INCA TOPS

SUSTAINABILITY REPORT 2025



www.incatops.com



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Alois Patthey
Presidente del Directorio
Inca Tops

Opening Letter from the Chairman of the Board

2025 marked a year of consolidation for Inca Tops in its mission to lead a more sustainable, innovative textile industry, closely connected to the development of the alpaca value chain. In an increasingly demanding global environment, both environmentally and socially, we reaffirmed our conviction that sustainability is not merely a corporate commitment, but a competitive advantage that fosters resilience, differentiation, and innovation.

During this period, we strengthened initiatives related to energy efficiency, water management, the circular economy, traceability, and animal welfare, integrating international standards and applied technology into our operations. These advances allowed us to consolidate the Zamácola Plant as an international benchmark in textile sustainability and responsible alpaca fiber processing.

One of the year's most significant achievements was the recognition received at the 2025 Business Creativity Awards in the category of "Environmental Impact – Innovation in Processes – Intermediate Products and Services," highlighting the comprehensive model implemented at the Zamácola Plant. This recognition particularly valued the integration of renewable energy, efficient water management, the utilization of by-products, traceability with alpaca-herding communities, and the development of unique qualities and shades within the industry.

The Zamácola Plant has established itself as the most sustainable alpaca processing plant in the world, integrating highly efficient industrial processes with a sustainability vision applied to the entire value chain. Key advancements include the use of over 1200 solar panels, the comprehensive treatment of 100% of industrial wastewater, the complete valorization of textile by-products, and the strengthening of traceability under the Responsible Alpaca Standard (RAS).

Furthermore, we continue to strengthen the Pacomarca model, promoting scientific research, genetic improvement and technology transfer to alpaca farming communities, contributing to the global positioning of alpaca as a sustainable and high-value-added fiber.

Looking ahead, we will continue to drive management aligned with global challenges and the expectations of our stakeholders, convinced that sustainable innovation will be the main driver of Inca Tops' responsible and competitive growth.

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ESG Highlights 2025

Every thread reflects our commitment to a more sustainable textile industry, driven by innovation and connected to people and the planet.

A year of progress creating value from origin to the world.



COMMUNITIES AND TRACEABILITY

905

CERTIFIED FAMILIES UNDER THE RESPONSIBLE ALPACA STANDARD (RAS)

Strengthening the alpaca value chain through sustainable management with families located in Puno, Cusco, Apurímac, and Huancavelica..



PACOMARCA: SCIENCE, GENETICS AND ANIMAL WELFARE

34

SCIENTIFIC PUBLICATIONS

Research and innovation applied to genetic improvement and animal welfare, contributing to the sustainability of alpaca fiber.



INTERNATIONAL CERTIFICATIONS

7

CERTIFICATIONS IN FORCE

Supporting a traceable, responsible, and sustainable value chain aligned with global standards.



SUSTAINABLE OPERATIONS

100%

INDUSTRIAL WASTEWATER TREATED

Treatment of all industrial wastewater through a specialized WWTP with a capacity exceeding 369 m^3 per day.



CIRCULAR ECONOMY AND EFFICIENCY

-54%

REDUCTION IN COMMERCIAL WASTE GENERATED

Consolidating a circular economy model that improves resource efficiency and reduces environmental impacts.



GLOBAL MARKET AND PERFORMANCE

+13%

SALES GROWTH IN 2025

Sustained growth driven by operational efficiency and environmental and social responsibility.

Driving the Energy Transition
We are advancing the energy transition through the use of natural gas, hydroelectric power, and more than

1,200 solar panels.





Recognition

2025 Business Creativity Awards

Environmental Impact – Innovation in Processes – Intermediate Products and Services

Recognition awarded to theZamácola Plant, positioning it as the world's most sustainable alpaca processing facility.

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01

Our Identity, Origins and Global Value Proposition

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1.1 Origin that transcends:
from Peru to the global market (GRI 2-1, 2-2, 2-6)

1.1.1 Our story

Inca Tops SA is a Peruvian company with more than 60 years of experience, specializing in the production and marketing of high-value natural-fiber yarns, mainly alpaca, vicuña, sheep and Pima cotton.

Since its beginnings in the city of Arequipa, the company has developed a business model focused on transforming natural fibers into differentiated products for international markets, integrating textile tradition, technical knowledge and innovation.

