



SUSTAINABILITY REPORT

20
24

www.incatops.com



INDEX



Commitment to Quality and Sustainability (Letter from the Chairman of the Board)	03
2024 ESG Milestones	05

01. Alpaca DNA: The Fiber That Defines Us	
1.1 Origin and Presence in the Global Market	07
1.2 Premium Portfolio of Tops & Yarns	13
1.3 Our Global Positioning	17
1.4 Certifications, Awards, and STeP Commitment	29

02. Vision 2030: Our Roadmap to a Sustainable Future	
2.1 Purpose and Key Goals	32
2.2 Our Contribution to the Sustainable Development Goals	33
2.3 Materiality Analysis	35
2.4 Our Commitment to the Transition to Renewable Energy	38
2.5 Circular Innovation	42

03. Governance for a Sustainable Future	
3.1 Our Governance Bodies	45
3.2 Ethics, Compliance, and Transparency	51
3.3 Comprehensive Risk Management	55
3.4 Our Stakeholders	58
3.5 Economic Performance	61

04. From Pacamarca to the World: Traceability and Sustainability	
4.1 Pacamarca: Responsible Breeding and Genetic Improvement	64
4.2 Our Supply Chain: Traceability and Quality	68
4.3 Sourcing and Fair Trade	78

05. Fiber with a Purpose: In Balance with the Planet	
5.1 Our Emissions Management	80
5.2 Water Efficiency in Every Fiber	83
5.3 Tracing Our Path Toward a Circular Economy	86
5.4 Conservation of Our Biodiversity	92

06. Talent that Weaves the Future: Innovation, Culture, and Safety	
6.1 Managers of Positive Impact	96
6.2 Talent Allies	99
6.3 Comprehensive Well-being: Occupational Health and Safety	105
6.4 Ayllu Culture	111

07. Alpaca is a Lifestyle	
7.1 Capacity Building for Breeders	120
7.2 Social Programs and Community Well-being	124
7.3 Volunteering and Social Impact	126

08. About This Report	
8.1 GRI Content Index	129



Commitment to Quality and Sustainability

Letter from the Chairman of the Board

Dear Stakeholders,

We are pleased to present **Inca Tops' first Sustainability Report**, for the year 2024, prepared in accordance with the **Global Reporting Initiative (GRI) guidelines**. This milestone represents a significant achievement, coinciding with the **commemoration of our nearly 60-year history of promoting sustainability, innovation, social responsibility, and respect for the environment**.

This report summarizes the main progress made during the last fiscal year across our three fundamental pillars—environmental, social, and governance (ESG)—thus reaffirming our commitment to a responsible business model, aligned with the global challenges of the textile industry and, above all, with the expectations of all our stakeholders.



Our Environmental Performance

In 2024, we took firm steps toward more responsible management that aligns with current challenges. In the environmental area, we advanced our energy transition by incorporating natural gas in two of our plants. Thanks to a contract signed this year, all of our facilities will operate with this fuel starting in January 2025, which will allow us to significantly reduce our CO₂ emissions.

Regarding our water management, we completed the expansion of our laundry's wastewater treatment plant (WWTP) in 2023, which enabled us to treat 100% of our industrial effluents. Throughout 2024, the plant has operated continuously for the first full year, marking a milestone in environmental efficiency. Additionally, the water reuse system was enabled and is expected to become operational in the

coming years. We also strengthened our commitment to the circular economy and sustainability: we renewed the OEKO-TEX® STeP certification at Level 3, making us the only company in Latin America with this certification; we have 1,200 solar panels to power our production processes, and we reclaim our textile waste.

Finally, we raised our standards for traceability and animal welfare by obtaining the Nativatm seal and consolidating the Black Alpaca program, which preserves the genetics of the black alpaca through the largest registered herd in the country. In this way, each of these advancements reflects our long-term vision: a more sustainable, inclusive, and competitive textile industry.



Our Social Performance

Without a doubt, the above would not have been possible without the commitment of those who are part of this story. This work is reflected in the high-Andean regions, where more than 1,000 breeders participated in training sessions at our Pacamarca scientific station. This allowed them to strengthen their knowledge in responsible shearing, sustainable management, and genetic improvement, with the goal of raising fiber quality and their income.

Furthermore, in our plants, 100% of the staff received training in human rights and occupational safety, which led us to end the year with no disabling accidents. We also consolidated a work environment based on dialogue and inclusion, where women represent 49% of the team, a reflection of an organizational culture that values equity and diversity.



Our Economic and Governance Performance

In the economic and governance sphere, we achieved a 10% increase in sales compared to the previous year, accompanied by an 8% reduction in our operating expenses. We also allocated 73% of our goods and services budget to Peruvian suppliers, with the goal of strengthening a resilient supply chain that generates value in the local economy. Additionally, as part of our comprehensive sustainability approach, all of our plants passed internal and external audits in 2024 without critical observations, which reflects the strength of our social, labor, and environmental controls.

We also renewed the OEKO-TEX® STeP certification at Level 3, revalidated the Standard 100, Responsible Alpaca Standard (RAS), Responsible Wool Standard (RWS), and Responsible Mohair Standard (RMS seals), and evaluated 100% of our operations for corruption risks, with no incidents recorded. We are preparing to obtain GOTS certification in 2025. In this way, these achievements not only consolidate transparent management but also ethical management aligned with the highest international standards.

Looking to the Future

The advancements described represent only the beginning of a more ambitious journey. In the coming years, we will focus on fully closing water and energy cycles, migrating to cleaner sources, and improving traceability throughout our value chain. We will strongly promote internal training through the future Inca University, our corporate university conceived as a space for training self-sufficiency and internal talent growth, aimed at closing technical gaps and preserving our organization's know-how. We will also continue to develop community projects that improve the quality of life in the communities where we operate. With the same transparency that guides our audits and local purchasing model, we will move toward a more low-carbon, inclusive, and resilient operation.

In this context, I sincerely thank every employee, community member, client, supplier, authority, and technical partner who made this first report possible. I invite you to read through its pages and be part of this collective journey toward a more just, prosperous, and sustainable future.

Fraternally,
J. François Patthey Salas
Chairman of the Board

2024 ESG Milestones

Below, we present the main achievements reached during 2024 in the three pillars of our ESG approach.

Main environmental advances in the Inca Tops plants



We have
1200 solar panels
at Plant 4 (Zamacola) to heat water for our processes.



We successfully migrated to
natural gas use at two of our plants.



We obtained the
3rd star from the Carbon Footprint Peru program at our Plant 4 (Zamacola).



We reduced our
CO₂e emissions by 446
tons compared to 2023, advancing our climate management efforts.



With the **expansion of the laundry's wastewater treatment plant (WWTP)**, we incorporated physical-chemical treatment processes to the existing ones (physical and biological), thereby strengthening the comprehensive management of our industrial effluents.



We managed
403 tons of waste
with source segregation, which strengthened our environmental management.

Social performance of Inca Tops: safety, training, and social innovation



We had zero fatal accidents, with 100% of staff and contractors covered by our Occupational Health and Safety Management System (SGSST).



We provided
1168 hours of training
to our staff.



We trained 1000
over
high-Andean alpaca breeders in animal welfare and genetics through the Pacamarca scientific station.



The Pacamarca - Sustainable Alpaca Network project received the 2024
Grand Prize for Business Creativity in recognition of its social and environmental innovation.



We launched the "Cabaña del Pastor"
(Shepherd's Hut) project to improve the living and working conditions of alpaca breeders in high-Andean areas.

Economic and corporate governance achievements of Inca Tops



We increased our sales by
10% and reduced operating expenses by 8%,
strengthening the financial stability of our sustainable management.



We achieved OEKO-TEX® STeP
Level 3 certification, remaining the only Latin American textile company with this level of excellence and no audit observations.



We obtained the Nativa seal, which certifies the use of natural fibers and sustainable practices in our value chain.



Our Essentials Collection achieved a historic sales record, surpassing any other recorded since its launch 12 years ago.



73 % our purchasing budget
was allocated to Peruvian raw material suppliers, which helped boost local economies.



We achieved
100% coverage in ethics and anti-corruption training for all our staff.

01

Alpaca DNA: The Fiber That Defines Us

→ PAG. 06 - 30

1.1

Origin and presence in the global market

Our history

At Inca Tops, we specialize in the production and commercialization of natural fiber yarns, primarily from alpaca, vicuña, sheep, and Pima cotton, as well as blends with other high-value plant or animal fibers such as silk, linen, or bamboo.

Nearly 60 years ago in Arequipa, a simple yet ambitious dream was born: **to produce more than just yarn and to transcend time.**

That dream marked the starting point of Inca Tops, and since then, it has guided every decision we make. Our history has woven together three inseparable threads:



Tradition:

We acknowledge the value of technology, but we combine it with the Andean textile art that resonates in every alpaca fiber, in the nobility of wool, and the purity of Pima cotton.



Innovation:

With each decade, we add cutting-edge processes, low-impact dyes, and, more recently, solar panels and natural gas for cleaner production.



Social Impact:

Our social responsibility programs currently empower **more than 1,000 alpaca farming families** and small weaving workshops through fair premiums and donations of high-quality genetic material. This allows us to expand economic well-being and strengthen the social fabric of the Andes.

What began as a local production activity has transformed into an **integrated ecosystem** that supplies the industrial production of major brands and the manual artistry of boutique designers. Our ability to transcend—to create value beyond the textile product—is a promise that underpins our entire production chain and drives us to make a difference, generation after generation.



[Learn More About Our History](#)



Our Mission

We seek to offer the world unique experiences through products of excellence, creativity, and permanent innovation. For this reason, we are dedicated to manufacturing with commitment and dedication, combining the best of modernity with respect for and the preservation of our ancient textile identity.

Our Vision

We aim to maintain leadership in the manufacturing and transformation of natural fibers—especially alpaca fiber—from sourcing the raw material to producing the yarns that reach the final customer. To achieve this, we seek to strengthen our value chain by promoting sustainability, innovation, social responsibility, and respect for the environment.



Our Journey in Milestones

1957

The history of Grupo Inca begins with the founding of Patthey & Corzo in Arequipa, a pioneering company in the international commercialization of alpaca fiber in European, U.S., and Asian markets.

1965

Inca Tops is born as Compañía Textil Peruano Suiza S.A., with a clear vision: to add value to alpaca fiber by transforming it into world-class yarn.

2000

We created Pacamarca, the first scientific station dedicated to the genetic improvement of alpacas. Years later, we consolidated the **Black Alpaca** program with the largest registered herd of black alpacas in the world.

2020

We strengthened our **Amano** and **Pacamarca** brands, expanded our yarn portfolio, and consolidated source traceability as a hallmark of excellence.

2023

- We renewed our international certifications, including **OEKO-TEX® STeP**, and obtained **RAS/RWS/RMS** certification, ratifying our environmental and social commitment.
- We obtained the third star from the **Carbon Footprint Peru** program in recognition of our management and reduction of emissions.

- We completed the expansion of the Laundry's Wastewater Treatment Plant (WWTP).
- We certified several high-Andean communities as producers under the Responsible Alpaca Standard (RAS), promoting sustainable practices and traceability at the fiber's origin.

2022

We obtained **RAS (Responsible Alpaca Standard)** certification, which endorses our good practices in animal welfare and fiber traceability.

2021

We successfully passed our first OEKO-TEX® STeP audit, certifying ourselves as a sustainable textile company under international standards.

2024

- The expansion of the Wastewater Treatment Plant (WWTP) completed its first year of continuous operation, consolidating the comprehensive treatment of effluents. The water reuse circuit was also enabled and is projected to become operational in the coming years.
- We renewed key certifications like OEKO-TEX® STeP, **RAS/RWS/RMS**, and obtained **Nativa™** certification for the first time, which validates compliance with high standards in traceability, sustainability, and animal welfare.

- We reached the third star of the Carbon Footprint Peru program for management at our Plant 4 (Zamacola).
- We continued to certify high-Andean communities as producers under the RAS standard, strengthening traceability and social commitment throughout our value chain.

2025

- We obtained the GOTS certification, which endorses our natural and dyed products in accordance with international standards.
- We published our first Sustainability Report, marking an institutional milestone in transparency and ESG management.

Our values

These are the values that define us and guide every step of our value chain:



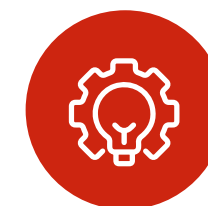
Integrity

Always do the right thing, acting in accordance with our principles and being consistent between what we say and what we do.



Responsibility

We comply in a timely and efficient manner with our commitments, promoting well-being within the organization and contributing to sustainable development.



Innovation

We constantly seek and adopt new ideas and solutions that optimize our processes and our working relationships.



Flexibility

We adapt with empathy and understanding to new environments and circumstances, in order to facilitate organizational change.



Respect

We promote tolerance, acceptance, and mutual recognition, with a view to generating spaces for dialogue and good treatment among all members of the company.



Teamwork

We recognize and value the skills and talents of each collaborator, complementing each other to achieve common goals in a collaborative and efficient manner.



Location of our operations

Our production is concentrated in Peru, with four plants located in Arequipa. From there, we export to more than 30 countries, serving demanding markets that value responsible fashion, sustainable luxury, and textile design, both artisanal and industrial.

Below are our locations:



→ Arequipa

- **Plant 1 (Main Office)**
Av. Miguel Forga N° 348, Parque Industrial, Arequipa, Perú
- **Plant 2**
Francisco Velazco N° 126, Parque Industrial, Arequipa, Perú
- **Plant 3**
Francisco La Rosa N° 120, Parque Industrial, Arequipa, Perú
- **Plant 4**
Irrigación Zamacola Sector G S/N, Cerro Colorado, Arequipa, Perú

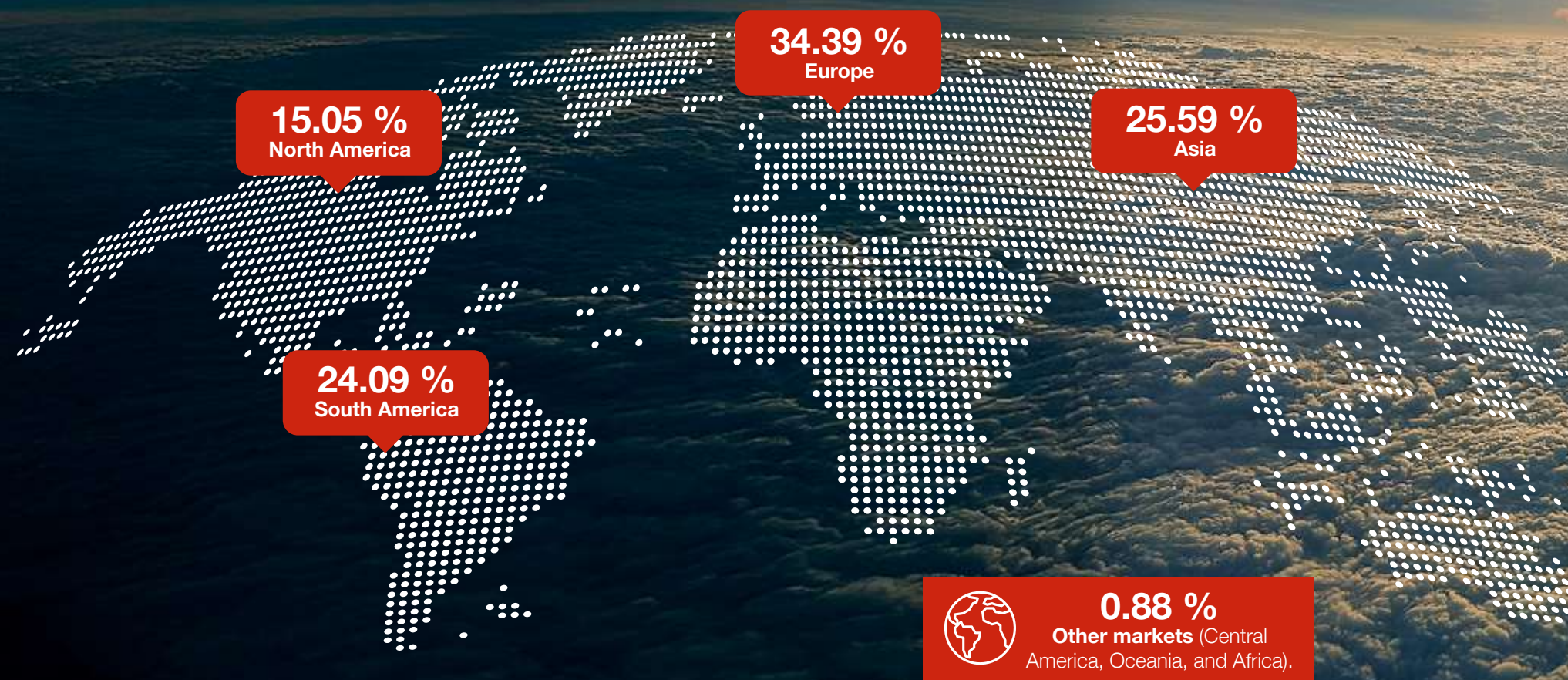


→ Puno

- **Pacamarca Scientific Station**
Carretera Llalli-Ocuviri, Llalli, Melgar, Puno, Perú

Our global presence and markets served

From our operations in Peru, we mainly serve international markets in North America, Europe, and Asia. Our clients are brands and manufacturers that value the quality, traceability, and sustainability of our natural fibers. While we work with a diverse market, consumers and companies committed to the environmental and social impact of their products stand out, as well as those who prioritize transparency in the supply chain and bet on innovation in sustainable fibers.



1.2

Premium portfolio of tops & yarns

Today we operate four industrial plants in Peru and **export to more than 30 countries mainly in North America, South America, Europe, and Asia**. For this reason, we have consolidated ourselves as a benchmark in the production of premium tops and yarns of alpaca, wool, pima cotton, and noble blends such as silk, bamboo, recycled nylon, and others.

Yarn Collections – Inca Tops

At Inca Tops, we launch collections every year for our national and international market clients. Each one responds to a different concept, but they all share the same purpose: to offer excellent yarns that combine luxury, sustainability, and a deep connection with the Andes.



Our collections are divided into:

→ Signature

The natural luxury elevated to its maximum expression. A selection of fine yarns made with the highest quality fibers such as Royal Alpaca, Imperial Alpaca, Baby Alpaca, Silk, and blends. Designed for clients seeking exclusivity, sophistication, and an origin that makes a difference. Signature conveys value from the first contact.

→ Shades of the Andes

The natural colors of the alpaca, recovered and celebrated. Thanks to the work at our Pacamarca experimental station, we offer a unique palette of natural tones—especially black—rescued through genetic improvement programs. Each color has a name and a story, reinforcing the value of origin in each yarn.

→ Pure

The collection that honors our roots. Inspired by the ancestral work of the high-Andean breeders, PURE represents the authenticity of Peru: yarns in natural tones, special blends, and fibers such as sheep's wool, cotton, among others. A proposal that values the essential, the genuine, and the sustainable.

→ Legacy

Innovation with an Andean soul. Creative and unique yarns, inspired by the landscapes of Peru. With textures, effects, and technologies that surprise, but always preserving a connection with nature and noble materials. LEGACY is design, character, and respect for the land.

→ Essentials

Agile service, constant quality. Our stock service collection offers the best of our portfolio with fast delivery and continuous availability. Ideal for sampling, new developments, or projects that require agility without compromising quality. ESSENTIALS evolves with each season, adapting to your needs.

All lots of Alpaca are subjected to **manual classification** and laboratory controls that guarantee micronage, length, and purity. **100%** of the production is labeled according to internal requirements, certifications (RAS, RWS, RMS, GOTS, OEKO-TEX® STeP, Standard 100 by OEKO-TEX, Nativia), and according to the specifications of each client, in order to ensure transparency and its origin.

A market that seeks tradition and innovation

Our clients—responsible fashion brands, luxury designers, artisanal weavers, and industrial manufacturers—value three attributes, which are described below:

1.

Consistent Technical Quality, backed by over 60 years of know-how.

2.

Andean History and Culture, reflected in communities that preserve ancestral knowledge.

3.

Demonstrable Sustainability, with process traceability, verified carbon footprint metrics, and independent certifications (RAS, GOTS, OEKO-TEX, among others).

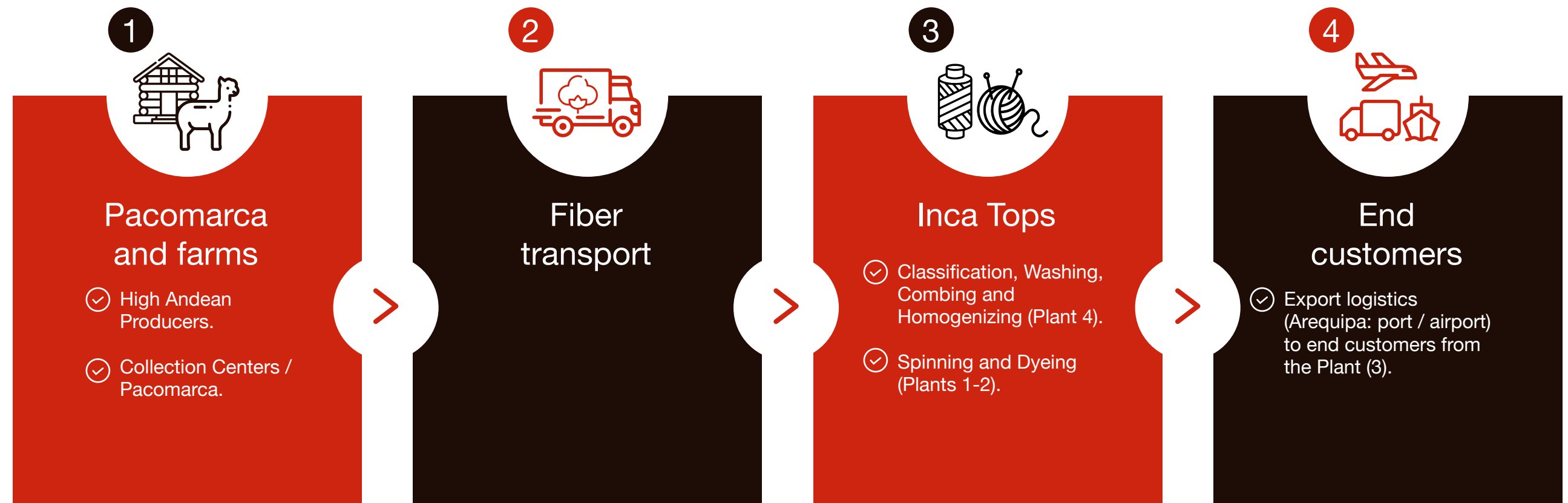
This triple focus allows us to compete in a global context where low-cost synthetic suppliers are emerging and, in addition, where the **demand for ethical and sustainable** products is growing at double digits.



Our value chain, from north to south

Every fiber we produce carries with it a story of origin, care, and transformation. Through a traceable and sustainable value chain that connects more than 2,000 producer families with global markets, we manage to integrate technological innovation with respect for our roots. A fundamental pillar of this commitment is our local economic impact: we allocate 73% of our goods and services budget to Peruvian suppliers, who also represent 73% of our total supply base. This not only directly strengthens the local economy, but also generates a tangible and positive economic impact on thousands of high-Andean families. In the following diagram, we summarize how our production flows, from the fiber in the highlands to the yarns that reach international clients:

Production Flow of Inca Tops: from local supply to the international market



We've divided our value chain into two main sections: upstream, where we ensure responsible sourcing from the origin, and downstream, where we transform the raw material with high standards of sustainability and efficiency. Here are some key aspects of how we manage both fronts to guarantee quality, traceability, and shared value.

Upstream

- ✓ **Direct Sourcing:** We buy fiber from over 2,000 certified families and associations, with premiums paid for quality and for meeting the RAS (Responsible Alpaca Standard).
- ✓ **Pacomarca:** Our own scientific station that donates high-quality genetic material, trains breeders, and develops the PacoKipu software for herd traceability.
- ✓ **Selection and Classification:** 100% of the fiber is manually selected and classified to ensure that only suitable fiber enters the industrial process.

Downstream

- ✓ **Processing:** Washing, combing, carding, spinning, and dyeing are all done in-house using renewable energy, a water reuse system, and a natural gas supply.
- ✓ **Commercialization:** We distribute our yarns to fashion brands, designers, textile distributors, and companies specializing in high-end products, both nationally and internationally.
- ✓ **Logistics:** We manage exports from our plant in Arequipa to guarantee timely deliveries and compliance with all technical and sustainability standards.
- ✓ **Client Relationships:** We maintain continuous communication to develop customized products aligned with market trends, which strengthens our international positioning.
- ✓ **Agile Personalization:** Our in-house color lab delivers prototypes in a short time.



Along these lines, we differentiate ourselves by offering something unique: **traceable alpaca fiber of Andean origin, mutually beneficial relationships with communities** based on fair trade and technical training, and constant innovation through clean technologies such as solar panels, dyes that comply with REACH, SVHC, and STeP MRLs, and the use of recycled fibers.

This approach, which combines cultural heritage with industrial excellence, allows us to remain relevant and valued by fashion brands that are committed to a more conscious and, above all, responsible form of luxury.

1.3

Our positioning in the world

| GRI 3-3 | Not GRI Quality and Exports Management

The story of our international expansion is woven with the same fiber we process every day. Our management systems are aligned with international standards such as ISO 9001 (International Organization for Standardization – Quality Management Systems), AATCC (American Association of Textile Chemists and Colorists), ASTM (ASTM International, originally American Society for Testing and Materials), GB (Guobiao Standards), IWTO (International Wool Textile Organisation), among others. This allowed us to adopt certifications such as Standard 100 by OEKO-TEX and STeP by OEKO-TEX, and support them with traceability seals such as RAS (Responsible Alpaca Standard), RWS (Responsible Wool Standard), RMS (Responsible Mohair Standard), GOTS (Global Organic Textile Standard), and Nativa. In this way, we turn quality and sustainability into a passport that opens doors in the most demanding markets.

This approach allows us to offer each client, anywhere in the world, more than just an alpaca yarn. We deliver the guarantee of a product made with verified inputs, audited processes, and rigorous control that begins in the Andes and extends to after-sales service.

That is the foundation of our global positioning: a consistent system that minimizes errors, optimizes resources, and demonstrates, in each delivery, that excellence is not an exception, but the permanent signature of Inca Tops.

Every yarn we export travels a carefully traced path, which begins with the selection of the fiber, continues with rigorous controls under international standards, and culminates in an after-sales service that drives our continuous improvement.

The seals that accompany each stage confirm that sustainability, quality, and traceability are present throughout the process, from the breeding area to the final client.

Inca Tops Quality and Export Process Route

Stage	Key Content	Supporting Seal or Standard
 Raw material purchase	Alpaca fiber acquired from certified producers and others	RAS · RWS · RMS · NATIVA
 Classification and laboratory	Selection by fineness / color / contaminants	Practices based on ISO 9001 · IWTO standards
 Industrial processes	Washing, carding, combing, dyeing, spinning, and finishing	RAS · RWS · RMS, Standard 100 by OEKO-TEX, STeP by OEKO-TEX, GOTS · NATIVA, internal controls
 Quality control	Physical-chemical tests	Standard 100 by OEKO-TEX, INTERWOLLABS, internal controls
 External certifications	SIG and SSOMA audits; sustainability validation	STeP by OEKO-TEX, GOTS · NATIVA
 Logistics and export	Packaging, dispatch, and documentation	OEA Certification from SUNAT
 After-sales service	Technical support, claims management, continuous improvement	Non-conformance system

To support our promise of quality from the fiber to the delivery, we have a portfolio of certifications that guarantee good practices at every link in the chain.

