021

Company	Total
Ferreyros	552
Unimaq	401
Orvisa	6
Motored	1
Soltrak	22
Fargoline	39
Sitech	2
Motriza	0
Forbis Logistics	57
Ferrenergy	20
Matriz Ferreycorp	149
Total corporation	1,249

All suppliers shall be subject to due diligence controls in general regardless of the process each company has in place, in order to prevent corruption risks or the commission of any related or related crime.

In order to provide some benefit to suppliers that are SMEs and in accordance with current regulations, the corporation has taken actions to reduce the payment time for goods and services to a maximum of 30 days.

4.3 Supplier risk management

In 2021, the corporation developed a Supplier Code of Conduct, which incorporates labor practices and standards, environmental policy and anti-corruption measures. In addition, during 2021, the Supplier Risk Matrix was developed, which takes into account the social, environmental and good corporate governance dimensions, and in which undesirable events and their possible impacts have been defined. This matrix is used for the formal evaluation of sustainability risks of suppliers throughout the supply chain, which, in accordance with the corporation's risk assessment standard, are quantified based on the impact and probability of occurrence. To assess the impact, variables such as severity, extent of damage to image, impact on legal compliance and impact on the continuity of operations are considered.

In addition, as part of the Compliance System, Ferreycorp implemented best practices for suppliers, such as the incorporation of anti-corruption clauses and ethical and sustainable development principles in all contracts. Similarly, a Supplier Affidavit and a Due Diligence Questionnaire were incorporated into the registration process as part of the ethical standards established by the corporation.

In the area of safety and health of suppliers, a risk assessment is carried out to eliminate or minimize the hazards identified in products and services, and to determine preventive measures. Furthermore, there are operating manuals for equipment that include safety

issues, while for visits to the plant, guidelines have been established to ensure the integrity of visitors, such as contractor induction, Complementary Workers' Compensation Insurance (SCTR), Safe Work Analysis (ATS), safety signage, safety booklet, use of personal protective equipment, risk map, evacuation map, etc.

It is important to highlight that suppliers, as well as direct employees, are part of the scope of Ferreycorp's Health, Safety and Environment Management System (HSEMS).

4.4 Supplier training

Ferreycorp's different companies seek to promote the formalization and development of local suppliers in order to improve the quality of the goods and services they offer, thus contributing to the growth of local economies.

In this sense, their training is not only for compliance purposes, but mainly for its real development as a sustainable supplier, so they can get trained, standardized and also to demonstrate the due diligence in their internal procedures.

Training has been extended to local suppliers on topics such as health and safety and, in the last two years, on the Compliance System for the prevention of corruption, also aimed at the network of internal buyers. As part of the supplier development plan, in 2021, suppliers in the transportation sector of the subsidiaries were prepared to use the GRI methodology for the preparation of sustainability reports. Suppliers with preventive services contracts in Ferreycorp's parent company received training for measuring the carbon footprint through the Carbon Footprint Peru platform of the Ministry of the Environment.

Supplier training developed by the parent company Ferreycorp and its subsidiaries in Peru in 2021

Indicator	Total suppliers trained	Man hours of supplier training,	% of suppliers trained in health and safety	% of suppliers trained in the in the Compliance System	% of suppliers trained in sustainability issues
Ferreyros y Ferreycorp	4,155	11,518	100%	2%	4%
Unimaq	210	80	45%	50%	5%
Orvisa	187	419	100%	0%	3%
Soltrak	162	62	36%	62%	2%
Fargoline	137	132	100%	0%	4%
Sitech	1	9	0%	0%	100%
Motriza	31	51	100%	0%	10%
Forbis Logistics	1	9	0%	0%	100%
Ferrenergy	2	9	0%	0%	100%
Total	4,886	12,289	n.a.	n.a.	n.a.

4.5 Supplier Development

With the aim of promoting more sustainable supply chains, Ferreycorp and its subsidiaries signed an agreement with the GRI (Global Reporting Initiative), an organization that promotes the preparation of sustainability reports under a series of

standards to communicate the economic, environmental and social performance of organizations. In this framework, there were 21 suppliers of Ferreycorp and its subsidiary companies that participated in the 2021 Competitive Business Program, which allowed them to prepare their own sustainability reports for the first time.

4.6 Amount of investment in suppliers (GRI 204-1)

During 2021, Ferreycorp's main subsidiaries in Peru and the parent company have contracted with suppliers for more than S/. 5,500 million. Below are the values of purchases that the parent company Ferreycorp and its subsidiaries in Peru made from suppliers in 2021.

Spending on suppliers of Ferreycorp and subsidiaries in 2021

Indicator	Total number of suppliers	Purchases of goods and services (S/ million)	Domestic purchases (goods and services) in S/ millions	% of purchases from domestic suppliers	Foreign purchases (goods and services) in S/ millions	% of purchases from foreign suppliers
Ferreyros	8,937	3,697.0	770.3	21%	2,926.7	79%
Unimaq	1,215	1,180.8	838.8	71%	342.0	29%
Orvisa	1,172	119.1	27.0	23%	92.1	77%
Soltrak	882	252.6	133.8	53%	118.8	47%
Fargoline	140	6.8	6.8	100%	0.0	0%
Sitech	357	14.1	4.2	30%	9.9	70%
Motriza	195	124.1	12.4	41%	111.7	59%
Forbis Logistics	434	115.7	19.2	17%	96.5	83%
Ferrenergy	649	14.1	10.4	74%	3.6	26%
Matriz Ferreycorp	517	17.6	17.2	97%	0.4	3%
Total	14,498	5,542	1,840.2	0%	3,701.8	0%

**For the purposes of this report, for the definition of local purchases requested by the GRI indicator 204- 1 are considered purchases made in Peru.*

5.6 Digitalization of processes for suppliers

Five Ferreycorp companies have implemented the SAP 4HANA management platform, thanks to a significant investment made in recent years. With this innovation effort, these companies have a single supplier database (natural or legal person) with integrated information from Sunat. Thus, with just one registration, all companies will have a universal supplier code and will be able to update their basic data for individual management.

Through this platform, it will be possible to register the payment conditions of each supplier and establish a release strategy in accordance with a corporate policy and a corporate accounting plan. In addition, it will be possible to upload contracts and relevant documentation related to each purchase.

Ferreycorp and its subsidiaries have been developing a digital supplier file as a repository of information between the supplier and the company.

The parent company Ferreycorp has implemented a supplier website, fully integrated with SAP, which is used to register and enter payment documents digitally. This eliminates the physical delivery of documents through a digitized process of submission and registration of invoices, purchase orders, delivery guides, etc., which generates time efficiencies, in addition to tracking the scheduling of payments by the supplier itself. In this way, the carbon footprint is reduced, due to the lower use of paper, as well as less use of fuel in the transfer of suppliers to the main office to physically leave their invoices.

4.4.7 Relationship and frequency (GRI 102-43)

Communication is through e-mail, in-person and virtual meetings, web page, among others. In addition, we periodically carry out approval processes for the different suppliers and give safety talks to those who carry out work within the companies' facilities.

5. Social Dimension

The social dimension of the activities of Ferreycorp and its companies includes fundamental aspects such as the management of its human capital and the impact of the corporation on the community.

5.1 Human capital management

5.1.1 Our management at the COVID-19 context

The protection of Ferreycorp's employees and their families, as well as the deployment of best practices to share with the communities in which they work, have been part of the unprecedented human and technical work that the corporation has done since the beginning of the health emergency generated by the COVID-19 pandemic, which continued in 2021 after the progressive return to normal operations.

During 2021, Ferreycorp has continued to develop actions to ensure that its employees whose health is affected receive the necessary primary care, including screening, follow-up when they become ill until they are discharged, remote assistance and dedicated follow-up of cases related to the disease.

This task has been assumed by the corporation through the Central COVID, a fundamental tool created in 2020, due to the limitations of care in the private and public medical network in the country, for the monitoring and support of the entire working population and direct family members of Ferreycorp, both in Peru and abroad, backed by a team of experts in human resources, social welfare and medical personnel of the organization.

Modalities of work

By the end of 2021, the majority of employees of Ferreycorp and its subsidiaries will be working on-site (69%) or in a scheme that combines on-site and remote work (13%), according to their job profile. As a result, they have focused mainly on processes closely linked to the nature of Ferreycorp's business, in the area of capital goods and related services, such as physical service at the locations (workshops and warehouses); after-sales support; and the delivery of machines and spare parts. This has consolidated the efforts to return to normal operations, after the first quarantine, when a small number of employees made themselves available to those clients with activities authorized by their sector to provide them with all the support that would allow them to operate.

Remote work for those employees whose function allows it has remained as a practice promoted within the corporation since the beginning of the quarantine, especially in the administrative and *back office*, commercial and human resources areas, among others, whose work has not stopped since then, thanks to the fact that for some years Ferreycorp has been using cloud applications and remote systems that have become very popular today.

Occupational Health Circle

Since the staggered return of employees to the different subsidiaries began, Ferreycorp's health protocols have been adapted to the needs of the operations and the employees who participate in them. The Occupational Health Circle created the previous year, to integrate all the occupational physicians and Human Resources areas of the corporation, was maintained during 2021, to continue with its surveillance protocol, which includes care and medication for all employees and family members in the initial stage of the disease, and in cases considered mild. Likewise, the COVID-19 periodic screening protocol was maintained, complementary to the provisions of the Surveillance Plan of the Ministry of Health, for all employees, after coordination with the corporation's occupational physicians.

During 2021 and since the beginning of the health emergency because of COVID-19, the intervention of Social Welfare was key to promoting the well-being and care of employees in four areas: family, health prevention, mental or emotional health and nutrition.

In the area of mental or emotional health care, we have continued with psychological counseling sessions; workshops on anxiety and stress management, coexistence and resilience; bereavement support sessions; emotional sessions for leaders; online individual counseling; and sessions on listening, meditation, *mindfulness*, emotional self-regulation and conscious movement. All these activities have been complemented with the dissemination of the offer of free psychology services and the EPS (healthcare providers).

In nutritional care, the Marsh Care Coach Nutritional Office has continued to provide tools to improve the lifestyle and nutrition of employees, offering nutritional counseling with a specialist coach and organizing *webinars* on healthy habits and nutrition. These activities for employees with health risk factors have been coordinated by the Occupational Health area.

It should be noted that each of the Social Welfare areas has had the information support of the Buena Vida site (Good Life site), on Ferreycorp's intranet, which offers employees tools to improve their lifestyle.

In addition, the corporation is able to manage such support more efficiently by obtaining from this tool a set of indicators such as current and historical cases by company; the evolution of confirmed cases and reinfections, either by company or for the corporation as a whole, and viewed on a monthly or cumulative basis; the detail of confirmed cases by gender and age group; and the type of test applied and the universe of vaccinated people.

5.2.1.2 Impact on employees (GRI 103-1, GRI 103-2)

Ferreycorp Corporation attaches the utmost importance to the management of human capital in all its companies. Ferreycorp's more than 6,600 employees are the most important and valuable reBof the corporation. It is to them that Ferreycorp owes its success and transcendence during its almost 100 years of history.

Aligned with the values and cultural principles, as well as with the business strategy, Human Resources management is based on the following strategic focuses:

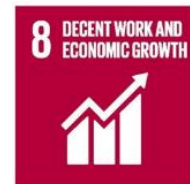
- To build a solid and transcendent **Ferreycorp culture** that can drive the corporation's performance.
- **To manage talent:** Attracting, retaining and developing talent to achieve the best results and contribute to the sustainability of the business.
- **To generate organizational efficiency,** creating synergies among the corporation's companies and fostering a culture of high performance to achieve the best results.

The following is a description of key aspects of human resources management in the corporation.

Employment

a) Employment generation

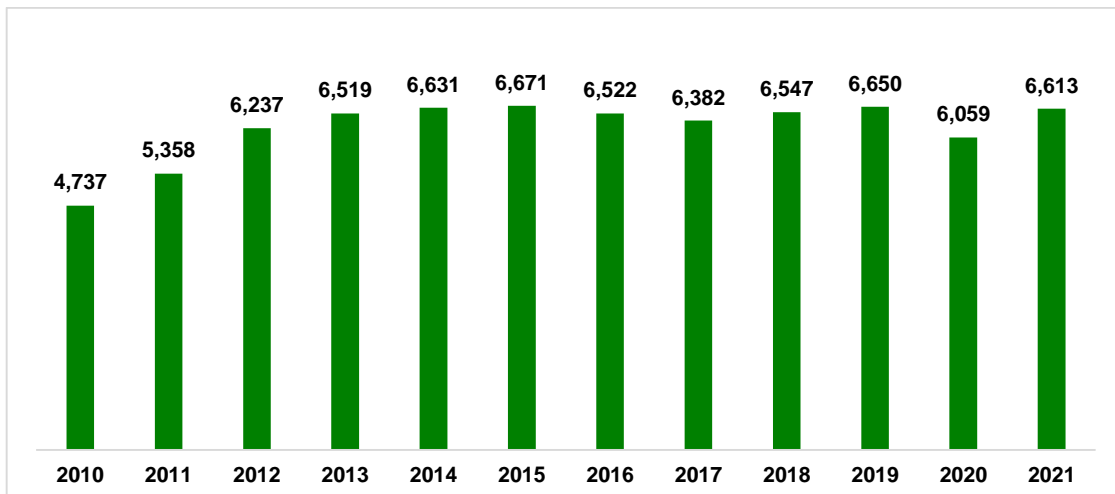
By the end of 2021, the corporation has a team of 6,613 employees. Ferreycorp has developed a value proposition for its employees and subsidiaries, based on generating pride and purpose, as well as providing quality of life and an excellent work environment, personal and professional development, including a competitive compensation and benefits system.



The corporation is committed to continue adding to its workforce those talents who, together with a good attitude and commitment, can perform and grow within any of its companies.

The evolution of the workforce of the entire corporation -at similar levels in recent years-, as well as the distribution according to geographic location, type of collaborator and gender are featured below.