Throughout its evolution, Inca Tops has consolidated an approach where product quality, traceability, and operational efficiency are key elements of competitiveness. This model has allowed it to adapt to an increasingly demanding global environment, where the origin of materials, transparency, and sustainability are determining factors in value creation.

1.1.2 Corporate information (GRI 2-1, 2-2, 2-6)

Inca Tops develops its operation under a business approach focused on generating sustainable value, integrating economic, environmental and social criteria into its management.

Its corporate structure responds to a strategic vision: to ensure control of the value chain, guarantee product quality, and directly manage the impacts associated with its operation.

ASPECT	DETAIL
COMPANY NAME	Inca Tops S.A.
HEADQUARTERS	Av. Miguel Forga 348, Parque Industrial, Arequipa, Perú
LEGAL NATURE	Public Limited Company
MAIN ACTIVITY	Production, processing and marketing of textile fibers
ISIC	1311, 1313, 0150



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Mission, vision and values (GRI 2-23)

MISSION

To offer the world unique experiences through products of excellence, creativity and constant innovation, combining the best of modernity with respect and preservation of our ancient textile identity.

VISION

To maintain leadership in the manufacture and processing of natural fibers —especially alpaca fiber— by strengthening the value chain from origin to final customer, promoting sustainability, innovation, social responsibility and respect for the environment.

CORPORATE VALUES

Inca Tops' management is based on an organizational culture of integrity, responsibility, innovation, flexibility, respect, and teamwork. These values guide decision-making and align business performance with its ethical and sustainable commitments.

Ethical principles (GRI 2-23, 2-24, 2-26)

These guidelines are formalized in the Code of Conduct and Ethics, approved by the General Management, which establishes standards of behavior regarding integrity, transparency, respect for human rights and non-discrimination.

Its implementation extends to the entire organization and its relationships with stakeholders, promoting a culture of compliance, risk prevention and responsible management.

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1.1.3

Operational scope (GRI 2-2)

Inca Tops operates primarily from the city of Arequipa, with specialized industrial infrastructure that allows for the complete processing of natural fibers, from raw materials to finished product. It also has operations linked to its value chain in other locations, including high Andean regions such as Puno.

1.1.4

Main locations (GRI 2-1)

The company's operations are concentrated in southern Peru, which allows a direct connection with the high Andean fiber-production areas and facilitates the traceability of the supply.

LOCATION	ADRESS
AREQUIPA	Av. Miguel Forga N° 348, Parque Industrial
AREQUIPA	Francisco La Rosa N° 120
AREQUIPA	Francisco Velasco N° 126
AREQUIPA	Zamácola Irrigation, Cerro Colorado
PUNO	Ayaviri–Ocuviri Highway km 54, Llalli, Melgar, Puno