Category	Certification / Standard	
Textile safety	Standard 100 by OEKO-TEX® class I and II	
Sustainable production	STeP by OEKO-TEX®	
Organic traceability	GOTS (Global Organic Textile Standard)	
Animal welfare and traceability	RAS, RWS, RMS, Nativa™	
Laboratory quality control	Interwoollabs	
Security in the logistics chain	OEA – SUNAT (Authorized Economic Operator)	



Our unified management system at the corporate level—which includes our four industrial plants and the Pacamarca Scientific Station—allows us to demonstrate, to clients and authorities, compliance with the most demanding standards in environmental, social, and quality matters.

Below, we present a summary of the scope, validity, and certifying entity corresponding to each current seal for the 2024-2025 period, as well as the operational center to which it applies:



Quality certifications that support the management of Inca Tops

Certification Name	Scope / Application (product, plant, process)
Standard 100 by OEKO-TEX	Certificate 12.hpe.10688 Class I
	Certificate 23.hpe.43424 Class I
	Certificate 16.hpe.92779 Class II
	Certificate 22.hpe.07484 Class II
STeP by OEKO-TEX	Certificate 20000226 - Plant 4 (Zamacola)
	Certificate 20000215 - Plants 1, 2 and 3
Global Organic Textile Standard (GOTS) - Version 7.0	Certificate Number: CU25267GOTS-2025-00046474 - Plants 1, 2, 3 and 4
Carbon Footprint	Plant 4 – 3rd star
Interwoollabs Accreditation	Validation and accreditation of results of fineness and mean height - fiber length determination tests
RAF (Responsible Animal Fiber)	Alpaca (RAS) Plants 1, 2, 3, 4
	Sheep (RWS) Plants 1, 2, 3, 4 with the exception of classification and washing/combing
	Mohair (RMS) Plants 1, 2, 3, 4 with the exception of classification and washing/combing
Nativa Protocol	Plants 1, 2, 3, 4 for the processing of Sheep with the exception of classification and washing/combing
OEA Program	Authorized Economic Operator (exporter) Plants 1, 2, 3, 4

Next, we present our portfolio of exported products and the certifications required for each type of fiber according to the destination markets. **This information reflects our commitment to international quality and sustainability standards, as well as our ability to adapt to the specific requirements of our clients.**

Exported Products	Destination Region	Required Certification	Certification Compliance
 Product with alpaca	Africa – North America – South America – Asia – Europe – Oceania	Not required	—
	North America – South America – Asia – Europe	RAS	Yes
	North America – South America – Europe	RMS	Yes
	South America – Europe	RWS	Yes
 Vicuña	South America – Europe	Not required	Not Applicable
 Product with sheep	Africa – North America – South America – Asia – Europe – Oceania	Not required	—
	North America	RMS	Yes
	North America – Europe	GOTS	Yes
	North America – South America – Europe	RWS	Yes
 Product with cotton	Central America – North America – South America – Asia – Europe – Oceania	Not required	—
	North America – Europe	GOTS	Yes
 Synthetic blend	South America – Europe	Not required	—

Note: Inca Tops has OEKO-TEX® Standard 100 certification, valid in Classes I and II. If the client requires it, the products can be commercialized under this certification.



OUR GOALS AND OBJECTIVES

Consolidating our global positioning requires clear and measurable goals. Our main priorities include:

- ✓ **Ensuring that the majority of fiber purchased is certified and traceable**, to guarantee the final client a product that is 100% verifiable from its origin to its delivery.
- ✓ **Exclusively using inputs approved by our sustainability and environmental certifications**, aligning every process with our integrated management policy and our efforts to reduce our carbon footprint.
- ✓ **Maintaining agile response times**, from order confirmation to final delivery, using real-time alert systems driven by artificial intelligence.



OUR 2024 ACHIEVEMENTS

During this period, we reaffirmed our position as the main Peruvian exporter of alpaca fiber. Additionally, Grupo Inca was recognized with three awards at the Business Creativity gala, including the **Grand Prize for Creativity**.

On the technical front, we achieved four key advancements:

- ✓ **We implemented fiber separation by quality at the source**, which helped reduce waste and improve process efficiency.
- ✓ **We trained over 1,000 producers** in responsible shearing and animal welfare, strengthening traceability from the field.
- ✓ **Programs like Black Alpaca and the Pacamarca** project advanced genetic conservation and the development of natural colorations, generating additional value for international markets.
- ✓ **We achieved STeP by OEKO-TEX® recertification**, a recognition that reaffirms our commitment to sustainability. We are proud to be the only company in Latin America whose processes have been validated and certified under this demanding international standard.



OUR FUTURE PROJECTS

To maintain our pace of growth and continuous improvement, we will focus on two priority lines of action:

- 1 Increasing direct fiber purchasing to strengthen our ties with producer communities and ensure total traceability from the origin.
- 2 Expediting color development by offering a wide range of pre-existing, sustainable colors for clients to choose from.

The implementation of international standards has been key to ensuring the quality and traceability of our products, as well as reducing errors in the planning, programming, and production stages. In 2024, we reinforced our staff's training in quality control and internal audits, which allowed us to identify opportunities for improvement and strengthen a culture of constant feedback.

This approach helps us address the specific needs of each product and the particular conditions required by our clients. To achieve this, we rigorously control compliance with the guidelines applicable to products made with certified, traceable, and contaminant-free raw materials, ensuring their proper identification and separation throughout the entire production process.

1.3.1

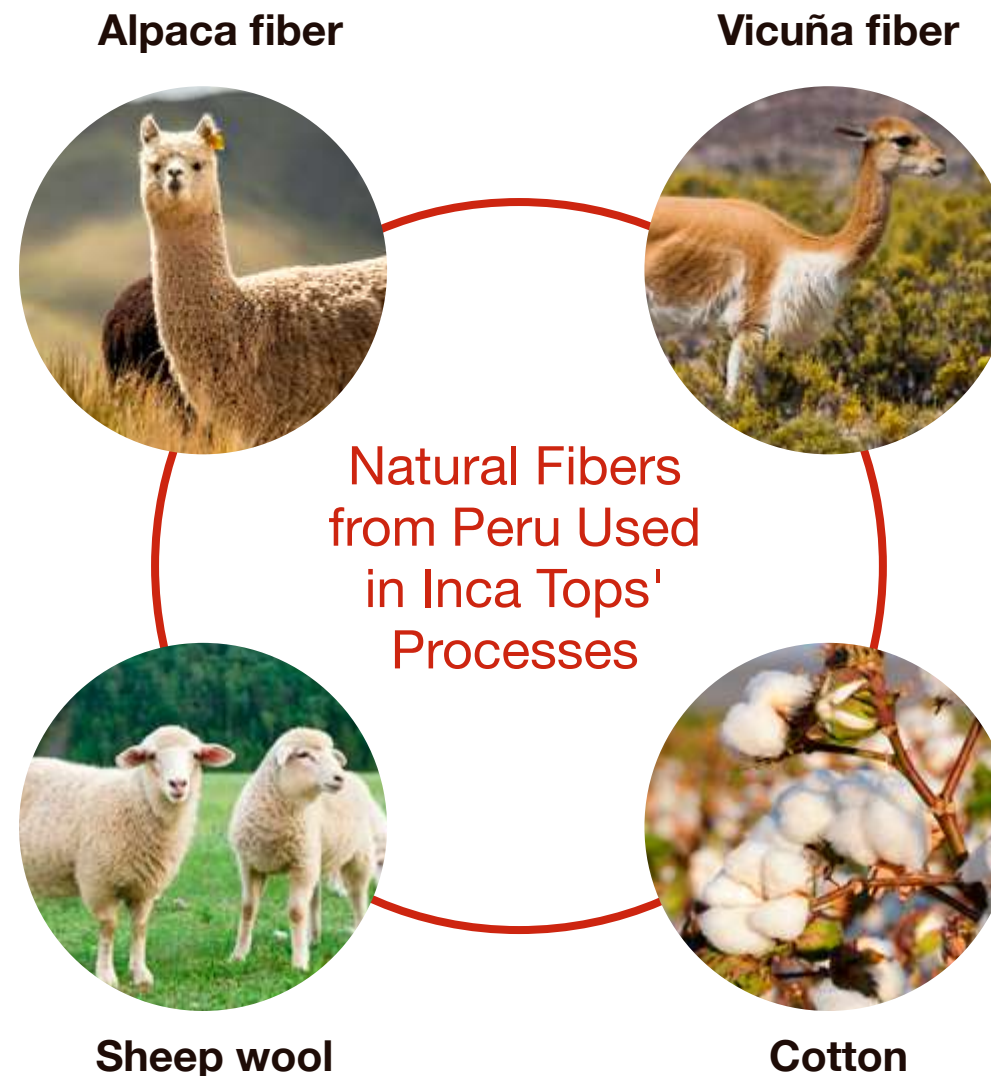
Promotion and Positioning of Natural Fiber Tops and Yarns

GRI 3-3 | Not GRI Promotion and Positioning of Natural Fiber Tops and Yarns

Based on our experience and commitment to excellence, Inca Tops promotes and positions our natural fiber tops and yarns, with an emphasis on alpaca, as products of high quality and sustainability.

This strategy is supported by responsible management that combines traceability throughout the production chain, technological innovation, and a firm commitment to social and environmental development. We have international certifications—such as RAF, OEKO-TEX Standard 100, GOTS, and Nativa—that endorse our responsible practices, from direct purchasing from producers to the delivery of the final product.

Our management is also oriented toward reducing the environmental impact of our operations by optimizing the use of water, energy, and chemical products in our industrial processes. At the same time, our social programs benefit over a thousand high-Andean families through training, technical assistance, and fair trade. All of this allows us to bring a natural, traceable, and culturally valuable product to the world, positioning it in high-value international markets.



On the other hand, we develop yarns from natural fibers such as alpaca, sheep's wool, organic cotton, and regenerated fibers. We combine these in strategic blends and innovative spinning and finishing processes to enhance their technical, functional, and aesthetic properties. Each of these fibers offers a distinct value: alpaca stands out for its softness, thermoregulation, and low environmental impact; organic cotton provides comfort and sustainability; Andean wool offers durability and tradition; and regenerated fibers integrate circularity into our proposal. This combination allows us to offer unique, ethical, and competitive products to the world.



OUR GOALS AND OBJECTIVES

As part of our continuous improvement strategy, we have defined a series of goals aimed at consolidating our leadership in the production and export of alpaca tops and yarns:

- ✓ Maintain Inca Tops' leadership position in the international alpaca fiber market.
- ✓ Increase the production of fine, traceable, and sustainable fiber.

To achieve this, we use key indicators such as the annual production and export volume of alpaca tops and yarns, among others.



OUR 2024 ACHIEVEMENTS

- 1 We solidified our position as one of the main Peruvian exporters of fine alpaca hair, reaffirming our international standing as a supplier of high-quality natural fibers.
- 2 We strengthened our commercial relationships at international fairs, where we presented our yarn collections and promoted the value proposition of Peruvian alpaca.

These results were possible thanks to a combination of operational efficiency, international certifications, strategic partnerships, and a firm focus on sustainability.



OUR FUTURE PROJECTS

Looking ahead, Inca Tops will continue to strengthen the quality, sustainability, and international recognition of our natural fiber tops and yarns. In the short and medium term, we plan to enhance the Pacamarca program, whose scientific station will continue to promote genetic improvement, the transfer of high-value material, and technical support to alpaca communities, with special attention to the conservation of black alpacas and the progressive improvement of fiber quality.

In the long term, we will reinforce our actions in international certification and responsible production, with the goal of establishing Peruvian alpaca fiber as a global benchmark for sustainable luxury and high quality.

During our process of promoting and positioning alpaca fiber, we have identified key lessons. Technological innovation has been essential to improving our competitiveness, while adopting international standards in sustainability and traceability has strengthened our reputation and allowed us to access new markets. Similarly, collaboration with high-Andean communities has been decisive in improving fiber quality and boosting the local economy.

Likewise, our stakeholders—such as small-scale producers, international brands, clients, and certifying bodies—have provided us with valuable feedback that we continue to incorporate into our strategies. These learnings translate into continuous improvement procedures, the execution of more rigorous operational policies, and fostering an organizational culture aligned with the principles of sustainability, innovation, and shared responsibility.



1.3.2

Commercialization and brand management

**GRI 3-3 | Not GRI Strategic
Management for Brand Generation**

At Inca Tops, we manage our commercial strategy with the objective of strengthening the presence of our brands in the national and international markets. Through this strategy, we seek to orient a greater percentage of our production toward products sold under our brands, which allows us to standardize processes, optimize operational efficiency, and, above all, improve the positioning of our value proposition.

Our brand strategy is guided by a key policy: the continuous improvement of inventory turnover. Through this guideline, we seek to optimize logistics and reduce storage costs, with the goal of ensuring a more agile response to market needs. To achieve this, we work to strengthen our planning, sourcing, and alignment with consumer trends, which allows us to consolidate our brands in segments that prioritize sustainability, quality, and traceability.

The selection of our commercial strategies is aligned with the target audience, which also defines our distribution channels and how we position ourselves in the markets. Below, we present Essentials Stock Service, Inca Tops' Stock Service:



Explore our Essentials catalog, our Stock Service with over 450 items available for immediate shipment, designed to quickly and effectively drive the success of your textile business.





GOALS AND OBJECTIVES

We evaluate the progress of our commercial management through key performance indicators such as the following:

- ✓ **Total sales by brand**
- ✓ **Gross margin and net margin**
- ✓ **Inventory turnover**

These indicators allow us to monitor both commercial growth and the profitability and efficiency of our operations, which guides our decisions towards continuous improvement and a more solid positioning in the global natural fibers market.



OUR ACHIEVEMENTS IN 2024

During 2024, we achieved important milestones in our brand strategy, which we present below:

- ✓ We reached a historic turnover for the Essentials collection, surpassing the levels recorded since its launch 12 years ago.
- ✓ We launched our e-commerce platform, being pioneers in the online sale of yarn cones.

These advances definitely represent our capacity for innovation and adaptation to new consumption trends.



OUR FUTURE PROJECTS

In the short term, we seek the following:

- Expand the e-commerce channel to the United States market.
- Consolidate logistics integration programs with key clients.

In the medium and long term, our immediate objectives are the following:

- Expand our presence in new international markets.
- Strengthen the positioning of our brands through the development of sustainable commercial strategies focused on innovation.

One of the key lessons learned has been to recognize the high variability of the market and the need to adapt quickly to the profiles and expectations of customers. This has led us to incorporate greater flexibility in our commercial policies and procedures and, as a result, we have strengthened our market analysis tools and improved our response capacity in the supply of products, distribution channels, and commercial communication. This agility is undoubtedly a central pillar of our brand strategy today.



1.3.3

Responsible marketing and global positioning

| GRI 3-3 | GRI 417-1 | GRI 417-2 | GRI 417-3

We understand marketing as a natural extension of our sustainability strategy: every message we issue must resonate with innovation and respect for the high-Andean communities that give rise to our fiber. To this end, we articulate a management system that combines—in a single flow—the brand narrative, the transparent communication of our certifications, and participation in international fairs and digital platforms.

During 2024, we reinforced our responsible communication in the following areas:

1

We updated our marketing policy with criteria of veracity and sustainability.

2

We launched an international campaign that highlights our traceability model.

3

We intensified our presence at global fairs to position the ethical origin of our yarns.

Likewise, the integrity of the message is as important as the quality of the product.

For this reason, **100% of our products are evaluated and labeled under strict internal guidelines**, aligned with external certifications and with the particular specifications of each client.

This comprehensive compliance guarantees that all information related to sustainability, traceability, and composition is accurate, verifiable, and, above all, transparent.



Thanks to this rigorous approach, **in 2024 no cases of non-compliance with regulations or voluntary codes related to the labeling or information of our products were recorded.** Nor were any infractions related to our marketing, advertising, or promotion communications reported.

Follow the Alpaca

We believe in a future where fashion and sustainability go hand in hand. That is why we present "AL - Follow the Alpaca," a campaign through which we reflect our commitment to innovation, respect for the environment, and the value of our natural fibers, with the alpaca as a central symbol. Through animated videos, we bring "AL" to life, a charismatic black alpaca who, in the first person, narrates the journey of his fiber from his free-range upbringing in the Andes, the responsible care his species receives, to its transformation into high-quality sustainable yarns.

This campaign allows us to connect with fashion leaders and conscious consumers, by making visible the importance of conserving the South American camelid and revaluing the entire production chain. From Pacamarca to the world, **"AL" guides us on a journey that celebrates tradition, innovation, and, in particular, sustainability.**



Follow AL towards a more sustainable future on www.followthealpaca.com!





OUR GOALS AND OBJECTIVES

Based on our vision of sustainable development, at Inca Tops we establish solid goals in our marketing management, those that are aimed not only at strengthening the positioning of our brand, but also at optimizing communication with our key audiences.

Next, we present five of our main objectives and indicators:

- ✓ Increase brand recall in strategic markets by developing international campaigns with an emphasis on sustainability and traceability.
- ✓ Enhance engagement in digital channels, with special attention to LinkedIn and B2B newsletters, with a view to strengthening our presence in key professional spaces.

- ✓ Improve the conversion of commercial leads from digital marketing actions, with a year-on-year growth target of +15%.
- ✓ Maintain sustained participation in international fairs, in order to reinforce our positioning as a high-quality textile supplier with an environmental commitment.
- ✓ Expand the visibility of our strategic collections—such as Andes Tweed or the stock service lines—through focused campaigns aimed at specific audiences.



OUR ACHIEVEMENTS IN 2024

During 2024, we made significant progress in positioning our sustainable value proposition before global audiences such as the following:

- ✓ **International Campaign "Follow the Alpaca":** through the character "AL"—a black alpaca ambassador of traceability and improved genetics—we reached the USA, Japan, France, and Italy, which allowed us to increase our spontaneous brand recognition by 18%.
- ✓ **High-profile fairs:** outstanding presence at Pitti Filati (Italy), Alpaca Fiesta (Peru), and hh Cologne + Americas, where we reinforced the responsible origin of our yarns before more than 5,000 professional visitors.



OUR FUTURE PROJECTS

We seek to strengthen our value proposition through a sustainable, coherent, and multichannel marketing strategy that enhances our brands and connects with new market demands. Below, we present the main lines of action that guide our projects in the short, medium, and long term, aligned with our sustainable marketing strategy:

Short term

- The launch of the new collection for the industrial knitting segment, with a focus on products under the stock service model.
- The development of a digital campaign aimed at facilitating repurchase and immediate access to sustainable products.

Medium term

- The implementation of a unified content and navigation strategy to integrate the Inca Essentials website with that of Inca Tops.
- The improvement of the user experience and the strengthening of the brand architecture.

Long term

- The consolidation of a global corporate narrative on sustainability, articulated through multichannel campaigns and strategic collaborations.
- The connection of all Inca Group brands with initiatives such as Pacamarca and environmental and social impact programs.

One of the main lessons learned in our marketing management has been the need to adapt technical messages about sustainability to different audiences without compromising accuracy or rigor. This has led us to reinforce internal content review processes together with the technical, legal, and commercial areas, which has allowed us to ensure that all communication maintains an ethical, educational, and coherent approach with our values.

Likewise, we have consolidated collaborative work with designers and external agencies to develop more visual and pedagogical materials, especially aimed at our international audiences. Our stakeholders—clients, allies, sector organizations, and communities—directly influence our decisions. For this reason, we maintain active listening through fairs, digital advertising, and dialogue spaces, which allows us to adjust and continuously improve our communication.



1.4

Certifications, awards, and STEP commitment

| GRI 2-28

Our competitiveness is not defined solely by what happens inside our plants, but also by how we relate to the business, academic, and regulatory environment. In the following lines, we summarize how these alliances and external validations strengthen Inca Tops' strategy and, in addition, expand our impact that transcends the production chain.

Networks that amplify our impact

Participating in trade and environmental forums allows us to anticipate trends, also to contribute to the formulation of sectoral policies, and to share good practices in sustainability with other key actors in the sector.



Associations and initiatives with which Inca Tops collaborates according to its scope of action

Scope	Association / initiative	
National textile industry	National Society of Industries (SNI)	
	Association of Entrepreneurs of the Industrial Park of Arequipa (ADEPIA)	
Regional competitiveness	Chamber of Commerce and Industry of Arequipa	
	Center for Business Services of Arequipa (CESEM)	
Alpaca fiber chain	Civil Association Alpaca of Peru (ASCALPE)	
Environmental management	Ecological Patrol	

Awards and recognitions

In 2024, we received three awards that reaffirmed the trust that clients and allies place in our work, which we present below:

Recognitions obtained by Inca Tops in 2024

Award	Organizer
Grand Prize for Business Creativity 2024	 Peruvian University of Applied Sciences (UPC)
Grand Company Award 2024	
Environmental Impact Award 2024	

Each of these recognitions highlights the advances of **Pacamarca - Sustainable Alpaca Network**, our flagship project that integrates genetic improvement, conservation of high-Andean biodiversity, and promotion of the rural economy. These achievements inspire us to continue raising the standard of what it means to produce alpaca fiber with responsibility, sustainability, and a vision for the future.

Certifications that guarantee our purpose

At each stage—from the selection of the fiber to the final delivery to the client—we have national and international certifications that support our quality, ensure traceability, and validate our good environmental practices.

Quality, sustainability, and traceability certifications obtained by Inca Tops

Certification Family	Seal / standard	What it guarantees
Consumer health and safety	OEKO-TEX Standard 100 (Class I and II)	Absence of harmful substances in yarns and tops.
Sustainable Production	OEKO-TEX STeP (Level 3)	We are the only Latin American textile company that has this certification, which recognizes our environmental and social management in industrial plants, and specifically supports our commitment to sustainability.
Organic & traceability	GOTS v7.0	Fiber and processes certified as organic in four plants.
Animal welfare & land management	RAS (alpaca) RWS (sheep) RMS (mohair) Nativa	Respect for animal welfare and traceability.
Analytical accuracy	Interwoollabs Accreditation	Validation of fineness and fiber length tests.
Secure foreign trade	OEA Program (SUNAT)	Authorized Economic Operator status for exports.
Carbon footprint	SGS / MINAM verification	Organizational measurement of greenhouse gases (GHG) at Plant 4 (Zamacola).



The alliances we build, the awards we receive, and the certifications we maintain form an ecosystem that drives our strategy. Together, they connect us with the global agenda, support our advances in innovation and sustainability. In addition, they guarantee each client—anywhere in the world—that behind our yarns there is a transparent, ethical, and constantly evolving chain.

02

2030 Vision: Our roadmap to a sustainable future

→ PÁG. 31 - 43

2.1

Purpose and key goals

| GRI 2-22

Our purpose

Our purpose goes beyond producing excellent yarns: we seek to build a truly sustainable value chain based on responsibility, respect, and cultural legacy. For this reason, we believe in a way of doing business that transcends the commercial, connecting with our roots and with the positive impact we want to generate in communities and the environment.

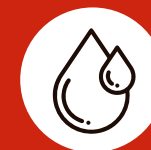
In line with this purpose, we have a solid goal: to consolidate a corporate culture where sustainability is lived every day, in every decision. This translates into concrete actions that promote social responsibility, the circular economy, traceability, and collaboration with our stakeholders. For us, sustainability is not a trend but the way we choose to live, produce, and move forward.

As a result of this commitment, our sustainability strategy is not just a promise for the future but a reality in execution. With this purpose, we implement it through structured processes, sustained investments, training programs, and certifications that consolidate our corporate responsibility and strengthen our position in the textile industry.



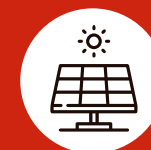
Real and Measurable Sustainability

- ✓ We are committed to efficient water management and reducing our carbon footprint.



Water Resource Optimization

- ✓ We apply best practices from washing to dyeing, using certified inputs.



Clean Energy to Reduce Emissions

- ✓ We incorporate solar panels, high-efficiency electric motors, and the substitution of LPG with natural gas.



Certifications and Global Alignment

- ✓ We work under international standards, such as the following: RAS, RWS, RMS, OEKO-TEX Standard 100, OEKO-TEX STeP, GOTS, and Nativa.

2.2

Our Contribution to the Sustainable Development Goals

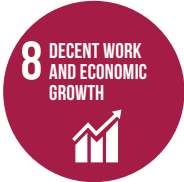
In line with our purpose and commitment to a sustainable value chain, **we present our contribution to the Sustainable Development Goals (SDGs).**

These goals offer us a guide to align our actions with major global challenges and, in parallel, allow us to measure how our work generates not only economic but also social and environmental value.

Through our initiatives, we seek to be an active part of the change toward a more just, inclusive, and resilient development model, which we detail below.



Inca Tops' Initiatives Linked to the SDGs in 2024

SDG	Related Target	Inca Tops' Contribution	SDG	Related Target	Inca Tops' Contribution
	Efficient water use and treatment	✓ We use technologies that will allow recirculation in our WWTP and monitor water consumption per kg of processed fiber. ✓ We reduce the amount of chemicals used in washing and dyeing processes; we also optimize our dyeing to use less water and certified dyes. ✓ Our discharges comply with limits according to current regulations and international standards.		Safe working conditions and professional development	✓ We guarantee safe working conditions through OHS protocols and updated practices. We also provide regular training on sustainability, safety, and operational best practices. ✓ We promote wellness programs focused on occupational health and ergonomics. Additionally, we actively promote gender equity and diversity in our teams. In this way, we reaffirm our commitment to strengthening formal employment throughout the organization.
	Energy efficiency and transition to renewable energy	✓ We monitor energy consumption per kg of processed fiber as part of our energy efficiency system. ✓ Solar panels reduce gas use in washing, and in two of our three plants, LPG has been replaced with natural gas. ✓ Machinery operates with high-efficiency motors, and our facilities have LED lighting. ✓ We internally measure our carbon footprint, and at Plant 4, we certified it up to the third star of the Carbon Footprint Peru program.		Modernization and sustainable processes	✓ We develop new technologies and processes to minimize textile waste from the very beginning of the production process.
				Waste reduction and sustainable consumption	✓ We foster the circular economy by reintegrating textile waste into the production process. ✓ We apply minimization strategies in all areas and optimize the use of chemical inputs to reduce environmental impact. ✓ We maintain certifications such as GOTS, Standard 100, STeP, RAS, and Nativa, which guarantee traceability and transparency at every stage of our production process.

2.3

Materiality analysis

| GRI 3-1

In 2024, we carried out, for the first time, a formal **materiality analysis** process, a key tool to align our management with the priorities of our stakeholders. This exercise allowed us to identify the most relevant—or material—topics throughout our value chain and, with it, we strengthened the foundations on which we build economic, social, and environmental value.

To achieve this, we applied a methodology based on the guidelines of the **Global Reporting Initiative (GRI)**, specifically the **GRI 3: Material Topics standard**, which ensured a rigorous, structured, and transparent approach. As a result, we identified **20 material topics** that not only guide our strategic efforts, but also define the content of this first Sustainability Report, in order to ensure that we develop what really matters.

As part of the process, we carried out a comprehensive evaluation of our value chain, incorporating key information from clients, suppliers, and other strategic actors. This approach allowed us to strengthen our risk management capacity, also to detect opportunities and, in particular, to make informed decisions that drive both the sustainability of our operations and the growth of the business.

| GRI 3-1

Below, we present the methodological phases of our impact materiality analysis:

1

To identify the most relevant topics in sustainability, we developed a context analysis that combined an external and internal perspective. From the external sphere, we carried out a benchmarking with companies in the textile sector, reviewed frameworks and standards such as GRI, GOTS, the Sustainable Development Goals (SDGs), and the Sustainability Yearbook, in addition to analyzing the current trends and risks of the sector. At the internal level, we reviewed our sustainability strategy, corporate policies, and management documents to identify the topics analyzed in the organization.