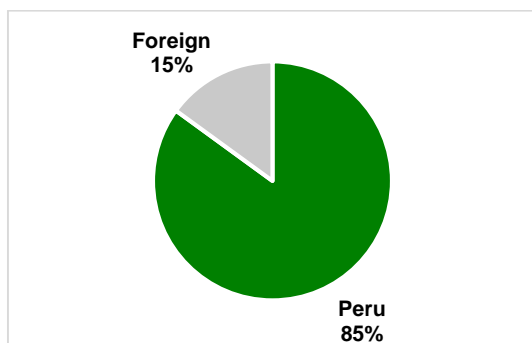
Evolution of the workforce*



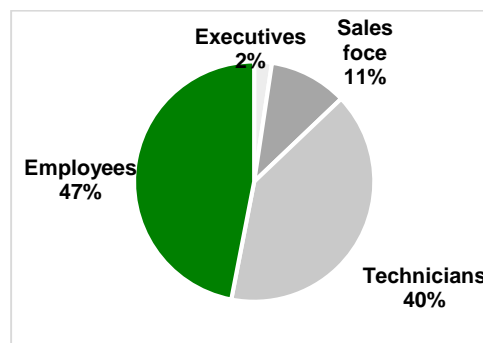
Distribution by type of employe and type of contract*

	Permanent	Temporary	Total
Executives	153	3	156
Sales force	583	113	696
Technicians	1,549	1,109	2,658
Employees	2,058	1,045	3,103
Total	4,343	2,270	6,613

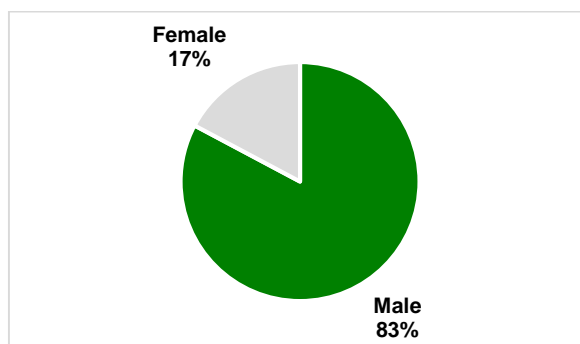
Distribution by geographic location*



Distribution by type of employee*



Distribution by gender*



**Considers Ferreycorp and its subsidiaries in all the region*

**Hiring during 2021*
(GRI 401-1)**

		Fargoline	Ferrenergy	Ferreycorp	Ferreyros	Forbis Logistics	Motriza	Orvisa	Sitech	Soltrak	Unimaq	Total
Hiring by region	Lima	46	4	19	509	25	27		18	56	37	741
	Provinces	4	24		494			11		15	108	656
Hiring by age range	Up to 30 years	17	6	8	691	17	12	5	12	27	77	872
	31 - 50 years	29	21	8	307	8	14	5	5	41	67	505
	51 years and older	4	1	3	5		1	1	1	3	1	20
Hiring by gender	Women	8	2	14	170	11	10	2		13	27	257
	Men	42	26	5	833	14	17	9	18	58	118	1,140
Hiring by type of employees	Executives	1		3					1	1	1	7
	Sales force				12		3	1		14	12	42
	Technicians		3		697		10	3	12		61	786
	Employees	49	25	16	294	25	14	7	5	56	71	562
Total		50	28	19	1,003	25	27	11	18	71	145	1,397

b) Staff turnover (GRI 401-1)

As part of human resources management, turnover indicators are constantly monitored to analyze each case and, if necessary, take corrective actions. In addition, we ensure compliance with the law in terms of hiring methods.

The following table, which includes the companies operating in Peru (Fargoline, Ferrenergy, Ferreyros, Forbis Logistics, Motriza, Orvisa, Sitech, Soltrak and Unimaq) and the *holding* company Ferreycorp S.A.A., shows the total and voluntary personnel turnover. It should be noted that the total turnover of this group of companies is 15% and voluntary turnover is 7%.

Percentage of staff turnover during 2021*

		Fargoline	Ferrenergy	Ferreycorp	Ferreyros	Forbis Logistics	Motriza	Orvisa	Sitech	Soltrak	Unimaq	Total
Region	Lima	20%	0%	17%	14%	19%	27%	0%	40%	18%	13%	16%
	Provinces	20%	75%		11%			11%		12%	19%	13%
Age range	Up to 30 years	25%	77%	29%	19%	31%	43%	9%	24%	23%	19%	21%
	31 - 50 years	20%	69%	15%	10%	9%	23%	10%	71%	14%	16%	12%
	51 years and older	10%	33%	12%	10%	0%	0%	30%	100%	5%	5%	10%
Gender	Women	21%	67%	19%	15%	24%	60%	20%	0%	10%	14%	17%
	Men	20%	70%	15%	12%	14%	21%	10%	43%	19%	16%	14%
Type of Collaborator	Executive	0%	0%	15%	8%	0%	0%	0%	100%	17%	8%	10%
	Sales force				7%		28%	16%		11%	18%	12%
	Technicians		100%		16%		17%	16%	33%		15%	16%
	Employees	20%	67%	18%	10%	21%	35%	8%	42%	18%	16%	14%
Total		20%	69%	17%	13%	19%	27%	11%	40%	16%	16%	15%

*Consider: Fargoline, Ferrenergy, Ferreyros, Forbis Logistics, Motriza, Orvisa, Sitech, Soltrak, Unimaq and holding Ferreycorp

Percentage of voluntary personnel turnover during 2021*

		Fargoline	Ferrenergy	Ferreycorp	Ferreyros	Forbis Logistics	Motriza	Orvisa	Sitech	Soltrak	Unimaq	Total
Region	Lima	10%	0%	10%	6%	16%	8%	0%	20%	12%	5%	8%
	Provinces	0%	22%		7%			4%		9%	9%	7%
Age range	up to 30 years	11%	23%	25%	10%	26%	11%	9%	18%	17%	11%	11%
	31 - 50 years	10%	18%	9%	6%	9%	8%	3%	29%	9%	5%	6%
	51 years and older	0%	33%	0%	2%	0%	0%	0%	0%	5%	3%	2%
Gender	Women	9%	22%	13%	10%	18%	27%	20%	0%	6%	6%	10%
	Men	9%	20%	7%	6%	14%	4%	2%	22%	14%	7%	7%
Type of collaborator	Executives	0%	0%	7%	5%		0%	0%	0%	17%	8%	6%
	Sales force				5%		6%	0%		7%	4%	5%
	Technicians		17%		7%		4%	3%	8%		5%	7%
	Employees	9%	21%	11%	6%	18%	12%	5%	33%	13%	9%	8%
Total		9%	20%	10%	7%	16%	8%	4%	20%	11%	7%	7%

*Consider: Fargoline, Ferrenergy, Ferreyros, Forbis Logistics, Motriza, Orvisa, Sitech, Soltrak, Unimaq and holding Ferreycorp

c) Labor relations

(GRI 407-1)

The corporation respects the free association of its employees, and therefore does not have policies that affect their decisions regarding union membership or collective bargaining agreements.

Since 1946, without interruption, the personnel of Ferreyros, the corporation's main subsidiary, has been represented by a Unitary Workers Union, which at the end of 2021 had 578 members, including employees and technicians. This group of employees maintains good relations with the company and contributes to improving policies that favor working conditions. It should be noted that at the end of the year, a direct agreement was reached on the list of demands for the 2021-2022 period.

Likewise, the Trex subsidiary in Chile has a Unitary Union made up of 58 employees, which also maintains a good relationship with the company.

The *holding* company has continued to strengthen the advice it provides to its subsidiaries on labor relations, to ensure compliance with legal labor standards, standardize processes and manage labor relations among employees, respecting the principles of gender equity and equality and non-discrimination in employment. We have reinforced the process of reporting labor harassment through the Ethics Channel and training.

It should be noted that the corporation has implemented a series of actions to continue complying with the labor standards promoted by the Government, including the Pay Equity Law, the Law for the Prevention and Punishment of Sexual Harassment, and the Surveillance Plan to prevent COVID-19.

d) Compensation and benefits

(GRI 202-1)

The compensation system of Ferreycorp and its subsidiaries seeks to maintain internal equity and external competitiveness. The valuation of positions is the basis of the system, accompanied by salary surveys in the labor market. To ensure that all its companies comply with these guidelines, a Corporate Compensation and Benefits Standard was published.

It should be noted that there is equality in the average annual income between women and men, according to an analysis carried out in the Peruvian subsidiaries in 2021.

In addition, there are short-term variable compensation schemes such as performance bonuses for officers and incentives for the sales force and sales managers. The performance bonus for officers takes into account their performance evaluation and the achievement of their objectives during the previous year. On the other hand, the variable incentive applies to commercial positions (sales force and sales managers) based on the fulfillment of certain objectives and goals established by each subsidiary.

Diversity and human rights

a) Gender equality (GRI 102-8, 405-1)



Ferreycorp promotes gender equity in its companies. This is a long-standing issue that is not only embodied in specific policies, but is lived on a daily basis.

Although the number of women is still low, due to the industry in which the corporation operates, at the end of 2021, 933 women were working in the corporation's subsidiaries with operations in Peru (Ferreyros, Unimaq, Orvisa, Fargoline, Forbis Logistics, Ferrenergy, Motriza, Sitech and Soltrak), as well as in the Ferreycorp *holding* company, which represents 17% of the total number of employees in this group of companies. There is no inequality between men and women in terms of salaries, job opportunities, or positions. If only non-technical positions are considered, the percentage of women increases to 26%.

Ferreycorp has been promoting the development of women in the labor market, even in technical careers, where the market still lacks the necessary supply.

Collaborator distribution by type of employment, gender and age

Type of employee	Genre	Age	Year 2021
Executives	Men	Up to 30 years	
		31 - 50 years	44
		51 years and older	49
		Total	93
		Percentage	1.7%
	Women	Up to 30 years	
		31 - 50 years	15
		51 years and older	12
		Total	26
		Percentage	0.5%
Sales force	Men	Up to 30 years	59
		31 - 50 years	266
		51 years and older	42
		Total	367
		Percentage	6.5%
	Women	Up to 30 years	14
		31 - 50 years	51
		51 years and older	2
		Total	67
		Percentage	1.2%
Technicians	Men	Up to 30 years	862
		31 - 50 years	1,334
		51 years and older	97
		Total	2,293
		Percentage	40.7%
	Women	Up to 30 years	72
		31 - 50 years	11
		51 years and older	
		Total	83
		Percentage	1.5%
Employees	Men	Up to 30 years	471

Total		31 - 50 years	1,294
		51 years and older	171
		Total	1,936
		Percentage	34.4%
	Women	Up to 30 years	309
		31 - 50 years	396
		51 years and older	52
		Total	757
		Percentage	13.5%
	Men	Up to 30 years	1,392
		31 - 50 years	2,938
		51 years and older	359
Total		4,689	
	Percentage	83.4%	
Women	Up to 30 years	395	
	31 - 50 years	473	
	51 years and older	65	
	Total	933	
	Percentage	16.6%	
TOTAL EMPLOYEES			5,622

Employees by type of contract (permanent or temporary) by region and by gender

Type of contract	Region	Gender	Fargoline	Ferrenergy	Ferreycorp	Ferreyros	Forbis Perú	Motriza	Orvisa	Sitech	Soltrak	Unimaq	Total
Permanent	Lima	Men	56	2	46	1,211	23	15	0	4	113	152	1,622
		Women	11	2	60	211	23	3	1	2	61	54	428
	Provinces	Men	5	0	0	1,040	0	0	117	0	34	115	1,311
		Women	1	0	0	64	0	0	10	0	12	14	101
Temporary	Lima	Men	98	5	9	482	21	37	0	25	65	44	786
		Women	25	0	9	115	16	14	0	0	28	27	234
	Provinces	Men	6	33	0	714	0	0	10	0	44	163	970
		Women	1	4	0	130	0	0	2	0	5	28	170
Total			203	46	124	3,967	83	69	140	31	362	597	5,622

Employees by type of contract (full time or part time) by gender

Type of contract	Gender	Fargoline	Ferrenergy	Ferreycorp	Ferreyros	Forbis Perú	Motriza	Orvisa	Sitech	Soltrak	Unimaq	Total
Full time	Men	165	40	55	3,447	44	52	127	29	256	474	4,689
	Women	38	6	68	519	38	17	13	2	106	123	930
Part time	Men	0	0	0	0	0	0	0	0	0	0	0
	Women	0	0	1	1	1	0	0	0	0	0	3
Total		203	46	124	3,967	83	69	140	31	362	597	5,622

Since 2018, the corporation has been developing various actions to promote gender equity among its employees nationally and internationally, and this year it expanded its action fronts. Today, the corporation's Pares program seeks to ensure equal opportunities without distinction for employees, also covering different skills, ethnicities and cultures, LGTBQI+ community and generations.

As part of its actions, Ferreycorp has formed the Pares Committee, composed of the Corporate General Management and representatives of the main subsidiaries, in order to put on the agenda several issues that contribute to achieving the objectives by action front and to monitor different initiatives, such as awareness raising and training, having allies and defining the number of women the corporation wishes to incorporate in certain positions and/or areas.

In 2021, Ferreycorp was recognized among the three leading companies in gender equity and diversity in Peru, in its category, according to the PAR 2020 ranking of the consulting firm Aequales, after an audit conducted by PwC. The assessment was focused on four fundamental areas for gender equity: management of objectives, organizational culture, organizational structure and talent management. It was also recognized as the first leading company in the prevention of sexual harassment, for its Tolerance 0 program, and ranked second in gender equity for the Pares program, according to the Ministry of Labor's Best Practices Contest.

At Ferreycorp, the participation of female personnel is measured through certain indicators for training programs and promotions in relation to total personnel. Growth is sought in different indicators, such as hours of training, number of promotions and number of women in key positions, and salary by category and gender (average salary for men compared to women).

During 2021, under the axis of gender equity, 13 Paradigm Breaking workshops were held, a one-hour version of the *He for She* training, and a workshop with Aequales; all of them were attended by 1,435 male and female employees at the international level. The workshops identify the unconscious biases that people acquire as they develop in society and seek to make them conscious in order to break established paradigms.

In addition, under this same axis, employees throughout Peru participated in the Sexual Harassment in the Workplace course, reaching 95.5% of the total at the national level. Eight workshops on sexual harassment were held, attended by more than 300 male and female employees; and two workshops on the elimination of violence against women, with a total of 98 participants. One of these, aimed at leaders, was conducted by the Ministry of Women and Vulnerable Populations.

It is worth noting that several management areas in the corporation, such as General Management, subsidiary Boards, Corporate Human Resources Management and Corporate Finance Management, among others, are occupied by women.

b) Equal opportunity and inclusion

Ferreycorp is committed to fostering and maintaining a work environment free of discrimination, promoting equal opportunities based on the merits of each collaborator, regardless of gender, ethnicity, origin, creed, sexual orientation or social status. It should be noted that the corporation's employees come from different geographic areas and different socioeconomic strata.

c) Parental leave
(GRI 401-3)

In 2021, in the nine companies mentioned above, as well as in the Ferreycorp holding company, 100% of the employees who became parents enjoyed parental leave. In total, 216 employees, including fathers and mothers, were able to be with their children and enjoy their first months of life.

Of the employees whose reinstatement and retention rates can be measured in 2021, 100% remained with the organization (206 and 163, respectively).

Likewise, female employees who took the maternity leave provided for by law had the option of working fewer hours upon their return and gradually completing the workday after the postnatal period, receiving full pay, thanks to the staggered return program.

Upon returning to work, breastfeeding mothers have at their disposal lactation areas that are set up and equipped in accordance with regulatory requirements.