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1.1.5

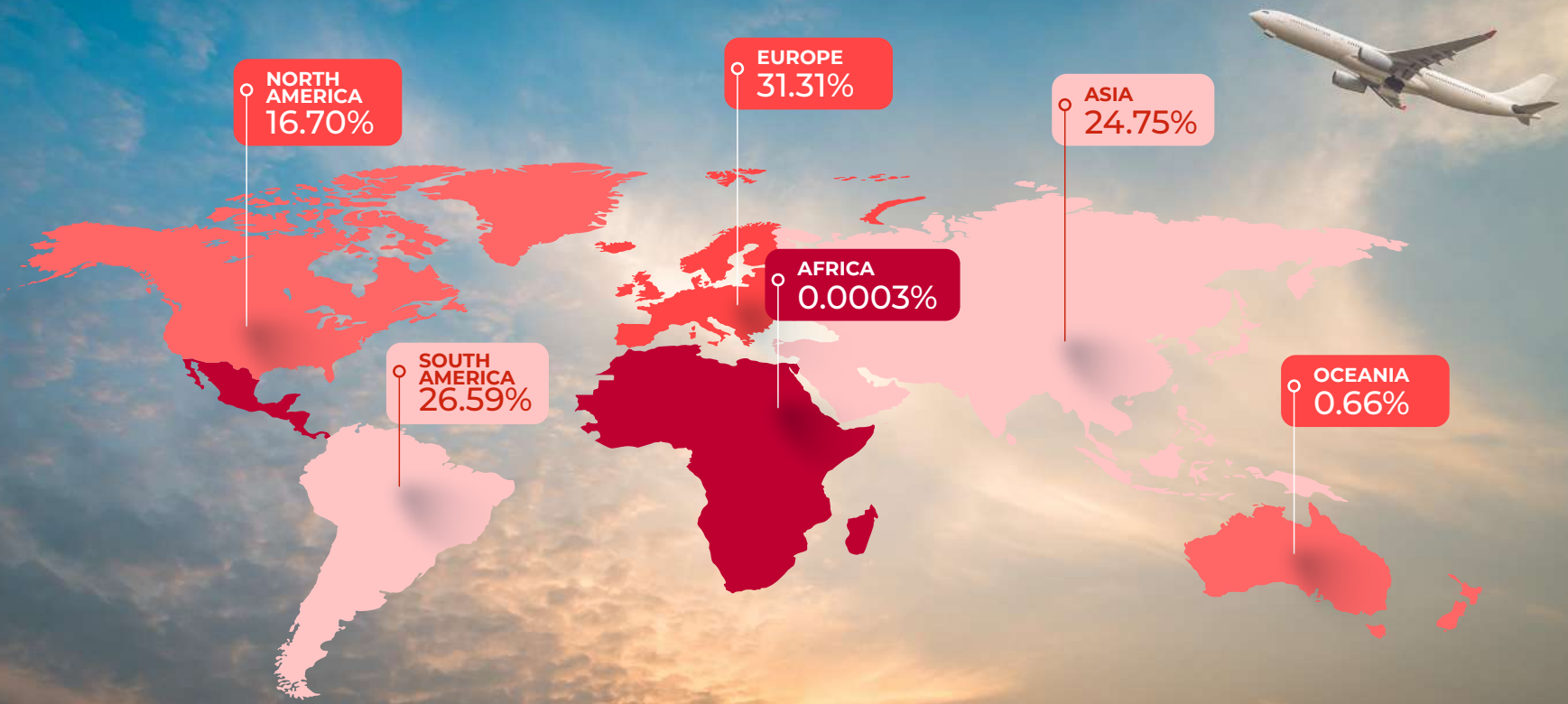
Presence in international markets (GRI 2-6)

Inca Tops maintains a consolidated presence in international markets, serving customers in America, Europe and Asia, with a focus on segments that value the quality, traceability and sustainability of natural fibers.

1.1.6

Sales distribution by region (2025) (GRI 201-1)

This distribution reflects a diversified business strategy, with a strong presence in Europe and South America, as well as sustained growth in Asia. Participation in these markets responds to the increasing demand for high-quality, sustainable textile products.



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1.2 Integrated value chain

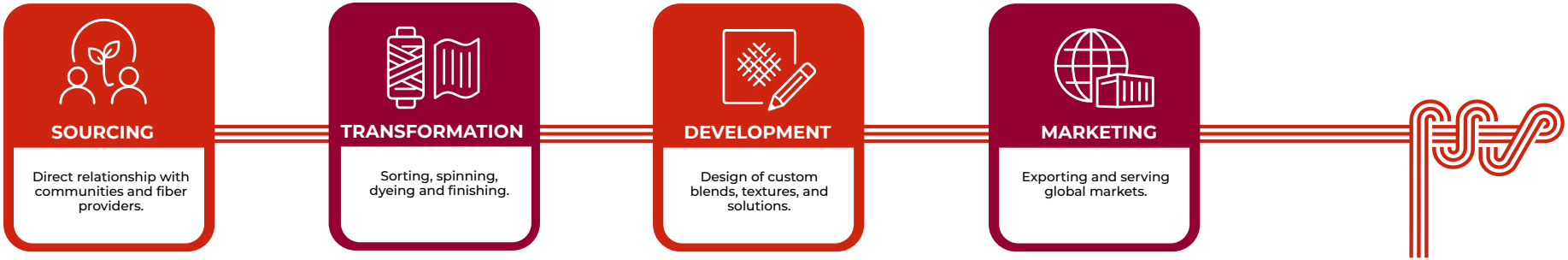
(GRI 2-6, 3-3)

Inca Tops' value chain encompasses everything from raw-material sourcing to the marketing of finished products in international markets. This integrated approach ensures traceability, quality, and sustainability at every stage of the process.