2

We identified the impacts throughout our value chain. In this sense, we held a participatory workshop with key areas and management, where we analyzed the impacts we generate or could generate through our operations and commercial relationships—we evaluated positive, negative, real, and potential impacts. This diagnosis was complemented with interviews and surveys with our main stakeholders: workers (operators, administrative staff, management, directors), clients, suppliers, stores, financial entities, local community, guilds, and local authorities. We asked all of them what aspects of our management they consider most significant, both in terms of contributions and risks.

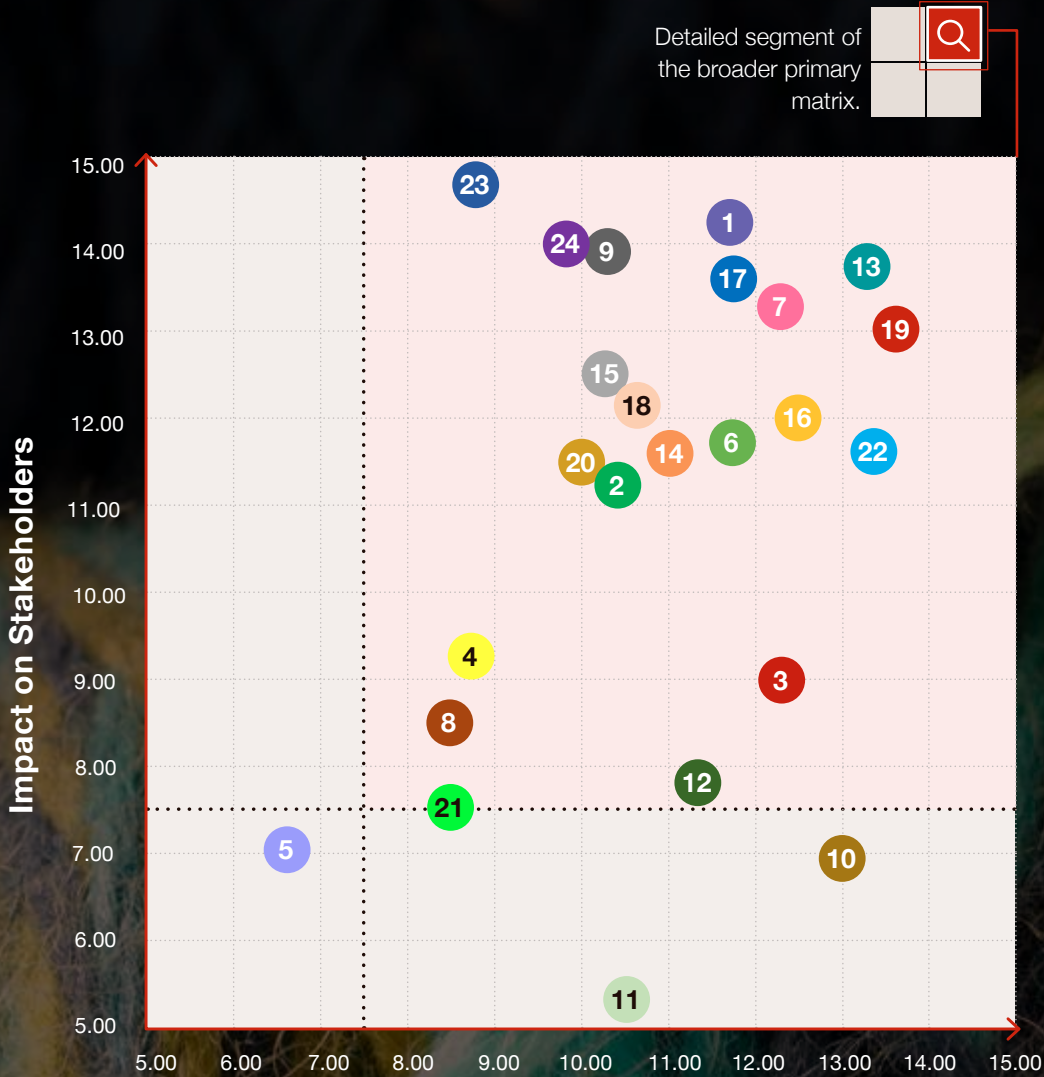
3

Based on this information, we established prioritization criteria. For negative impacts, scale, scope, probability, and severity were considered. In the case of positive impacts, their scale and potential impact were considered. This evaluation allowed us to define the most relevant impacts for our sustainability management in 2024.

4

Finally, we consolidated a list of 20 priority material topics, which were presented to the sustainability area and validated by management. These topics were aligned with the GRI standards, which allowed us to define the specific indicators that we develop in this first Sustainability Report.

Impact Materiality Matrix



Initial sustainability topics

- 13

Supply chain management and internal traceability
- 19

Water management
- 1

Economic performance
- 17

Social value creation and work with alpaca farming families
- 7

Strategic management for brand generation (getting closer to the market)
- 9

Promotion and positioning of natural fiber tops and yarn
- 24

Animal welfare
- 22

Biodiversity and ecosystem conservation
- 16

Employment management and human capital well-being
- 6

Responsible marketing and commercial management
- 23

Sustainability in materials and packaging
- 15

Occupational health and safety

14

Diversity, equity, and inclusion

18

Climate change and carbon footprint reduction

20

Waste management and circular economy

2

Operational efficiency and optimization

3

Ethics and anti-corruption

12

National and human rights certification compliance

4

Risk management and crisis handling

8

Quality management and exports

10

Regulatory compliance and certifications

21

Management of chemical products and hazardous substances

11

Process digitalization

5

Innovation in infrastructure and technology

Material topics of Inca Tops

| GRI 3-2 | GRI 3-3

We identified **20 key material topics** for Inca Tops' management. These were organized into three categories: **environmental, social, and economic & governance**. Below, we detail each of them.

Dimension	Material Topic
 Environmental	✓ Water management.
	✓ Biodiversity and ecosystem conservation.
	✓ Climate change and carbon footprint reduction.
	✓ Waste management and circular economy.
	✓ Sustainability in materials and packaging.

Dimension	Material Topic
 Social	✓ Social value creation and work with alpaca farming families.
	✓ Animal welfare.
	✓ Employment management and human capital well-being.
	✓ Occupational health and safety.
	✓ Diversity, equity, and inclusion.

Dimension	Material Topic
 Economic & Governance	✓ Economic performance.
	✓ Supply chain management and internal traceability
	✓ Strategic management for brand generation
	✓ Promotion and positioning of natural fiber Tops and Yarn
	✓ Responsible marketing and commercial management
	✓ Operational efficiency and optimization
	✓ Ethics and anti-corruption
	✓ Regulatory compliance and sustainability certifications
	✓ Risk management and crisis handling
	✓ Quality management and exports.



2.4

Our commitment to the transition to renewable energies

| GRI 3-3 | GRI 302-1

Energy consumption is one of the factors with the greatest impact on the environmental footprint—and on the cost structure—of any textile industry. Aware of this, at Inca Tops we have built a comprehensive energy strategy that combines three fundamental pillars, which we present below:

1 Smart energy purchasing

- ✓ Every three years we renegotiate our contract as a free client to ensure that the electricity we receive comes mainly from renewable water sources and at competitive prices. This will allow us to obtain the renewable energy certificate and, at the same time, reduce the incidence of energy cost in the final price of our yarns.

2 Operational efficiency

- ✓ We are in the process of gradually migrating to high-efficiency motors and LED lighting in all our plants.
- ✓ We integrate natural gas instead of more carbon-intensive fuels. As of 2025, the three production plants in Arequipa will be connected to the Petroperú network.
- ✓ We have installed smart meters and an industrial network to monitor kWh per process in real time, also to detect deviations and apply corrective measures immediately.

3 Circular generation and consumption

- ✓ The expansion of the WWTP will allow us to reuse treated water, which reduces the energy associated with the collection and pumping of new water.
- ✓ We have **1,200 solar panels** installed at our Plant 4 (Zamacola), which contribute to heating water used in the production process, reducing the use of fossil fuels and, with it, our carbon footprint.

Based on the above, this approach not only generates environmental benefits—such as reduced emissions and less pressure on natural resources—but also provides social and economic value. It enhances our international competitiveness, drives the creation of technical jobs linked to new technologies, and, most importantly, promotes the adoption of best practices among our team members and suppliers. Although the primary challenge is the initial investment, we address it through detailed return-on-investment analyses and the use of green financing options that allow us to move forward with responsibility and a long-term vision.

Energy consumption in the Inca Tops plants in Arequipa during 2024

In addition, as part of our energy management, we carry out a detailed monitoring of energy consumption in our four plants located in Arequipa. Next, we present the measurement corresponding to the year 2024, which amounted to a total of 85,834,239 kWh, broken down by the type of energy source used:

	Energy consumption (kWh) Plant 1	Energy consumption (kWh) Plant 2	Energy consumption (kWh) Plant 3	Energy consumption (kWh) Plant 4
Total consumption of energy from non-renewable sources	11,894,114.59	1,374,416.811	—	5,963,690.51
LPG consumption	—	1374416.8	—	219,599.0
Gasoline consumption	—	—	—	—
Diesel	20,744.0	—	—	20,744.0
CNG consumption	—	—	—	—
Natural gas consumption	11,873,370.6	—	—	5,723,347.5
Coal consumption	—	—	—	—
Total consumption of energy from renewable sources				
Photovoltaic	—	—	—	—
Wind	—	—	—	—
Other	—	—	—	—
Other sources	—	—	—	—
Energy consumption of the different types of purchased energy	3,338,225.5	4,026,411.6	9,673.6	3,260,564.3
Electricity consumption	3,338,225.5	4,026,411.6	9,673.6	3,260,564.3
Heating consumption	—	—	—	—
Refrigeration consumption	—	—	—	—
Steam consumption	—	—	—	—
Total energy consumption by plant type	15,232,340.09	5,400,828.411	9,673.6	9,224,254.81
Total energy consumption	29,867,096.911			



OUR GOALS AND OBJECTIVES

Below, we present a summary of our goals, objectives, and indicators, which guide and strengthen our energy management:

Goals

- ✓ Reduce energy costs per kWh consumed.
- ✓ Increase the use of renewable sources in steam generation.
- ✓ Optimize energy use in our production processes, seeking maximum efficiency.
- ✓ Promote an internal culture of energy efficiency.

Objectives

- ✓ Achieve 90% coverage with LED lighting by 2025.
- ✓ Progressively migrate to high-efficiency motors.
- ✓ Improve production processes through the efficient use of natural gas.

Indicators

- ✓ Total energy consumption, as a benchmark to evaluate progress in efficiency.
- ✓ Percentage of energy savings achieved.
- ✓ Percentage of compliance with our energy objectives.



OUR ACHIEVEMENTS IN 2024

We took concrete steps toward more efficient and sustainable energy management. Below, we share the most significant milestones that defined our energy management during this period:

- ✓ We initiated the migration to high-efficiency motors in our operations, launching projects aimed at reducing energy consumption per kWh.
- ✓ We've made progress in switching to LED lighting, with a projected goal of 90% coverage by 2025.
- ✓ We formalized our status as a free client, with our energy supply now sourced from renewable hydropower.
- ✓ We enhanced our use of solar energy by installing 1,200 solar panels at our Plant 4 (Zamacola) to heat water for our production processes.
- ✓ We implemented smart meters throughout our industrial network to monitor electricity consumption with greater precision.
- ✓ We finalized a contract that will allow all three of our plants to operate on natural gas starting in January 2025.

These advancements strengthen our commitment to an increasingly responsible operation that is aligned with current environmental challenges.

OUR FUTURE
PROJECTS

We continue to drive improvements in the energy efficiency of our operations, prioritizing the use of clean energy sources, high-performance technologies, and certified processes.

Short-Term

- Obtain renewable source certification by using hydroelectric power.
- Achieve 100% natural gas coverage in our operations, completely replacing LPG.

Mid-Term

- Reach 100% implementation of LED lighting in all our plants.
- Achieve a 60% migration to the use of high-efficiency motors.

Long-Term

- Install a photovoltaic power plant to reduce energy consumption by harnessing solar energy.

At Inca Tops, lessons learned translate into action. For this reason, we integrate these learnings into our policies and operations through a continuous improvement process, with a special focus on energy efficiency and reducing our environmental impact. As part of this approach, we continuously improve our energy management by setting solid goals, employing efficient technology, and using renewable energy sources. Likewise, actively listening to our stakeholders reinforces our commitment to a sustainable operation that is aligned with the highest international standards.



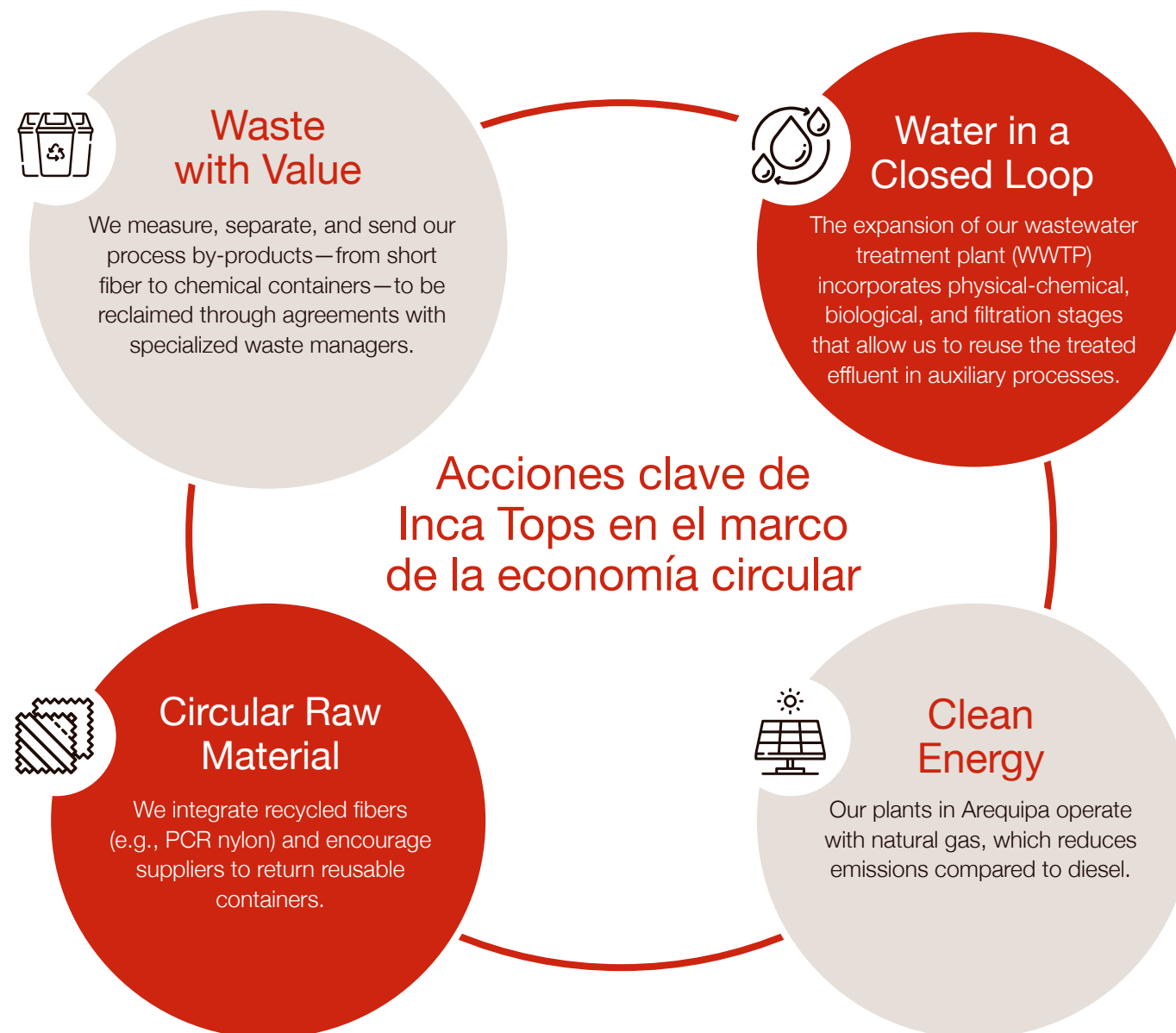
2.5

Circular Innovation

| GRI 3-3 | Not GRI Circular Economy

In response to the demands of the global context and the textile sector, we are integrating the circular economy as part of our environmental strategy, in line with the **OEKO-TEX STeP certification**. To this end, we focus on valuing waste and reducing what cannot be reused. Additionally, we promote the use of recycled materials like nylon and work with our suppliers on the return and reuse of supplies and packaging.

Furthermore, we continuously measure our carbon footprint and seek to reduce it by integrating this indicator into our decisions. We also monitor the volume of waste generated, the percentage of waste valued, and the performance of our wastewater treatment plant (WWTP), which features physical, chemical, and biological treatment. With these actions, we optimize resources, minimize impacts, and strengthen a culture of sustainability throughout our value chain.



GOALS AND
OBJECTIVES

Within this framework, we seek to continue advancing our circular economy by consolidating partnerships for waste reclamation, progressively reducing non-reusable waste, and expanding the use of recycled materials. We also project the reuse of treated water and aim to deepen the integration of our carbon footprint management into our operational decisions.

These goals will undoubtedly strengthen our environmental efficiency and the positive impact of our value chain. Consequently, we have set the following objectives as part of our management in this area: Consequently, we set the following objectives as part of our management in this matter:

Inca Tops environmental objectives to strengthen its efficiency and sustainable impact

Objective	2024-2026 Indicator
Increase Waste Reclamation	% of reclaimed waste out of total waste.
Reduce Plant Waste	kg of non-reusable waste / ton of product.
Reutilizar agua tratada	% of recovered water out of treated water

OUR 2024
ACHIEVEMENTS

During 2024, Inca Tops solidified our sustainable production model through concrete actions that strengthen the circular economy, resource efficiency, and value chain traceability. Among our main achievements, we highlight the following:

✓ **Optimal Operation of the Wastewater Treatment Plant (WWTP):** We completed the implementation and operation of our WWTP expansion, incorporating a physical-chemical treatment process. This will allow us to reuse treated water in auxiliary processes and, specifically, reduce the water impact of our operations.

Looking ahead, we will continue to drive a more circular production model, focused on maximizing resource utilization and minimizing environmental impacts at every stage of the process. Our goal is to consolidate comprehensive waste management, expand opportunities for reusing inputs, and strengthen the traceability of our materials.

This path challenges us to innovate, collaborate with our strategic partners, and remain steadfast in our commitment to a more responsible and low-carbon textile industry.



03

Governance for a sustainable future

→ PAG. 44 - 62

3.1

Our Governance Bodies

| GRI 2-9 | 2-10 | 2-13 | 2-14 | 2-16 | 2-17 | 2-18

At Inca Tops, the Board of Directors—as the highest governing body—plays a fundamental role in overseeing the economic, social, and environmental impacts of our operations. This responsibility includes a strong commitment to respecting human rights and is exercised through the analysis and approval of strategic decisions that reflect our institutional purpose, values, and mission.

This leadership is complemented by the participation of senior management in the development, review, and updating of strategies, policies, and objectives related to sustainable development. No relevant decision on this matter is made without the evaluation and approval of General Management, which ensures a coherent approach with our sustainability principles.

To ensure the effectiveness of this role, Inca Tops ensures that board members have the necessary experience, suitability, and commitment to exercise responsible oversight. This approach is aligned with the provisions of the General

Corporations Law of Peru (Law No. 26887), which assigns the board the responsibility to ensure the company's proper functioning and to exercise control functions without directly interfering in operational management. The appointment of the board and its committees is made in accordance with the General Corporations Law of Peru, by agreement of the General Shareholders' Meeting. This process ensures legality and transparency, although it does not incorporate additional criteria related to diversity, independence, or stakeholder participation.

In addition, directors participate in continuous training and updating sessions to strengthen their capacity to oversee key sustainability topics. In line with this responsibility, additional mechanisms are being considered to strengthen the evaluation of their performance, especially regarding the organization's impact on the economy, environment, and people.

Composition of the Inca Tops Board of Directors: Structure and Diversity in 2024

Name	Position on the Board	Executive Position	Length of service
J. Francois Patthey Salas	President	Founding President Inca Group	16 years, 9 months
Luis Chaves Bellido	Director	Independent Director - Director of Business Management U. Continental	14 years, 6 months
Mario Cuzzi Morán	Vice President	Director - General Manager Inti Raymi - General Manager Cuzzi & CIA	5 years, 9 months
Aloïs Patthey Kaufmann	Director	Executive Director Inca Group - General Manager Carabaya I&F	8 years, 3 months
Joaquín Alcázar Belaúnde	Director	Managing Partner Aurum Consulting and Market - Managing Partner Aurum Capital	8 years, 3 months
Alejandro Olazabal Gómez De La Torre	Director	General Manager Incalpaca TPX - Board of Directors	2 months
Fernando Chiappe Barchi	Director	Managing Partner RefleKta SAC - Managing Partner Chiappe Consultores - Founding Partner Metrica SA	6 years, 9 months

The performance of the Board of Directors is continuously evaluated based on monitoring their participation, decisions, and fulfillment of duties. This evaluation allows for agile adaptation to new challenges while ensuring high standards of accountability. Additionally, we periodically identify opportunities for improvement, including training or adjustments to internal processes, which contribute to increasingly effective and transparent governance.

As part of this process, the results of our impact management are reported to the board monthly through management reports and presentations at internal committees. This dynamic promotes informed decisions and the continuous improvement of our corporate practices. A testament to this is the active role the board played in the preparation of our first Sustainability Report, approving its development and overseeing each stage of the process. This report represents a baseline that will guide our sustainability efforts in the coming years.



Management of Risks and Impacts

| GRI 2-12, 2-13

The identification and management of risks are an integral part of our operations and management culture. For this reason, we continuously evaluate the potential effects our activities may have on the economic, environmental, and social environment. This evaluation allows us to implement preventive or corrective actions, and it reflects our commitment to responsible and proactive management at all levels of the organization.

To ensure this approach translates into concrete actions, the Board of Directors delegates the operational management of impacts to General Management. General Management, in turn, coordinates the work of the different line managers, which guarantees an articulated, transversal response aligned with our strategic objectives and sustainability principles.



Management of Conflicts of Interest

| GRI 2-15

Integrity in decision-making is a core principle of our corporate governance. For this reason, we manage potential conflicts of interest through transparent processes, a defined hierarchical structure, and decisions aligned with our corporate values.

We also actively monitor situations that could generate conflicts, such as relationships with suppliers, participation on other boards of directors, or ties with shareholders who have significant influence. All relevant information is communicated in a timely manner to stakeholders through formal channels to ensure proactive and responsible management of these risks.



Operational Structure Aligned with Sustainability

In addition to the functions assigned by the Board of Directors, General Management assumes a key role in making strategic decisions related to pricing, purchasing volumes, and financial and operational results. It also leads the coordination of the company's functional areas to ensure an efficient operation aligned with sustainability.

The managers under its leadership are:



Administration
and Finance
Management

Provides administrative and financial support, managing human resources, technology, accounting and tax matters, as well as export management. Its goal is to ensure efficient resource use and a contingency-free financial result.



Commercial
Management

Defines and executes the commercial strategy, driving sales and expansion in the global market. It collaborates with the marketing area on product definitions and launches, manages finished product warehouses to guarantee final quality and delivery, maintains customer relationships, and drives company growth.





Operations
Management

In charge of yarn production, facility maintenance, logistics, quality control, and the efficiency of production processes.



National Sales
Management

Plans national sales strategies, leading the sales team by region. It serves clients and manages the acquisition of new commercial alliances, guaranteeing the timely repositioning and delivery of products and actively leading relationships with related companies.



Raw Material
Purchasing
Management

Acquires fiber using key strategies that ensure timely and high-quality sourcing for the company's production process. It maintains and promotes relationships with breeders and fiber sellers.

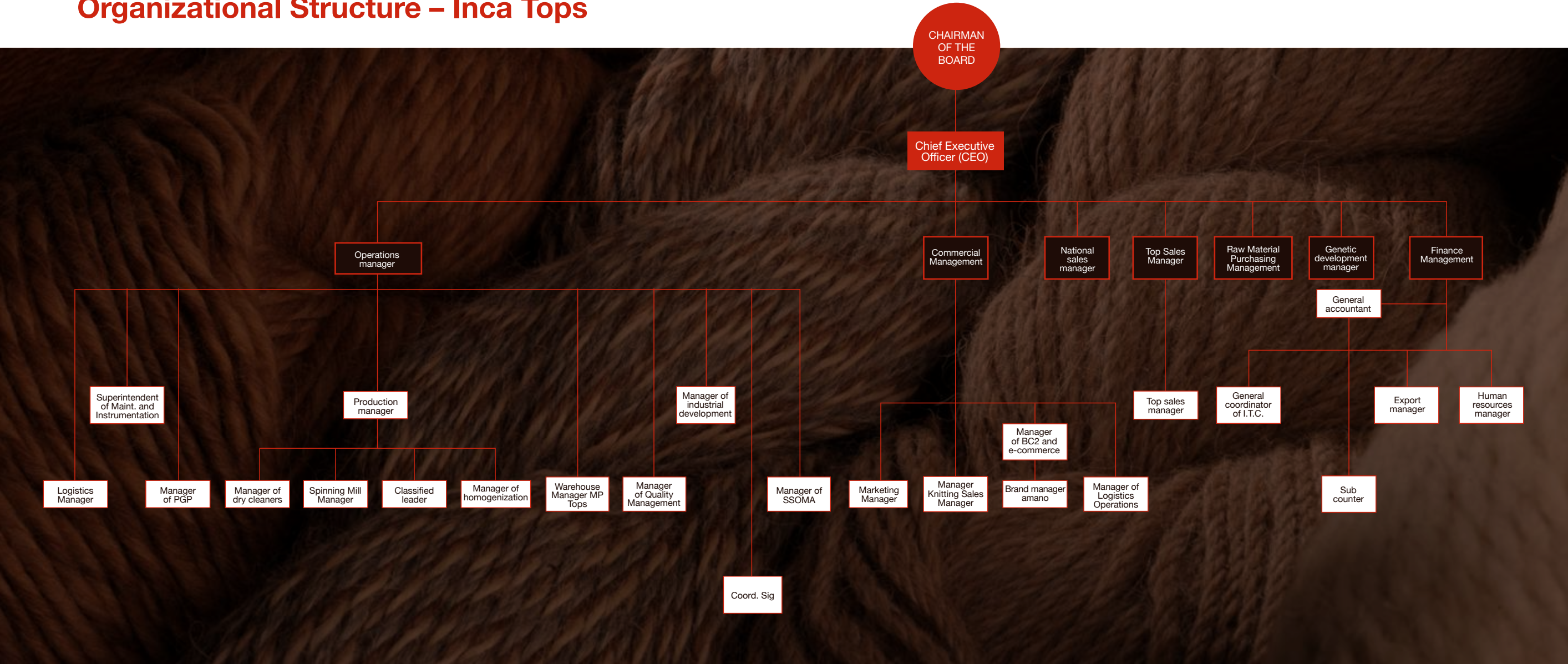


Genetic Development
Management

Directs the Pacamarca experimental center, developing projects for the genetic improvement of alpacas and optimizing the quality of their fiber. It also manages a strategic and social relationship with alpaca community.

Each of these management areas oversees the social, environmental, and economic impacts generated within its scope. Their coordinated work ensures that operational decisions are aligned with the principles of sustainability and responsibility that define how Inca Tops operates.

Organizational Structure – Inca Tops



Institutional Policies

| GRI 2-23 | GRI 2-24

Our corporate commitments, ethical principles, and management policies reflect our identity as a sustainable and innovative company that is, above all, connected to the well-being of people, the quality of the environment, and respect for our textile heritage.

To achieve this, Inca Tops has a set of institutional policies that support our sustainable management and promote an organizational culture based on integrity, safety, and responsibility. These policies were reviewed and approved jointly by our various management departments, with final validation from General Management as the highest executive body.

