

	<b>CORPORATE STANDARD FOR THE EVALUATION, SELECTION AND APPROVAL OF NON-COMMERCIAL</b>	<b>CODE</b>	<b>VERSION</b>
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		11.28.2022	12.28.2022
<b>PROCESSING MANAGEMENT</b>	CORPORATE FINANCE MANAGEMENT		
<b>ELABORATED BY</b>	<b>REVIEWED BY</b>	<b>APPROVED BY</b>	
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PURCHASING MANAGER NON-COMMERCIAL	ASSISTANT MANAGER OF CORPORATE SERVICES AND ENVIRONMENT	CORPORATE FINANCE MANAGER	

### 1. Objective:

The objective of this corporate standard is to establish the method of evaluation, selection, registration and approval of non-commercial suppliers in accordance with the requirements established by Ferreycorp SAA.

### 2. Scope:

The standard applies to all employees involved in any part of the process of purchasing goods and non-commercial services. is under the responsibility of the Corporate Finance Management of Ferreycorp SAA, through the Corporate Services and Environment Assistant Manager's Office. This standard applies to Ferreycorp SAA and its subsidiaries.

### 3. References:

Corporate Standard for Contractors' and Suppliers' Work and Services.

Standard for the Selection of Permanent Third Parties Services.

Corporate Standard Corporate Work Standard Contractor and Third Parties Management SSMA-GCRH-NC-008

Supplier Code of Ethics

Ferreycorp also has a Compliance System to prevent acts of corruption and other crimes, whose standard include the relationship with suppliers:

Corporate Code of Ethics

Corporate Compliance Policy

Corporate Standard on Giving and Receiving Gifts, Favors, and

Corporate Standard on Conflict of Interest

Corporate Standard on the Control of Reputational and Corruption Risks in Businesses with Third Parties

Corporate Due Diligence Standard for Customers, Suppliers and Employees.

#### 4. Procedures:

##### 4.1. Supplier Evaluation and Selection Process:

In order to select suppliers, Ferreycorp and/or its subsidiaries must necessarily carry out a tender process, necessarily a competitive process, either through a private bidding process or an administrative procedure in which several suppliers are quoted, in order to promote competition. As a general criterion, at least three (3) at least three (3) quotations or technical/financial proposals from different suppliers in order to always objectively select the one that offers the best objectively choose the one that offers the best conditions for Ferreycorp and/or its subsidiaries.

For reasons of materiality or the type of service to be quoted, the request for a tender process with three bidders may be waived and may be reduced to two suppliers in order to have a comparative of costs and services. These exceptions will be approved by the head or purchasing management in each of the purchasing units.

Private tenders consider variables such as price, quality, delivery time, good sustainability practices (environmental, social responsibility and compliance), as well as the review of financial aspects and commercial references of the candidates.

##### 4.2. External and Internal Approval of Suppliers:

**Although not all suppliers are approved, in the medium term it will be a requirement to have it in order to contract services or make sales of products that are not part of the company's core business (commercial purchases).**

The requirement for an approval to be external or internal will depend on what each company establishes according to the risks inherent to the nature of each supplier's activities, the workplace, level of mobilization of employees within the facility and its internal policies.

The supplier approval process will allow us to have a database of suppliers that have been approved under compliance, legal, financial, HSE and other criteria, complying with corporate requirements and standards, in order to meet the needs and activities that arise. The fact that a supplier is approved does not necessarily imply that goods and services must be purchased from that supplier. Companies wishing to be approved must sign, among other documents, the Supplier Affidavit and a Supplier Due Diligence Questionnaire in accordance with the provisions of the *Due Diligence Standard for customers, suppliers and employees*.

**4.3. Ferreycorp Corporation's requirements for commercial relationships are as follows:**

Product quality, service capacity, economic and financial soundness, compliance with legal, tax and labor requirements, compliance with occupational health and safety standards, commitment to human rights principles, interest in corporate social responsibility, implementation of a model for the prevention of corruption and other related crimes, social responsibility practices and corporate sustainability.

**4.4. Due diligence to Suppliers:**

All suppliers shall be subject to due diligence controls in general, which are found in the Corporate Standard for Due Diligence on Customers, Suppliers and Employees GEN-GCAC-NC-008, regardless of the process that each company has, seeking to prevent being compromised in any corruption issue or in the commission of any related or related crime.

**4.5. Complementary measures that can be requested from local suppliers:**

a) For local service providers, some of the following lists may be reviewed to ensure that the supplier does not have following lists in order to make sure that the supplier does not present problems of money laundering, drug trafficking, corruption, etc. United Nations Security Council and the Clinton List issued by the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury.

b) Unannounced visit of the purchasing, logistics or audit area to the local supplier's facilities in order to assess compliance with security requirements, response to risks and threats to the Supply Chain, as well as operational capacity.

c) Analysis of the supplier in a financial risk center, in order to verify its financial and patrimonial capacity.