1.2.1

Value-chain structure



In the upstream stage, the company works directly with alpaca farming communities and certified suppliers, ensuring fiber quality and promoting sustainable practices. In the downstream stage, management focuses on delivering high-value-added products that meet international standards and specific customer requirements.

During 2025, no significant changes were recorded in the value-chain structure, maintaining operational continuity and strengthening efficiency, traceability and sustainability in each of its links.

1.2.2

Business model and value proposition (GRI 3-3)

Inca Tops' business model is based on the vertical integration of its production chain, which allows it to ensure standards of quality, efficiency and consistency.

This approach translates into a differentiated value proposition, where sustainability, traceability, and innovation become key attributes for competing in global markets.

In an environment where customers demand greater transparency and control over the origin of products, this integration is consolidated as a structural competitive advantage.

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1.3 Excellence in every fiber:
portfolio and differentiation (GRI 2-6, 301, 417)

1.3.1

A portfolio that reflects our essence

Inca Tops' portfolio comprises a wide range of tops and yarns made from high-value natural fibers, primarily alpaca, wool, and cotton, as well as blends with other fibers such as silk, linen, and bamboo. This diversity allows them to serve different market segments, from industrial applications to specialized textile developments.

The company focuses not only on fiber production, but also on developing customized solutions, working together with its customers to define compositions, textures, colors and finishes, allowing it to respond flexibly to global market trends.

1.3.2

Business lines and textile solutions



This comprehensive approach allows Inca Tops to position itself as a strategic partner in the textile industry, beyond just a raw-material supplier.



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1.3.3

Responsible materials management (GRI 301-1, 3-3)

Materials management at Inca Tops is based on a sustainability and efficiency approach, prioritizing the use of certified raw materials, reducing the use of virgin materials, and incorporating recycled alternatives.

During 2025, efforts have continued to reduce the use of virgin raw materials, especially through the incorporation of recycled fibers such as recycled nylon, as well as the constant search for new certified materials that allow for a more circular production.

Furthermore, the company maintains rigorous supplier selection and evaluation processes, ensuring that the materials used meet quality, sustainability and traceability standards.

1.3.4

Innovation in materials and sustainable development (GRI 301-1, 3-3)

Innovation in materials is a strategic focus aimed at improving product performance and optimizing the use of resources.

This approach promotes the progressive incorporation of more efficient solutions, aligned with principles of sustainability and circular economy.

INITIATIVE	Reduction of virgin raw material	Supplier evaluation	Development of new materials	Continuous improvement
APROACH	Use of recycled materials	Selection based on sustainable criteria	Innovation in sustainable fibers	Optimization of selection processes



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1.4 Responsible marketing and transparency in labeling

(GRI 417-1, 417-2, 417-3)

Marketing at Inca Tops plays a strategic role in communicating key attributes such as sustainability, traceability, and the responsible origin of its products.

During 2025, the company strengthened its positioning through its participation in international trade fairs such as Pitti Filati, Filo Fusion and specialized industry events, consolidating its presence in key markets.

Furthermore, in 2025, Inca Tops was recognized at the Business Creativity Awards for its sustainability model applied to the alpaca value chain, highlighting the integration of traceability, animal welfare, innovation, and sustainability into its operations. This recognition solidified the Zamácola Plant as an international benchmark in sustainable textile production, positioning it as the most sustainable alpaca plant in the world.

Key attributes highlighted include efficient resource management, enhanced traceability from the source, integration of international standards such as RAS, NATIVA, and OEKO-TEX®, and the circular economy and energy transition initiatives implemented during the period. The absence of non-compliance in labeling and commercial communication reflects the strength of its internal processes and its alignment with international standards.

1.4.1

Information included in the labeling

PRODUCT COMPOSITION

Yes, detailed in labels.

SAFE USE OF THE PRODUCT

Yes, with specific instructions.

ENVIRONMENTAL/ SOCIAL IMPACT

Applicable to informational content.

PRODUCT DISPOSAL

Not currently applicable.