Policy	Main Focus
✓ Integrated Management Policy	✓ Environment, quality, and occupational health and safety
✓ Alcohol and Drug Policy	✓ Protection of staff physical and mental well-being
✓ Information Security Policy	✓ Confidentiality and protection of institutional data
✓ Supply Chain Control Policy	✓ Secure international trade and responsible traceability

These policies are aligned with Peruvian legal frameworks and international standards, including the criteria of the

International Labour Organization (ILO), the United Nations (UN), the Global Compact, and regulations like OEKO-TEX STeP.

Key Approaches to Our Management

As part of our commitment to continuous improvement, Inca Tops adopts approaches that strengthen our capacity for adaptation and response, which we describe below:

1 Due Diligence

Since 2020, we have integrated due diligence processes in human rights, the environment, and responsible business conduct. This includes:

- ✓ Assessing operational, social, environmental, and ethical risks.
- ✓ Internal and external audits.
- ✓ Active staff participation.
- ✓ Preventive measures and corrective actions.

2 Human Rights

- ✓ We have a **Code of Conduct and Ethics** that establishes respect for human rights as a cross-cutting principle.
- ✓ We prohibit all forms of discrimination, child labor, or forced labor.
- ✓ We promote workplace equity and dignity through preventive policies.

Access, Communication, and Continuous Improvement

Through effective management systems, we ensure access to information and constant feedback, which we detail below:

- ✓ All our policies are physically available at our plants and facilities.
- ✓ Policies are disseminated through talks, training, and internal communication channels.
- ✓ In 2024, all policies were **continuously reviewed**, ensuring their alignment with current regulations and sustainability standards.

This set of principles and commitments forms the basis of our actions as a sustainable textile organization, committed to ethical, responsible growth that is aligned with the SDGs.



Compensation Process

| GRI 2-19 | GRI 2-20

We manage compensation in a transparent and fair manner, aligned with principles of equity, competitiveness, and non-discrimination. Our goal is to ensure that every employee receives adequate compensation that is consistent with their role, level of responsibility, and contribution to achieving organizational goals.

Compensation is determined without distinction of gender, religion, race, or other personal conditions, and is based on recognized technical methodologies, such as the **point-based valuation** system and the **HAY GROUP** methodology. These tools allow us to establish a clear internal salary policy that ensures both internal equity and external competitiveness.

The main criteria considered are:

- ✓ **Job Analysis:** Evaluation of key elements of the position, in line with the company's vision.
- ✓ **Organizational Design:** Definition of structures and levels within the organizational chart.
- ✓ **Personnel Selection:** Identification of necessary requirements for each position.

- ✓ **Career Planning:** Identification of individual development paths and potential.
- ✓ **Person-Job Fit:** Detection of gaps and training needs.
- ✓ **Compensation Administration:** Balance between internal equity and external competitiveness.
- ✓ **Competencies and Qualifications:** Level of training, initiative, and autonomy required.
- ✓ **Effort:** Level of physical and mental effort required by the job.
- ✓ **Responsibilities:** Scope of responsibilities over personnel, decisions, and errors.
- ✓ **Working Conditions:** Evaluation of exposure to adverse environments (dust, humidity, travel, etc.), considering magnitude and frequency.
- ✓ **Occupational Risk:** Level of exposure to accidents or occupational diseases, measured based on the type of risk and the probability of occurrence.



Additionally, key elements such as **know-how, problem-solving** ability, and level of responsibility are considered, which help structure salary scales that ensure equitable compensation without bias.

This process is managed internally by the Human Resources area, under the supervision of the Administration and Finance Management. Employee feedback is incorporated through workplace climate surveys, which allows us to provide feedback and adjust the system according to the expectations of our stakeholders.

3.2

Ethics, Compliance, and Transparency

| GRI 3-3 | GRI 205-1 | GRI 205-2 | GRI 205-3 | GRI 206-1

Mechanisms Available at Inca Tops for Submitting Reports

At Inca Tops, our commitment to responsible business conduct guides our actions. We manage ethics, regulatory compliance, and transparency as fundamental pillars of our organizational culture. For this reason, we have a current **Code of Conduct and Ethics**, which is shared with all personnel. This code establishes the expected behavioral guidelines at all levels of the organization and serves as the basis for our internal policies.

As part of this commitment, we have a formal procedure for reporting irregularities, unethical acts, and potential cases of corruption, which is aligned with our Code of Ethics. This procedure guarantees confidentiality, proper handling of each case, and no retaliation against those who report in good faith. Reports can be submitted through various mechanisms, as shown below:



Reported cases are forwarded to the **Ethics Committee** or **senior management**, depending on their nature, and are managed with a focus on continuous improvement, applying corrective measures where appropriate. This procedure has also been the basis for internal training aimed at mid-level management, department heads, and administrative staff on topics of ethics, sustainability, and compliance.

During 2024, we evaluated **100% of our operations in relation to corruption risks** as part of our preventive and risk-based management approach. We also **incorporated ethics and anti-corruption topics into our supplier inductions, conducted external visits, and held sustainability awareness meetings with team members**. In the same vein, and as part of our effort to promote an organizational culture based on integrity, we shared internal communications about our Code of Ethics and the principles of good corporate governance.

The table below shows the percentage of people who received communications about anti-corruption policies and procedures, broken down by job category and region.

Communication of Anti-Corruption Policies
by Job Category and Region | GRI 205-2

Region	Job Category	Percentage of people communicated
Arequipa y provincias	Board of Directors	100 %
	General and sub-management	100 %
	Division and department heads	100 %
	Technicians (workers)	97 %
	Suppliers	95 %

Anti-Corruption Training for Team Members and Suppliers Broken Down by Job Category and Region | GRI 205-2

Job Category	Arequipa	Other Provinces
	Percentage of People Trained	Percentage of People Trained
Board of Directors	100 %	—
General and Sub-Management	100 %	—
Division and Department Heads	100 %	100 %
Technicians (workers)	96 %	98 %
Suppliers	95 %	—

From the information presented above, we can highlight that we achieved high coverage in training and communication actions related to anti-corruption topics.



100% of our Board of Directors, management, and heads of departments were trained and informed about our anti-corruption policies.

Additionally, we reached coverage levels exceeding 95% for technicians and suppliers, a result of our commitment to a cross-functional ethical culture at all levels of the organization.



OUR GOALS AND OBJECTIVES

Our ethical management has a main objective of ensuring legal compliance, preventing misconduct, and consolidating a culture of integrity. To achieve this, we work on the following lines of action:

- ✓ **Train 100% of personnel** on the Code of Conduct and Ethics.
- ✓ **Maintain zero cases of internal corruption.**
- ✓ **Preserve certifications** that evaluate our ethical and social practices, such as the OEKO-TEX STeP standard.

Furthermore, it is important to note that we monitor our progress by tracking four specific indicators, which are listed below:

- ✓ The number of reports received and addressed within the established timeframe.
- ✓ The number of training sessions conducted on ethics and compliance.
- ✓ The percentage of internal and external audits without critical findings.
- ✓ The number of sanctions or penalties for legal non-compliance.



OUR 2024 ACHIEVEMENTS

During 2024, we reaffirmed our ethical commitment through concrete and verifiable actions, as detailed below:

- ✓ **We renewed our OEKO-TEX STeP certification, reaching Level 3 (Excellence),** which validates our good social, labor, and ethical practices under international standards.
- ✓ We participated in compliance **audits that concluded** with no major observations, demonstrating the strength of our control systems and internal compliance.



During 2024, we did not register any confirmed cases of corruption or processes related to unfair competition. There were no dismissals, disciplinary sanctions, contract terminations with business partners, or legal actions against the organization or our team members for corrupt or anti-competitive practices.

| GRI 205-3 | GRI 206-1

These achievements reflect the maturity of our ethics and compliance system and its integration into the organization's daily operations.



OUR FUTURE PROJECTS

Aware that ethics and transparency must adapt to new social and regulatory challenges, we have designed strategic projects that consolidate this management, organized for the short, medium, and long term. Below, we highlight the main actions planned for each time horizon:

Short term

- We will continue to integrate the **due diligence** approach at all operational levels to strengthen our ability to prevent, mitigate, and remedy potential ethical and legal impacts.

Medium term

- We will implement the **digitalization of the reporting channel** to guarantee the confidentiality of reports and improve response times.

Long term

- We will develop a comprehensive **due diligence system for human rights, ethics, and regulatory compliance** for our entire supply chain. This system will include risk assessments, ethical criteria for selecting suppliers, external social audits, and continuous improvement mechanisms.

In 2024, we concluded that a solid ethical culture requires not only rules and procedures but also the participation of all internal stakeholders. Constant training, openness to dialogue, and transparent management have been key to strengthening trust in our systems and consolidating our preventive approach. For this reason, we will continue to promote safe, fair, and responsible work environments where every decision is guided by ethical principles and oriented toward the common good.

Regulatory Compliance

| GRI 2-25 | GRI 2-27

This year, there were no registered instances of non-compliance with legislation or applicable regulations in any of our operations. This result reflects our commitment to legality, order, and transparency, as well as the effectiveness of the preventive management system we apply at all levels of the organization.

To sustain this performance, we continuously monitor our processes through internal audits, compliance controls, and systematic reviews. This allows us to anticipate risks and correct deviations before they become problems.

Additionally, we have made the following commitments to prevent and mitigate our negative impacts:

- ✓ Since 2020, we have integrated a due diligence approach in human rights, environmental, and responsible business conduct as part of our sustainable management system.
- ✓ We have enabled formal mechanisms for receiving claims and complaints from our team members, suppliers, and communities. Internally, our channels with Human Resources, Health, Safety, and Environment (SSOMA), and General Management have allowed us to detect risk or dissatisfaction early on.

- ✓ Our stakeholders have participated through these channels, as well as through forums required by our certifications, which has promoted their involvement in monitoring and continuous improvement processes.

Based on the information we provide, it is important to specify that we systematically track each case using matrices with assigned responsibilities, dates, and progress status. Management and Senior Management periodically review these records, and we subsequently evaluate the results to identify opportunities for improvement and prevent recurrence.



During 2024, we recorded the following results regarding regulatory compliance:

- **No fines were imposed** for legal or regulatory violations that occurred during the year or in previous years.
- **No non-monetary sanctions** were applied in connection with regulatory non-compliance.



This positive outcome confirms that our compliance model, aligned with local and international standards, functions as an effective tool for prevention and continuous improvement.

Thanks to this approach, we strengthen the trust of our stakeholders and ensure that our operations are conducted with integrity, responsibility, and, above all, with full respect for the legal framework.

3.3

Comprehensive Risk Management

| GRI 3-3 | Not GRI Comprehensive Risk Management

At Inca Tops, as part of our preventive and sustainable vision, we manage risks comprehensively, including aspects of occupational health and safety, the environment, operational continuity, labor relations, and regulatory compliance. To manage these efficiently, our main tool is the **comprehensive risk matrix**, which allows us to identify, evaluate, prioritize, and mitigate relevant risks at every stage of our processes, following a continuous improvement and due diligence approach. This tool includes each risk's criticality level, origin, impact, mitigation measures, and action timelines, and it is reviewed periodically at the management level.

The most **significant risks we manage are linked to labor relations, the fiber classification process, and raw material purchases**—key sectors for guaranteeing the traceability, quality, and sustainability of our operation. To do this, we rely on certified management systems, emergency response plans, and the participation of our operational and support teams. To operationalize this strategy, we have the following mechanisms and guidelines for managing our risks:

Inca Tops' Risk Management Mechanisms





OUR GOALS AND OBJECTIVES

To guide our actions with greater precision and responsibility, Inca Tops adopts a risk-based management and due diligence approach that allows us to prevent, mitigate, and, when appropriate, remedy potential negative impacts on our team members, the environment, and the integrity of our operations. This approach is integrated into the continuous evaluation of our production and sustainability processes and is applied across the entire organization.

In line with our ethical and preventive vision, our main objectives are:

- ✓ Identify and prevent labor, environmental, and social risks throughout the value chain.
- ✓ Establish effective operational controls, reviewed by Senior Management.
- ✓ Ensure traceability and transparency in processes through certifications.
- ✓ Execute corrective actions and remedy non-conformities.



MONITORING INDICATORS

To ensure evidence-based management, we monitor using the following indicators:

- ✓ Percentage (%) of processes/products evaluated with a risk focus.
- ✓ Percentage (%) of critical risks with established control plans.
- ✓ Percentage (%) of compliance with legal and regulatory requirements.



OUR 2024 ACHIEVEMENTS

During 2024, we strengthened our risk management with the following progress:

- ✓ We consolidated our comprehensive risk matrix, applying it in key areas such as fiber classification, purchasing, and labor relations.
- ✓ We strengthened preventive mechanisms in the supply chain by classifying suppliers based on ethical, traceability, and quality criteria.
- ✓ We integrated a due diligence approach into our leadership, wellness, and organizational training programs, promoting a culture of prevention and transparency.



OUR FUTURE PROJECTS

Short Term

- We will work to strengthen our internal processes to ensure effective monitoring and the timely closing of findings from social and environmental audits.

Medium Term

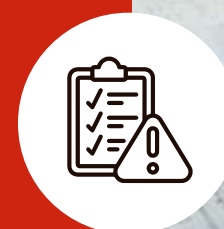
- We will expand the due diligence approach to critical suppliers, incorporating criteria for sustainability and respect for human rights. This process will be accompanied by the digitalization of records and the monitoring of corrective actions for more agile and transparent traceability.

Long Term

- We project consolidating sustainable risk governance, fully integrating due diligence into our strategic decisions and the cross-functional management of the company.

The execution of this process has allowed us to confirm that having a **robust system for the early identification of risks, which considers labor, social, and environmental dimensions, is key to sustainability.**

We have also verified that crises represent opportunities to strengthen remediation mechanisms and that the participation of our stakeholders contributes to a better understanding of real risks and strengthens our response capacity.



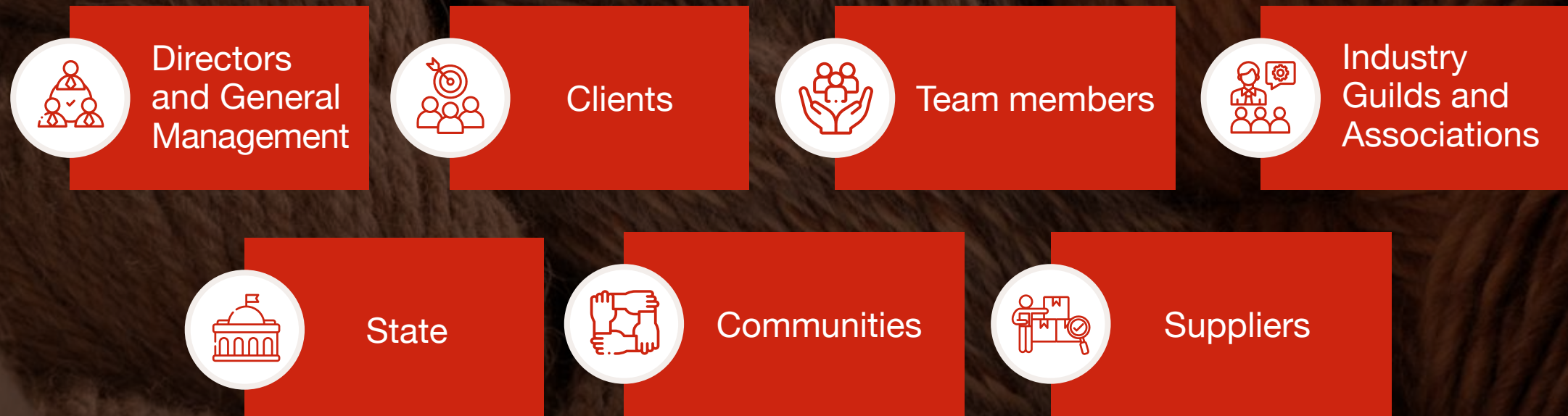
3.4

Our Stakeholders

| GRI 2-29

At Inca Tops, we believe that the best way to move forward is by listening. That's why we maintain a permanent dialogue with those who influence our value chain and those who are impacted by it. We work side-by-side with industry associations and guilds like the SNI (National Society of Industries), CESEM (Center for Modern Business Studies), and ADEPIA (Association of Arequipa Industrial Park Companies), local and national authorities, our Board of Directors and management team, customers worldwide, team members, high-Andean communities, and a network of suppliers that shares our standards of quality and sustainability.

Strategic Stakeholders for Inca Tops



The goal of this ongoing conversation is to ensure that every decision we make responds to the expectations of those who trust in us, drives the development of the communities where we operate, and, above all, reinforces business relationships based on transparency and mutual benefit. To achieve this, we implement three strategies:

- 1



We open clear communication channels (regular meetings, digital platforms, and field visits).
- 2



We monitor commitments to ensure that every agreement translates into concrete actions.
- 3



We foster constant collaboration, integrating the different actors into innovation projects, social programs, and shared environmental goals.



Below, we present our key stakeholder relationships and dialogue channels with updated definitions and contact mechanisms, adjusted to guarantee a transparent, coherent, and constructive interaction:

Stakeholder Group	Definition	Main Communication Channels	Category
Directors and General Management	The team that sets strategy and oversees the company's overall management.	Board meetings, management committees, monthly reports, video conferences.	Internal
Clients	Final and industrial buyers who use our products.	After-sales service, video calls, social media, digital platforms, and international trade fairs.	External
Team members	People who work in our plants, offices, and at the Pacamarca scientific station.	Team meetings, training, intranet, suggestion box, climate surveys.	Internal
Industry Guilds and Associations (SNI, ADEPIA, CESEM)	Business organizations that articulate the common interests of the textile sector.	Technical roundtables, newsletters, guild events, collaborative projects.	External
State	Local, regional, and national entities that regulate or promote textile activity.	Official communications and formal reports, coordination meetings, participation in public policy.	External
High-Andean Communities	Populations that raise alpacas and live in our areas of influence.	Participatory workshops, field visits, community programs, agreements with local.	External
Suppliers	Companies and associations that supply alpaca fiber, inputs, and services.	Transparent contracts, audits, supplier portal, and technical meetings.	External

Dialogue Mechanisms

| GRI 2-26

Responsible management starts with constant and well-structured dialogue. For this reason, having accessible, secure, and reliable communication channels is key to building trusting relationships with our stakeholders. At Inca Tops, we have enabled various ways for anyone linked to our operations to express questions, suggestions, or concerns related to our business practices or organizational behavior. The mechanisms we have in place include the following:

**Direct phone line:**
(+51-54) 602500

**Email:**
sales@incatops.com

**In-person visits**
to our offices

**Our website:**
<https://www.incatops.com/>

**The internal platform**
Humand (for team members)

Additionally, we maintain a policy of permanent communication that promotes continuous dialogue with our main allies: clients, communities, suppliers, authorities, and team members.

In the case of Pacamarca, we reinforce this approach through constant and personalized technical support to alpaca breeders. Through advice on genetic improvement, animal welfare, and the sustainable use of resources, we strengthen a direct, close, and continuous relationship with this key group.

This work is based on a core conviction for us: we firmly believe that transparent, timely, and empathetic communication is essential for sustaining healthy and ethical relationships, aligned with our values and commitments.



3.5

Economic Performance

| GRI 3-3 | GRI 201

At Inca Tops, we understand that value creation must be comprehensive and shared. For this reason, we manage our economic performance with a responsible and sustainable approach, seeking to generate long-term value not only for the company but also for our team members, the communities where we operate, and the environment as a whole. Our financial management is based on the principles of efficiency, transparency, and the proper use of resources, which allows us to maintain a solid and resilient operation in the face of market challenges.

This approach is articulated through the strategic pillars of our Strategic Plan, which we present below:



Each of these pillars guides our economic decisions and allows us to balance financial growth with our social and environmental commitment.

Furthermore, we incorporate sustainability criteria into our investment and financing decisions, with special emphasis on projects that contribute to local economic development, minimize negative environmental impacts, and, in particular, generate social well-being. To monitor our progress, we use indicators aligned with the objectives established in our strategic plan, which allows us to holistically evaluate our financial, operational, and sustainable performance.





OUR 2024 ACHIEVEMENTS

The integration of sustainability criteria into our operations generated positive impacts on both profitability and the efficiency of our processes, which are highlighted below:

- ✓ We achieved a 10% growth in sales compared to the previous year, accompanied by an 8% reduction in our operating expenses. These advancements reflect a significant improvement in the efficiency of our management and a positive impact on the company's financial results.
- ✓ We made decisive progress in strengthening our sustainable finances with the approval of a Green Line of Credit from Banco de Crédito del Perú (BCP), a financial tool aimed at promoting investments with a positive environmental impact. This financing is designed to drive projects that favor energy efficiency, responsible resource use, and emission reduction. In our case, it has allowed us to finance initiatives for technological modernization and the implementation of more efficient processes for energy and water consumption within our production operations.



OUR FUTURE PROJECTS

Looking ahead, we are working to secure a green loan for projects that will reinforce our commitment to sustainability. This type of project represents a significant step forward in our sustainability strategy and, therefore, reaffirms our commitment to operational efficiency, the reduction of our environmental footprint, and the consolidation of a responsible and resilient economic model.



04

From Pacomarca to the World: Traceability and Sustainability

→ PAG. 63 - 78

4.1

Pacamarca: Responsible Breeding and Genetic Improvement

| GRI 3-3 | Not GRI Animal Welfare

Pacamarca is our scientific station located in the Peruvian highlands, **where for more than twenty years we have worked with a herd of approximately 2,500 alpacas from diverse genetic lines, all registered in the PacoPro system.**

We evaluate fiber quality, select breeding stock, and share high-performance genetics with breeders from high-Andean communities.

Every lot of fiber leaving the station—marketed under the Pacamarca brand—has full traceability. The benefits obtained are used to strengthen the development of local communities: we donate animals with improved genetics, provide technical training to producers, and support basic needs

such as housing, education, and clothing. This work not only improves fiber fineness and increases producers' income, but also contributes to the conservation of a species emblematic of Peru.



Learn more about our Pacamarca Scientific Station [here](#)

Ultimately, Pacamarca represents the union of science and tradition, as it strengthens responsible alpaca breeding, positions its fiber as a high-value resource in the market, and, in particular, improves the well-being of the communities that have preserved it for generations.

Black Alpaca

With Yanapaco —“black alpaca” in Quechua— we have set out to recover the breeding of the pure black alpaca, a variety that today represents less than 0.5% of the national herd. At our Pacamarca station we maintain a herd of more than one thousand black specimens, the largest population gathered in a single herd in the entire country. Here we evaluate their genetics and study the heritability of their traits, in a pioneering effort that seeks to lay the foundations for repopulating this high-value fiber.

The program purchases black alpaca fiber directly from breeders at a preferential price. In addition, we have begun exchanging studs with associated producers to diversify the genetic base and further strengthen the conservation of this unique lineage.

Animal Welfare

Understanding and respecting the alpaca is the cornerstone of our animal welfare management. Since 2021 we have complied with the Responsible Alpaca Standard (RAS), certified through 2025. This certification assesses three inseparable dimensions—animal, social, and environmental welfare—and allows us to offer fiber with added value in the market. In line with this commitment, we record any incidents during shearing, such as injuries, handling times, and corrective actions. In this way, we preserve the extensive herding systems typical of the Andes and, with them, the high-mountain grazing ecosystems.



Learn more about our Alpaca Genetic Program [here](#)





OUR GOALS AND OBJECTIVES

Below, we outline the objectives that guide our ethical management of livestock:

- Record zero injuries or mistreatment during handling and shearing.
- Maintain zero mutilations across all our herds and those linked to the producer network.



OUR ACHIEVEMENTS IN 2024

In the last period, we successfully passed the RAS audits without observations in any aspect—particularly those related to animal welfare criteria—as no injuries or mutilations were reported among the alpacas under our supervision. This good practice reinforces producers’ trust and the premium their fiber commands in specialized markets.

To maintain RAS certification, we evaluate our practices against the “Five Freedoms” of animal welfare. The following table summarizes the initiatives applied in the field, the indicators used to measure them, and the results achieved in 2024:

Animal Welfare Initiatives at Inca Tops

Program or initiative name	Initiative description	Associated KPI	2024 Target	2024 Performance
Freedom from hunger and thirst	Animals have permanent access to food and water	Extensive herding	Extensive herding	Extensive herding
Freedom from discomfort	We prevent overcrowding in pens and resting areas	Extensive herding	Extensive herding	Extensive herding
Freedom from injuries	We eliminate any mutilation practices	0 mutilations	0 mutilations	0 mutilations
Freedom from pain and fear	We eliminate any mistreatment practices	0 mutilations	0 mutilations	0 mutilations
Freedom to express natural behavior	Alpacas are raised freely under extensive grazing	Extensive herding	Extensive herding	Extensive herding

The alpaca is not only a fiber source: it is part of the Andean worldview and the cultural livelihood of each pastoralist family. By integrating productive and economic records—both our own and those of associated breeders—we have learned that respect for this animal is inseparable from caring for the landscape and community well-being. This understanding guides every step of our continuous improvement related to animal welfare.

Inca Shearing

At Pacamarca, we developed **Inca Shearing**, a mechanical shearing technique designed to make the annual fiber harvest more efficient while ensuring the welfare of both the animal and the shearer. This procedure has been officially recognized by the Peruvian State and formalized as **Peruvian Technical Standard NTP 231.370**: “Good Practices for Shearing and Fleece Management.”

We offer Inca Shearing free of charge to breeders and also purchase the fiber directly—without intermediaries and at the best market price. The fleeces collected under this system are integrated into the Pacamarca brand, allowing us to guarantee full traceability from the herd to the final customer.



4.2

Our Supply Chain: Traceability and Quality

| GRI 3-3 | GRI 308-1 | GRI 308-2 | GRI 414-1 | GRI 414-2

Managing our supply chain means ensuring that sustainability is present at every stage, from origin to final product. By working with certified suppliers and rigorously planning our purchases—whether in the Peruvian highlands or in international markets—we drive the local economy, protect jobs, and ensure the continuity of Inca Tops.

This approach also generates value in Andean communities through inclusive business relationships that increase income and strengthen the future of alpaca-farming families. At the same time, we commit to the environment by choosing carriers with a lower carbon footprint and requiring responsible practices across the supply chain. In this regard, the selection of logistics operators is carried out under technical, operational, and sustainability criteria to guarantee an efficient, safe service aligned with our environmental and quality commitments.

The main evaluation criteria include:



Service quality:
Speed, compliance with deadlines, and delivery effectiveness.



Valid certifications:
Certifications such as BASC, ISO 9001, and ISO 14001 are valued, as they support good practices in secure trade management, quality, and environmental performance.



Facilities and operations assessment:
Infrastructure and transport conditions are reviewed to ensure adequate standards.



Financial strength:
The supplier's financial situation is considered to ensure service continuity and sustainability.