Employees reinstatement after parental leave (*)

Reinstatement	Gender	Fargoline	Ferrenergy	Ferreycorp	Ferreyros	Forbis Logistics	Motriza
Yes	Male	3	3	2	123	3	1
	Female	2	0	3	12	1	1
Subtotal "Yes"		5	3	5	135	4	2
No	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Subtotal "No"		0	0	0	0	0	0
Total		5	3	5	135	4	2

Reinstatement	Gender	Orvisa	Sitech	Soltrak	Unimaq	Total	%
Yes	Male	9	3	8	21	176	85%
	Female	0	0	5	6	30	15%
Subtotal "Yes"		9	3	13	27	206	100%
No	Male	0	0	0	0	0	0%
	Female	0	0	0	0	0	0%
Subtotal "No"		0	0	0	0	0	0%
Total		9	3	13	27	206	100%

Employees retention 12 months after returning from parental leave

Retention	Gender	Fargoline	Ferrenergy	Ferreycorp	Ferreyros	Forbis Logistics	Motriza
Yes	Male	6	0	1	140	0	0
	Female	1	0	4	9	0	0
Subtotal "Yes"		7	0	5	149	0	0
No	Male	0	0	0	7	0	0
	Female	0	0	0	0	0	0
Subtotal "No"		0	0	0	7	0	0
Total		7	0	5	156	0	0

Retention	Gender	Orvisa	Sitech	Soltrak	Unimaq	Total	%
Yes	Male	4	0	9	15	175	84%
	Female	2	0	5	2	23	11%
Subtotal "Yes "		6	0	14	17	198	95%
No	Male	0	0	2	1	10	5%
	Female	0	0	0	0	0	0%
Subtotal "No"		0	0	2	1	10	5%
Total		6	0	16	18	208	

d) Respect for human rights

(GRI 102-12, GRI 406-1)

Ferreycorp is committed to respecting human rights, which are a fundamental part of its sustainability strategy and encompass its entire value chain, which includes more than 6,600 of the corporation's employees.

The corporation ensures that people's dignity is respected. Compliance with their rights is a matter of utmost importance for the organization's management, in accordance with its Sustainable Development Policy.

As a signatory of the Global Compact since 2004, Ferreycorp and all its companies are committed to its 10 guiding principles, which entails maintaining and incorporating best practices in relation to respect for human rights, responsible labor, environmental preservation and the fight against corruption. In addition, the corporation maintains a vision of demanding and caring for these principles throughout its value chain and with all its stakeholders.

Ferreycorp does not endorse or contemplate the employment of minors, inside or outside the workplace. Likewise, Ferreycorp does not use or sponsor practices that induce forced or compulsory labor against their will or freedom of contract.

During 2021, there were no incidents, complaints or allegations of child, forced, compulsory or non-consensual labor, or any other form of discrimination in any of Ferreycorp's subsidiaries.

Training

a) Performance management

(GRI 404-3)

Ferreycorp's Performance Management Program has been strengthened over the years. In the first instance, the systematization processes and measurement parameters were strengthened, and in turn, the 13 corporate competencies that previously existed were regrouped to only five competencies, which are aligned to the climate and culture of the company.

As an example of the active participation of employees, in 2021, 99% of employees of the total number of the corporation's companies in Peru completed their performance evaluation and 98% defined their objectives.

b) Leadership succession and development

For Ferreycorp, it is strategic that its leaders have the necessary profile to enhance the growth of the corporation. That is why it has developed programs aimed at strengthening their leadership skills, as well as the knowledge necessary for the transformation of the business.

In 2021, we continued with the virtual sessions for *C-Level leaders and Managers* (level 1 and 2 reporting) through the "For the next 100 years" program, which had around 350 participants in the 23 dates of this edition. The level of satisfaction with the program was 90%.

In addition, the LiderazGO program was launched for managers and supervisors of Ferreycorp's companies, whose initial session sought to promote a mindset for transformation in the leaders. The program had 353 participants, who received 26 hours of training in leadership skills such as: self-leadership and development, communication and teamwork, customer centricity, among others. Satisfaction levels for this program were 90.73%.

On the other hand, it is important for the corporation to maintain continuity in the work carried out in each management and/or area, in the event of a vacancy or organizational change. For this reason, during the year, the criticality of the positions and possible successors to those positions are reviewed.

c) Training and job opportunities

(GRI 404-1)

Ferreycorp promotes the development of its employees through training, internal and external, and job opportunities, through movements between subsidiaries to fill a new or vacant position. As an example of this, in the companies in Peru, 348 employees had a change of position during 2021, 291 were promotions and 57 were horizontal movements.

The training policy is focused on developing the necessary performance competencies to achieve the business objectives. The educational proposal continues to expand with

new agreements offered to employees and their families with scholarships and discounts on technical courses, undergraduate programs, diplomas, specializations, master's degrees, among others. In 2021, 20 agreements were reached.

It also highlights the training of technical personnel at Ferreyros' modern Technical Development Center (CDT). This facility is also used for technical, safety, health and environmental, and regulatory courses.

Ferreyrcorp uses the *Google Classroom* platform to facilitate access to training for employees from different parts of the country. Through this application, synchronous SAP training courses and mandatory asynchronous corporate courses, such as the Peruvian Financial Intelligence Unit and the Corporate Compliance System, were taught.

The following is the distribution by type of worker and gender of the 5,747 employees trained, as well as the hours of training, in the nine companies operating in Peru and the holding company Ferreyrcorp S.A.A.

Trained employees 2021

		Fargoline	Ferrenergy	Ferreyrcorp	Ferreyros	Forbis Logistics	Motriza	Orvisa
Executives	Female	0	0	0	8	3	0	0
	Male	1	0	0	51	3	1	2
Sales force	Female	3	0	0	29	3	5	
	Male	4	0	0	217	3	9	20
Technician	Female	0	0	0	97	0	1	
	Male	0	0	0	21,217	0	22	35
Employees	Female	9	0	6	4637	40	13	16
	Male	73	3	4	1,243	44	24	83
Total		90	3	10	4,299	96	75	156

		Sitech	Soltrak	Unimaq	Total	Hours	Average per collaborator
Executives	Female	0	1	1	13	895	68.81
	Male	0	6	13	77	1,326	17.22
Sales force	Female	0	19	14	73	2,753	37.71
	Male	0	56	91	400	16,570	41.43
Technician	Female	0	0	0	98	3,142	32.06
	Male	0	0	202	2,476	64,904	26.21
Employees	Female	2	86	119	728	13,996	19.23
	Male	3	193	212	1,882	49,862	26.49
Total		5	361	652	5,747	153,448	26.70

Health, safety and social welfare

a) Occupational health care, safety and working conditions (GRI 403-1)

Ferreyrcorp has developed a Safety, Occupational Health and Environmental Management System with high standards that reflects its commitment to protect its employees, in line with its corporate values, such as fairness, integrity and respect for the individual. The system includes



regulatory aspects, dissemination, control and follow-up mechanisms, as well as the active role of leaders.

This system is inspired by the Loss Control Management System model, itself based on the DNV Safety Management System; the international standard ISO 45001; and national legal standards for occupational health and safety and the environment. It includes elements such as context analysis; visible leadership and worker participation; strategic planning and design; implementation; performance measurement and monitoring; and continuous improvement.

The Safety, Occupational Health and Environmental Management System has been adopted by the holding Ferreycorp S.A.A. and its subsidiaries in Peru, covering all its employees and third-party personnel, and comprising all the activities carried out in Ferreycorp and its subsidiaries in the country.

Subsidiaries in Peru have adopted this system and foreign companies are progressively adopting it. The subsidiaries in Peru have an occupational health and safety committee with a 50/50 split (50% employer and 50% employees). The purpose of this committee is to monitor compliance by the organization and the workers with the preventive measures established to ensure the safety, integrity, and health of the personnel, as well as to protect the environment. The corporation's foreign companies are in the process of aligning their practices with these standards.

The identification of hazards and risk assessment, expressed in a matrix, is the basis for the preparation of preventive plans and programs, as well as for defining the guidelines for safeguarding the integrity of all employees.

In the event of an incident or accident at work, the following is established:

1. If personnel are injured: arrange for immediate medical assistance.
2. Immediately initiate an investigation to determine the causes.
3. Define corrective measures to avoid a possible repetition of the event.
4. Issue an alert to companies about the event and its causes to take preventive measures and avoid recurrence.

Ferreycorp's companies in Peru and abroad have an Occupational Health Program, aimed at preventing the occurrence of occupational diseases or as a result of work, as well as carrying out medical surveillance of all employees who are included in the risk groups.

Among the main health problems identified in 2021, in the different workplaces, cases of respiratory diseases, including SARS-CoV-2 infection (COVID-19), should be mentioned.

b) Safety management indicators (GRI 403-9)

The following is a breakdown of the three main indicators of safety management in the corporation: fatalities, lost time injury frequency rate for employees and contractors, and accident rate, for the companies operating in Peru, as well as for the Ferreycorp *holding* company.

The results of these indicators are constantly evaluated and taken into account in the corporation's safety culture model, which is focused on "fostering a culture of sustainable and health care based on values". This approach is based on the vision zero project, from which the strategic objectives related to Occupational Health and Safety are born, which has four established pillars: Being able to "Work Safe", To know "Work Safe", To empower "Work Safe" and to want to "Work Safe".

Fatalities

This indicator shows the number of events in which injuries result in the death of the collaborator.

Fatalities	2018	2019	2020	2021
Employees	0	0	0	0
Contractors	0	0	0	0

**Includes all companies with operations in Peru, as well as the holding company Ferreycorp*

Lost Time Injury Frequency Rate (LTIFR) - Employees

This indicator refers to any work-related injury that results in a collaborator being unable to return to work on the next scheduled work day or shift.

Formula:

$$LTIFR = \frac{\text{Number of lost time injuries} * 1'000.000}{\text{Number of hours worked}}$$

LTIFR	2018	2019	2020	2021
Employees	4,02	3,65	3,00	3,20
% of employees covered by this indicator	97,88%	97,85%	100%	100%

**Includes all companies with operations in Peru, as well as the holding company Ferreycorp*

Type of injuries: Entrapment or crushing of fingers and hand; bruises on the fingers, hand, foot and leg; wounds on the head, fingers.

Measures to control the risk:

- Reinforcement of the use of the "Safe Work Analysis" register for the identification of hazards, risks and control measures.
- Training of personnel in handling manual tools, blocking and labelling, ATS, HIRA.
- Review of the HIRA matrices to incorporate the risks derived from the accidents.
- Update / implementation of safe work procedures for critical activities.
- Dissemination of accident safety alerts to all staff through of the work initiation talks, monthly meetings, mail.
- Reinforcement of the reporting of substandard acts and conditions in the work area.
- Scheduling general and specific safety inspections for the areas of worked.

Lost Time Injury Frequency Rate (LTIFR) - Contractors

An indicator that refers to any work-related injury that causes a collaborator of an outside contractor to be unable to return to work on the next scheduled work day or shift.

Formula:

$$LTIFR = \frac{\text{Number of lost time injuries} * 1'000,000}{\text{Number of hours worked}}$$

LTIFR	2018	2019	2020	2021
Contractors	7,12	3,23	3,04	3,14
% of contractors covered by this indicator	99,83%	99,84%	100%	100%

* Considers all companies with operations in Peru, as well as the holding company Ferreycorp

Type of injuries: Bruises on the hands, wrist, ankle; fractures in fingers; sharp and puncture wounds to fingers and ankle.

Measures to control the risk:

- Prior coordination of the work to be carried out by the contractor personnel with the responsible for the requesting area to determine the security requirements.
- Security, health and media entry requirements pre-verification of workspace.
- Carry out a security induction course for new staff.
- Request the supplementary work insurance, life risk and pension for the critical activities carried out by contractor staff.
- Verify the completion of the "Safe Work Analysis" format, prior to the work authorization.
- Field supervision of the activities carried out by the contractor staff.
- Apply the internal policy of suspension of unsafe jobs in case the contractor staff carry out substandard acts or conditions

Accident rate

The accident rate is an indicator calculated by the frequency index and the severity index.

It should be noted that in all Ferreycorp companies with operations in Peru, as well as in the Ferreycorp holding company, a progressive improvement has been achieved in the last six years in the safety indexes, obtaining an accident rate of 0.27 in 2021. Also noteworthy is the good management carried out by the subsidiaries Ferreyros, Unimaq, Fargoline, Motriza, Forbis Logistics and Sitech in minimizing the accident rate over the years, achieving values very close to zero accidents in 2021.

The most frequent injuries that occurred due to occupational accidents in 2021 were entrapment or entrapment, fractures, cutting wounds, and contusions. The number of hours worked was 14,644,963.

Formula:

$$\text{Accident rate} = \frac{\text{Frequency index} * \text{severity index}}{1,000}$$

Year 2021		Ferreyros	Unimaq	Orvisa	Fargoline	Soltrak	Motriza	Sitech	Forbis Logistics	Holding Ferreycorp
Region	Lima	0,22	0,02	0,00	0,00	2,27	0,11	0,00	0,00	0,00
	Provinces	0,25	0,02	1,32	0,00	12,73	0,00	0,00	0,00	0,00
Type of staff	Own	0,28	0,02	1,24	0,00	2,57	0,13	0,00	0,00	0,00
	Third parties	0,14	0,03	1,60	0,00	163,91	0,00	0,00	0,00	0,00
Gender	Women	0,03	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	Men	0,17	0,03	1,76	0,00	9,36	0,18	0,00	0,00	0,00

c) Social welfare

The corporation seeks to promote the well-being of its employees in the various countries where it operates, offering conditions that favor an adequate balance between work and personal life, contributing to the care of their health and generating positive impacts on the family environment.

In 2021, Ferreycorp developed 228 initiatives to contribute to the well-being of its human team, having as main lines of action: safety and health, life balance, benefits and entrepreneurship and finance.

It also developed health campaigns in the different subsidiaries, reaching employees and their children; screening for diseases such as breast cancer; nutritional plans; activities for future fathers and mothers; among other actions.

These initiatives are complementary to the health benefits offered to employees, such as the opportunity to have private health insurance (EPS) and to affiliate their children and spouses or partners. It should be recalled that the Social Welfare area of each subsidiary provided personalized and permanent attention in areas such as health, education, housing, gender violence and family problems.

At the same time, multiple family integration initiatives were carried out online, such as Christmas parties and other family celebrations; artistic activities and recreational vacations for employees' children. In addition, school supplies vouchers and Christmas bonuses were given out.

Climate and culture

a) Culture and internal communication

(GRI 103-3)

In 2021, the Work Climate survey was conducted, through which the corporation was able to know the satisfaction of employees through the dimensions addressed: relationship with the team, culture, COVID-19 context and work environment, among others.

The survey resulted in corporate results:



Likewise, at the beginning of 2021, the purpose and manifesto were defined to strengthen the Ferreycorp culture. For more information, see the Ferreycorp Purpose section in the We are Ferreycorp chapter.

5.1.3 Relationship and frequency

(GRI 102-43)

Communication with the employees of the different subsidiaries is daily and takes place through internal communications message, opinion and satisfaction surveys that measure the work environment, whistleblower channels, safety committees, gender committee, management committees, performance evaluation, group work sessions, innovation sessions, fellowship meetings, among others. There are a number of communication channels, such as magazines and intranets. The unions are also important spaces for communication with employees.