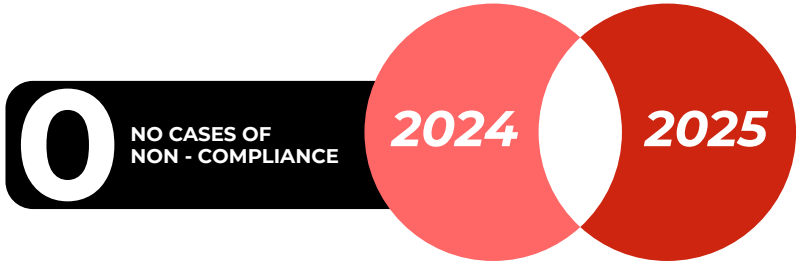
100% of Inca Tops products are evaluated and labeled according to internal guidelines, external certifications and customer requirements, ensuring traceability and transparency in the information provided.

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1.4.2

Regulatory compliance in labeling and marketing

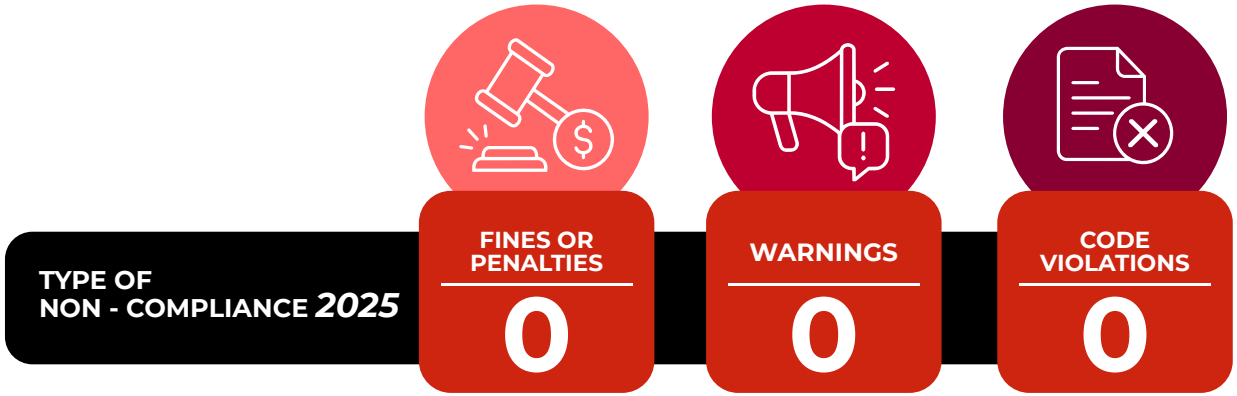
During 2024 and 2025, no cases of non-compliance related to regulations or voluntary codes regarding product labeling or marketing communications were recorded.



1.4.3

Cases of non-compliance

This result reflects the strength of the internal processes for controlling and validating information before its dissemination.



1.4.4

Marketing strategy with a focus on sustainability

During 2025, Inca Tops consolidated its marketing strategy as a key tool to communicate its value proposition, integrating sustainability, traceability and innovation criteria into its messages.

The company has strengthened its digital presence through strategies focused on search engine optimization, the creation of specialized content, and campaigns targeting international markets. Furthermore, it has reinforced its participation in industry trade shows and events, consolidating its position in premium segments.

Among the main milestones of the year, the participation in international fairs such as Pitti Filati and Milano Unica stands out, as well as its presence in initiatives linked to sustainability, where advances in traceability, textile innovation and product development have been presented.



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1.4.5

Management indicators in marketing

LEAD GENERATION	WEBSITE POSITIONING	COMMERCIAL CONVERSION	INTERNATIONAL PRESENCE
Digital strategies	*SEO and content*	*Digital campaigns*	*Fairs and events*