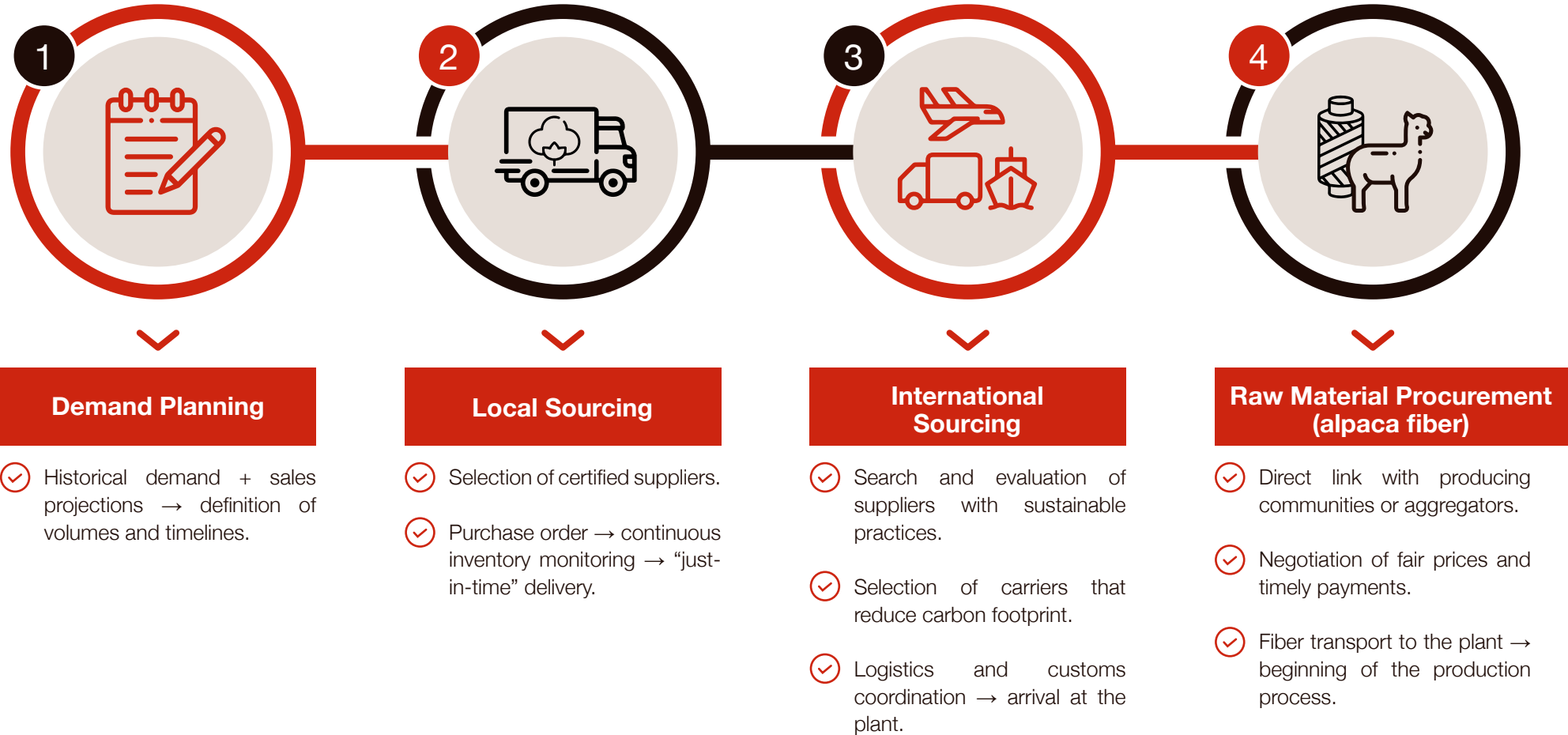
Environmental commitment:
The use of lower-impact transport methods is encouraged, with incentives for providers using eco-fuels or sustainable alternatives.



Freight cost:
A balance between cost and quality is sought, prioritizing efficiency without compromising service.

To sustain this model, we have strong ethical sourcing policies, ongoing evaluations, and full traceability in every operation. This foundation allows us to prioritize certified raw materials—such as RAF, OEKO-TEX STANDARD 100, and GOTS—and to keep channels open for incorporating partners who share our vision. In this context, below we present the main processes and flows that structure our value chain.

Supply Flow at Inca Tops



We are aware that this journey is not free of challenges, such as weather conditions, global logistics, or the fragility of a single link. That is why we monitor in real time, diversify our suppliers, and cultivate trust-based relationships. In this way, we consolidate a value chain that adds competitiveness to the business, well-being to communities, and care for the planet.



OUR GOALS AND OBJECTIVES

In our supply chain, excellence is a daily practice. In this regard, below we present the commitments we constantly guide and measure:

- ✓ We maintain an outstanding level of service for our internal and external clients.
- ✓ We ensure the timely availability of inputs for all our production and administrative areas.
- ✓ We minimize claims and returns through preventive quality controls.
- ✓ We meet agreed service times in every import process.
- ✓ We source raw materials and products certified under internationally recognized standards.
- ✓ We prioritize lower-carbon transport methods and optimize our logistics routes. In addition, we purchase as many quintals of fiber directly from producers as possible, with the aim of strengthening our ties with alpaca-farming communities.



OUR ACHIEVEMENTS IN 2024

In the past year, we consolidated progress that demonstrates the strength of our model, which we outline below:

- ✓ We renewed our certification as an **Authorized Economic Operator (AEO)**, endorsed by SUNAT, which recognizes high standards of security and traceability throughout logistics.
- ✓ We increased the acquisition of raw materials with **OEKO-TEX STANDARD 100, GOTS, and RAF** certifications, to ensure safe and responsible products.
- ✓ We optimized our planning platforms, reducing replenishment times and improving the availability of critical production materials.



OUR FUTURE PROJECTS

We project the management of our supply chain in the short and medium term with three well-defined priorities, which we outline below:



Strengthen the evaluation and development process of national suppliers to ensure increasingly ethical and efficient relationships.



Select international transport partners that contribute to our goal of reducing logistics emissions.



Expand our network of alpaca producers, ensuring that a growing percentage of the fiber comes from communities with which we work directly and transparently.



In 2024, we evaluated six critical suppliers through a comprehensive review of their social and environmental practices to verify alignment with our standards. It should be noted that we have not yet applied formal audits to the rest of our supplier base, but we are already developing a plan that will allow us to gradually expand the scope of these evaluations. In the medium term, we will incorporate external audits and more demanding pre-selection criteria on sustainability.

This learning, reinforced by the experience of 2020, showed us that resilience depends on having timely information and solid partnerships. Since then, we have improved our inventory models, adjusted replenishments according to real demand, and digitalized supplier assessments to align the entire chain with our social and environmental values. With this purpose, together with our stakeholders—from top management to alpaca-farming communities and global clients—we will continue to refine a supply chain that ensures continuity, fosters local development, and above all, reduces environmental impact.

4.2.1

Operational Efficiency

| GRI 3-3 | Not GRI Operational Efficiency

At Inca Tops, efficiency and operational optimization are managed through a comprehensive strategic approach, aligned with our purpose of creating long-term impact and sustainable value. To achieve this, we rely on a corporate strategic plan translated into concrete initiatives at the production level, where each area defines objectives, key performance indicators (KPIs), schedules, and specific milestones. These advances are monitored through monthly follow-up meetings, which allow us to evaluate results, identify opportunities for improvement, and make timely adjustments.

Operational cost management is based on a projected budget prepared according to estimated sales from the commercial area, accompanied by a detailed expense identification system that is reviewed periodically. Within this framework, when significant improvement opportunities are identified, they may become new projects integrated into the strategic plan.

Consistent with this, we foster an organizational culture based on continuous improvement, focused on optimizing processes, reducing costs, increasing yields, and enhancing customer satisfaction, both internal and external.

To achieve this, we rely on a qualified team of leaders responsible for managing projects focused on productivity, efficiency, sustainability, and quality, supported by digital tools, technology, and innovation. We also allocate resources to research, development, and innovation (R&D&I), with the objective of optimizing the creation and delivery of new products. This effort allows us to integrate sustainable raw materials and colors that reflect our identity and our commitment to sustainability.



Impacts of this management:

This strategy not only improves the internal performance of the organization but also generates tangible benefits in different areas. Below, we present the main impacts in three dimensions:



Economic:
Improved competitiveness, cost control, and profitability, with a positive impact on strengthening the financial sustainability of the company and its value chain.



Social:
Creation of qualified employment, strengthening of internal capabilities, and consolidation of fair relationships with suppliers and communities.



Environmental:
Implementation of more efficient processes that reduced resource use and waste, as well as a decrease in our environmental footprint.

Our Policies

Operational efficiency management is guided by our corporate strategy, based on the following five pillars:



Based on this foundation, we have assumed the following commitments:

- ✓ Continuously improve the management of operational and financial risks.
- ✓ Strengthen operational management systems with a focus on continuous improvement.
- ✓ Promote the technical training of our workforce.
- ✓ Optimize raw material performance and reduce waste.
- ✓ Incorporate technology and innovation adapted to our needs.
- ✓ Improve delivery times and product development.
- ✓ Reduce water and energy consumption in our operations.

These guidelines reinforce our operational capacity as well as our responsibility toward the environment and stakeholders.



OUR GOALS AND OBJECTIVES

During 2024, we set out to generate value by optimizing our operating costs, focusing on three key objectives:

- ✓ **Improve machinery productivity** by reducing set-up times and plant stoppages.
- ✓ **Optimize labor productivity through tools** that enable more efficient staff allocation.
- ✓ **Reduce raw material costs** through waste control and the development of new blends tailored to customer needs.



KEY MONITORING INDICATORS

Below, we present the main indicators that guide our management:

- ✓ Transformation costs.
- ✓ Productivity and efficiency in critical processes.
- ✓ Raw material performance.
- ✓ Compliance with deliveries and commitments to customers.



OUR ACHIEVEMENTS IN 2024

During 2024, we achieved significant progress in operational efficiency. The main milestones include:

- ✓ **Optimization of the fiber washing contaminant removal process**, which increased productivity in the yarn and tops line, improved final product quality, and reduced operating costs.
- ✓ **Implementation of the Inca Tops Industrial Network**, a digital operational management tool for real-time monitoring of critical production processes. This platform facilitates data-driven decision-making, improves traceability, and strengthens operational performance.

These achievements represent our commitment to operational excellence, continuous innovation, and sustainability as the core pillars of our corporate strategy.



OUR FUTURE PROJECTS

Looking ahead, we have defined key initiatives to further strengthen our operational efficiency:

- **Raw material performance:** projects aimed at maximizing utilization and minimizing waste.
- **Operational management and control tools:** continuous improvements to monitor performance and support decision-making.
- **Downtime reduction:** corrective and preventive actions to minimize operational interruptions.
- **Comprehensive Technical Training Program (PAC):** to preserve know-how and strengthen internal capabilities.
- **Strategic supplier relationships:** partnerships that reinforce trust, transparency, and sustainability in raw material sourcing.

One of the main lessons learned has been the need to incorporate flexibility into our operations to quickly adapt to changing environments. We have also confirmed that, although technology is a key enabler, its success depends on effective adoption by our teams. For this reason, we have strengthened our internal policies with continuous training and integrated these learnings into our operational procedures to ensure their application in daily practice.

4.2.2

Materials Management

| GRI 3-3 | GRI 301-1

Consistent with our operational principles, we manage materials with a responsible, transparent approach aligned with the highest international standards. This commitment translates into practices that ensure both the raw materials and chemical inputs we procure meet sustainability, environmental, and traceability criteria.



In this regard, we prioritize sustainable practices in input procurement. For this reason, we favor suppliers who guarantee fair working conditions, respect for animal welfare—such as our non-mulesing commitment for animal fibers—and compliance with good manufacturing practices. For chemical inputs, we require compliance with standards such as **REACH, SVHC, GOTS, and OEKO-TEX**, ensuring safety for human health and the environment. In addition, we increasingly promote sustainable inputs such as organic cotton (GOTS-certified), organic wool, and recycled textured nylon.

This management has positive impacts on our value chain, as it contributes not only to building ethical business relationships but also to reducing environmental impact and, in particular, to fostering a safer, fairer, and more competitive textile industry.

³«Non-mulesing» refers to wool production practices that do not use mulesing, a painful procedure in which folds of skin are removed from sheep to prevent flystrike.

Policies

Our materials management policy is based on four fundamental pillars, presented below:



Health and Safety



Legality



Sustainability



Ethics in the Supply Chain

It is important to emphasize that we only purchase inputs and raw materials with internationally recognized certifications, such as **OEKO-TEX, REACH, SVHC, and GOTS**, ensuring a reduced environmental impact as well as compliance with labor and social standards.

All our suppliers must be legally established and demonstrate social and environmental responsibility practices, in line with the principles of the **OEKO-TEX STeP standard**. This requirement strengthens transparency in our business relationships and reinforces our commitment to an environmentally responsible supply chain.





OUR GOALS AND OBJECTIVES

Our overall goal is to ensure sustainable materials management that minimizes environmental impact, guarantees process safety, and, in particular, strengthens traceability. To achieve this, we work toward the following specific targets:

- Optimize purchasing with a focus on certified materials (GOTS, REACH, SVHC, OEKO-TEX).
- Reduce the acquisition of virgin raw materials and replace them with certified recycled alternatives.
- Strengthen circular practices such as packaging reuse and recovery of segregated materials.
- Ensure business relationships only with suppliers that meet responsible social and environmental criteria.

We monitor our progress through the following indicators:

- Percentage (%) of certified materials and inputs.
- Volume of recycled materials purchased compared to virgin ones.
- Percentage (%) of certified suppliers over the total active base.
- Amount of materials reused or recycled internally.
- Number of new sustainable alternatives integrated.



NUESTROS LOGROS EN 2024

We consolidated key progress in our responsible materials management. We ensured that all our strategic purchases were covered by international certifications, supporting our policy of ethical and sustainable production.

We reinforced the verification of chemical inputs in line with **OEKO-TEX STeP and GOTS** standards, raising compliance levels in health and safety for both our workers and the environment. In addition, we actively promoted safe practices in the storage and handling of these inputs, strengthening our culture of prevention.

As part of our commitment to traceability and sustainable input management, below we present details of the materials used during 2024, classified by type (renewable or non-renewable), origin (domestic or imported), and total weight in kilograms and metric tons.

Materials Classification by Type and Origin 2024 | GRI 301-1

Non-renewable Materials			
Classification	Type of Material	Type of Procurement	Weight (t)
Raw Material	Synthetic	Domestic/Import	81.50
Chemical Inputs	Chemical products	Import/Domestic	406.20
Renewable Materials			
Classification	Type of Material	Type of Procurement	Weight (t)
Raw Material	Sheep Wool	Import	391.10
Raw Material	Recycled Polyamide	Import	31.20
Raw Material	Mohair	Import	8.60
Raw Material	Yak	Import	0.80
Raw Material	Silk	Import	12.30
Raw Material	Ramie	Import	0.60
Raw Material	Cashmere	Import	0.40
Raw Material	Linen	Import	4.00
Raw Material	Hemp	Import	0.30
Raw Material	Bamboo	Import	2.90
Raw Material	Regenerated fibers	Import/Domestic	4.30
Raw Material	Cotton	Domestic	115.70
Raw Material	Alpaca Fiber	Domestic	2,638.60
Total			3,698.50

These measurements and achievements have been made possible thanks to coordination among our internal areas and joint work with suppliers committed to sustainability.



OUR FUTURE PROJECTS

We are driving initiatives that strengthen our circular and responsible materials management model. These actions are structured in the short, medium, and long term, as detailed below:

Short term

- We plan to continue replacing virgin nylon with GRS-certified recycled versions, with special emphasis on their use in our technical yarn lines. This project will reduce our dependence on non-renewable resources and reinforce our sustainable positioning in international markets.

Medium term

- At this stage, we expect to identify and incorporate new sustainable alternatives into our materials portfolio, particularly those with environmental and social certifications, which can also be easily integrated into our processes.

Long term

- We aim to enhance digital traceability systems for materials, to guarantee transparency from origin to final product, while aligning our operations with emerging requirements of global markets and responsible clients.

Our experience in materials management has taught us that flexibility and adaptability are key to maintaining competitiveness. In a changing environment, we strengthened control, traceability, and supplier evaluation through the agile incorporation of certifications such as GOTS, OEKO-TEX STANDARD 100, and OEKO-TEX STeP, in order to meet client and regulatory requirements.



4.3

Sourcing and Fair Trade

| GRI 3-3 | GRI 204-1

At Inca Tops, we recognize that responsible sourcing is key to building a fair and sustainable value chain. From Logistics and Foreign Trade, we manage each purchase—domestic and international—with a 360° vision that prioritizes not only operational efficiency, but also respect for people and the planet. For this purpose, we begin with historical demand and sales projections to define volumes and timelines. In addition, before issuing any order, we jointly evaluate four fundamental criteria: cost, quality, timeliness, and compliance with social and environmental standards.

This commitment to fair trade also extends to our Raw Material Purchasing team, which manages the fiber that forms the basis of our yarns. In line with this commitment, we negotiate directly with alpaca-farming communities and, in some cases, with trusted aggregators. This close relationship allows us to guarantee a fair price, full traceability, and tangible economic impact for high-Andean families. At the same time, it enhances fiber quality and strengthens the social sustainability of our chain, improving living and working conditions in the communities where we operate.

Below, we present the percentage of our budget allocated to contracting and purchasing products and services from local suppliers at each of our significant operating sites:

Percentage of contracting/purchasing budget allocated to local suppliers at significant operating sites (products and services).

2024		
Origin	Total amount contracted	Participation Percentage
International	31,681	19 %
Domestic	Raw Material	73 %
	Inputs and Supplies	8 %
Total	167,776	100 %

Similarly, with our local suppliers we operate under current certifications and continuous monitoring, which allows us to avoid shortages without compromising our principles. For example, in imports, we select logistics partners aligned with our values, such as those implementing carbon footprint reduction programs, ensuring that each bale crossing borders carries the lowest possible environmental load. Below, we detail how our supplier base is distributed according to geographic location:

Geographic Distribution of Inca Tops Suppliers

Supplier Segmentation by Geographic Location			
Detail	International Suppliers	National Suppliers	Local Suppliers
Percentage of suppliers according to the criteria in the dropdown option	27 %	73 %	—
Total number of suppliers	237		

In this way, as shown in the previous chart, we have consolidated a supply network that combines global reach with local roots, allowing us to operate with agility, responsibility, and purpose. Based on this approach, we will continue to expand the participation of national suppliers, with the goal of improving social and environmental standards and consolidating strategic alliances that ensure quality, traceability, and a positive impact at every link in the chain.

05

Fiber with Purpose: In Balance with the Planet

→ PAG. 79 - 94

5.1

Our Emissions Management

| GRI 3-3 | GRI 305-1 | GRI 305-2 | GRI 305-3

At Inca Tops, we address climate change with a solid strategy: **reducing our carbon footprint without compromising competitiveness**. To this end, our roadmap combines technological investment with internal guidelines linked to the Peru Carbon Footprint Program and the OEKO-TEX STeP standard. This strategy translates into concrete initiatives, including the following:



Clean thermal generation: at our Zamacola site, we installed 1,200 solar panels to heat water for the fiber washing process, replacing fossil fuels.



Migration to natural gas: two of our plants already operate with NG; the third will be connected in 2025, directly reducing the emission factor.



Climate policy and management system: we integrate energy efficiency and GHG reduction criteria into every operational decision, including purchasing, maintenance, expansion projects, and even supplier selection.



Monitoring and continuous improvement: we externally verify emissions from Plant 4 (Zamacola) every year; Plants 1, 2, and 3 are calculated internally to ensure a comprehensive view. This information feeds reduction plans, and in the case of Plant 4, is reported to the Ministry of Environment (MINAM).



These measures allow us not only to reduce greenhouse gas (GHG) emissions, but also to optimize energy consumption and strengthen the trust of our clients, partners, and communities.

Although the initial investment in clean technologies represents a significant challenge, we manage it with a long-term vision, supported by the operational savings these solutions generate and their contribution to the climate resilience of our business. Below, we present the results of our GHG emissions measurement for 2024, broken down by scope type and operating plant.

Inca Tops GHG emissions by scope and operating plant, 2024

Emissions Direct and Indirect Emissions – Scopes 1, 2 and 3	(t CO2eq)			
	2024			
	Plant 1 (*)	Plant 2 (*)	Plant 3 (*)	Plant 4 (*)
Scope 1 emissions (direct CO2 emissions from fuel consumption in stationary and mobile sources; and fugitive emissions of fluorinated greenhouse gases from HVAC and fixed fire suppression systems)	2,121.83	396.56	2.01	1,220.29
Scope 2 emissions (indirect CO2 emissions from purchased electricity that is not self-generated)	570.26	687.83	1.66	557
Scope 3 emissions (indirect CO2 emissions, both upstream and downstream, e.g.: waste generated in operations, business travel, employee commuting, etc.) (**)	249.00	342.00	22.60	291.57
Total Scope 1, 2 and 3 emissions (t CO2eq)	2,941.09	1,426.39	26.27	2,068.86
Total emissions 2024 (t CO2eq)	6,462.61			

(*) Verification by an external certifying entity is planned.
(**) The calculation of employee commuting emissions has been carried out using a factor based on the results of the Carbon Footprint Calculator of Plant 4 (Zamacola). Emissions from business travel are not included for Plants 1, 2, and 3. In the case of Plant 4, values are verified.

Reduction of GHG emissions at Inca Tops by Scope type in 2024

Scope	t CO2eq 2024 (***)
Scope 1	284.7
Scope 2	161.3
Scope 3	-
Total Emission Reductions	446

(***) Value considered from the Carbon Footprint of Plant 4 (Zamacola).

It is important to note that, for the calculation of our greenhouse gas (GHG) emissions, we use a technical methodology that includes CO₂, CH₄, and N₂O gases, and is based on emission factors and global warming potentials (GWPs) established in the IPCC AR5. In line with our consistency and traceability policy, we maintain the same methodological approach as in previous years, with no changes to the baseline year. Within this framework, the consolidation approach adopted is operational control, through the official tool of the Peru Carbon Footprint Program, aligned with the technical guidelines of the Ministry of Environment (MINAM). The information presented allows us to evaluate the performance of our operations and guide our emission reduction strategies. As a result, in 2023 we obtained the third star of the Peru Carbon Footprint Program, in recognition of the continuous improvement of our climate management.

GOALS AND
OBJECTIVES

We evaluate progress in our Climate Strategy and emissions management through the annual external verification of the Carbon Footprint at our Plant 4 (Zamacola). This assessment allows us to identify improvement opportunities and support our strategic decisions. Additionally, we internally calculate GHG emissions at Plants 1, 2, and 3.

Based on this information, we establish key indicators, including tons of CO₂ equivalent emitted and their annual variation. These data allow us to measure our environmental performance and set concrete reduction targets, in line with our commitment to continuous improvement and initiatives such as the Peru Carbon Footprint Program.

OUR ACHIEVEMENTS
IN 2024

A continuación, presentamos los principales avances y acciones que nos acercan a nuestros objetivos:

- ✓ **External verification** of the carbon footprint of Plant 4 (Zamacola) with no observations, enabling access to the fourth star of the **Peru Carbon Footprint** Program, promoted by MINAM.
- ✓ **Solar panels:** we quantified the avoided emissions with the 1,200 thermal collectors installed (equivalent to more than 2,500 tCO₂e over their lifetime).
- ✓ **Comprehensive GHG calculation** at Plants 1, 2, and 3, providing the first consolidated baseline for future targets.
- ✓ **Low-GWP refrigerants:** we replaced R-22 equipment with systems using R-410A, reducing global warming potential and improving energy efficiency.

OUR FUTURE
PROJECTS

We focus on reducing emissions generated by our production activities through operational, technological, and infrastructure improvements, detailed below:

Short term

- Implement the transition of all sites to natural gas (NG), replacing LPG to reduce fuel-related emissions.
- Keep in operation the 1,200 solar panels used to heat water in the production process, contributing to emissions reduction.

Medium term

- Complete the replacement of lighting with LED technology at Plant 4, aiming to reduce electricity consumption and indirect emissions.

Long term

- Implement a photovoltaic power plant to maximize the use of solar energy and significantly reduce the company's carbon footprint.

Experience has shown us that an effective energy transition requires advance planning and a committed organizational culture. The shift from LPG to natural gas, for example, required coordination with our engineering teams, suppliers, and authorities to adapt networks, ensure safety, and comply with current regulations. We also learned that constant monitoring is key, since only through continuous oversight is it possible to detect inefficiencies in time and correct them before they result in additional costs or increased emissions. In parallel, we have intensified our climate awareness efforts among staff, contractors, and strategic suppliers. This ongoing dialogue—complemented by transparency in our verifications—aligns the entire value chain around a common goal: advancing toward a low-carbon, climate-resilient textile production model.

5.2

Water Efficiency in Every Fiber

| GRI 3-3 | GRI 303-1 | GRI 303-2 | GRI 303-3 | GRI 303-4 | GRI 303-5

Water is the invisible thread that connects every stage of our production. It is an essential resource for producing high-quality alpaca yarn, as it is used in fiber washing, dyeing, salon humidification, and various auxiliary services. For this reason, our water strategy is based on three integrated pillars, detailed below:

1 Efficient and Legal Use of the Resource

- ✓ We supply the four Arequipa plants with potable water from SEDAPAR and authorized underground flows from ANA; all consumption points have digital meters recording daily flows.
- ✓ At Pacamarca, we use spring water—also licensed by ANA—for alpaca research and genetic improvement.
- ✓ Internal awareness campaigns, quick-shutoff valves, and recirculation in coolers reduced specific consumption by 8% compared to 2023.

2 Rigorous Effluent Treatment

- ✓ We operate two WWTPs (wastewater treatment plants) and, in 2023, completed the expansion of the Washing WWTP. By 2024, it was in continuous operation, incorporating physical-chemical processes into our biological bioreactor with bacteria adapted from the washing wastewater itself; it complies with national VMA standards and OEKO-TEX® STeP requirements. This plant complements the existing one for dyeing effluents at Plant 1.
- ✓ All domestic and process discharges are directed to Arequipa's public sewage system, ensuring additional municipal treatment.
- ✓ An in-house laboratory at Plant 4 conducts on-site controls; an INACAL-accredited laboratory verifies results externally.

3 Continuous Evaluation and Improvement

- ✓ We measure key indicators monthly (m³/t of product, pollutant load, water cost per kilo produced).
- ✓ We prepare reports and participate in audits—under STeP since 2021.
- ✓ We are developing a project to **reuse treated water** in the coming years and studying technologies to recover dyeing water, further closing the cycle.

This approach, based on efficient water use, rigorous treatment, and continuous improvement, is reinforced by active dialogue with clients and authorities, as well as by identifying water-stressed areas and quickly adopting technological solutions. In this way, we make water management a pillar of competitiveness and a guarantee of sustainability for all our stakeholders. In line with our commitment to transparency and continuous improvement, below we present consolidated data on our water management during 2024.



Total Water Consumption at Inca Tops in 2024 | GRI 303-5

Total Water Consumption in 2024		
Detail	Unit of Measure	2024
Total water consumption	Cubic meters	264,327.46
Total Consumption		264,327.46

Water Withdrawal Volume by Inca Tops in 2024 | GRI 303-3

2024		
Total water withdrawal	Volume in megaliters from all areas	Volume in megaliters from all water-stressed areas
Surface water	0.00	0.00
Groundwater	237.16	0.00
Seawater	0.00	0.00
Produced water	0.00	0.00
Third-party water	27.16902	0
TOTAL	264.33	0.00
Freshwater (total dissolved solids ≤ 1000 mg/l)	0.00	0.00
Other, specify (total dissolved solids > 1000 mg/l)	0.00	0.00
TOTAL	0.00	0.00

Volume of water discharged by Inca Tops in 2024 | GRI 304-3

2024		
Total water discharge	Total water discharge in all areas (thousand m³)	Total water discharge in all areas under water stress (thousand m³)
Surface water	0.00	0.00
Groundwater	0.00	0.00
Seawater	0.00	0.00
Third-party water (total)	235,294.56	0
TOTAL	235,294.56	0.00
Freshwater (≤ 1000 mg/l total dissolved solids)	0.00	0.00
Other (≥ 1000 mg/l total dissolved solids)	0.00	0.00
TOTAL	0.00	0.00

As we observed, this information includes total consumption, extraction volumes differentiated by source and zone, as well as discharges made, in accordance with the GRI (Global Reporting Initiative) standards. Data collection is based on direct measurements and official records, both for potable water —calculated from monthly invoices issued by SEDAPAR— and for groundwater volumes, which are reported and validated by the ANA.

Additionally, we have implemented flowmeters at strategic points —including the inlets to our Wastewater Treatment Plants (WWTPs)— allowing us to verify consumption and effluents in real time. All this information is systematized under standardized methodologies, ensuring the accuracy of reported data and compliance with certification requirements such as STeP by OEKO-TEX®.