5.2 Community Impact

(GRI 103-1, GRI 103-2, GRI 103-3)

5.2.1 Works for Taxes Projects

(GRI 203-1)

Ferreycorp seeks to contribute directly to the decentralized development of the country through the financing and execution of public investment projects under the Works for Taxes modality. Through this mechanism, it is possible to contribute the capacities of the private sector to reduce the infrastructure gap in the country in a more expeditious manner.



The corporation focuses on water and sanitation works, as well as on improving educational infrastructure. The end result is an improvement in the quality of life and an increase in the development possibilities of remote and low-income populations without access to the most basic services.

In 2021, Ferreyros, the corporation's main company, continued with the execution of the water and sanitation works in the Piuray micro watershed, in the province of Urubamba, Cusco, in consortium with Backus. Similarly, the technical file was prepared for the execution of an educational infrastructure improvement project in Coronel Portillo, in the Ucayali region.

To date, Ferreycorp and its subsidiaries, individually or in consortium, have allocated more than S/ 105 million in 11 Works for Taxes projects in regions such as La Libertad, Ica, Ucayali, Pasco, Junin and Cusco, benefiting more than 34 thousand Peruvians.

Location	Sector	Committed investment	Numbers of beneficiaries
Chepen, La Libertad	Education	S/ 6.9 mill.	4,020
Chepen, La Libertad	Education	S/ 6.7 mill.	1,280
Laredo, La Libertad	Education	S/ 5.9 mill.	2,168
Pueblo Nuevo, Ica	Education	S/ 5.3 mill.	5,200
Coronel Portillo, Ucayali	Education	S/ 5.7 mill.	3,809
Huayllay, Pasco	Water and sanitation	S/ 4.3 mill.	1,605
Yauli, Junin	Water and sanitation	S/ 4.3 mill.	5,514
Sangarara, Cusco	Water and sanitation	S/ 14 mill.	2,055
Zurite, Cusco	Water and sanitation	S/ 12.7 mill.	2,072
Colquepata, Cusco	Water and sanitation	S/ 21.4 mill.	2,050
Urubamba, Cusco	Water and sanitation	S/ 18.3 mill.	6,388

By the year 2022, commemorating its 100th anniversary, Ferreycorp will commit a significant investment for the execution of more water and sanitation works, as well as educational infrastructure.

It should be noted that the execution of Works for Taxes allows private companies to finance and implement public projects and then recover the investment made through a certificate for the payment of their income tax. It is important to highlight the management effort required by the corporation to use this modality in the different stages of the works, from the identification of the projects, through the verification of the quality of the work, to its delivery to the beneficiaries.

5.2.2 Asociación Ferreycorp (Ferreycorp Association)

For Ferreycorp, investing in education is one of the most powerful instruments for reducing poverty and inequality, and lays the foundation for sustained economic growth.



In this context, for approximately 25 years, the Ferreycorp Association has been developing free programs to encourage future professionals to become aware of their relevant role in society and to highlight the importance of ethical values as an irreplaceable basis for the development of the individual and society. It also organizes free training activities for heavy machinery operators and technicians to contribute to their training and professional development.

Thanks to the contribution of its members: Ferreycorp, Ferreyros, Unimaq, Orvisa, Cresko, Fargoline and Soltrak, the Ferreycorp Association has to date benefited more than 40,000 students from higher education institutions nationwide, through training initiatives on values and civic responsibility, and more than 14,000 heavy machinery operators, with virtual technical talks on Caterpillar machinery operation and presentations on values and life skills.

5.2.1 Ethics and civic responsibility training for young people

The Ferreycorp Association conducts workshops on soft skills, values and civic responsibility for the integral development of future professionals and society in general.

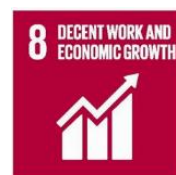
Since the COVID-19 pandemic, the Ferreycorp Association has expanded its educational proposal through the virtual modality, with different learning spaces, such as *online* workshops, live chats with experts as part of the Free Trade Zone sequence and interviews with Ferreycorp leaders in the new editions of "Conversations from Home".

Throughout the year, 41 virtual workshops were held, with the participation of more than 3,900 students from Peru and other countries where the corporation has operations. During these talks, different topics were covered, such as "Employability", "Entrepreneurship and teamwork", "Creativity and innovation", "Life skills", "Values", "Civic responsibility", among other issues that contribute to the personal and professional development of young people.

In addition, the Ferreycorp Association developed 42 sequences of its live talks, known as Zona Franca, which were transmitted through social networks by its team of facilitators and expert guests. Among the topics covered were "Uncertainty management and resilience", "How to be sustainable on a daily basis", "Why think about diversity and inclusion", "Building a Peru with integrity"; among others. These transmissions had more than three thousand live connections and were subsequently replayed more than 150,000 times.

Also during the year, we continued to broadcast "Conversations from home", a format of interviews with leaders of the corporation, in which we discussed topics of interest to young students in a warm and close manner. Some of the topics covered were "Ethical dilemmas in decision-making", "Do it with passion!", "Technological innovation for life" and "Leaders with integrity". In 2021, there were 11 editions, disseminated on the social networks of the Ferreycorp Association, which reached more than 80,000 reproductions.

5.2.2.2 Technical training from the Operators Club and Heavy Equipment Technicians Club



Ferreyros, Unimaq and Orvisa, Caterpillar representatives in Peru, have been contributing to the development and recognition of machinery operators in the country through the Heavy Equipment Operators Club, launched in 2012 and currently has 18,255 members. Similarly, it seeks to generate positive impacts on the professional development of maintenance technicians, through the Technicians Club, which was born in 2016 and today has more than 6,522 members.

The Ferreycorp Association is responsible for organizing training activities that promote the acquisition of knowledge and the exchange of experiences in both clubs.

During 2021, the Operators' Club training courses continued to be delivered virtually. 43 courses, each lasting an hour and a half, were given through online live transmissions on social networks, which reached 7,137 connections and more than 189,400 reproductions. Thus, thanks to technology, the reach of the Club's free courses was significantly multiplied.

Likewise, contests such as "The Best Heavy Equipment Operator in Peru" -which in its four editions has attracted more than 6,800 operators from all over the country-, and "The Best Heavy Equipment Technician in Peru", with a reach of more than 3,000 participants at national level; in addition, relevant content for operators and technicians is disseminated through the social networks and websites of both clubs (www.clubdeoperadores.com.pe and www.clubdetecnicos.com.pe).

5.2.2.3 Technical skills training programs

5.2.3.1 ThinkBig Program

Since 2002, Ferreycorp has been contributing to the training of technicians specialized in Caterpillar products through a two-year course at Tecsup, which includes internships at Ferreyros' workshops. At the end of the program, graduates have as their first option to enter the workforce of the corporation's companies with a defined career path.



During the year, 175 young people participated in this initiative, including 20 women who are members of DreamBig, a scholarship program that seeks to encourage the entry of female talent into technical careers in heavy machinery and thanks to which they have 50% of their career expenses covered.

5.2.3.2 Dual Apprenticeship Programs

Thanks to the Dual Apprenticeship Program of the National Training Service (Senati), young students of heavy machinery maintenance complement their technical training with practical learning at the facilities of the corporation's companies, which are members of Senati's General Taxpayers' Register (Padrón General de Contribuyentes de Senati). In that sense, during 2021, 20 students were sponsored by Ferreyros, Unimaq and Soltrak.

It is worth noting that Unimaq complements this program with its " Sembrando Futuro" (Sowing Future) initiative, which includes academic reinforcement sessions for applicants to the Senati admission exam. In 2021, in alliance with the Cerro Verde mining company, five young graduates from educational institutions located in the client's area of influence were sponsored. The beneficiaries also participated in the Technicians for Latin America initiative, Caterpillar's free virtual program, which aims to awaken interest in a career as a heavy machinery technician.

In addition, other companies of the corporation, such as Fargoline, contribute to similar dual learning models of institutions such as InLog [National Institute of Logistics (Instituto Nacional de Logística)].

5.2.3.3 Scholarship program for women

Ferreycorp seeks to promote the training of women in technical careers in order to increase their participation in the labor market of the country's main productive sectors.



Within this framework, to date, four outstanding young women are studying Electronic Engineering and Mechatronics Engineering, thanks to the Ferreycorp Scholarship, in agreement with the Universidad de Ingeniería y Tecnología - Utec (University of Engineering and Technology - Utec), which was implemented in 2019.

Likewise, by 2021, through Ferreycorp's scholarship program in alliance with Senati, four students will study Industrial Electricity in the cities of Lima, Arequipa and Trujillo. This program, launched in 2020, is aimed exclusively at women, allowing them to pay for their studies in full, in addition to receiving a monthly stipend to cover the expenses associated with their academic training.

In addition, scholarships were awarded as part of the DreamBig program, described in point 8.2.3.1, for a total of 28 Ferreycorp scholarships between UTEC, Senati and Tecsup.

5.2.3.4 Specialization Program in Preventive Maintenance of Heavy Machinery

In order to contribute to the professional development of young people, Ferreyros, in collaboration with its customer Anglo American Quellaveco and the Instituto Jose Carlos Mariategui (Jose Carlos Mariategui Institute), signed an agreement for the execution of a specialization program in Preventive Maintenance of Heavy Machinery, aimed at young graduates of related careers in the city of Moquegua. Thanks to this free program, 80 participants will be able to receive this technical training.

The training will be carried out in groups of 20 participants, through online and face-to-face classes in the workshops, where state-of-the-art equipment will be available. The training of each group will last five months and will be conducted by Ferreyros' expert instructors.

In order to make the program sustainable, a process of knowledge and equipment transfer to the Instituto Jose Carlos Mariategui is being carried out, which includes the participation of teachers from the institution as students of the program, with the aim that in the immediate future these trainings will be in charge of its teaching staff. The first graduating class began classes in September 2021.

5.2.4 Corporate Volunteering Program

Ferreycorp develops every year, at a national level, the Corporate Volunteering Program, with the purpose of generating positive impacts on society, promoting the participation of employees in activities related to the community and strengthening its commitment to vulnerable populations.



During 2021, the virtual corporate volunteering activities of the Kallpachay Educación program -organized by Empresarios por la Educación, Enseña Perú and Asociación Civil Trabajo Voluntario- continued with the participation of 58 employees of Ferreycorp and its companies. As part of this program, the corporation's volunteers spent a total of more than 2 thousand hours preparing and facilitating tutoring sessions for more than 500 students from public schools nationwide.

5.2.5 Ferreycorp 4K

For twelve years, the corporation has held the "Ferreycorp 4K" race, an integration activity for employees of subsidiary companies and their families to raise funds for corporate volunteering. In 2021, the second virtual edition was held nationally and internationally, with the participation of more than 2,300 employees from countries such as Guatemala, Ecuador, Chile, the United States, El Salvador and Peru.

The transmission of this race took place from the facilities of Vidawasi, a hospital citadel located in Urubamba, Cusco, which provides quality medical care to children suffering from complex diseases and childhood cancer, in addition to providing accommodation to patients and their families during their treatment, in an environment of dignity and quality. With the proceeds, Ferreycorp will carry out corporate volunteer activities for the benefit of this organization.

5.2.6 Membership in Associations (GRI 102-13)

Ferreycorp and its subsidiaries are active participants and/or work together with various associations related to the sectors they serve or to the guidelines, values and policies of the corporation, seeking to promote a culture of continuous improvement and good corporate practices.



The following are the associations of Ferreycorp's *holding* company and its companies with operations in Peru.

Ferreycorp	<ul style="list-style-type: none"> • Companies Circle of the Latin American Corporate Governance Roundtable (<i>Companies Circle</i>) • Association of Capital Markets Companies (Procapitales) • Peruvian Institute of Entrepreneurial Action (IPAE) • Sustainable Peru • American Chamber of Commerce of Peru (Amcham) • Peruvian-Chinese Chamber of Commerce (Capechi) • Spanish Chamber of Commerce • Organization of Women in International Trade (Owit Peru) • Association of Corporate Secretaries of Latin America (Ascla) • Good Employers Association (ABE) • Businesspeople for Integrity • Works for Taxes Alliances (Aloxi)
Ferreyros	<ul style="list-style-type: none"> • Good Employers Association (ABE) • Lima Chamber of Commerce • American Chamber of Commerce of Peru (Amcham) • Canadian Chamber of Commerce ▪ German Chamber of Commerce ▪ Peru-Mexico Chamber of Commerce • Peruvian Chamber of Construction (Capeco) • National Society of Mining, Petroleum and Energy (SNMPE) • National Society of Industries (SNI) • National Society of Fisheries (SNP) • Peruvian Society of Foreign Trade (Comex Peru) • Sustainable Peru • Peruvian Institute of Economics (IPE)
Unimaq	<ul style="list-style-type: none"> • Good Employers Association (ABE) • Sustainable Peru • Lima Chamber of Commerce

Orvisa	<ul style="list-style-type: none"> • Good Employers Association (ABE) • Chamber of Commerce, Industry and Tourism of Loreto • Chamber of Commerce, Industry and Tourism of Ucayali • Chamber of Commerce, Production and Tourism of San Martin • Chamber of Commerce and Industry of Huanuco • Sustainable Peru
Soltrak	<ul style="list-style-type: none"> • Good Employers Association (ABE) • Lima Chamber of Commerce (CCL) • Peru-China Chamber of Commerce (Capechi) • Automotive Association of Peru (AAP) • Sustainable Peru • American Chamber of Commerce of Peru (Amcham)
Fargoline	<ul style="list-style-type: none"> • Good Employers Association (ABE) • Peruvian Association of Port Operators (Asppor) • Peruvian Society of Foreign Trade (Cómex) • Peru 2021 • Lima Chamber of Commerce (CCL) • Arequipa Chamber of Commerce • Business Alliance for Secure Commerce (BASC)
Forbis Logistics	<ul style="list-style-type: none"> • Good Employers Association (ABE) • Business Alliance for Secure Commerce (BASC)
Trex	<ul style="list-style-type: none"> • Good Employers Association (ABE) • Lima Chamber of Commerce (CCL) • Peru-China Chamber of Commerce (Capechi) • Automotive Association of Peru (AAP) • American Chamber of Commerce of Peru (Amcham)
Ferrenergy	<ul style="list-style-type: none"> • Lima Chamber of Commerce • Canadian Chamber of Commerce

5.4.6 Relacionamiento y frecuencia (GRI 102-43)

Interaction with the community is periodic and occurs through various institutions such as universities, social support organizations, authorities regional and local, among others.

6. Environmental Dimension

(GRI 102-11, GRI 103-1, GRI 103-2, GRI 103-3)

In line with its corporate strategy, Ferreycorp and its companies actively manage the risks of their environmental impacts with a preventive approach under the Environmental Management Standard System based on the ISO 14001 standard, which is implemented, monitored and audited through each company's Environmental Management Programs. Given the importance of this issue, Ferreycorp has a specialized environmental area that defines corporate strategy guidelines and promotes and manages environmental projects in coordination with the corporation's different companies. In order to share best practices and experiences, a group called "Environmental Circle" (Círculo de Medio Ambiente) has been created, formed by the people in charge of this area in each subsidiary of Ferreycorp, specialists in the field, and led by the corporation.