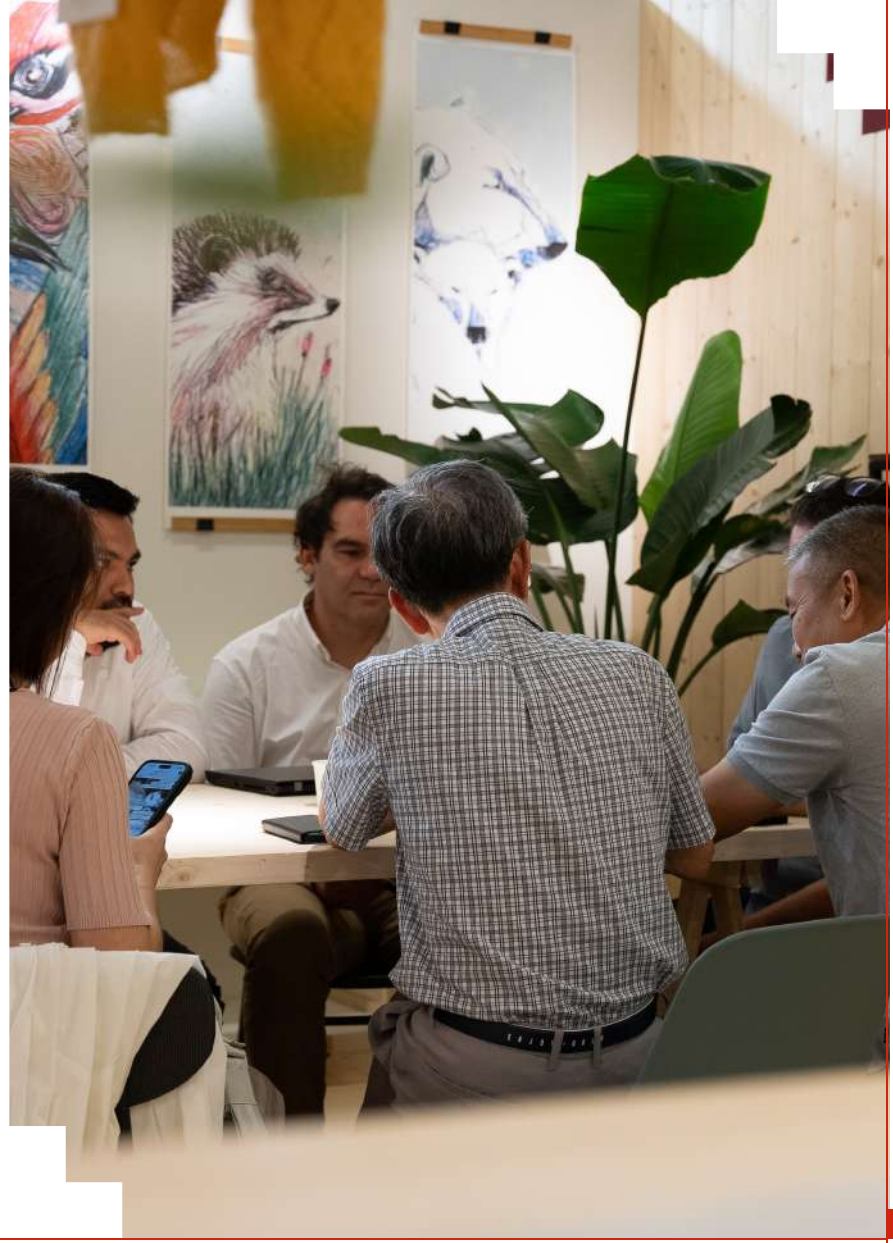
These indicators allow us to evaluate the effectiveness of marketing actions and their contribution to business growth.

1.4.6

Relationship with stakeholders in marketing

Interaction with stakeholders, such as customers, strategic partners, and industry players, performs a key role in defining communication strategies.

Through international trade shows, digital campaigns, and networking opportunities, the company gathers relevant information that allows it to tailor its messaging to market expectations. This feedback helps strengthen its position as a transparent, innovative company committed to sustainability.



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1.5 Global positioning: leadership in alpaca fibers

(GRI 201-1)

Inca Tops' positioning reflects its ability to integrate quality, sustainability, and traceability into a consistent value proposition.

During 2025, the company consolidated its international presence, maintaining a relevant share in the export of alpaca fiber and strengthening its recognition in the global market.

1.5.1

A proposal that transcends the product

Inca Tops is part of the textile industry specializing in high-value natural fibers, participating in a global chain focused on demanding segments such as premium fashion, sustainable design and specialized textile manufacturing.