**4.6. Complementary measures that may be requested from international suppliers:**

a) For foreign service providers, some of the following lists may be reviewed in order to ensure that the provider does not present problems of money laundering, drug trafficking, corruption, etc., as well as the United Nations Security Council and the Clinton List issued by the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury.

b) Conduct an electronic search for references of the potential foreign supplier in institutional web pages (chambers of commerce) and/or commercial electronic portals. The finding of reports and/or news alerting about the link of the foreign supplier with illicit activities (drug trafficking, terrorism, financing of terrorism and/or money laundering) or fraud by the potential foreign supplier should be alerted. As evidence of the above, a screenshot should be taken of the internet record of the search for the name of the potential foreign supplier.

**4.7. Documentation Required to enter you as a Supplier in the System:**

In order to register a new supplier to the registry, suppliers must submit the following documents:

Creditor Incorporation Form, Supplier Affidavit, Authorization to Process Personal Data Supplier Due Diligence Questionnaire, and must sign a charge of having received the Corporate Supplier Code of Ethics

They must also submit the following documents: RUC file, proof of MYPE company, police and criminal record, copies of National Identity Card or foreigner's card of the legal representatives of the company, incorporation form no older than 3 months, power of attorney form of legal entity, in addition to other documents that may be required by Ferreycorp and/or its subsidiaries according to its internal procedures.

If the company has a supplier portal, the supplier must obtain a key and password to register their invoices.

**4.8. Supplier evaluation alternatives.**

Once the purchase requisition has been approved by the requesting area (SOLPED), the persons in charge of purchasing management will proceed to select the supplier by requesting quotations and evaluating the best proposal according to variables such as price, delivery time, quality and others, when applicable.

The result of the evaluated variables can be added as an annex to the purchase order in the form of a "matrix" or comparative table, or it can be placed directly in the purchase order box in the field "Information request text".

In the text request for information, the supplier's award criteria must be included in all cases.

If the purchase has been managed by specialized buyers, they must attach a comparative table, matrix or send the information to be detailed in the "Information Request Text". Supplier evaluation matrix.

Variable Assessed	Importance%	Supplier x	Supplier Y	Supplier Z
Price				
Quality				
Response time				

Then, according to the quotations provided by each supplier, we will proceed to qualify each one by variable.

We must consider that the rating is from 1 to 5, being 1 the lowest rating and 5 the highest rating.

To obtain the final score per supplier we must multiply the score by the weight (%) received for each variable.

This is how we obtain the final score for each supplier, with the winner being the one that obtained the highest score.

The results of each evaluation matrix must be saved and shared in order to approve the different purchase orders generated. in order to be able to approve the different purchase orders that are generated and also, **to serve as support for future auditing processes.**

In the case of tenders or bids, a matrix is required that includes all the variables included in the tender, for example: ESG variables, technical variables, commercial and financial references, etc.

It is the function of the purchasing area to review, evaluate and give conformity to the best alternative or proposal for the acquisition of goods or contracting of services in review with the requesting area.

#### **4.9. Comparison of quotations for non-commercial goods and services**

Each company can establish the criteria and maximum amounts for the exceptions referred to the number of quotations. However, the corporation has established the following criteria for its internal purchases:

Base Criteria: Ferreycorp

Purchase Value	N° quotations
Less than US\$ 100	1
Less than US\$ 200 for specialized credit card purchases	1
Less than 5,000 and requires field visit	2
All other purchases	3

#### **4.10. Exceptions to the comparative quotations:**

1. When the purchase of a good and/or service that is priced under a legal Contract Model (recurrent purchase, consignment).
2. When there is a Contract in SAP (Open Purchase Order), having previously carried out a bidding process to choose the supplier.
3. Suppliers who are brand representatives or sole authorized suppliers of the good or service.
4. Purchases made as a result of unforeseen events: this is a purchase that is urgent or due to emergency situations.

5. In the case of service extensions that are already running with a provider.
6. When a purchase is made between related parties of the corporation.

For recurring purchases, periodic tender processes should be promoted, no more than 2 (two) years without a tender process. The proposal, service, lead time periodically evaluate the proposal, service, lead time and pricing.

In the event of any exception, the Purchasing Manager must justify it by indicating it in the text of the purchase order issued in SAP and by completing the Sole Supplier Affidavit.

In the event of a conflict of interest of a person in charge of purchasing for the contracting of a supplier, it must proceed in accordance with the provisions of the Corporate Standard on Conflict of Interest, for which the employee involved shall notify the immediate supervisor, and shall not participate in the decision to evaluate the supplier indicated, being replaced by another employee designated by the immediate supervisor (\*).

#### **4.11. Supplier performance evaluation:**

Companies that have the SAP ERP must evaluate the performance of their suppliers on the same platform, after preparing a questionnaire, which may be different for each company, according to the purchases that are made.

“Good” qualification: the supplier is retained.

“Regular” qualification: communicate the results to the supplier and request improvement actions.

“Bad” qualification: replace the supplier within six (6) months.

**5. Annexes:**

**5.1.** Annex 1: Creditor incorporation form

**5.2.** Annex 2: Sworn statement for Suppliers

**5.3.** Annex 3: Authorization for Processing Personal Data

**5.4.** Annex 4: Due Diligence Questionnaire for Suppliers

**5.5.** Annex 5: Supplier Code of Ethics

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**THIS DOCUMENT HAS BEEN AUTHORIZED IN THE REGULATORY SYSTEM BY:**

<b>ROLE</b>	<b>NAME</b>	<b>POSITION</b>	<b>DATE</b>
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