In 2021, the Corporate Environmental Policy was approved, a document that guides performance and establishes the basis on which actions are implemented to reduce and mitigate impacts on the corporation's environment, as well as other corporate standards on more specific environmental issues.

The subsidiaries Fargoline and Forbis Logistics in Peru and Trex in Chile have certified their environmental management systems under ISO 14001 for their facilities in Callao, Antofagasta and Santiago, respectively.

In order to identify the main areas where Ferreycorp companies are generating environmental impact among their stakeholders and at each stage of their value chain, it is necessary to analyze the value chain in companies importing capital goods and related products:

- Ferreycorp's companies do not have factories in the countries where they operate; their products are **manufactured** by their subsidiaries in different parts of the world, which have world-class environmental practices and an increasingly eco-efficient product development strategy.
- The **international transportation** of equipment and spare parts is carried out by ships and airplanes by third party companies, so it is an indirect impact.
- As soon as they arrive at customs or **warehouses**, they begin to have a direct impact, since Fargoline and Forbis Logistics, which are part of Ferreycorp, are involved in the logistics chain during the import process.
- **Domestic transportation** is mainly provided by trucking companies and the subsidiary Fargoline, which is in charge of transporting equipment components and spare parts by truck. The impact is considered direct when the company's own units are used.
- The **use** of leased equipment from the rental fleets of the corporation's companies is carried out by the customers themselves, so the footprint generated at this stage is indirect.
- Ferreycorp, in most of its headquarters, provides **after-sales services**, which consist of repairing machinery or its components and other related services such as painting, evaluation of failures, oil laboratory, so they are processes that have a direct impact. It is at this stage that the **reconstruction of equipment and components** is the greatest contribution to the environmental strategy of Ferreycorp's companies.

- Finally, when an equipment or component reaches the **end of its useful life**, it can be **rebuilt**, extending its life cycle two or three times, or it is sent **to smelting, recycling and/or final disposal**, processes for which alternatives must be sought to reduce the impact. In the case of spare parts or components, there are procedures for **returning** them to Caterpillar to avoid a negative impact on the environment when they are destroyed.

After evaluating each impact and its relevance for both the company and *stakeholders*, the main areas in which the greatest environmental impact is generated are climate, energy and emissions, water and effluents, and waste and materials. Having these areas identified is allowing us to focus the corporation's efforts on project management, as well as to take advantage of the opportunity to generate positive impacts and reverse negative ones, if any.

The following is a description of the environmental management focused on these areas during 2021, both in the parent company Ferreycorp and in the main locations of its subsidiaries.

6.1 Environmental commitment in products and services

Review of the portfolio of products marketed by the represented companies: redesign of products

The machinery marketed by the corporation's companies incorporates modifications and new configurations made by the manufacturers to contribute to the reduction of environmental impact. For example, not only do Cat diesel and natural gas generator sets have highly efficient electric generators and engines with state-of-the-art technologies, but also, as part of the portfolio of the subsidiaries, the adoption of Cat natural gas generator sets is being promoted in the domestic market. Also, for several years, a wide range of Cat equipment in the country has been equipped with engines that allow reducing the emission levels of the units, while some truck models do not consume fuel in downhill or can incorporate a dual system to operate with a high percentage of liquefied natural gas (LNG).

It should be noted that customers are demanding products that have less impact on the environment, so we are beginning to see demand for equipment, especially for mining, with electric technology that will generate fewer greenhouse gas emissions during its useful life. There are mining operations that already have autonomous Caterpillar trucks (CAT 794 AC), which when connected to a specialized platform will be able to control their speed, load and destination, achieving a more efficient operation and generating less greenhouse gas emissions.

Extended product liability

Ferreyros has successfully rebuilt 48 major machines in 2021, such as mining trucks and electric rope shovels, as well as low profile loaders for underground mining, other auxiliary equipment for large mining and heavy construction equipment. This has been possible thanks to the CAT Certified Rebuild (CCR) program for subway mining and heavy construction equipment, as well as Ferreyros' general equipment rebuild program, which offers the possibility of rehabilitating a wide range of machines according to each customer's needs.

It is worth noting that in 2021, the *overhaul* or total reconstruction of three Cat 7495 electric shovels - the largest model in the Caterpillar portfolio in Peru - was carried out at important mines in the south of the country. In total, from 2017 to date, the company has executed six *overhauls* of these large machines.

Among the main environmental benefits of this practice are the reduction of soil pollution caused by machinery buried in industrial dumpsites or "machine cemeteries"; the reduction of air quality pollution caused by the traditional smelting processes that are replaced by the reconstruction processes (recycling) and the greater efficiency understood as obtaining the same result with the use of less raw materials, packaging, water, energy, fuels, emissions, waste generated, among others, as well as the reduction of processes required to achieve the same objective.

Extended product responsibility programs

Equipment	2020	2021
Cat Low Profile Loaders	2	15
Cat Heavy Construction Equipment	12	26
Cat Trucks	8	4
Other Cat Large Mining Machines	1	3
Total	23	48

Pollution control standards

In Peru, thirteen Ferreyros workshops and one Orvisa workshop have been awarded Five Stars in pollution control, Caterpillar's highest rating, having demonstrated full compliance with the highest standards in this area during their repair processes.

During 2021, an additional qualification focused on the order and cleanliness of the workshops (*housekeeping*).

6.2 Climate Commitment: Greenhouse Gas Emissions and Energy Use

Aware of the impact on the environment due to the generation of greenhouse gas (GHG) emissions, Ferreycorp began to measure its carbon footprint at its main sites and worked to reduce energy consumption in its operations and increase the use of cleaner energies.



Carbon footprint measurement and verification

(GRI 305-1, GRI 305-2)

Since 2016, Ferreycorp and its subsidiaries included in their agenda the need to measure the carbon footprint in their larger premises (headquarters), gradually increasing the number of headquarters evaluated and complying with the principles of the Greenhouse Gas Protocol. It should be noted that most of the measurements taken at the facilities, from 2017 to 2020, were exposed to verification by an independent third party. The quantification of these emissions was performed in compliance with the principles of the GHG Protocol and the guidance of the international standard ISO 14064-1.

In 2020 and 2021, Ferreycorp reported these measurements in the virtual platform Huella de Carbono Peru (Carbon Footprint Peru), an innovative climate action tool created by the Peruvian Ministry of Environment, which allows to officially recognize public and private organizations that managed to reduce their Greenhouse Gas (GHG) emissions. This platform has a scale of recognition based on the level of action achieved by each company annually: they are awarded a number of stars for measuring, verifying, reducing and neutralizing their carbon footprint. The companies that reported on this platform were Ferreycorp, Ferreyros, Unimaq, Orvisa and Soltrak. Since the beginning of the carbon footprint measurements, there has been a gradual increase in the number of headquarters analyzed, starting with two main headquarters from 2016, and nine larger sites from 2017 to 2019. Starting in 2020, two additional measurements were contemplated, a repair complex and a mining operation, thus increasing to eleven the number of sites evaluated for the period 2020-2021. Since 2021, 2 more headquarters have been added: The Rentafer headquarter corresponding to the rental and used line, as well as the administrative headquarter of Forbis Logistics in Callao, making a total of 13 GHG inventories from 2021 evaluated in 2022. The following table contains the carbon footprint measurements taken since 2020 and in 2021.

GHG emissions* in tons of carbon dioxide (tCO₂e) at main headquarters *****

Year	Scope	Ferreycorp	Ferreyros					Orvisa			Soltrak	Unimaq		Forbis Logistics	TOTAL	Coverage
		Surco**	CDR**	Industrial	La Joya	Cerro Verde	Rentafer	Iquitos	Tarapoto	Pucallpa	Callao	Evitamiento	Lurin****	Callao		
2017***	Scope 1	22.9	58.9	653.3	NR	NR	NR	41.6	44.2	54.1	68.0	91.9	36.1	NR	1071.0	9 headquarters 30.96% sales
	Scope 2	331.2	163.5	998.3	NR	NR	NR	176.2	19.9	23.6	108.9	88.0	54.4	NR	1964.0	
	TOTAL 2017	354.1	222.4	1651.6	NR	NR	NR	217.8	64.1	77.7	176.9	179.9	90.5	NR	3034.9	
2018***	Scope 1	171.2	68.0	649.9	NR	NR	NR	45.1	54.3	39.1	40.0	98.1	27.3	NR	1193.0	9 headquarters 29.68% sales
	Scope 2	233.2	127.3	781.9	NR	NR	NR	141.7	12.1	16.9	84.9	64.8	38.6	NR	1501.5	
	TOTAL 2018	404.5	195.3	1431.8	NR	NR	NR	186.8	66.4	56.1	124.9	162.9	65.9	NR	2694.5	
2019***	Scope 1	30.4	91.4	487.7	NR	NR	NR	40.7	50.0	30.0	50.0	70.0	14.1	NR	864.1	9 headquarters 26.97% sales
	Scope 2	191.2	128.9	731.3	NR	NR	NR	136.0	11.0	18.3	86.0	66.9	38.5	NR	1408.1	
	TOTAL 2019	221.6	220.3	1218.9	NR	NR	NR	176.7	61.0	48.4	136.0	136.9	52.6	NR	2272.2	
2020***	Scope 1	23.4	116.5	383.9	513.3	30.7	NR	16.8	44.5	23.1	31.1	58.8	20.3	NR	1262.1	11 headquarters 33.22% - 9 headquarters 27.15%
	Scope 2	104.0	100.8	520.3	294.1	0.0	NR	78.7	5.7	12.3	43.0	47.9	29.4	NR	1236.1	
	TOTAL 2020*****	127.4	217.3	904.2	807.38	30.67	NR	95.5	50.2	35.3	74.1	106.6	49.7	NR	2498.3	
2021****	Scope 1	152.32	63.83	424.99	536.17	19.38	181.90	21.43	55.86	39.24	29.92	39.84	43.81	2.90	1611.59	13 headquarters 37.60% - 9 headquarters 29.28%
	Scope 2	98.74	179.88	623.37	494.85	0	21.63	129.07	10.65	14.91	77.08	49.68	21.15	4.05	1725.06	
	TOTAL 2021****	251.06	243.71	1048.36	1031.02	19.38	203.53	150.5	66.51	54.15	107	89.52	64.96	6.96	3336.65	

* The gases included in the calculation of GHG emissions are CO₂, CH₄, N₂O and HFC; our processes do not emit PFC, SF₆ or NF₃.

** The consolidation approach used is that of operational control in all the headquarters with the exception of the Surco headquarter, where the consolidation approach is applied by shareholding. For this reason, the CDR facility, which was reported as a Ferreycorp facility, is reported as of this year as part of the Ferreyros company's facilities.

*** Emissions for 2017, 2018, 2019, 2020 and 2021 have been verified by an independent third party.

**** Emissions for the year 2021 has been verified by an independent third party, due to the new requirements demanded by MINAM according to RM 185-2021 for the use of the updated ISO-14064-1 standard.

***** The 9 main headquarters considered in 2020 and 2021 (green header) correspond to Ferreyros Industrial and CDR; Ferreycorp Surco; Unimaq Ate and Lurin; Orvisa Iquitos, Tarapoto and Pucallpa; and Soltrak Callao.

***** The 2020 and 2021 emissions (gray heading) consider eleven locations (two additional Ferreyros locations: Cerro Verde mining headquarter and La Joya headquarters), the addition of which is part of the good practice of gradually increasing our measurement coverage.

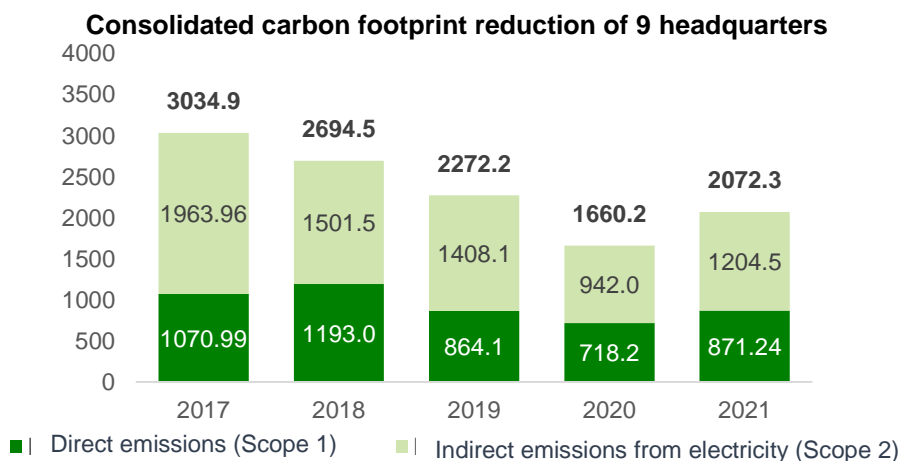
***** The 13 headquarters 2021 (light green header) considers in addition to the previous 11 locations, the addition of Ferreyros Rentafer and Forbis Logistics locations in Callao.

***** Due to changes in the structure of the corporation, the premises previously reported as Motored Lurin is now reported as Unimaq Lurin as it is currently occupied by Unimaq.

Carbon Footprint Reduction

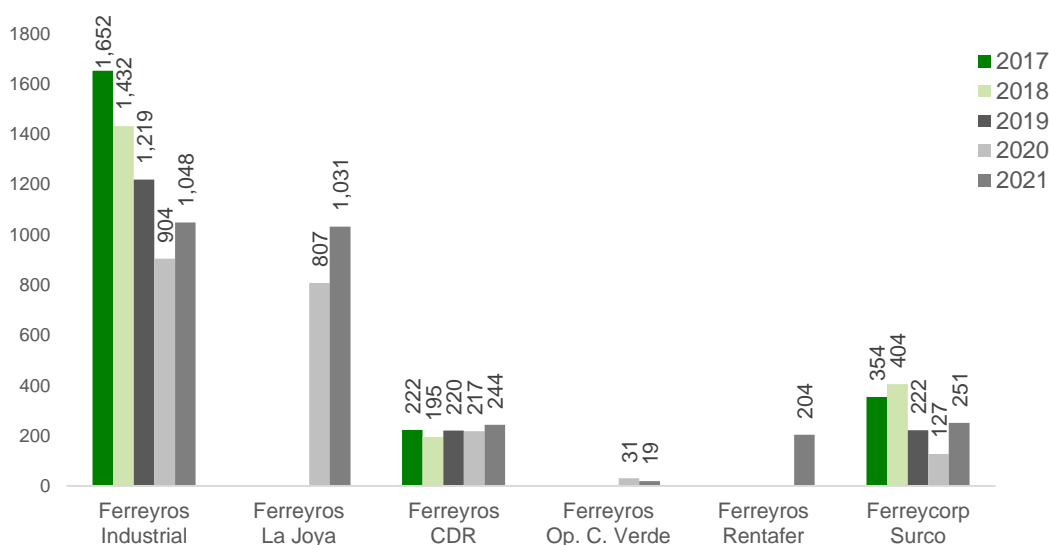
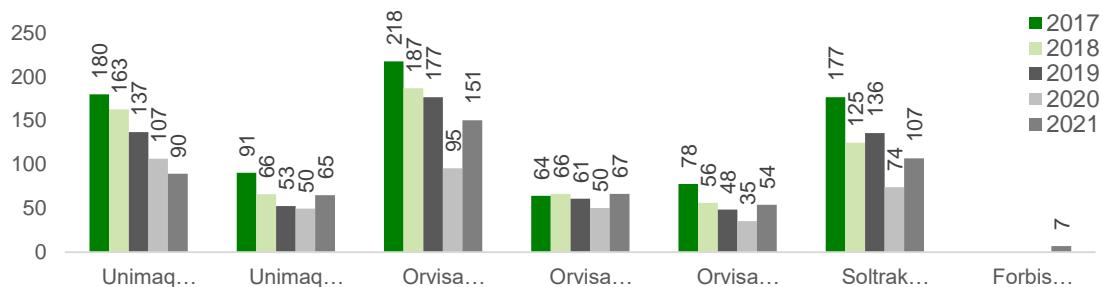
Evaluating the consolidated carbon footprint of the same 9 main headquarters, between 2017 and 2021, there has been a carbon footprint reduction of 959 tons CO₂e, equivalent to more than 30% of 2017 emissions, in scopes 1 and 2.