OUR GOALS AND OBJECTIVES

We are guided by national standards and the STeP certification. Based on this, we set targets that combine regulatory compliance with environmental ambition, which we outline below:

- ✓ Strictly comply with national regulations on water and effluent management (ANA, VMA) and with the requirements established by SEDAPAR.
- ✓ Maintain and strengthen compliance with the environmental criteria required by the STeP by OEKO-TEX® certification, which includes annual effluent monitoring.
- ✓ Gradually reduce our water consumption through direct controls, efficient technologies, and the development of best operational practices.
- ✓ Ensure proper treatment and monitoring of our effluents through efficient WWTP operation, supported by permanent internal and external monitoring.
- ✓ Implement sustainable innovation projects, such as the expansion of the Washing WWTP and the execution of our water reuse plan for the upcoming periods.
- ✓ Strengthen our communication channels with customers, authorities, and other stakeholders to transparently share our environmental progress and results.

These targets reflect our commitment to responsible water management, aligned with our Environmental Policy, as well as with the principles of sustainability and continuous improvement that guide our operations.



OUR ACHIEVEMENTS IN 2024

During the year, we reached key milestones in our water management, including:

- ✓ **Expanded and operational Washing WWTP:** 100% operational capacity of the integrated physical, biological, and physicochemical system, with a bioreactor using effluent-native bacteria, which improved efficiency and enabled the implementation of future reuse circuits.
- ✓ **In-house laboratory** at Plant 4 for immediate analysis of treated water.
- ✓ **Digitalized daily monitoring** of water consumption across the four plants.
- ✓ **Full compliance** with external monitoring without observations, consolidating our STeP certification.



OUR FUTURE PROJECTS

Aware of the importance of water in our operations and in the sustainability of the environment, we have defined a roadmap to optimize its use, minimize its impacts, and promote efficient water and effluent management:

Short term

- Validation of the quantity of chemicals used in the alpaca fiber washing process, in order to optimize usage and reduce the impact on wastewater quality.

Medium term

- Formalization of an agreement with the ANA to develop joint projects that strengthen water sustainability in our operating areas.

Long term

- Implementation of treated water reuse at the WWTP, incorporating physical, biological, and physicochemical processes, ensuring responsible resource management.

Experience teaches us that water management goes far beyond measuring liters: it requires careful control of chemicals used in the process and adaptation to the inherent variability of natural fibers. For this reason, incorporating this comprehensive vision into our operational policies —with the participation of staff, suppliers, and communities— strengthens decision-making and amplifies the positive impact of our water management. In this way, we ensure that every drop used at Inca Tops adds value not only to the final product, but also to the environment and the people who rely on us.

5.3

Mapping our Path Toward the Circular Economy

Our Waste Management

| GRI 3-3 | GRI 306-1 | GRI 306-2 | GRI 306-3 | GRI 306-4 | GRI 306-5

We manage our waste with a circular economy approach and in full compliance with applicable regulations, prioritizing reduction at source, reuse, recovery, and, only as a last resort, final disposal.

To achieve this, we have a solid waste management policy aligned with our environmental sustainability principles. This policy prioritizes reduction at source, reuse, and recovery, and is guided by both national and international regulations, including the requirements of certifications such as STeP by OEKO-TEX®. In line with this commitment, we continuously improve our segregation processes, train our personnel, and promote partnerships with suppliers and specialized operators that foster recycling practices and the reduction of environmental impacts.

Additionally, we have mapped all waste generated in our production and administrative operations and established differentiated routes according

to their nature: hazardous, non-hazardous, and recoverable. This management is carried out in coordination with authorized Solid Waste Operating Entities (EO-RS), ensuring adequate treatment in compliance with legal standards.

Among our main achievements are the reduction of costs by returning containers and reusable materials to suppliers, the decrease of environmental impacts through efficient segregation and waste recovery, and the strengthening of a sustainability culture shared with staff, communities, and suppliers. However, we recognize that certain waste streams still require final disposal, which entails unavoidable environmental impacts, as well as logistical and economic challenges linked to specialized treatment.



OUR GOALS AND
OBJECTIVES

In line with our commitment to the circular economy and the efficient use of resources, we have considered the following:

Goals

- ✓ Progressively increase waste recovery.
- ✓ Reduce waste generation at the first use of materials.

Objectives

- ✓ Improve segregation processes at source.
- ✓ Establish agreements with entities specialized in waste recovery.
- ✓ Continuously raise awareness and train staff on responsible waste management.

INDICATORS

- ✓ Based on the total volume of waste generated per year.
- ✓ By percentage (%) of waste recovered, disposed, or eliminated.

These indicators allow us to monitor our performance, identify improvement opportunities, and, in particular, measure the impact of the actions implemented.

Management of
generated waste

The waste we generate mainly comes from packaging and containers of raw materials and inputs, as well as from the different stages of the production process, including washing, dyeing, and spinning. Waste also arises from machinery maintenance, plant cleaning, and the operation of our WWTPs, especially in the form of sludge. Additionally, domestic-type waste is generated from daily activities at our facilities.

Our management focuses on the direct impacts of our internal operations, where most of our actions within the value chain are concentrated. For instance, we have a renewable contract with a **Solid Waste Operating Entity (EO-RS)** accredited by the MINAM, which ensures proper waste management and compliance with current regulations. Depending on the type, waste is sent to sanitary landfills, secure landfills, or authorized recovery processes.

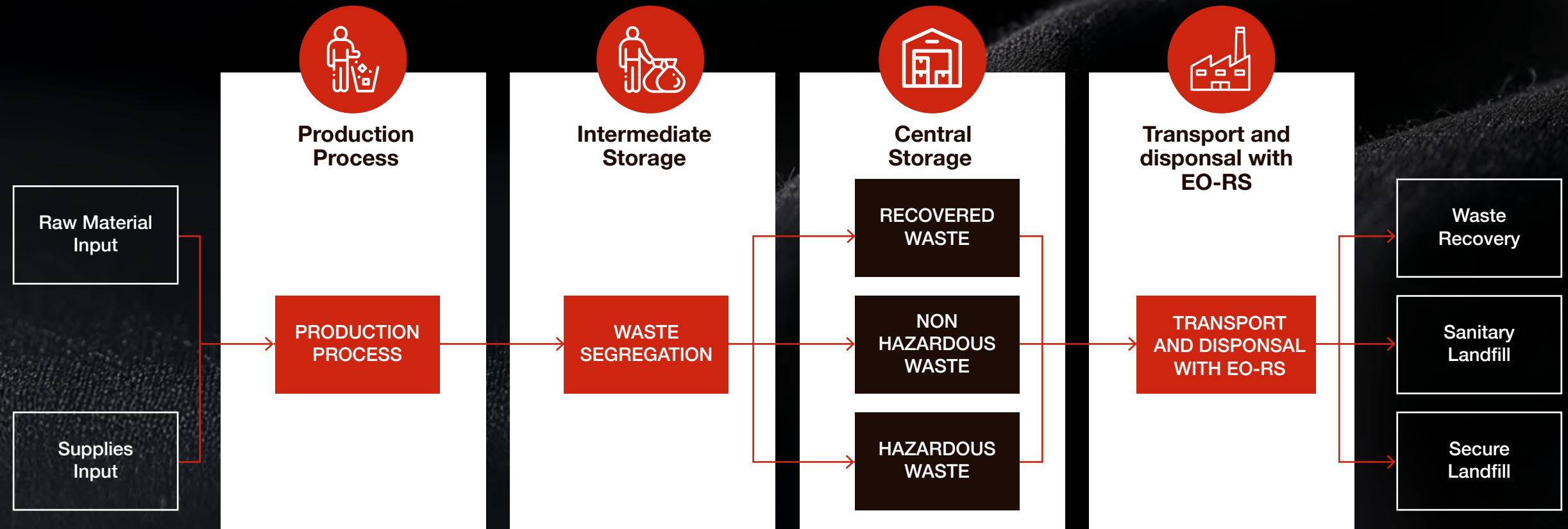
In line with our preventive approach, we also promote actions with our suppliers. For example, we have agreements with local chemical product suppliers to return empty containers for reuse, which helps reduce waste generation. In addition, we promote the use of recycled nylon as a raw material and continuously explore sustainable alternatives with new strategic partners.

Moreover, the sludge generated by the WWTPs has received favorable technical opinions from MINAM, which classify it as non-hazardous, allowing for proper handling in accordance with regulations. These measures reflect our commitment to cleaner production, legal compliance, and environmentally responsible management.

Solid Waste Management Flow

Our management follows a structured flow that ensures efficiency, traceability, and compliance with current environmental regulations. This process is described as follows:

STAGES OF SOLID WASTE MANAGEMENT AT INCA TOPS



Waste Recovery

At Inca Tops, waste recovery is managed through authorized **Solid Waste Operating Entities (EO-RS)**, which are responsible for external treatment in compliance with current regulations. As part of our internal control, we maintain a detailed record of each operation, including the type of waste, its classification (hazardous or non-hazardous), and the recovered volume, supported by the disposal certificates issued by these entities.

We also have a comprehensive mapping of the waste generated in our production and administrative operations, which allows us to apply an efficient management hierarchy. Based on this classification, we prioritize **reuse at source**; when this is not feasible, we opt for **external recovery**, and as a last resort, we turn to **final disposal**. This structured approach enables us to optimize resources, reduce impacts, and move towards a circular economy model.

During 2024, we managed this information through an updated database system, where we systematically recorded the quantity, type, and destination of each waste, as well as the data of the EO-RS responsible for transport and disposal. In addition, we archived the corresponding disposal certificates, ensuring **traceability and regulatory compliance** at every stage of the process.

Below, we present the breakdown of waste generated in our four plants during 2024, classified by type and category:

Waste generated by type in Inca Tops Plants in 2024 | GRI 306-3 | GRI 306-4

Waste Generated 2024					
Type of Waste	Waste Category*	Plant 1 Total Generated (Metric Tons)	Plant 2 Total Generated (Metric Tons)	Plant 3 Total Generated (Metric Tons)	Plant 4 Total Generated (Metric Tons)
Non-hazardous	Disused burlap	1.43	—	—	3.86
	Disused stainless steel	0.34	—	—	—
	Disused cardboard	3.21	20.61	2.73	0.68
	Light scrap	96.45	5.60	—	24.44
	Heavy scrap	19.30	7.16	—	—
	Disused coated copper	0.49	—	—	—
	Sludge	1.63	—	—	46.36
	Disused wood	0.88	3.32	—	0.95
	Disused paper	2.25	—	—	—
	Disused plastic	14.53	0.10	1.98	0.40
	Plastic bottles	—	0.04	—	0.02
	Municipal general waste	22.62	22.62	22.62	22.62
	Non-municipal general waste	13.19	2.94	—	9.20
	Disused jute	—	—	—	4.19
	Plastic strapping	0.18	—	—	6.04
Total non-hazardous waste		176.46	62.38	27.34	118.76
Hazardous	Hazardous waste (obsolete lamps, WEEE, solid materials, contaminated containers, batteries, among others).	7.24	3.11	0.01	8.18
Total hazardous waste		7.24	3.11	0.001	8.18
Total Waste Generated				403.48	

Waste destined for disposal at Plant 1 of Inca Tops in 2024 | GRI 306-5

Disposal method	Planta 1 Hazardous waste (t)	Non-hazardous waste (t)
Final disposal: security or sanitary landfill, as applicable		
PTARI sludge – solids	-	1.63
General municipal waste	-	22.62
General non-municipal waste	-	13.19
Hazardous waste (obsolete lighting, WEEE, solid materials, contaminated containers, batteries, among others)	7.24	-
Subtotal 1	44.68	

Waste destined for disposal at Plant 2 of Inca Tops in 2024 | GRI 306-5

Disposal method	Planta 2 Hazardous waste (t)	Non-hazardous waste (t)
Final disposal: security or sanitary landfill, as applicable		
PTARI sludge – solids	0	0
General municipal waste	-	22.62
General non-municipal waste	-	2.94
Hazardous waste (obsolete lighting, WEEE, solid materials, contaminated containers, batteries, among others)	3.11	0
Subtotal 2	28.67	

Waste destined for disposal at Plant 3 of Inca Tops in 2024 | GRI 306-5

Disposal method	Planta 3 Hazardous waste (t)	Non-hazardous waste (t)
Final disposal: security or sanitary landfill, as applicable		
PTARI sludge – solids	-	-
General municipal waste	-	22.62
General non-municipal waste	-	-
Hazardous waste (obsolete lighting, WEEE, solid materials, contaminated containers, batteries, among others)	-	0.00504
Subtotal 3	22.63	

Waste destined for disposal at Plant 4 of Inca Tops in 2024 | GRI 306-5

Disposal method	Planta 4 Hazardous waste (t)	Non-hazardous waste (t)
Final disposal: security or sanitary landfill, as applicable		
PTARI sludge – solids	-	46.36
General municipal waste	-	22.62
General non-municipal waste	-	9.204
Hazardous waste (obsolete lighting, WEEE, solid materials, contaminated containers, batteries, among others)	-	8.18
Subtotal 4	86.36	

During the year, we generated a total of **182.34 tons** of waste that were disposed of in sanitary or security landfills, according to their respective classification.





OUR ACHIEVEMENTS IN 2024

- ✓ During 2024, we began strengthening our waste management system, focusing on improving segregation at the source.
- ✓ We implemented internal awareness campaigns and training sessions for our staff, aiming to set the foundations for advancing toward valorization and building strategic partnerships starting in 2025.



OUR FUTURE PROJECTS

Our waste management strategy follows a roadmap with short, medium, and long-term actions aimed at minimizing impacts, valorizing by-products, and strengthening partnerships with a social and environmental focus. This roadmap is structured as follows:

Short term

- Signing agreements with local associations for waste valorization, with the purpose of promoting environmental and social benefits within the involved communities.

Medium term

- Exploring alternatives for the reuse of sludge generated by the WWTP, aimed at identifying innovative valorization solutions.

Long term

- Achieving a significant reduction in the waste sent to final disposal through strategies focused on minimization, recycling, and valorization.
- Continuous improvement of internal waste management processes.

Proper segregation at the source is essential to facilitate waste valorization and reduce final disposal. We have reaffirmed the importance of ongoing awareness and the integration of sustainability criteria into operational decision-making. These lessons are reflected in our internal procedures, awareness campaigns, and continuous improvement mechanisms, all aimed at strengthening a responsible environmental culture.

The participation of our stakeholders is essential. In this context, our suppliers contribute sustainable solutions in supplies and packaging; our staff, in the proper management of waste; and the neighboring communities, in valorization initiatives that amplify our positive impact. This collaboration strengthens our commitment to effective, traceable, and socially responsible waste management.

5.4

Conservation of our biodiversity

| GRI 3-3 | GRI 304-1 | GRI 304-2 | GRI 304-3

At every stage — from Pacamarca to our industrial plants — we integrate biodiversity conservation as a key pillar of our business model. In the field, we work with high-Andean pastures and control livestock loads to preserve the ecosystem. We also evaluate the fineness and genetics of the herd to maintain healthy and resilient alpaca populations, always respecting the natural balance of the puna, home to endemic species that coexist with our alpacas.

At our industrial plants, we uphold this commitment through continuous investment in environmental infrastructure. As part of this effort, we expanded our WWTP to comply with Maximum Allowable Values in effluents, we valorize waste, and we transitioned to cleaner fuels. All these actions are supported by certifications that validate our clean production practices.

Our environmental management is guided by solid policies on responsible production, efficient use of water and energy, impact prevention, and environmental education. These principles guide us in continuous improvement and in the conscious use of natural resources.

To provide a complete overview of where we operate and how we interact with our environment, below we present the location, ownership, and environmental characteristics of each of our productive and administrative sites:

Production and Administrative Sites of Inca Tops

Operational site	Geographic location	Type of operation (office, manufacturing, production, extraction)
Plant 1	Av. Miguel Forga N° 348, Parque industrial, Arequipa, Arequipa	Office, manufacturing, production
Plant 2	Calle Francisco Velazco N° 126, Parque Industrial, Arequipa, Arequipa	Office, manufacturing, production
Plant 3	Calle Francisco la Rosa N° 120, Parque Industrial, Arequipa, Arequipa	Office, storage
Plant 4	Irrigación Zamacola Sector G S/n, Cerro Colorado, Arequipa	Office, manufacturing, production
Pacamarca	Carretera Llalli-Ocuviri. Llalli, Melgar, Puno	Animal production and breeding (primary production)



None of our facilities are located within or adjacent to protected areas or zones of high biodiversity value; nevertheless, we apply the same preventive and environmental monitoring criteria in all of them.

OUR GOALS AND
OBJECTIVES

Our commitment is reflected in clear and measurable objectives:



Animal welfare: Maintain 100% of the Pacamarca herd under RAS standards and through responsible genetic control.



Sustainable training: Expand hands-on training in pasture management and responsible breeding, with the aim of including more herders from high-Andean areas each year.



Carbon footprint: Continuously measure our emissions and progressively reduce them as part of a comprehensive strategy to protect the natural environment.

Next, we illustrate the main environmental impacts identified in each of our facilities and the mitigation measures currently underway. These actions are based on the principles of prevention, mitigation, and continuous improvement across all our operations, with a focus on resource efficiency, responsible waste management, and ecosystem protection. This approach is reflected both in our industrial plants and in the activities carried out in the high Andean zones. In the following sections, we present the main environmental impacts identified and the measures implemented for their responsible management.

Environmental Impact Panel by Site at Inca Tops | GRI 304-2

Site	Nature of impact	Extent	Duration	Reversibility	Highlighted mitigation action
Plant 1	- Water - Waste - Energy - GHG	Local	Temporary	Yes	Operation of the WWTP and GHG reduction through natural gas.
Plant 2	- Water - Waste - Energy - GHG	Local	Temporary	Yes	Carbon footprint measurements by process.
Plant 3	- Storage waste - Energy	Local	Temporary	Yes	Source segregation program and optimization of LED lighting.
Plant 4	- Water - Waste - Energy - GHG	Local	Temporary	Yes	Gradual conversion to natural gas and expansion of waste segregation.
Pacamarca	- Land use - Overgrazing	Local	Temporary	Partial	Pasture rotation, livestock load control, and genetic improvement for feeding efficiency.



OUR ACHIEVEMENTS IN 2024

During 2024, we consolidated significant progress in our conservation initiatives, the efficient use of resources, and the strengthening of capacities within the alpaca fiber ecosystem. The most notable actions include the following:

- ✓ **Best practices in Pacamarca:** we reinforced the responsible management of pastures and animal welfare, aligned with the Responsible Alpaca Standard.
- ✓ **Knowledge transfer:** we trained around **1,000 breeders** in technical breeding and sustainable resource management.
- ✓ **International recognition:** we revalidated the STeP and RAF certifications, which acknowledge our environmental and social performance.



By 2024, a total of **30 scientific articles** were published in the top animal science journals, according to the JCR (Journal Citation Reports), and 44 short communications were presented at national and international scientific events.



OUR FUTURE PROJECTS

Our long-term vision seeks to preserve the high-Andean biodiversity through sustainable practices, collaborative work with local breeders, and the continuous improvement of our environmental processes.

Short term

- Ongoing training for alpaca breeders in sustainable natural resource management.
- Strengthening carbon footprint measurement in our operations.
- Dissemination of good environmental practices in rural communities.

Medium term

- Expansion of the alpaca genetic improvement program in Pacamarca.
- Progress in the reuse of treated water in production processes.

Long term

- Consolidation of a responsible supply chain that integrates environmental, social, and animal welfare criteria.

We understood that our greatest contribution to biodiversity does not lie solely in the fiber we produce, but in the knowledge we share. By improving alpaca genetics and training breeders, we promote a sustainable use of high-Andean ecosystems and generate social value in local communities. For this reason, we integrate these lessons into our daily management through the efficient use of water, responsible waste management, and the reduction of emissions. From this experience, we are convinced that protecting the natural diversity of the Andes is, at the same time, an investment in a more prosperous future for both communities and our company.

06

Talent That Weaves the Future: Innovation, Culture, and Safety

→ PAG. 95 - 118

6.1

Positive Impact Enablers

| GRI 3-3 | GRI 408-1 | GRI 409-1

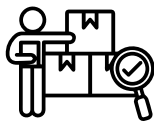
Our human rights commitments go beyond the minimum compliance with Peruvian legislation by incorporating international standards, our own social responsibility criteria, and, above all, the voice of our stakeholders.

How We Manage Human Rights Respect

From hiring to our supply chain, we apply a preventive approach that combines clear policies, internal controls, and engagement with third parties.



Inside our organization, we ensure fair compensation, occupational health and safety, equal opportunities, and work schedules that support family well-being.



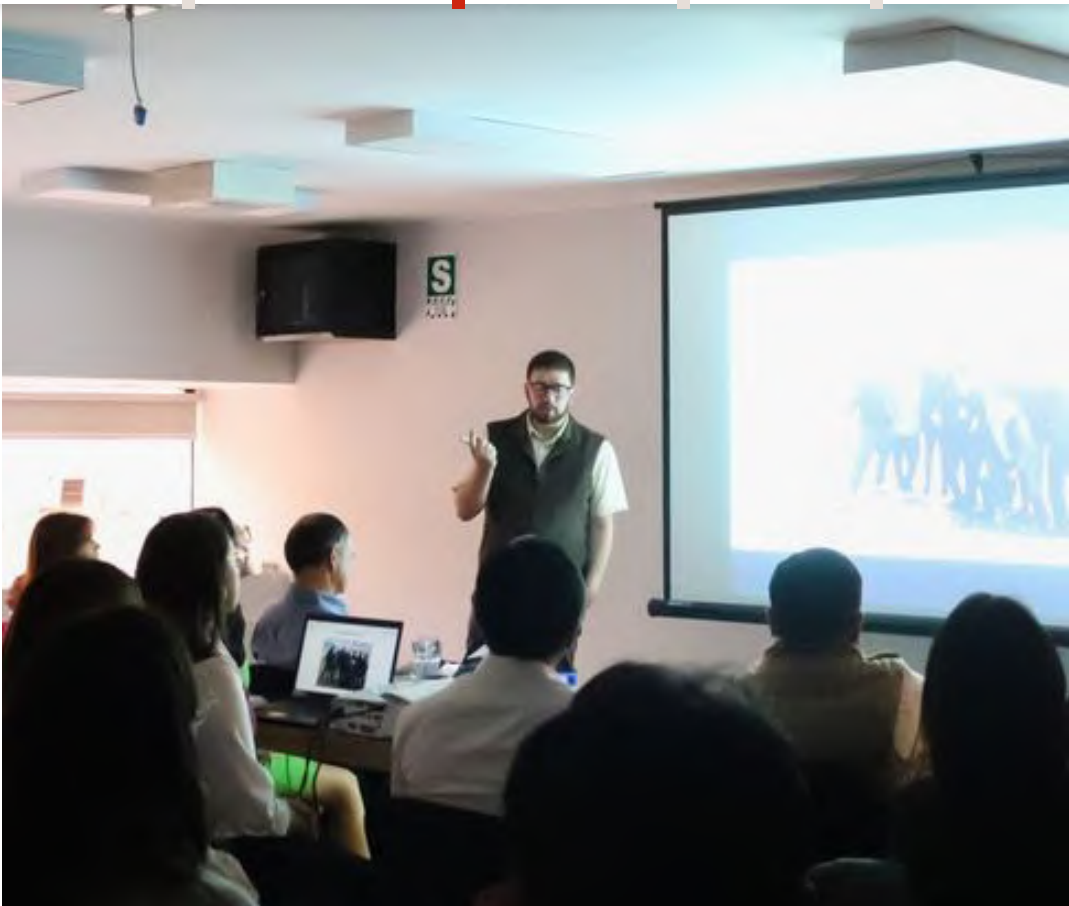
With our suppliers, we demand practices aligned with International Labour Organization (ILO) conventions and include contractual clauses rejecting child and forced labor.



In our communities, we implement shared value programs —education, adequate housing, and income improvement— to mitigate any negative social impact from our operations.



This system is reinforced by internal and external audits, confidential whistleblower channels, a committee for sexual harassment intervention, and strict protection of our team’s personal data.





OUR GOALS AND OBJECTIVES

We are committed to building a fair, inclusive, and safe work environment. To achieve this, we have set the following objectives:

Objective	Key Performance Indicator (KPI)
Prevent human rights violations	Rate of archived labor inspection orders
Early detection and remediation	Rate of open labor inspection orders
Minimize legal risks	Rate of legal incidents
Promote a healthy work environment	Employee turnover rate



OUR COMMITMENT TO THE ABOLITION OF CHILD AND FORCED LABOR

At Inca Tops, we enforce a **zero-tolerance** policy for child and forced labor throughout our value chain. In the monitoring conducted during 2024, no cases related to these practices were identified. Nevertheless, we continue active surveillance and reinforce our prevention, monitoring, and remediation procedures.

To prevent the hiring of underage workers, we apply a strict age verification control starting in the recruitment process, in accordance with our internal procedures. We also have a specific remediation protocol for cases of child labor, which includes investigation, notification to authorities, and corrective actions. This system is complemented by periodic training for Human Resources staff to enhance their ability to identify and respond to risks.

Regarding forced labor, we ensure hiring processes are free, voluntary, and conducted without any coercion, threats, or demands for payment. We also make sure that information about employment conditions is delivered objectively and timely before the signing of any contract. Overtime is always voluntary, properly compensated, and subject to regular internal audits.

This approach also extends to our supplier network. Accordingly, we assess their labor policies and prioritize those who demonstrate ethical practices and legal compliance. As part of our ongoing oversight, any signs of noncompliance trigger immediate corrective actions, including the possibility of terminating the business relationship.

Additionally, our commitment is reinforced through confidential grievance channels, dialogue spaces, and training programs on labor rights. In this way, we continue to build a fair and safe working environment aligned with international standards, reaffirming our role as a change agent in the textile industry.



In 2024, **no cases of child labor, forced labor, or discrimination** were identified in any of our operations.

This result reflects the effectiveness of our prevention policies and our ongoing commitment to maintaining a value chain based on respect, equity, and integrity.



OUR ACHIEVEMENTS IN 2024

We strengthened our commitment to human rights protection—not only by complying with legal standards but also by fostering an internal culture rooted in respect, equity, and prevention. In this context, we highlight the following actions and results:

- ✓ We implemented the fifth edition of the **“Líder Inca” Program**, training 100% of our department heads in leadership, effective communication, conflict management, and rights-based decision-making. This edition, with a 71% satisfaction rate among participants, contributed to a 17.4% improvement in the leadership effectiveness indicator (strategic cohesion), and a 15% increase in top-tier performance evaluations compared to 2023.
- ✓ **No confirmed cases of human rights violations were recorded**, and no penalties or fines related to this matter were imposed.
- ✓ We achieved **100% compliance in both internal and external social and environmental audits**, with no critical findings—underscoring the strength of our controls and our preventive culture.



OUR PROJECTS FOR THE FUTURE

We will continue to strengthen our human rights management through initiatives focused on prevention, training, and employee well-being, structured with a short-, medium-, and long-term vision.

Short term

- Review and update the child labor remediation procedure, in alignment with current legislation.
- Launch internal awareness campaigns on diversity and non-discrimination in the workplace.

Medium term

- Develop a comprehensive training program in soft skills: effective communication, teamwork, and conflict resolution.
- Strengthen professional development through technical training and talent development programs.

Long term

- Review and update retirement plans to ensure they meet employee needs and align with market best practices.
- Foster a workplace culture that promotes equal opportunity, inclusion, and respect as core pillars.

Throughout this process, ongoing dialogue with labor unions, labor authorities, and local communities reaffirmed that strengthening leadership capabilities is key to preventing any form of rights violations. It also highlighted the need to broaden the communication of our policies to contractors and suppliers to ensure a consistent ethical standard across our value chain.