The restriction of activities due to the pandemic caused by COVID 19 during the year 2020 in all the corporation's facilities, impacted, as is logical, positively on carbon emissions for the year. In the year 2021 due to the resumption of operations in the corporation with the corresponding maintenance of premises and facilities, the carbon footprint increased with respect to 2020, but still was very similar to the pre-pandemic level of 2019, in which greenhouse gas emissions were 2,272.2 tCO₂e, versus 2075.77 tCO₂e in 2021. Thus, if we compare the results of 2021 with 2019, the reduction was 8.8%. It is worth mentioning, though, that the headquarters analyzed still have a limited capacity that could lead to an increase in the current year's footprint. However, the pandemic has brought with it a new, more flexible working system that could result in a reduction of greenhouse gases.



When analyzing each headquarter individually, we observed that this reduction did not occur at all headquarters: Surco, La Joya, CDR, Tarapoto and Lurin 2021 GHG emissions level were higher than before pandemic level (year 2019). In the particular case of Surco (the corporation's headquarters), it happened because of maintenance of air conditioning equipment that had been turned off, and in the case of the important workshop in La Joya, because operations have been increasing in size, with more work demanded by mining customers, which on the other hand generate important sales for the company. At the CDR headquarters, which is the national spare parts distribution center, there was no reduction because during these years the construction of a spare parts warehouse was completed and construction work had to be carried out.

Emission reductions per premises



Carbon Footprint Reduction Targets

During 2020, work was done with a specialized consulting firm to establish science-based targets for the 9 locations evaluated since 2017.

In accordance with the methodology of the global Science Based Targets Initiative (SBTi), a target was set to reduce GHG emissions by 54.6% by 2030, compared to the base year 2017, in nine major locations. In this way, we contribute to a global temperature increase of no more than 1.5°C compared to the pre-industrial era. This is the global objective set for that date, which includes our country's environmental commitment and to which our company must contribute with its lower emissions. The annual target is to reduce its GI emissions by a minimum of 4.2%, not to exceed the target of 2,525 t CO₂e by 2021. As indicated, the footprint obtained in 2021 was 2,075.77 tCO₂e, below the target set for this year, cumulatively for the period 2017-2021.

Although there are emissions reduction targets aligned with climate science, these have not yet been approved by the Board of Directors; even so, each year reduction objectives are established that are aligned with the science-based objectives (SBT). For the year 2022 the reduction objective is 5% compared to the year 2021.

Emissions offsets

A total of eleven of the corporation's headquarters offset their 2020 emissions footprint through REDD+ projects Parque Nacional Cordillera Azul (Cordillera Azul National Park) of the National Service of Natural Areas Protected (SERNANP) (Servicio Nacional de Áreas Naturales Protegidas) and Castañeros.

In all offsets from 2016 to 2020, carbon credits are registered through the Verified Carbon Standard (VCS) guaranteeing their international validity. Offsetting the carbon footprint in this type of REDD+ projects allows the conservation of carbon stocks in the forest and contributes to the conservation of associated biodiversity.

GHG Emissions Offsets

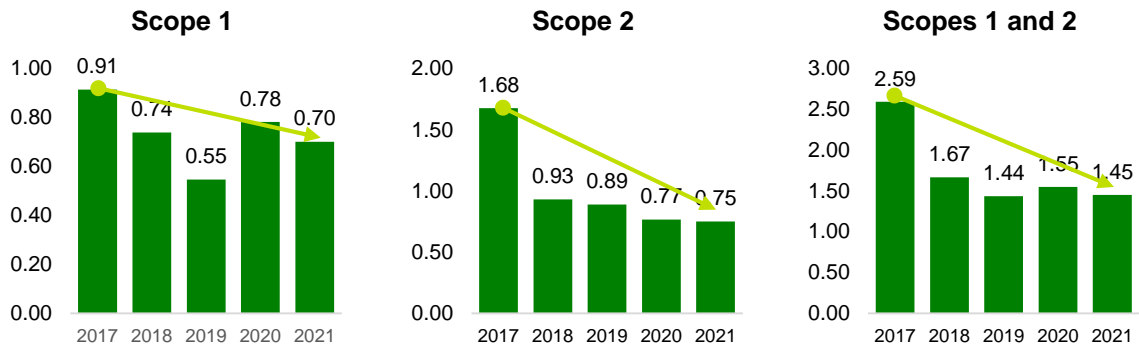
		Carbon offsets (t CO ₂ e)				
Company	Premises	2016	2017	2018	2019	2020
Ferreycorp	Surco	462	354	405	222	128
	CDR			195	220	217
Ferreyros	Industrial				1219	907
Ferreyros	La Joya					807
Ferreyros	Cerro Verde					31
Motored	Lurin		91	66	53	50
Orvisa	Iquitos		218	187	177	96
	Tarapoto		64	67	61	50
	Pucallpa		78	56	48	35
Soltrak	Callao			125	136	74
Unimaq	Evitamiento		180	163	137	107
	Number of premises	1	6	8	9	11
	Tons of CO₂e offset	462	985	1264	2273	2502

* 2021 offsets have not yet been made due to the completion of the carbon footprint verification process.

KPI Emissions intensity

To measure emissions intensity, sales expressed in millions of soles are used as the denominator, considering the measurement coverage for each year.

Emission intensity (t CO2e / MM soles in sales)



Scope 1 corresponds to direct greenhouse gas emissions (use of fuels, refrigerant gases, welding gases).

Scope 2 corresponds to indirect emissions from the use of electrical energy.

A reduction in emissions intensity is observed in the evaluated period. Although in 2020 there was a slight increase in this indicator, in 2021 it decreased, therefore, a cumulative decrease of 43.9% has been achieved in the four years showed (period 2017- 2021).

Power consumption (GRI 302-1)

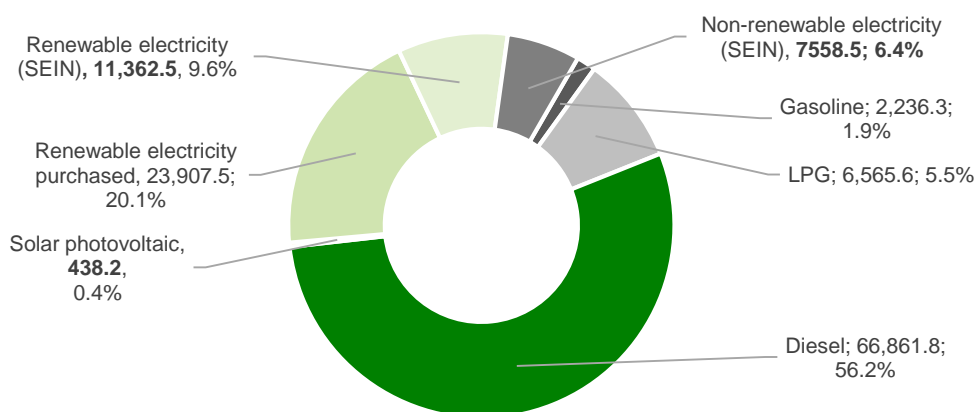
During 2021, energy consumption measurements were performed at 39 individual premises, 12 shared headquarters and 24 operations at customer facilities, in an effort to increase the number of corporate premises where measurements are performed from 2018.

Thanks to these measurements, in an organized manner, it has been possible to implement the appropriate measures to achieve reductions in energy consumption. Among the main action plans, we can emphasize the following: i) the implementation of energy efficiency projects ii) the acquisition of renewable energy for five main locations, which currently use 100% renewable energy instead of energy from the National Interconnected Electrical System (SEIN), which is mixed as it has 34.5% fossil sources.

Likewise, in 2021, the electricity supply at one of our main workshops was put out to tender for the change of supplier with which 100% renewable energy will be contracted. This measure will be implemented as of January 2022. This facility joins the five main ones that have this type of electricity supply since 2020, so that, as a whole, we plan to achieve 70% renewable electricity by 2022.

On the other hand, 30.1% of the energy used at 51 headquarters and 24 mining operations analyzed came from renewable sources in 2021, with a distribution as follows: 20.1% from electricity purchased as a free user for five main locations; 9.6% from energy purchased from the SEIN (Peru); and 0.4% from solar energy, thanks to the use of photovoltaic panels at Ferreyros' headquarters in La Joya, Arequipa. Although the aforementioned locations also use non-renewable sources, measures to reduce the impact of energy use will allow us to migrate towards greater use of renewable energy.

Total energy consumption by source (GJ) - year 2021



* The data taken for this graph are shown at the end of the section, in numeral 5.3.5.

Measures taken to reduce energy consumption

In line with its good environmental practices, Ferreycorp and its subsidiaries are reducing electricity consumption through the installation of LED lighting in some administrative offices and workshops nationwide. Likewise, electricity consumption is being monitored at headquarters with the highest consumption, such as Fargoline and Soltrak Callao (since 2021), a practice that will continue in 2022 and will contribute to making the best decisions to reduce the carbon footprint.

On the other hand, the process for the implementation of solar showers in the workshops of the corporation's companies has been planned, starting with the one in La Joya, which will begin in February 2022. In 2021, courses in eco-efficient *eco-driving* for drivers of the fleet of trucks and machinery operators were also started through the *fanpage* of the Operators' Club (Club de Operadores), which will continue in 2022 with forklift operators and third-party carriers. Another action already implemented is the solar electric generation panels at the La Joya headquarters, and new panels will be added in 2022.

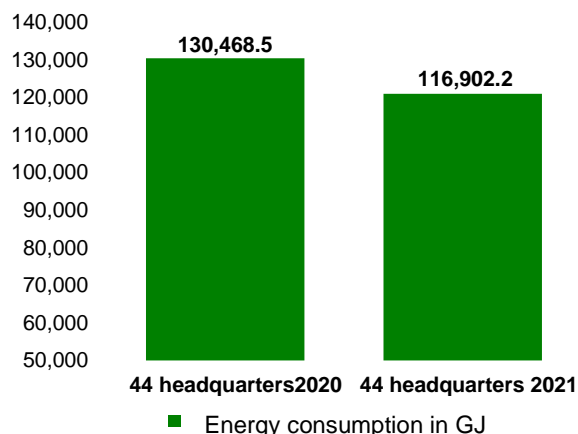
Other measures deployed that have also received attention in 2021 include the installation of flow control valves to save water (energy savings in pumping); installation of more modern air conditioning and other equipment; scheduled maintenance of electrical control panels, equipment that consumes fuel and equipment that uses refrigerant gases; and night monitoring by security personnel to turn off or unplug equipment that may be on or connected outside working hours.

Evolution of energy consumption

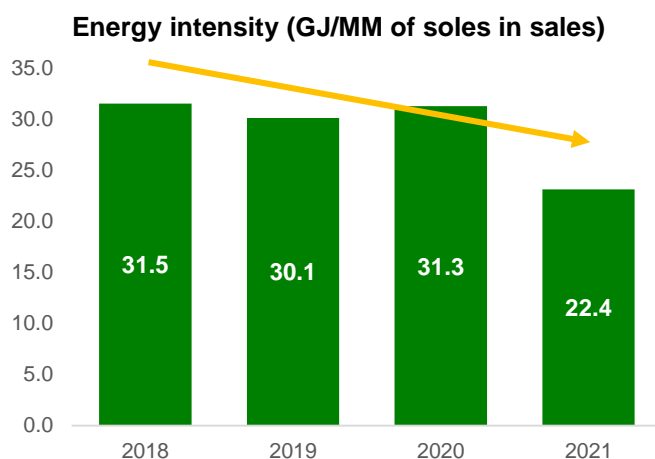
Energy consumption in 2021 in the companies evaluated in was 123,194 GJ, for 51 headquarters and 24 operations. This value includes 7 new headquarters compared to the 2020 report.

The graph shows the evolution of energy consumption in the two recent years, considering the same 44 headquarters of the aforementioned companies, showing a reduction in consumption of 10.4% in 2021 compared to 2020.

Evolution of energy consumption (GJ)



KPI energy consumption intensity



The graph shows the total energy consumption reported in Gigajoules (GJ) between the total sales corresponding to the coverage of the report for each year expressed in millions of soles. This indicator tells us how much energy we use for each million soles generated in sales.

In 2021, the Energy Intensity KPI (GJ per million soles in sales) decreased by 28% compared to the previous year, considering 39 individual premises, 12 shared headquarters and 24 operations at customer facilities of Ferreycorp and subsidiaries analyzed.

This variation indicates that there was a reduction in energy consumption as well as an increase in sales.

In the same way, it can be observed that the trend in the three years shown in the report is downward.

6.3 Conserving resources: Water use and effluent management

Water consumption at Ferreycorp's headquarters

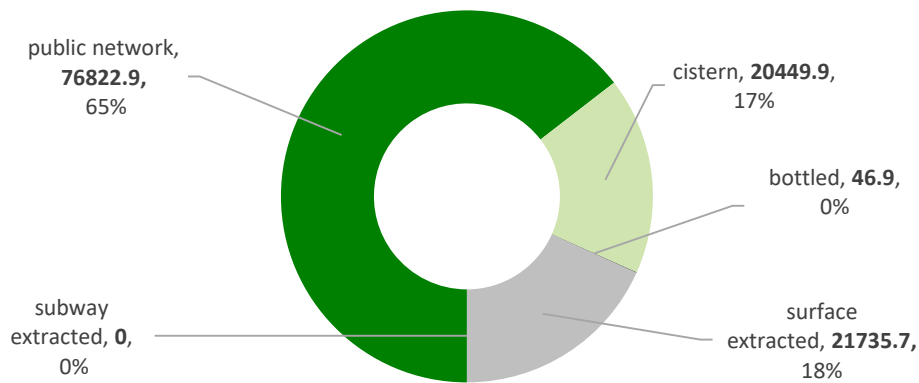
(GRI 303-3 a 2018, GRI 303-5 a 2018)

In the service processes of the corporation's companies, water is used mainly for washing machinery in the workshops and for cooling; it is also used for domestic purposes, such as hygiene of the corporation's personnel and food preparation.



The water used by 51 headquarters analyzed, representing 87.1% of the corporation's sales, comes mainly from public water supply systems (64.5%), while 18.3% comes from extracted groundwater and 17.2% is acquired through tanker trucks.

Water consumption by type of source (m3)



* The data taken for this graph are shown at the end of the section, in numeral 5.3.5.

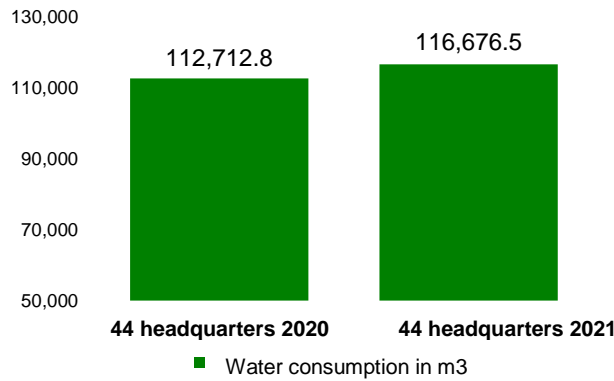
Evolution of water consumption

Since 2017, the corporation has been taking different measures to reduce water consumption. Each of the subsidiary companies has been implementing different actions that lead to that goal, such as the installation of flow regulators in faucets, water treatment plants that allow reuse in productive processes for irrigation, development of awareness campaigns and constant monitoring for the timely repair of leaks.

In 2021, the measurement coverage of this indicator has been modified to include Ferreycorp, Ferreyros, Fargoline, Motriza, Orvisa, Soltrak, Unimaq, Forbis Logistics, Sitech and Ferrenergy in Peru. Water consumption in 2021 in the companies evaluated was equal to 119,342.3 m³ for 51 headquarters; this value includes 7 new headquarters with respect to the 2020 report.

The graph shows the evolution of water consumption in the last two years, considering the same 44 headquarters of the aforementioned companies, showing an increase of only 3.5% in the indicator.

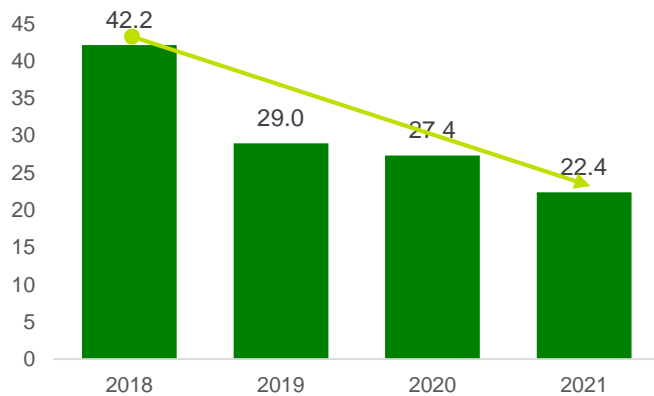
Evolution of water consumption (m3)



The result in 2021 is attributable to the resumption of operations at the analyzed headquarters, as a result of the economic reactivation generated after the confinement due to the COVID 19 sanitary emergency, as well as to the increased activities in workshops and offices compared to those in 2020, among other factors.

KPI Water consumption intensity

The graph indicates the total water consumption reported in m³ divided by the total sales corresponding to the coverage of the report for each year, expressed in millions of soles.



A reduction of 46.9% is noted with respect to 2018. This result is mainly due to the continuation of water efficiency practices already implemented, such as water reuse at the La Joya headquarters and the use of flow regulating valves at the Spare Parts Distribution Center (CDR) [Centro de Distribución de Repuestos (CDR)] and Surco headquarters.

Water footprint measurement

With the commitment to reduce water consumption, in 2019 the 2018 water footprint measurement of the Ferreyros Operations Complex in La Joya, Arequipa, the second largest operational headquarters nationwide, was carried out. In 2021, the water footprint of the Rentafer Headquarters, where rental and sale of used equipment services are provided, was measured.

These results constitute a tool for monitoring the quantity, quality and impact of direct and indirect water consumption throughout the production process over a one-year period.

Water footprint (m³)

Headquarters	Direct use of water	Indirect use - Supply chain	Indirect Use - Energy and Transportation	Total
CDR (2017)	3,487.50	1,912.54	19,413.58	24,813.62
La Joya (2018)	4,004.37	712.32	23,325.64	28,042.33
Rentafer (2020)	913.68	23,388.89	11,479.55	35782.12

Water consumption in water stress zones

Water stress occurs when the demand for water is higher than the quantity available during a given period or when its use is restricted due to low quality.

To better understand the risks associated with water consumption and its impact on the environment as well as on processes and services, it is necessary to visualize the availability of the resource at the sites of operation. In this way, it is possible to plan and take action for better management of this resource.

To this end, Ferreycorp has conducted an analysis of its locations in Peru using the "Aqueduct" platform of the World Resources Institute (WRI). This analysis allows us to make better decisions regarding the implementation of projects related to the best use of water considering the environment in which it operates, as well as to foresee future changes in the availability of this resource.

Water consumption by water stress zone*

Water stress category	Water consumption by water stress category m3	Water consumption by water stress category%
Low (<10% water stress)	84,394.51	70.72%
Low-medium (10%-20% water stress)	3,848.32	3.22%
Medium-high (20%-40% water stress)	129.00	0.11%
High (40% - 80% water stress)	5,706.00	4.78%
Extremely high (>80% water stress)	25,264.50	21.17%
TOTAL	119,342.34	100%

* The water stress categories at each headquarter location were obtained from the <https://www.wri.org/aqueduct> platform

Industrial and domestic wastewater management

Ferreycorp, by using water both for domestic use and for its machinery repair service processes, generates both domestic wastewater (from human consumption and use) and non-domestic or industrial wastewater (from washing machinery, some cooling processes and canteens).

In order to prevent any type of negative environmental impact associated with the management of this wastewater, and seeking to improve its quality and allow its reuse in washing processes, most workshops have primary treatment systems for industrial wastewater (machinery washing).

On the other hand, at headquarters where greater treatment is required, either because of the quality of the effluent or the characteristics of the receiving body, there are secondary treatment plants (physicochemical, aeration, etc.) for both domestic and industrial wastewaters. This is the case at the Industrial, La Joya, Cusco, and Cajamarca headquarters. This type of treatment also makes it possible, in some cases, to reuse the water, for example for irrigating green areas or washing.

Also, in 2021, the environmental monitoring service was tendered in compliance with the corporate effluent monitoring program in most of the corporation's premises, through the service of accredited laboratories.

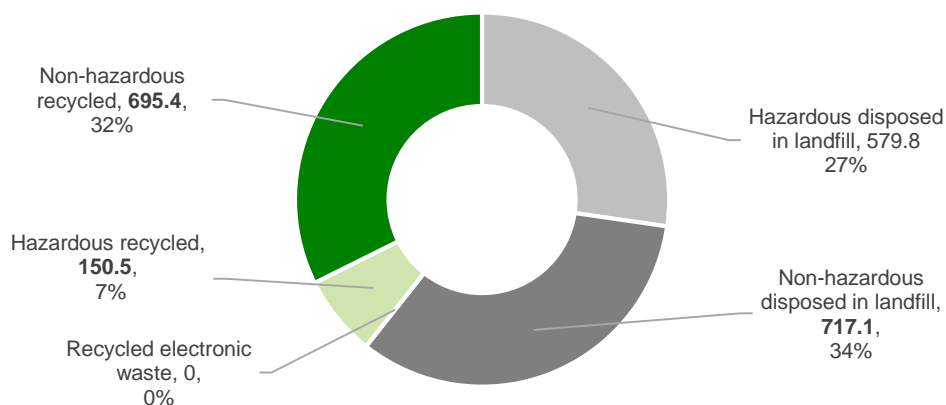
6.4 Responsible waste management

Waste generated and its management

(GRI 306-3 2020, GRI 306-4 2020, 306-5 2020)

Within the framework of good waste management and final disposal practices adopted by Ferreycorp, Ferreyros, Unimaq, Orvisa, Fargoline, Soltrak and Motriza to minimize the impacts generated by their processes, during 2021 the corporation continued working with companies specialized in the recycling and final disposal of waste, especially in the management of waste electrical and electronic equipment (WEEE), hazardous waste, scrap metal, used oils, general waste, among others. During 2021, the percentage of recycled waste in the corporation reached 39% of the total waste generated.

Ferreycorp has ensured that these companies are socially responsible, that they comply with current environmental regulations, that they work with operating companies (EO-RS), that they have qualified personnel for their functions, and that they ensure that the waste is sent to recycling, treatment and/or authorized landfills.



* The data taken for this graph are shown at the end of the section, in numeral 6.5.

Measures for proper waste management

All hazardous waste generated is transported by authorized companies and disposed of in secure landfills and/or authorized recycling systems within the country. The corporation tendered the waste transportation service in an integrated manner nationwide, through a collection system by routes, optimizing the use of resources and

reducing the carbon footprint associated with transportation. This type of system has been implemented for non-usable hazardous waste, recyclable oil and scrap metal.

In 2021, we continued with the corporate agreement with the Asociación de Ayuda al Niño Quemado (Aniquem) [Association for Assistance to Burned Children (Aniquem)], thanks to which we have been able to donate 61,040 tons of waste to finance therapies for patients.

On the other hand, since the publication of the "Special Regime for the Management of ELTs" in 2021, which involves five companies (Ferreyros, Unimaq, Orvisa, Soltrak and Motriza), the corporation is evaluating the best alternative for the recovery of end-of-life tires (ELTs).

In 2021, alternatives for recycling were analyzed taking into account the life cycle and socio-environmental benefits, awareness campaigns were developed and improvements were made to the central warehouses.

Destination of recyclable waste

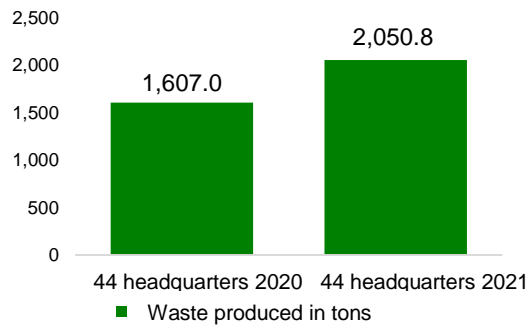
Waste	Handling
Residual oil	It is sent to the company WR Ingenieros, which recycles them through physical-chemical processes and the use of additives, prolonging their useful life and converting them into raw material (lubricating oils).
Metallic waste	<ul style="list-style-type: none"> ▪ Casting of parts or spare parts that cannot be recovered and are categorized as non-reusable. ▪ Return of new spare parts to Caterpillar. ▪ Return to customers (some cases), when obtained during the process of repairing machinery.
Waste electrical and electronic equipment WEEE	The information technology and telecommunications equipment is managed under a corporate agreement. This waste is sent to a WEEE operator who is in charge of transportation, dismantling, decontamination, sorting, segregation, shredding, pressing, compacting and reusing parts that can be recycled.
Batteries	They are marketed with authorized EO-RS who are in charge of recycling.
Paper, Cardboard, Plastic, Glass	<ul style="list-style-type: none"> ▪ There is a corporate agreement with the Asociación de Ayuda al Niño Quemado (Aniquem) which, through recycling, generates income for the benefit of children. ▪ In cities where there is no Aniquem coverage, or where the minimum collection is not achieved, these wastes are donated to formalized waste pickers' associations or given to municipal recycling programs.
Wood	As with paper, plastic cardboard and glass, reusable wood is donated to associations of formalized recyclers, carpentry for remanufacturing pallets and boxes, or given to municipal recycling programs. Ultimately, landfill disposal is considered.

Evolution of the amount of waste generated

During the year, 2,142.8 tons of waste were generated at Ferreycorp, Ferreyros, Fargoline, Motriza, Orvisa, Soltrak, Unimaq, Forbis Logistics, Sitech and Ferrenergy for a total of 51 headquarters, including 7 additional headquarters compared to the previous year.

The following graph shows the evolution of the waste generated, considering the same 44 headquarters of these companies both in 2020 and 2021.

Evolution of waste production (tons)



The amount of waste generated in the last year (comparing the same headquarters) shows an increase of 28%, mainly due to the resumption of operations in 2021.

KPI Waste generation intensity

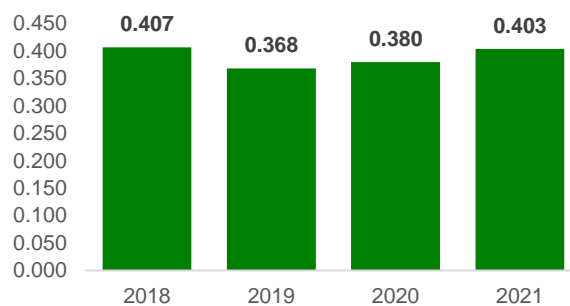
This KPI is calculated by dividing the total amount of waste generated by the sales in soles of the stores that have reported the amount of waste generated.

In 2021, the KPI Waste generation intensity (ton per million soles in sales) rose slightly by 6.1% compared to the previous year.

This variation indicates that there was a minimal increase in the KPI with respect to 2020, this can be explained taking into account that the year 2021 was a year of greater economic activation.

Also, due to disinfection measures, use of personal protective equipment and other biosecurity practices due to the pandemic, the intensity of waste generated increased.

Similarly, it is noted that the trend in the three years shown in the report is downward and from 2018 to 2021 a reduction of 1% has been achieved.