These lessons translated into concrete actions, including updates to onboarding modules, stronger grievance mechanisms, and more rigorous monitoring of corrective action implementation. In doing so, we continue to establish respect for human dignity as a central pillar of our organizational culture—and a competitive advantage in the global landscape.



6.2

Talent Allies

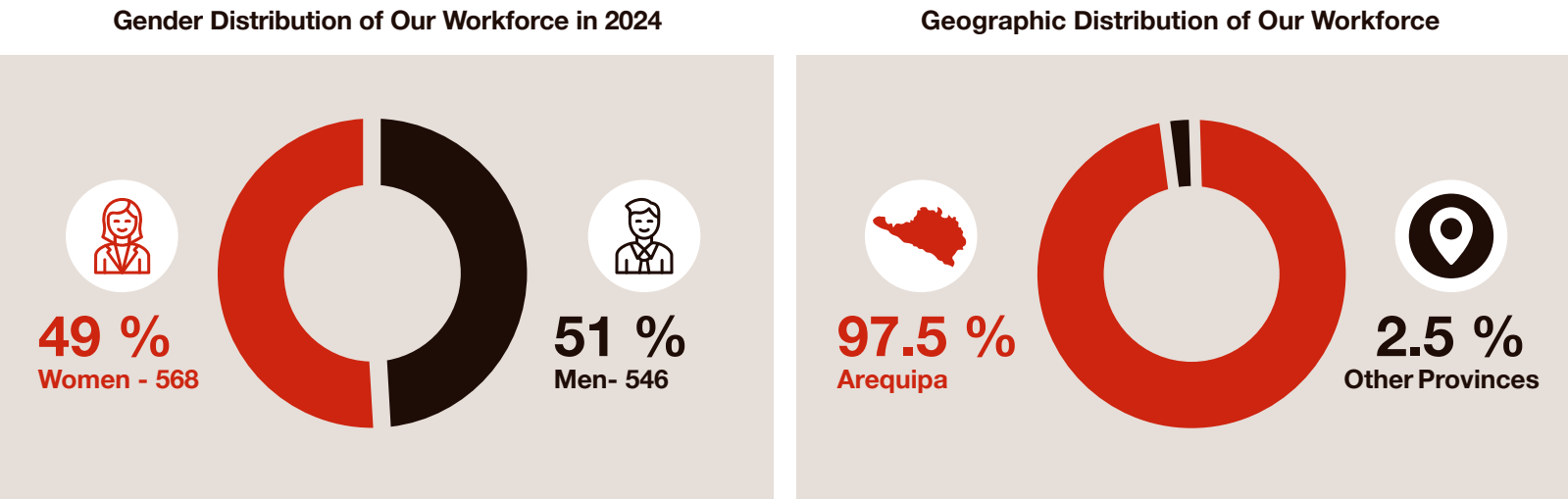
| GRI 2-7 | GRI 2-8

At Inca Tops, we recognize that human talent is the driving force behind our quality, innovation, and commitment to sustainability. For this reason, we closely monitor the composition of our workforce to ensure working conditions that are fair, representative, and aligned with our values.

In 2024, our total workforce consisted of **1,114 staff**, of whom approximately **49.0% were women** and **51.0% were men**, reflecting a gender-balanced distribution. Furthermore, **97.5% of staff were from the Arequipa region**, with only **2.5%** from other provinces—reinforcing our commitment to local employment.



The following section provides a breakdown of total staff by gender and region:



On the other hand, it is important to note that most of our staff fall into the categories of operators and staff, reflecting the industrial nature of our operations. Regarding the type of employment relationship, fixed-term contracts and full-time schedules are predominant, indicating a degree of job stability. In terms of gender distribution, female participation is significant at all levels, including coordination and management positions. In this way, Inca Tops reaffirms its commitment to equal opportunity.

Workforce Composition by Job Category, Contract Type, and Work Schedule – 2024

Inca Tops						
Job Category	Contract Type				Work Schedule	
	Permanent Contract		Fixed-Term or Part-Time Contract		Full-Time Schedule	
	Men	Women	Men	Women	Men	Women
Managers	6	1	0	0	6	1
Heads	14	7	3	0	17	7
Coordinators	4	7	2	5	6	12
Staff	66	29	26	19	92	48
Operators	323	384	102	116	425	500
Total	413	428	133	140	546	568

Finally, regarding personnel not directly hired by Inca Tops but whose activities are supervised by the organization, we identified three main roles: security guards, cleaning staff, and freight handlers. These workers are hired through labor intermediation companies, which are responsible for their recruitment, hiring, and administrative management. Although they are not on our payroll, they perform essential duties within our facilities, including surveillance, logistical support, and maintenance.

In 2024, we employed **23 people under this modality**, of which **11 were men and 12 were women**, all from the Arequipa region. This demonstrates the local nature of our extended workforce and reaffirms our commitment to fair labor conditions, even in outsourced services.



6.2.1

Training and Learning

| GRI 3-3 | GRI 404-1 | GRI 404-2 | GRI 404-3

Training and education are strategic pillars for the sustainable development of our value chain. Through our Annual Training Plan, we promote continuous learning at all levels of the organization. We are convinced that educating and training our staff not only enhances the quality of our products, but also drives their personal and professional growth.

This strategy is based on the principles of equity, sustainability, cultural relevance, and technical excellence, helping us build an organizational culture centered on continuous improvement. In this context, skills development becomes a key factor in strengthening employment sustainability, business competitiveness, and alignment with our strategic goals.



OUR GOALS AND OBJECTIVES

Our core objective is to foster the comprehensive development of our staff so they can thrive in personal, professional, and social spheres. In 2024, we set the following goals:

- ✓ Promote skills such as critical thinking, creativity, autonomy, and accountability.
- ✓ Strengthen technical competencies aligned with market changes and corporate goals.
- ✓ Evaluate the impact of training using the following assessment criteria:
 - ➔ **Quantitative indicators:** number of people trained and total training hours delivered.
 - ➔ **Qualitative indicators:** participant satisfaction levels, relevance of content, and applicability to job performance.

Up next, we present the percentage of staff whose performance and professional development were evaluated in 2024, broken down by job category and gender.

Performance Evaluation by Job Category and Gender – 2024

Team members whose performance and professional development are regularly evaluated, disaggregated by gender and professional category	Number		Percentage	
	Men	Women	Men	Women
Managers	6	1	4 %	1 %
Department Heads	16	5	10 %	5 %
Coordinators	8	10	5 %	11 %
Supervisors	8	4	5 %	4 %
Analysts	26	13	17 %	14 %
Executives	5	1	3 %	1 %
Senior Masters	1	8	1 %	9 %
Shift Leaders	16	0	10 %	0 %
Assistants	19	17	12 %	18 %
Support Staff	6	6	4 %	6 %
Technicians	6	0	4 %	0 %
Operators	40	28	25 %	30 %
Total	157	93	100.00 %	99.00 %



This information reflects our commitment to the continuous improvement of human talent, promoting regular and equitable performance evaluations at all levels of the organization.



OUR ACHIEVEMENTS IN 2024

At Inca Tops, we reaffirmed our commitment to capacity-building through the full implementation of the Annual Training Program, which included both regulatory training and specialized instruction in technical and managerial skills.

As part of this effort, we encouraged the participation of team members from our production plants in programs such as **On-the-Job Worker Certification (CTS)** and **Career Development for Working Professionals (CPT)**, in partnership with the National Training Service in Industrial Work (SENATI). These programs have helped to strengthen key competencies through a hands-on approach tailored to the realities of the textile sector.

We also promoted the development of administrative staff by providing access to postgraduate programs—**such as diplomas and specialized courses**—through strategic educational partnerships that contribute to strengthening technical and managerial knowledge across all levels of the organization. In line with this approach, we implemented initiatives to foster a culture of continuous learning, including:

- ✓ **Líder Inca** Program, focused on enhancing leadership skills.
- ✓ **Mentoring and coaching** programs aimed at mid-level team members, with an emphasis on management and leadership.
- ✓ **Strategic academic partnerships**, such as our collaboration with the Lima Chamber of Commerce (CCL), which facilitates access to postgraduate programs and specialized courses offered by institutions like ESAN Graduate School of Business.
- ✓ Promotion of **dual education** programs with technical institutes such as SENATI, which combine theory and practice to strengthen job-related skills.

As a result of the actions described, in 2024 we delivered the following:

**251** training hours delivered.

**25** key topics covered,
focused on technical skills, leadership, occupational safety, sustainability, and innovation.

Training and education at Inca Tops by job category and gender – 2024

Training and Learning		Men		Women	
Percentage of team members who received training, by job category	Number of trained team members	Percentage of team members trained	Number of trained team members	Percentage of team members trained	
Senior Management	2	0 %	0	0 %	
Managers	2	0 %	1	0 %	
Division and Department Heads	12	1 %	4	0 %	
Administrative Staff	117	10 %	66	5 %	
Operators	476	39 %	533	44 %	
TOTAL	609	50 %	604	50 %	
Average training hours per team member, by job category	Training hours	Average training hours per team member	Training hours	Average training hours per team member	
Senior Management	192	16	0	0	
Managers	128	11	64	5	
Division and Department Heads	144	12	48	4	
Administrative Staff	123	10	69	6	
Operators	189	12	211	13	
TOTAL	775	36	393	25	

As a result of the actions described, in 2024 we will deliver the following:

 **100 %** Of our team members received training during 2024.

 **1,168** Total hours dedicated to training our team members in 2024.

These actions have strengthened our human capital and positioned Inca Tops as a company committed to learning, excellence, and sustainability.





OUR FUTURE TRAINING PROJECTS

Our training and education projects are structured with a short-, medium-, and long-term vision, aiming to address current needs while anticipating future challenges through strategic knowledge management, as detailed below:

Short term

- ✓ Consolidation of the Annual Training Program, with emphasis on regulatory and operational content.
- ✓ Development of training in Occupational Health and Safety (OHS), as well as certification processes (e.g., AEO) and management training.

Medium term

- ✓ Strengthening of dual education programs in partnership with SENATI and other technical institutes to promote access to specialized knowledge.
- ✓ Gradual implementation of technical programs focused on educational continuity and closing critical skills gaps.

Long term

- ✓ Development of Universidad Inca, our future corporate university, designed to ensure talent development and retention by addressing specialized technical knowledge gaps not currently available in the market. In 2024, we laid its foundations by implementing technical training programs and a knowledge management strategy, incorporating expert talent into the design of training curricula. This initiative reaffirms our commitment to self-sufficient training, the preservation of our know-how, and the creation of a talent pipeline prepared for future challenges.

Throughout 2024, stakeholder participation played a key role in the success of our training strategy. Increased team member engagement translated into greater commitment, motivation, and overall performance, strengthening trust with the organization and facilitating the adoption of new methods and content.

Based on the above, training and education remain fundamental tools for driving sustainable growth and ensuring that all team members—from operators to administrative staff—access high-quality learning opportunities that prepare them for both present and future challenges.



6.3

Holistic Well-being: Occupational Health and Safety

| GRI 3-3 | GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4 | GRI 403-5
| GRI 403-6 | GRI 403-7 | GRI 403-8 | GRI 403-9 | GRI 403-10

Safety is the first thread in our production chain, as we prioritize the health and well-being of people above all operational goals. At Inca Tops, we manage Occupational Health and Safety (OHS) through an **integrated system** aligned with Peruvian law and our international certifications.

We base our system on the **Hazard Identification, Risk Assessment, and Control (HIRAC)** matrix, which helps us identify hazards and assess risks. We also apply the hierarchy of controls (elimination → substitution → engineering → administrative → PPE) and ensure worker participation through a monthly Occupational Health and Safety Committee (OHS Committee).

Our system is supported by continuous training, occupational monitoring, medical surveillance, and differentiated procedures for staff and contractors. In addition, the **Well-being-Based Safety (WBS)** project reinforces a preventive culture with a participatory and well-being-centered approach.



Our Occupational Health and Safety Management System (OHSMS)

At Inca Tops, we manage health and safety using a preventive, participatory, and rigorous approach, aligned with national regulations and the standards required by our international certifications. Our OHSMS aims to ensure safe and healthy working conditions for all individuals performing activities under our control, regardless of their direct employment relationship.

This system is built upon hazard identification, risk assessment and control, continuous training of staff, internal audits, and participatory mechanisms such as the Occupational Health and Safety (OHS) Committee. In line with our commitment, we promote a culture grounded in compliance, prevention, and continuous improvement, while integrating responsible practices across all operational levels.

Our OHSMS is aligned with the following frameworks:

- Law No. 29783 – Law on Occupational Health and Safety.
- DS 005-2012-TR and DS 006-2014-TR – Regulations and amendments.
- Guidelines from the National Labor Superintendency (SUNAFIL) and Ministry of Labor (MTPE).
- Standards related to our certifications such as STeP, GOTS, and NATIVA.

The scope of the system covers all our operations (with no exclusions), as detailed below:

- **Covered team members:** all direct employees, contractors, and third parties.
- **Covered activities:** all functions and operational processes.
- **Covered workplaces:** all four of our facilities in Arequipa.

This comprehensive coverage reflects our commitment to well-being and enables us to build safe, resilient, and continuously evolving workplaces.



Hazard Identification, Risk Assessment, and Control Measures

One of the pillars of the Occupational Health and Safety Management System (OHSMS) at Inca Tops is the timely identification of hazards, risk assessment, and implementation of appropriate controls. For this purpose, we have a systematic methodology based on HIRAC matrices, applicable to both direct staff and third-party workers operating under our control.

This process is carried out continuously and specifically by activity, and includes the following:

- **Periodic evaluations conducted** at least once a year or in response to significant changes in processes, equipment, materials, or working conditions.
- **Ad-hoc evaluations conducted** in response to incidents, accidents, or findings during inspections or internal audits.

Our approach considers physical, chemical, ergonomic, psychosocial, biological, and mechanical factors, among others. The hierarchy of control applied—from hazard elimination to the use of personal protective equipment—is implemented in accordance with national regulations and risk management practices. To ensure its effectiveness, we guarantee the quality of the process through the following actions:

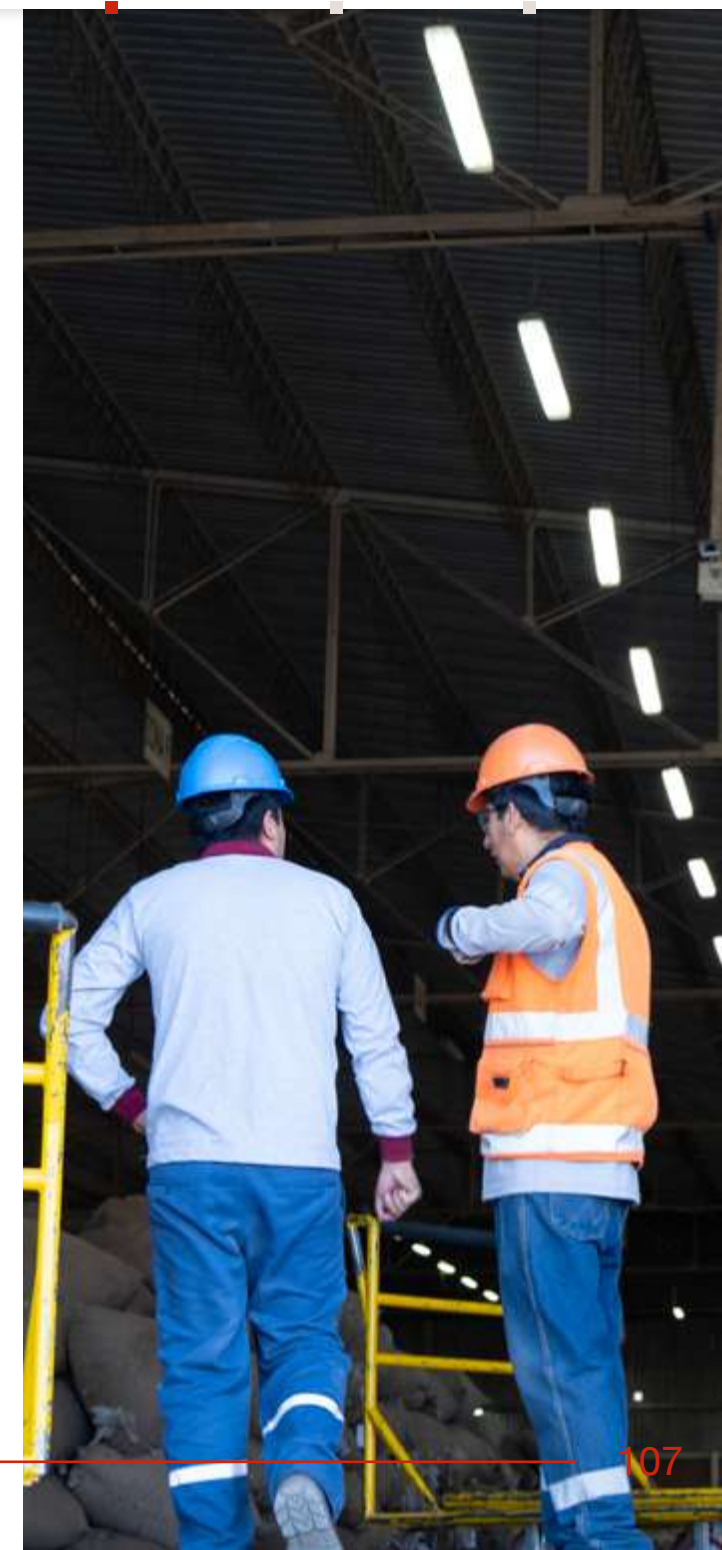
- Continuous training of staff in hazard identification and risk control.
- Development of internal and external audits to verify the effectiveness of controls.
- Documentation and traceability of all analyses carried out and their corresponding action plans.

The outcomes feed into the Annual Occupational Health and Safety Plan (OHS Plan) and are periodically reviewed using the PDCA cycle, promoting continuous improvement in preventive management.

As part of our commitment to a safe and participatory work environment, all workers — including outsourced staff— are protected by our Occupational Health and Safety Management System (OHSMS). For this reason, Inca Tops maintains a strict non-retaliation policy to ensure that no individual is penalized, discriminated against, or dismissed for reporting hazardous conditions. We also have a standardized procedure for investigating workplace accidents that applies to all personnel under operational control. This includes the following:

- Evidence collection and root cause analysis carried out according to the ICAM methodology.
- Evaluation of hazards and risks associated with the incident.
- Definition and implementation of corrective actions.

The findings from this process feed back into the OHSMS, allowing us to update the HIRAC matrices, optimize operational controls, and strengthen training programs for staff. In this way, we reinforce a culture of prevention and continuous learning throughout the organization.



Occupational Health and Safety Committee

The participation of workers, contractors, and labor intermediaries is an essential component of Occupational Health and Safety (OHS) management at Inca Tops. Through formal channels such as regular meetings, suggestion boxes, newsletters, and direct consultation spaces, we promote an environment where everyone can voice concerns, propose improvements, and, above all, take part in building safe and healthy workplaces.

To support this, we have an **Occupational Health and Safety Committee (OHSC)** formed on a parity basis, with representatives from both the company and the workforce, democratically elected through voting. This committee meets monthly and plays a key role in identifying risks, analyzing incidents, formulating preventive and corrective actions, and monitoring the implementation of the OHS management system.

Through this participatory governance mechanism, we ensure that decisions related to Occupational Health and Safety not only comply with legal requirements but also reflect the real needs and perspectives of those involved in our operations. This structure strengthens our preventive culture and promotes continuous improvement at all levels of the organization.

OHS Training and Education

At Inca Tops, training in Occupational Health and Safety (OHS) is a key pillar of our preventive culture. All team members participate in ongoing training sessions, which combine mandatory general content—in line with current legal regulations—with specific training tailored to activity type and risk level.

These sessions cover topics such as working at heights, handling hazardous substances, and operating pressure equipment. The methodology is theoretical-practical, scheduled regularly, and rigorously documented to ensure traceability and learning control.

Promoting the Health of Our Team Members

The holistic well-being of our team members is a core part of our value proposition. For this reason, we facilitate access to general and specialized medical services, including occupational medical exams, risk assessments, and ongoing health surveillance.

Through annual health and wellness campaigns, we promote prevention and self-care with activities such as gynecological check-ups, vaccinations, and eye exams, all conducted within our facilities. This ensures every team member has direct access to preventive health services, supporting a healthier, safer, and more sustainable working life.



Work-Related Injuries

During the current year, we recorded zero fatal accidents, both among our direct staff and contractor workers. No serious injuries were reported either—marking a milestone in our preventive efforts and reinforcing the consolidation of a strong and cross-cutting safety culture.

It is important to note that the fatality and serious injury rates remained at zero throughout the reporting period, including for external personnel. This outcome reflects a consistent preventive approach and a uniform safety standard across our entire value chain. Up next, we present the key coverage and performance indicators recorded, reflecting both the full scope of our management system and its effectiveness in preventing workplace accidents:

Occupational Health and Safety Management System (OHSMS) Coverage – 2024

OHSMS Coverage for Staff	Units	2024
Total number of team members.	Number	1,114
Total number of contractor companies covered by the system.	Number	34
Percentage of team members and contractors covered by the system.	Percentage	100 %
If any workers are excluded from this coverage, including types of workers and the reason for exclusion.	0	0
Contextual information necessary to understand how the data was collected, including standards, methodologies, or assumptions used.		
The calculation was based on the number of contractor companies that were granted access authorization. It is worth noting that the number of individuals may vary by contractor, so the number of workers considered may fluctuate depending on turnover and the nature of the services provided.		



Occupational Health and Safety (OHS) Indicators at Inca Tops during 2024

OHS Indicators	2024
Number of fatalities resulting from a work-related injury	0
Fatality rate resulting from a work-related injury	0
Number of work-related injuries with high consequences (excluding fatalities).	0
Number of recordable work-related injuries.	22
Number of hours worked.	2,961.644.00



OUR GOALS AND OBJECTIVES

To strengthen this preventive culture, we are guided by four strategic objectives, presented below:

Strategic Occupational Health and Safety (OHS) Objectives at Inca Tops during 2024

Objective	Key Action Line	Monitoring Indicator
Achieve 100% compliance with OHS regulations	Document and update the system; train the OHS Committee	% of legal requirements implemented
Prevent occupational diseases	Hygiene program, medical exams, health surveillance diagnostics	Number of confirmed cases = 0
Reduce incidents and accidents	Inspections, observations of substandard acts/ conditions, corrective actions	Frequency rate ≤ internal target
Strengthen emergency response	Contingency plan, multi-risk drills	Number of drills executed / plan = 100%



OUR ACHIEVEMENTS IN 2024

In 2024, we achieved an exemplary performance in Occupational Health and Safety (OHS). Within this framework, **we accomplished 100% of the activities in the OHS Plan and Program and did not record any serious disabling accidents or fatalities in any of our operations**—neither with direct staff nor contractors—a milestone that reinforces the strength of our preventive culture.

In addition, we recognized the areas with the best results for their high participation in training and incident-free record. At the same time, the Well-being-Based Safety (WBS) project expanded to all our plants, increasing participation in safety inspections from 72% to 93%. These advances translated into a reduction of minor incidents and greater safety awareness in day-to-day operations.



OUR FUTURE PROJECTS

We are strengthening our preventive approach to occupational health and safety by developing projects that foster an organizational culture focused on holistic well-being. In this regard, we have defined specific actions for the short, medium, and long term:

Short term

- Measuring the level of safety culture in the organization as a baseline for decision-making.
- Pilot implementation of the Well-being-Based Safety program, with pilot actions aimed at awareness and diagnosis.

Medium term

- Appointment of safety observers to promote active monitoring and field support.
- Strengthening safe behaviors through training, dialogue spaces, and internal campaigns.

Long term

- Consolidation of a sustainable preventive culture by integrating the Well-being-Based Safety program as a cross-cutting pillar of the OHS management system.

This year reaffirmed that prevention must be embedded in every operational decision. For this reason, we reinforced our policies, updated key procedures, and expanded practical training—acknowledging that a solid safety culture is built on knowledge and constant commitment.

Active listening to our team members, clients, and suppliers—combined with ongoing monitoring of new legal requirements—allows us to continuously adapt the management system and ensure safe, healthy, and productive workplaces. In doing so, we protect what is most valuable: the people who make every stage of our business possible.

6.4 Ayllu Culture

6.4.1 Employment Management

| GRI 3-3 | GRI 401-1 | GRI 401-2 | GRI 401-3

We manage **employment with a focus on social responsibility and sustainability**, which allows us to generate positive impacts on the population and contribute to local economic development.

In this regard, during 2024 we continued strengthening this commitment by creating formal employment across all our industrial plants, with the aim of ensuring proper working conditions that include social benefits, health coverage, and occupational safety standards.

In addition, we actively promote the continuous training of our team members in good production practices as well as in technical and management skills, consistent with our commitment to their professional and personal development. We also drive inclusive employment policies that foster the participation of women and young adults, in order to strengthen a workplace culture based on equity and respect.



The effects of this management approach are reflected across multiple dimensions: economically, by strengthening a high value-added textile industry that generates formal and quality jobs; socially, by improving the quality of life of team members and their families through fair wages and decent working conditions; and environmentally, by operating with processes that imply lower impact compared to more polluting industries. Despite these advances, we remain aware of the challenges associated with our industrial activity, and therefore maintain a proactive attitude to manage them through sustainable practices and continuous improvement processes.

Benefits for Our Team Members | GRI 401-2

Mandatory Social Benefits (Applies to all full-time team members)



- ✓ Social Security
- ✓ Pension Fund

Voluntary Benefits (Provided additionally by the company)



- ✓ Health and Protection:
 - Life Insurance
 - Medical Insurance
 - Accident Insurance



- ✓ Workplace Well-being:
 - Flexible Working Hours



- ✓ Development and Recognition:
 - Education Allowance
 - Textile Bonus

On the other hand, all our team members who took maternity or paternity leave successfully returned to their positions. It is important to note that the reinstatement rate was 100%, reflecting a work environment that supports continuity and return after family care periods.

Reinstatement rate of our team members after family leave in 2024

Gender	Team Members Reinstated / Total on Leave	Reinstatement Rate
 Men	13 / 13	100 %
 Women	17 / 17	100 %

Our Policies

Our employment management is based on the principles of ethics, equity, formal employment, and capacity development. Through our Equal Opportunity and Non-Discrimination Policy, we guarantee equitable access to employment regardless of gender, ethnicity, religion, or age.

In addition, we respect and promote human and labor rights, with a zero-tolerance policy against child and forced labor across our entire value chain. We also uphold our commitment to formal employment, which includes the timely payment of competitive wages in accordance with current regulations, as well as access to social benefits and healthcare services for all our team members.





OUR GOALS AND OBJECTIVES

Our main objective is to identify and develop the best available talent, in order to accelerate their growth and effectively contribute to achieving organizational goals. Within this framework, we have set ambitious targets focused on human development, sustainability, and inclusion.

To evaluate our performance, we use quantitative indicators such as the staff turnover rate (normal and early), compliance level of recruitment processes, and response time to staffing requests. At the qualitative level, we measure perceptions of organizational culture, the quality of internal communication, and workplace well-being. Below, we present the detailed results for 2024 across our sites in Arequipa:



Staff turnover by age, gender, and region in 2024 | GRI 401-1

Turnover by Age, Gender, and Region	2024			
	Number		Rate	
	Men	Women	Men	Women
	Arequipa	Arequipa	Arequipa	Arequipa
Under 30 years	42	32	3 %	3 %
Between 31 and 40 years	18	16	1 %	1 %
Between 41 and 50 years	0	1	0 %	0 %
Between 51 and 60 years	0	0	0 %	0 %
Over 61 years	0	0	0 %	0 %

New Hires by Age, Gender, and Region – 2024 | GRI 401-1

New Hires by Age, Gender, and Region	2024			
	Number		Rate	
	Men	Women	Men	Women
	Arequipa	Arequipa	Arequipa	Arequipa
Under 30 years	61	45	33 %	24 %
Between 31 and 40 years	33	28	18 %	15 %
Between 41 and 50 years	7	9	4 %	5 %
Between 51 and 60 years	1	1	1 %	1 %
Over 61 years	0	0	0 %	0 %



This comprehensive approach allows us to monitor the impact of our employment model not only from an economic standpoint, but also from social and environmental perspectives, ensuring balanced and sustainable growth.



OUR ACHIEVEMENTS IN 2024

During 2024, we reaffirmed our commitment to the continuous improvement of working conditions and the training of our teams. We actively participated in job fairs organized by the Ministry of Labor and Employment Promotion (MTPE), with the objective of identifying and attracting qualified talent to integrate into our specialized textile operations.

This effort not only strengthened our employer brand but also reaffirmed our commitment to generating decent, formal, and quality employment in the region.



OUR FUTURE PROJECTS

We continue developing key initiatives aimed at strengthening our employment management, which are deployed over the following timeframes:

Short term

→ We will continue using WhatsApp Business as the main channel for real-time attention to applicants, allowing us to provide personalized support throughout the recruitment process. As part of this initiative, we implemented QR codes in strategic points across our industrial plants, facilitating direct and agile access to job openings from mobile devices.

Medium term

→ We will deepen the automation and digitalization of recruitment processes to optimize the traceability of applications and the service provided to our internal clients.

Long term

→ We will strengthen our employer brand in job fairs, sectoral programs, and public-private partnerships, with the goal of attracting diverse talent and promoting long-term sustainable employment.

Without a doubt, the participation of our stakeholders has been key to strengthening our employment management strategy. In this context, during 2024 we maintained a participatory dynamic that enabled fluent and effective communication with workers, allied organizations, suppliers, and internal clients.

As a result of this process, we have confirmed that timely and personalized attention to staffing requests directly contributes to operational efficiency and to strengthening the organizational climate. In this sense, this collaborative and continuous improvement approach will continue to guide our management in the coming years.

6.4.2

Collective bargaining

| GRI 2-30

Collective bargaining is an essential component of our labor relations management. In line with this principle, at Inca Tops we promote constant, open, and constructive dialogue with labor unions, where we prioritize agreements that benefit both workers and the company. This process is led by the Human Resources department, which acts as a bridge between management and unions, with the purpose of ensuring fluent and participatory communication. For workers not covered by collective agreements, we apply the conditions established in the existing agreements, which guarantees equity and consistency in our processes.



OUR ACHIEVEMENTS IN 2024

During 2024, we achieved the signing of collective agreements with all active unions in the company. This process was carried out in a framework of transparent dialogue, with the participation of union representatives and with an emphasis on people's well-being. This resulted in the following key agreements:

- ✓ **Agreed salary increase**, considering the inflationary context and productivity indicators.
- ✓ **Consolidation of a participatory process**, based on mutual respect and consensus building.
- ✓ **Sustained labor peace**, as a result of joint work and a preventive approach in labor relations management.
- ✓ **34.35% of our team members are unionized, and the coverage of collective agreements reaches 100% of our team members**, as a result of our commitment to inclusion and the progressive expansion of union coverage.

In this regard, this percentage demonstrates the strength of our labor policy and the path we continue to follow to guarantee optimal, fair, and representative working conditions.



6.4.3

Diversity and equal opportunity

| GRI 3-3 | GRI 405-1

At Inca Tops, we actively promote diversity and equal opportunities at all stages of the employment relationship. This commitment is reflected in the application of procedures and guidelines that guarantee an inclusive, fair, and equitable work environment for all our team members, from recruitment and selection to professional development and regulatory compliance. Furthermore, our practices are supported by certifications and management tools that strengthen an organizational culture focused on respect, non-discrimination, and equitable growth.



Our policies

At Inca Tops we have a management framework that articulates the following key procedures:

- **Inclusive recruitment and selection:** we promote open and impartial processes that actively include people with disabilities. In addition, we remove access barriers and provide reasonable accommodations throughout the hiring process.
- **Equal training opportunities:** all team members have access to training opportunities without distinction of gender, disability, sexual orientation, or other factors. As part of this commitment, we provide sign language interpreters to ensure inclusive participation.
- **Zero tolerance for forced labor:** we guarantee respect for labor rights and individual freedom, with detection and prevention mechanisms across our supply chain.
- **Child labor remediation:** we implement procedures for the identification and timely handling of any child labor situation, with an emphasis on the well-being and protection of minors.
- **Protection for pregnant mothers:** we rigorously comply with labor regulations on maternity, with measures such as leave, protection against dismissal, and adequate working conditions.



OUR GOALS AND OBJECTIVES

Our approach is aimed at consolidating an inclusive work environment, where diversity is actively valued, and equal opportunities are guaranteed for all individuals. To this end, we have defined key indicators grouped into three priority areas:

- 1

Inclusive recruitment processes: we conduct open calls for individuals over 18 years old, with no discriminatory restrictions of any kind.
- 2

Equal access to training: we promote the participation of team members with disabilities in training programs, as well as incorporating sign language interpreters when necessary.
- 3

Fair remuneration: we apply an equitable salary scale policy, ensuring equal conditions for similar functions.

These indicators allow us to objectively monitor our progress toward a fair, diverse, and transparent workplace, supported by performance evaluation systems aligned with these principles. Next, we present the gender distribution in the governance bodies, as well as the percentage of team members by job category and gender, which allows us to monitor gender equity and representation at the different levels of the organization.

Percentage and number of individuals within the governance bodies of Inca Tops in 2024
| GRI 405-1

	Board of Directors			
	Men (#)	Women (#)	Men (%)	Women (%)
Over 50 years old	4	-	57 %	-
Between 30 and 50 years old	3	-	43 %	-
Under 30 years old	-	-	-	-
Subtotal	7	0	100 %	0 %
Total	7			

Number of Team Members at Inca Tops by Job Category in 2024
| GRI 405-1

		Under 30 years old	Between 30 and 50 years old	Over 50 years old
Top Management	Men	0	1	0
	Women	0	0	0
Managers	Men	0	4	2
	Women	0	0	1
Heads	Men	0	8	6
	Women	0	4	4
Administrative	Men	13	46	41
	Women	9	43	7
Operational	Men	39	200	186
	Women	25	296	179
Subtotal		86	602	426
TOTAL		1,114		



OUR ACHIEVEMENTS IN 2024

During 2024, we reached significant milestones in promoting diversity and equal opportunities, which we detail below:

- ✓ We participated in inclusive job fairs and promoted opportunities for people with disabilities.
- ✓ We established training agreements with recognized institutions to strengthen professional development.
- ✓ We expanded the reach of our calls for applications through partnerships with job boards of specialized institutions.
- ✓ We reinforced our commitment to the community through social responsibility activities such as sponsoring the Asociación Patrulla Ecológica.
- ✓ We promoted internal integration through events such as corporate Olympics, which fostered collaboration and respect.



OUR FUTURE PROJECTS

We will continue strengthening a diverse and inclusive organizational culture through the development of concrete actions that promote gender equity, equal participation, and the elimination of barriers to access employment. These goals will be achieved through planned actions in the short, medium, and long term:

Short term

- The promotion of gender equity, aimed at ensuring equal conditions and balanced representation between men and women.
- Participation in job fairs and the use of inclusive job boards to encourage the incorporation of people with disabilities.

Medium term

- The implementation of a more accessible internal communication program aimed at strengthening equity in recruitment and selection processes.
- The review of internal policies to ensure an inclusive, bias-free approach to talent management.

Long term

- The consolidation of a work environment that promotes diversity as a cross-cutting value at all levels of the organization and is aligned with the principles of sustainable development.

At Inca Tops, we had a work framework previously aligned with the principles of diversity, which allowed us to move forward without facing major barriers. This foundation has strengthened our commitment to an inclusive culture that is constantly renewed. In this regard, the continuous updating of our practices is guided by international standards on human rights and non-discrimination.

In this process, the participation of our stakeholders has been key. Among them are clients, social organizations, local communities, and our own team members, who provide valuable perspectives that guide our management actions. This exchange is channeled through ongoing listening, ensuring that our decisions are more informed, relevant, and sustainable.

07

Alpaca is a Lifestyle

→ PAG. 119 - 126

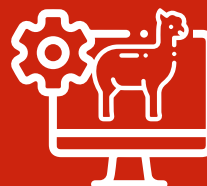
7.1

Breeders' Capacity Building

| GRI 3-3 | GRI 413-1 | 413-2

With the objective of strengthening breeders' capacities, at Inca Tops we build strong relationships with the high-Andean communities of Peru, in a joint effort to generate opportunities for economic development, social well-being, and environmental sustainability. From this perspective, our commitment to the value chain begins at the origin: we support alpaca breeders through the Responsible Alpaca Standard (RAS) certification and the technical and scientific work we promote through our innovation center, Pacamarca.

At Pacamarca, we integrate knowledge with action. With this objective, we train breeders in the development of good animal welfare practices, provide ongoing technical assistance, and promote the free use of "PacoKipu," a digital tool that enables them to manage their herds efficiently. This collaborative approach allows us to improve not only the quality of life of high-Andean families, but also the traceability and sustainability of the fiber we process.



The **PacoKipu** software, designed for the management of alpaca herds, offers key benefits to breeders: it facilitates the recording and organization of herd data (such as births, sales, and classifications) and supports genetic improvement through pedigree control and fiber production. This traceability enhances decision-making and contributes to raising the quality and value of the fiber over time.



We also reinforced our positive impact by donating alpacas with superior genetics and welcoming interns to promote applied research in the field. From a holistic perspective, we are aware that change begins from within; that is why we also nurture our team’s commitment through initiatives that connect them with the purpose of our company, such as recreational activities, family trips, and volunteering programs that strengthen the bond between our people and the communities.

All these efforts are sustained by a framework of solid policies and guidelines that steer our decisions and define the path we follow, which we outline below:

1

Continuous Technical Support

We have a multidisciplinary team that regularly visits breeders to provide guidance on nutritional management, animal health, and pasture optimization. In addition, we organize internships at Pacamarca, traveling workshops, and virtual training sessions to ensure that knowledge reaches everyone, even the most remote communities.

2

Fair Trade and Transparent Relations

We pay competitive and pre-agreed prices for the fiber, backed by contracts and certified weighing. This ensures stable and predictable income for alpaca-raising families, as well as fostering long-term relationships based on trust.

3

Social Responsibility and Cultural Respect

We recognize and value the identity of the high-Andean communities. Therefore, we integrate ancestral practices into our genetic improvement programs, we also promote the use of Quechua in training sessions, and we support the development of local festivities that strengthen the social fabric.

4

Local Employment Opportunities

We prioritize hiring talent in the region itself, and to achieve this, we implement technical training programs and grant scholarships to young people who wish to develop within the textile value chain. In addition, we promote women’s entrepreneurship through weaving cooperatives and artisanal workshops that supply products to our business line.



We review these guidelines every year, integrating feedback from producers, local authorities, and other key stakeholders. This ensures that our community management remains aligned with the real needs of the territory. For us, doing business means working with respect, collaboration, and a long-term vision, where sustainable development is a shared objective.

OUR GOALS AND OBJECTIVES

We have set three concrete goals that guide our work with alpaca herding communities, which are outlined below:

RAS Audits

- ✓ The first is to **maintain and expand the RAS certification**: each year we undergo independent audits by Control Union and accompany herders so they can incorporate new best practices, with the purpose of increasing both the number of certified producers and the quality of the fiber they deliver.

Direct Purchase

- ✓ The second goal is to **consolidate a direct purchase system of 10,000 quintals annually**, through the establishment of fair and transparent prices that ensure decent incomes for families and strengthen our long-term relationship with them. As part of this strategy, by purchasing without intermediaries we guarantee traceability and create a commercial bond that reinvests value in the territory.

Fiber Revaluation

- ✓ We seek to **revalue alpaca fiber at its place of origin**. To achieve this, we continue to expand technical internship programs at Pacamarca, donate and commercialize superior genetic animals, and promote the widespread use of PacoKipu as one of the best tools for managing herd data and setting fair prices. With these actions, we ensure that fiber maintains its fineness, resilience, and homogeneity, attributes that translate into better market prices and international recognition for Andean alpaca fiber.



OUR ACHIEVEMENTS IN 2024

During 2024, we further strengthened our bond with high-Andean communities, achieving positive results in social, environmental, and productive areas, which we highlight below:



Certified **1,178 producers** under the RAS.



Received **three awards** at the Premios Creatividad Empresarial for Pacamarca's work.



Built a **greenhouse at 4,600 m.a.s.l.** in Parina and promoted local food security.



Donated **107 alpacas** of high genetic quality.



Delivered **325 kg of yarn** to family workshops.



Added **20 new users** to PacoKipu.



Participated in marathons, reforestation, and social campaigns such as Abrigando Corazones.



OUR FUTURE PROJECTS

With the goal of continuing to strengthen our relationship with high-Andean communities, we will promote initiatives aimed at generating well-being, productive development, and the preservation of ancestral knowledge. These actions are distributed across the following timeframes:

Short and medium term

- Donation and sale of animals to strengthen rural family economies.
- Donation of yarn to support communities in vulnerable situations.
- Increase in users of the PacoKipu software to improve traceability and local management.
- Construction of shepherd cabins as safe shelters that dignify their work.
- Development of bio-gardens to promote food security and sustainable land use.

Long term

- Improve alpaca fiber quality through sustainable livestock practices and technical assistance.
- Recover the natural color of alpaca fiber in the Andes, while revaluing its genetic and cultural diversity.



7.2

Social Programs and Community Well-being

Our most representative program has been the implementation and consolidation of the Responsible Alpaca Standard (RAS), aimed at strengthening relationships with alpaca herding communities and raising sustainability practices throughout the value chain. This initiative allowed us to align producers' expectations with international standards on animal welfare, environmental management, and social responsibility.

Among the main achievements are the donation of 305.25 kg of yarn to artisan workshops, the delivery of 107 alpacas to producers, the registration of 900 animals in our database, and the addition of 20 new users to the PacoKipu software. In addition, we built a greenhouse in Parina and welcomed 596 people in visits and internships at our Pacamarca center. At the same time, we joined efforts with our partner organization Intiraymi to increase community impact through campaigns such as Abrigando Corazones (clothing donations), reforestation programs, sports activities, and the celebration of Christmas for Children.



After a thorough evaluation, we can affirm that our operations have not generated significant negative impacts on local communities.

These actions reflect our ongoing commitment to the comprehensive development of the territory, combining productive support with high-impact social and environmental initiatives. Below, we present the details of our local community development programs:

Social Projects in 2024: Inca Tops Initiatives

Programs	Objectives	Scope and Beneficiaries
RAS	Achieve animal welfare, land management and health, as well as social well-being.	Alpaca herding communities
Donation of alpacas	Share high-quality genetic material.	> 800 families benefited
Donation of yarn	Support the recovery of artisan workshops.	> 100 families benefited
Greenhouse construction	Grow vegetables in alpaca herding areas to fight child malnutrition.	> 50 families
Visits and internships at Pacamarca	Share experiences of alpaca breeding and management.	596 people
«PacoKipu»: alpaca software	Manage and administer alpaca herds.	20 new families during 2024
«Abrigando Corazones»	Provide warm clothing to vulnerable people during the winter.	Local residents
Marathon	Promote health and physical well-being.	Local residents
Cycling event	Encourage physical activity and outdoor recreation, with a charitable purpose.	Local residents
Reforestation	Improve the environment and community quality of life through reforestation.	Local residents
Christmas for Children	Bring joy and gifts to vulnerable children during Christmas.	Local residents

We knew how to adapt our language and solutions to the local reality. Thus, instead of talking about “inbreeding,” we donated non-related animals and adjusted the training sessions to the educational level of each group.

We also listened to our Stakeholders: clients seek to donate directly, herders need quick incentives to register genealogies, and genetic improvement demands greater agility.

In this way, we strengthen our shared value model and reaffirm that Alpaca is a Lifestyle is about a living culture that connects high-Andean families with consumers around the world through a noble, traceable, and responsible fiber.



With our project **«The Shepherd's Cabin»** we seek to highlight the urgency of providing decent housing for alpaca herding families who live in remote areas at high altitudes. To this end, at Pacamarca we designed an ecological prototype built with local materials and incorporated heating, biodigesters for water and sewage, solar panels, double windows, and a small greenhouse with a guinea pig hutch. All this with the purpose of tangibly improving the quality of life of the alpaca herders of the highlands.

Each year, this project becomes the main prize of our “Lote del Inca” contest. Thus, the winner receives the cabin fully built and equipped on their own farm, which strengthens our commitment to recognize the effort of producers and to support them with solutions that endure over time.



7.3

Volunteering and Social Impact

| GRI 3-3 | GRI 203-1

In 2024, we managed our social investments in coordination with local authorities, and each action was designed to respond to the needs identified in the communities, without a predetermined budget. Constant dialogue was key to overcoming prioritization challenges and ensuring that our interventions generated real value. In this regard, our actions focused on strengthening the following:

- ✓ Basic infrastructure
- ✓ Education and training in high-Andean communities
- ✓ Sustainable productive development
- ✓ Environmental awareness

Highlighted Initiatives

Below, we present our four most relevant initiatives:

1.

Donation of alpacas:
economic empowerment of
local producers.

2.

**Internships at Pacamarca
and partnership with
Enseña Perú:** training of
youth and rural leaders.

3.

Ecological Patrol and ADEPIA:
environmental culture and
collective action.

4.

The Shepherd's Cabin:
safe and dignified infrastructure
for vulnerable communities.



Finally, the investments we made in 2024 generated mostly positive impacts in the communities and local economies with which we worked. In addition, we strengthened the economy of small producers, promoted the training of high-Andean youth leaders, fostered environmental commitment, and contributed to improving living conditions in vulnerable areas.

08

About this report

→ PAG. 127 - 136

At Inca Tops, we reaffirm our commitment to transparency and sustainability through the publication of our **2024 Sustainability Report**, the first in our history. In this document, we share with our stakeholders the main progress, lessons learned, and achievements reached in the environmental, social, and governance (ESG) areas during the period from January 1 to December 31, 2024.

This report has been prepared in accordance with the **Global Reporting Initiative (GRI) Standards**, 2021 version, and aligned with the United Nations **Sustainable Development Goals (SDGs)**, in order to address global environmental and social challenges.

The information presented has not been externally verified, but was reviewed and validated by the **General Management of Inca Tops**. In this way, it ensures its accuracy, integrity, and relevance.

For inquiries related to this report, you may contact us at:

 sales@incatops.com

More information is available at:

 www.incacops.com



8.1

GRI Content Index

Statement of use	INCA TOPS S.A. has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
General Disclosures							
General Disclosures	2-1	Organizational details	137	—			
	2-2	Entities included in the organization’s sustainability reporting	137	—			
	2-3	Reporting period, frequency and contact point	137	—			
	2-4	Restatements of information	128	—			
	2-5	External assurance	128	—			
	2-6	Activities, value chain and other business relationships	11, 13	—			
	2-7	Employees	99	—			
	2-8	Workers who are not employees	99	—			
	2-9	Governance structure and composition	45	—			
	2-10	Nomination and selection of the highest governance body	45	—			
	2-11	Chair of the highest governance body	45	—			
	2-12	Role of the highest governance body in overseeing the management of impacts	45	—			
	2-13	Delegation of responsibility for managing impacts	45				
	2-14	Role of the highest governance body in sustainability reporting	45	—			
	2-15	Conflicts of interest	46	—			

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
General Disclosures							
General Disclosures	2-16	Communication of critical concerns	45	—			
	2-17	Collective knowledge of the highest governance body	45	—			
	2-18	Evaluation of the performance of the highest governance body	45	—			
	2-19	Remuneration policies	50	—			
	2-20	Process to determine remuneration	50	—			
	2-21	Annual total compensation ratio	-	—	2-21	Confidentiality constraints	This is strategic information whose confidential nature responds to the need to preserve competitiveness in the sector. Nevertheless, we ensure the application of market standards to define compensation that is competitive and aligned with best market practices.
	2-22	Statement on sustainable development strategy	32	—			
	2-23	Policy commitments	49	—			
	2-24	Embedding policy commitments	49	—			
	2-25	Processes to remediate negative impacts	54	—			
	2-26	Mechanisms for seeking advice and raising concerns	60	—			
	2-27	Compliance with laws and regulations	54	—			
	2-28	Membership associations	29	—			
	2-29	Approach to stakeholder engagement	58	—			
	2-30	Collective bargaining agreements	115	—			
Ethics and anti-corruption							
GRI 205: Anti-corruption 2016	3-3	Management of material topics	51	16			
	GRI 205-1	Operations assessed for risks related to corruption	51	16			
	GRI 205-2	Communication and training about anti-corruption policies and procedures	51	16			
	GRI 205-3	Confirmed incidents of corruption and actions taken	51	16			

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
Ethics and anti-corruption							
GRI 206: Anti-competitive Behavior 2016	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	51	16			
Economic performance							
	3-3	Management of material topics	61	8, 9			
	GRI 201-1	Direct economic value generated and distributed	-	8, 9	Confidentiality constraints	This is strategic information whose confidential nature responds to the need to preserve competitiveness in the sector. Nevertheless, we ensure the application of solid financial standards, which allows us to maintain a competitive and sustainable economic performance throughout the year.	
Risk management and crisis handling							
GRI 3: Material Topics 2021	3-3	Management of material topics	55	9, 11, 13			
General Disclosures	2-25	Processes to remediate negative impacts	54	9, 11, 13			
This material topic does not have a specific GRI Standard associated	NO GRI	Risk management and crisis handling	55	—			
Promotion and positioning of natural fiber Tops and Yarn							
GRI 3: Temas materiales 2020	3-3	Management of material topics	22	—			
Este tema material no tiene Estándar GRI específico asociado	NO GRI	Promotion and positioning of natural fiber Tops and Yarn	22	—			
Operational efficiency and optimization							
GRI 3: Material Topics 2021	3-3	Management of material topics	71	—			
This material topic does not have a specific GRI Standard associated	NO GRI	Operational efficiency and optimization	71	—			

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
Strategic management for brand generation							
GRI 3: Material Topics 2021	3-3	Management of material topics	24	—			
This material topic does not have a specific GRI Standard associated	NO GRI	Strategic management for brand generation	24	—			
Quality management and exports							
GRI 3: Material Topics 2021	3-3	Management of material topics	17	—			
This material topic does not have a specific GRI Standard associated	NO GRI	Quality management and exports	17	—			
Supply chain management and internal traceability							
GRI 3: Material Topics 2021	3-3	Management of material topics	68	8, 12			
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	78	8, 12			
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1	New suppliers that were screened using environmental criteria	68	8, 12			
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	68	8, 12			
GRI 414: Supplier Social Assessment 2016	GRI 414-1	New suppliers that were screened using social criteria	68	8, 12			
	GRI 414-2	Negative social impacts in the supply chain and actions taken	68	8, 12			

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
Employment management and human capital well-being							
GRI 3: Material Topics 2021	3-3	Management of material topics	100, 111	8			
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	111	8			
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	111	8			
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee	100	8			
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	100	8			
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	100	8			
Occupational health and safety							
GRI 3: Material Topics 2021	3-3	Management of material topics	105	3, 8			
GRI 403: Occupational Health and Safety 2018	GRI 403-1	Occupational health and safety management system	105	3, 8			
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	105	3, 8			
	GRI 403-3	Occupational health services	105	3, 8			
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	105	3, 8			
	GRI 403-5	Worker training on occupational health and safety	105	3, 8			
	GRI 403-6	Promotion of worker health	105	3, 8			
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	105	3, 8			
	GRI 403-8	Workers covered by an occupational health and safety management system	105	3, 8			
	GRI 403-9	Work-related injuries	105	3, 8			
	GRI 403-10	Work-related ill health	105	3, 8			

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
Diversity, equity, and inclusion							
GRI 3: Material Topics 2021	3-3	Management of material topics	116	5, 10, 16			
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	116	5, 10, 16			
Regulatory compliance and sustainability certifications							
GRI 3: Material Topics 2021	3-3	Management of material topics	96	8, 16			
GRI 408: Child Labor 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	96	8, 16			
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	96	8, 16			
Sustainability in materials and packaging							
GRI 3: Material Topics 2021	3-3	Management of material topics	74	12, 15			
GRI 301: Materials 2016	GRI 301-1	Materials used by weight or volume	74	12, 15			
Climate change and carbon footprint reduction							
GRI 3: Material Topics 2021	3-3	Management of material topics	38, 80	7, 12, 13			
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization	38	7, 12, 14			
GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG emissions	80	7, 12, 16			
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	80	7, 12, 17			
	GRI 305-3	Other indirect (Scope 3) GHG emissions	80	7, 12, 18			
	GRI 305-5	Reduction of GHG emissions	80	—			

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
Water management							
GRI 3: Material Topics 2021	3-3	Management of material topics	83	6, 14, 15			
GRI 303: Water and Effluents 2018	GRI 303-1	Interactions with water as a shared resource	83	6, 14, 15			
	GRI 303-2	Management of water discharge-related impacts	83	6, 14, 15			
	GRI 303-3	Water withdrawal	83	6, 14, 15			
	GRI 303-4	Water discharge	83	6, 14, 15			
	GRI 303-5	Water consumption	83	6, 14, 15			
Waste management and circular economy							
GRI 3: Material Topics 2021	3-3	Management of material topics	86	12, 13, 15			
GRI 306: Waste 2020	GRI 306-1	Waste generation and significant waste-related impacts	86	12, 13, 15			
	GRI 306-2	Management of significant waste-related impacts	86	12, 13, 15			
	GRI 306-3	Waste generated	86	12, 13, 15			
	GRI 306-4	Waste diverted from disposal	86	12, 13, 15			
	GRI 306-5	Waste directed to disposal	86	12, 13, 15			
This material topic does not have a specific GRI Standard associated	NO GRI	Circular economy	86	12, 13, 15			
Biodiversity and ecosystem conservation							
GRI 3: Material Topics 2021	3-3	Management of material topics	92	14, 15			
GRI 304: Biodiversity 2016	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	92	14, 15			
	GRI 304-2	Significant impacts of activities, products and services on biodiversity	92	14, 15			
	GRI 304-3	Habitats protected or restored	92	—			

GRI Standard	GRI	Disclosure	Page	SDG	Omission		
					Omitted requirement	Reason	Explanation
Social value creation and work with alpaca farming families							
GRI 3: Material Topics 2021	3-3	Management of material topics	120	1, 8, 11, 17			
GRI 303: Water and Effluents 2018	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	120	1, 8, 11, 17			
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	120	1, 8, 11, 17			
Responsible marketing and commercial management							
GRI 3: Temas materiales 2020	3-3	Management of material topics	26	12, 16			
GRI 417: Marketing and Labeling 2016	GRI 417-1	Requirements for product and service information and labeling	26	12, 16			
	GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	26	12, 16			
	GRI 417-3	Incidents of non-compliance concerning marketing communications	26	12, 16			
Animal welfare							
GRI 3: Material Topics 2021	3-3	Management of material topics	64	—			
This material topic does not have a specific GRI Standard associated	NO GRI	Animal welfare	64	—			



Contact Information | GRI 2-1 | GRI 2-2

Main address: Av. Miguel Forga N.° 348, Parque Industrial, Arequipa, Perú

Other plants:

- Francisco La Rosa N.° 120, Parque Industrial, Arequipa, Perú
- Francisco Velazco N.° 126, Parque Industrial, Arequipa, Perú
- Irrigación Zamacola Sector G S/N, Cerro Colorado, Arequipa, Perú Carretera Llalli-Ocuviri, Llalli, Melgar, Puno, Perú

Telephone: (+51-54) 602500

Website: <https://www.incatops.com/>

Contact: sales@incatops.com