6.5 Environmental data

Energy consumption disaggregated by type and source (GJ)

Year	Type	Origin	Ferreycorp**	Ferreyros***	Fargoline	Motored	Motriza***	Orvisa	Soltrak	Unimaq	Trex	Forbis	Ferrenergy	Sitech	TOTAL	coverage	
2020	Renewable energy	% SEIN* renewable Peru	0.0	7239.0	31.0	873.9	171.6	310.4	40.8	1972.6	0.0	NR	NR	NR	10639.3	90.21% sales 53 ***** individual and shared headquarters 19 mining op.	
		% SEN renewable Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	112.3	NR	NR	NR	112.3		
		Solar photovoltaic generated	0.0	905.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NR	NR	NR		905.7
		renewable purchased	4734.5	13024.1	3410.2	0.0	0.0	0.0	997.8	0.0	0.0	0.0	NR	NR	NR		22166.5
		SUB - TOTAL	4734.5	21168.7	3441.2	873.9	171.6	310.4	1038.6	1972.6	112.3	NR	NR	NR	33823.8		
	Non-renewable energy	% SEIN non-renewable Peru	0.0	3817.8	16.4	460.9	90.5	163.7	21.5	1040.3	0.0	NR	NR	NR	5611.1		
		isolated power systems	0.0	0.0	0.0	0.0	0.0	472.4	0.0	0.0	0.0	NR	NR	NR	472.4		
		% SEN non-renewable Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	146.5	NR	NR	NR	146.5		
		Diesel	46.5	51667.3	22643.3	615.3	660.0	1514.9	3394.6	4922.8	4133.4	NR	NR	NR	89598.0		
		LPG	0.0	4213.7	0.0	228.2	0.0	0.0	184.2	581.8	0.0	NR	NR	NR	5207.9		
		Gasoline	197.3	534.4	0.0	65.5	0.0	0.0	223.0	1224.6	0.0	NR	NR	NR	2244.8		
		SUB - TOTAL	243.8	60233.2	22659.6	1369.9	750.4	2151.0	3823.2	7769.5	4279.9	NR	NR	NR	103280.7		
	TOTAL 2020	4978.3	81401.9	26100.8	2243.8	922.0	2461.4	4861.8	9742.1	4392.2	NR	NR	NR	137104.5			
2021	Renewable energy	% SEIN renewable Peru	21.9	9030.4	9.3	0	138	353.7	80.3	1728.9	0	52.3	0	0	11414.7	87.07% sales 51 individual and shared headquarters + 24 operations	
		Solar photovoltaic generated	0	438.2	0	0	0	0	0	0	0	0	0	0	438.2		
		renewable purchased	408.7	19174.4	2389.5	0	0	0	1594.8	340.1	0	0	0	81.7	23989.3		
		SUB - TOTAL	430.6	28643	2398.8	0	138	353.7	1675.1	2069.1	0	52.3	0	81.8	35842.3		
	Non-renewable energy	% SEIN non-renewable Peru	13.2	5471.1	5.6	0	83.6	214.3	48.6	1047.5	0	31.7	0	0	6915.7		
		isolated power systems	0	0	0	0	0	674.6	0	0	0	0	0	0	674.6		
		Diesel	0	32643.3	23159.2	0	301.5	1938	3743.2	5076.6	0	0	0		66861.6		
		LPG	0	5022.4	0	0	0	0	283.9	1259.3	0	0	0		6565.5		
		Gasoline	231.2	1365.8	0	0	0	0	243.1	396.2	0	0	0		2236.3		
		SUB - TOTAL	244.5	44502.6	23164.8	0	385.1	2826.8	4318.7	7779.5	0	31.7	0	0	83253.6		
	TOTAL 2021	675.1	73145.6	25563.5	0	523.1	3180.5	5993.8	9848.6	0	84	0	81.8	119095.9			

* SEIN: National Interconnected Electricity System (of Peru): Administered by COES. The % of renewable energy was downloaded from the COES statistics of the annual accumulated to December 2021.

** The conversion factors for the different types of energy and units correspond to those of Infocarbon <http://infocarbono.minam.gob.pe/wp-content/uploads/2016/06/Factores-por-defecto-Final-17-03-2016.xlsx>

*** The company Motriza shows a variation in energy consumption with respect to the previous year, this is due to the fact that they moved premises and reorganized the structure of the company.

**** The CDR headquarters in 2021 has been consolidated within Ferreyros as opposed to 2020 when it was consolidated within Ferreycorp, this is due to a change in the consolidation approach for this headquarters from shareholding to operational control.

***** (GRI 102-48) Variation with the 2020 Report: in the 2020 Report, the counting of headquarters was done by counting all the headquarters individually; in 2021 the count is done by differentiating between individual and shared headquarters, counting the latter only once. For this reason, there are variations in the count of 2020 headquarters in the 2020 Report.

Water consumption (m3)

Year	Water source	Type	Ferreycorp	Ferreyros	Fargoline	Motored	Motriza	Orvisa	Soltrak	Unimaq	Trex Chile	Forbis	Ferrenergy	Sitech	TOTAL	coverage
2020	Third-party water	public network	15316.5	42909.7	0	2960	1564	836	4276	7377	2175	NR	NR	NR	75239.2	90.21% sales 53 * individual and shared headquarters
		cistern	0	16671.5	380.7	1302.2	0	0	0	1717.6	692	NR	NR	NR	20072.0	
		bottled	0	0	0	0	0	0	0	0	0	NR	NR	NR	0.0	
	Water withdrawn	groundwater	0	8523.2	3325.8	0	0	2487.8	0	7327.0	0	NR	NR	NR	21663.8	
		surface	0	0	0	0	0	0	0	0	0	NR	NR	NR	0.0	
TOTAL 2020			15316.5	68104.4	3706.5	4262.2	1564.0	3323.8	4276.0	16421.6	2867.0	0.0	0.0	0.0	119842.0	
2021	Third-party water	public network	2238.2	60544.9	0	NR	1139.0	712.0	3215.7	8650.4	NR	180.0	0.0	370.7	77050.9	87.07% sales 51 individual and shared headquarters
		cistern	0	18790.0	720.1	NR	65.0	0	22.9	851.9	NR	0	0.0	0	20449.9	
		bottled	0	46.9	0.0	NR	0	0	0	0	NR	0	0.0	0	46.9	
	Water withdraw	groundwater	0	8045.4	3588.0	NR	0	4571.7	169.3	5420.3	NR	0	0.0	0	21794.7	
		surface	0	0	0	NR	0	0	0	0	NR	0	0.0	0	0.0	
TOTAL 2021			2238.2	87427.1	4308.1	0.0	1204.0	5283.7	3407.9	14922.6	0.0	180.0	0.0	370.7	119342.3	

*(GRI 102-48) Variation with the 2020 Report: in the 2020 report, all the headquarters were counted individually; in 2021, the count is done differentiating between individual and shared headquarters, the latter being counted only once. For this reason, there are variations in the count of 2020 headquarters in the 2020 Report.

Waste generation by type (tons)

Year	Type of Management	Waste Type	Ferreycorp	Ferreyros	Fargoline	Motored	Motriza	Orvisa	Soltrak	Unimaq	Trex	Forbis	Ferrenergy*	Sitech	TOTAL	coverage	
2020	Recycling	non-hazardous	106.7	503.4	34.3	9.3	4.0	3.3	3.3	12.3	0.0	NR	NR	NR	676.6	90.21% sales 53***** individual and shared headquarters	
		Hazardous	0.0	119.1	10.0	30.7	0.1	0.0	1.4	36.0	0.0	NR	NR	NR	197.3		
		electronic waste	0.0	0.0		0.0	0.0		0.2	0.0	0.0	0.0	NR	NR	NR		0.2
		TOTAL RECYCLED	106.7	622.5	44.4	40.0	4.1	3.3	4.9	48.3	0.0	NR	NR	NR	874.1		
	Disposal in landfill (sanitary/secure)	non-hazardous	41.1	166.0	145.8	10.7	0.6	3.6	9.3	59.6	0.0	NR	NR	NR	436.7		
		Hazardous	2.9	300.3	4.7	3.5	0.6	0.1	3.2	35.2	1.9	NR	NR	NR	352.2		
	TOTAL 2020			150.7	1088.7	194.9	54.2	5.2	7.0	17.3	143.1	1.9	NR	NR	NR		1663.1
2021	Recycling	non-hazardous**	0.7	607.5	2.9	0.0	16.8	4.5	2.5	36.5	0.1	0.4	23.6	0.0	695.4	87.07% sales 51 individual and shared headquarters	
		Hazardous	0.0	122.9	5.5	0.0	0.1	0.0	2.2	13.7	5.1	0.1	1.0	0.0	150.5		
		electronic waste	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
		TOTAL RECYCLED	0.7	730.4	8.4	0.0	16.9	4.5	4.7	50.2	5.2	0.5	24.6	0.0	845.9		
	Disposal in landfill (sanitary/secure)	non-hazardous***	6.7	481.9	124.8	0.0	2.0	14.7	14.0	57.5	4.9	0.5	10.2	0.0	717.1		
		Hazardous	0.0	501.4	1.6	0.0	2.7	0.1	3.1	53.4	1.5	0.0	16.0	0.0	579.8		
	TOTAL 2021			7.5	1713.7	134.9	0.0	21.5	19.2	21.8	161.1	11.5	1.0	50.7	0.0		2142.8

* The waste produced by Ferrenergy corresponds to 50% of the total waste, considering that 50% of the shares of this company are owned by Ferreyros.

** In 2021, an amount of 9,227 tons of waste reported as **recycled non-hazardous** has been managed through formalized recyclers' organizations and municipalities, which is legally permitted, but in which case there are no certificates that endorse the complete management cycle. In 2020 that amount was of 15.1615 tons.

*** In 2021, a quantity of 40,339 tons of waste reported as **non-hazardous disposed of in landfills** has been managed through municipal services (mainly in provinces in the interior of the country), this management is legally allowed, but in this case there are no certificates that endorse the complete waste management cycle. In 2020, that amount was of 26.6668 tons.

**** None of the waste generated at Ferreyros is destined for incineration, with or without energy recovery.

***** (GRI 102-48) Variation with the 2020 Report: in the 2020 Report, all the headquarters were counted individually; in 2021, the count is done differentiating between individual and shared headquarters, the latter being counted only once. For this reason, there are variations in the 2020 headquarter count in the 2020 Report.

In accordance with the GRI 306-3 2020 standard, the waste reported here excludes effluents. Also, all waste reported has been managed off-site

7. GRI content index

(GRI 102-55)

GRI Standard	Content	Global Compact	SDG	Detail
General Contents				
GRI 102: General Aspects 2016	Organization profile			
	102-1 Name of the organization			Ferreycorp S.A.A.
	102-2 Activities, brands, products and services			Pages: 7-11
	102-3 Location of headquarters			Jirón Cristóbal de Peralta Norte N° 820, Surco, Lima, Perú.
	102-4 Location of operations			Pages: 8-10
	102-5 Ownership and legal form			Sociedad Anónima Abierta
	102-6 Markets served			Pages: 7-11
	102-7 Scale of the organization			Pages: 7-11, 22-24
	102-8 Information on employees and other workers			Pages: 55-56
	102-9 Supply chain			Pages: 44-45
	102-10 Significant changes in the organization and its supply chain			Motored in Peru was reclassified as a discontinued operation during the year 2021.
	102-11 Precautionary Principle or approach			Pages: 73-74
	102-12 External initiatives			Pages: 15, 21, 59
	102-13 Membership of associations			Pages: 71-72
	Estrategia			
102-14 Statement from senior decision makers			Annual Report 2021 Pages: 4-11 (https://www.ferreycorp.com.pe/assets/uploads/archivos/0d04885d3255a1539184e585c2c000a3.pdf)	
Ética e integridad				
102-16 Values, Principles, Standards and norms of behavior			Pages: 4-5, 15, 31-32	
Gobernanza				
102-18 Governance Structure			Pages: 25-30	
Participación de los grupos de interés				
102-40 List of stakeholders groups			Pages: 15	
102-41 Collective bargaining agreements			Collective bargaining agreements cover 100% of the workers, whether or not they belong to the union.	

GRI Standard	Content	Global Compact	SDG	Detail
	102-42 Identifying and selecting stakeholder			Pages: 15-18
	102-43 Approach to stakeholder engagement			Pages: 43, 48, 66, 72
	102-44 Key topics and concerns raised			Pages: 15-17
Prácticas para la elaboración de informes				
	102-45 Entities included in the consolidated financial statements			The financial statements of Ferreycorp includes the holding, Ferreycorp S.A.A.; the subsidiaries under it; and investments in joint ventures, these being as of December 31, 2022 the following: Ferreyros S.A., Inti Inversiones Interamericanas Corp. y subsidiari, Unimaq S.A., Trex Latinoamerica SpA y Subsidiarias, Motriza S.A., Fargoline S.A., Motored S.A., Orvisa S.A. y subsidiarias, Soltrak S.A., Cresko S.A., Soluciones Sitech Perú S.A., Forbis Logistics S.A. y Xpedite Procurement Services S.A.C.
	102-46 Definition of report content and topic Boundaries			Pages: 15-17
	102-47 List of material topics			Pages: 15-17
	102-48 Restatement of information			Pages: 89-90
	102-49 Changes in reporting			Pages: 15-17
	102-50 Reporting period			January 1 to December 31, 2021
	102-51 Date of most recent report			2020
	102-52 Reporting Cycle			Annual
	102-53 Contact point for questions regarding the report			E-mail: responsabilidadsocial@ferreycorp.com.pe Phone: 0-800-13372 Website: www.ferreycorp.com.pe
	102-54 Claims of reporting in accordance with the GRI standards			This report has been prepared in accordance with the essential option of the GRI Standards.
	102-55 GRI content index			Pages: 91-94

GRI Standard	Content	Global Compact	SDG	Detail
	102-56 External assurance (GRI 2-5)			This document has been audited by SGS under the ISAE 3000 methodology. Details regarding this service can be found in the declaration at the beginning of the report.
Material issues				
Corporate Governance and Compliance				
GRI 103: Management approach	103-1 Explanación de the material topic and its boundaries			Pages: 21
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Principle 10	SDG 16	Page: 35
Employee development and welfare				
GRI 103: Management approach	103-1 Explanación de the material topic and its boundaries	Principles 1, 2, 3, 4, 5 y 6		Pages: 50-51
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 401: Employment 2016	401-1 New hires and staff turnover		SDG 1 and 10	Pages: 52-53
	401-3 Parental leave		SDG 8	Pages: 58-59
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system		SDG 3	Página: 61-62
	403-9 Work related injuries		SDG 3	Pages: 62-65
GRI 404: Training and education 2016	404-1 New hires and staff turnover		SDG 5 and 8	Pages: 60-61
	404-3 Percentage of employees receiving regular performance and career development reviews		SDG 5 and 8	Pages: 60
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees		SDG 5	Pages: 55-56
GRI 406: No discrimination 2016	406-1 Cases of discrimination and corrective actions taken	Principles 6	SDG 10	Pages: 59-60
Commitment to the environmental management				
GRI 103: Management approach	103-1 Explanación de the material topic and its boundaries	Principles 7, 8 y 9		Pages: 73-74
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 302: Energy 2016	302-1 Energy consumption within the organization		SDG 13	Pages: 80-82
	303-3 Water withdrawal		SDG 6	Pages: 82-85

GRI Standard	Content	Global Compact	SDG	Detail
GRI 303: Water 2018	303-5 Water consumption			Pages: 82-85
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)		SDG 9 and 13	Pages: 75-80
	305-2 Energy indirect GHG emissions (Scope 2)			Pages: 75-80
GRI 306: Waste 2020	306-3 Waste generated			Pages: 86-88
	306-4 Waste diverted from disposal			Pages: 86-88
	306-5 Waste directed to disposal			Pages: 86-88
Commitment to the community				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			Pages: 66-71
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported			Pages: 66-67
Excellence in the services				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			Pages: 39, 46
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers			Pages: 47
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling			Pages: 39-40
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			Pages: 40
Business management				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			Page: 18
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed			Pages: 19-20
Own KPIs				
Own KPIs	Extended Product Liability		SDG 12	Pages: 74-75
	Supplier training			Pages: 46