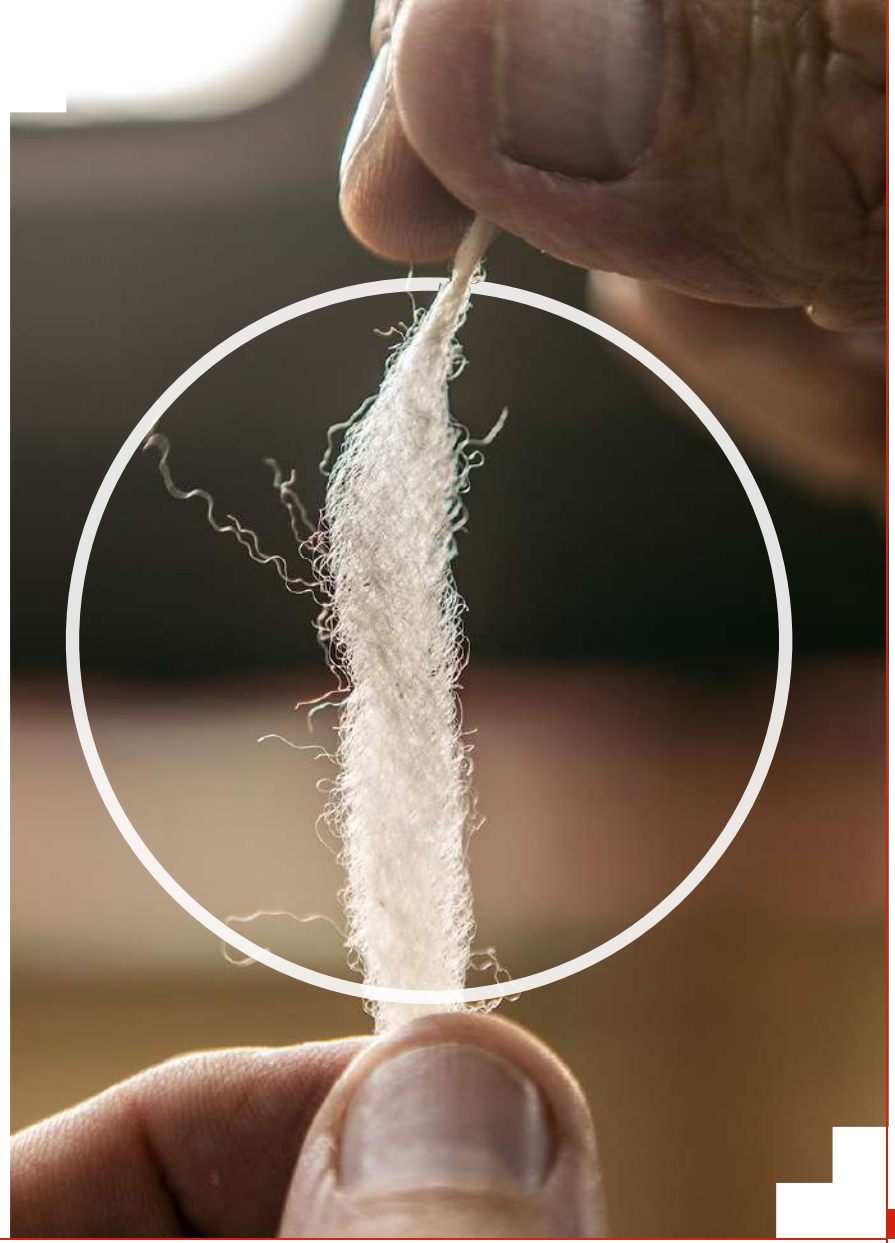
Throughout its history, the company has evolved towards a model focused on generating added value, integrating innovation, sustainability, and control of its production chain. This approach has allowed it to consolidate a significant presence in international markets, standing out for its ability to adapt to global trends and its specialization in natural fibers, particularly alpaca.

In a competitive environment where traditional producers and new players focused on alternative materials converge, Inca Tops maintains a competitive advantage based on the traceability of its value chain, quality assurance from the origin and a comprehensive approach to sustainability.

1.5.2

Participation in international markets

The company has a consolidated commercial presence globally, serving customers in America, Europe and Asia, with a diversification that allows it to mitigate risks and adapt to the dynamics of the international market.



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1.5.2.1

Segments and customers

From a market perspective, Inca Tops concentrates on supplying customers who prioritize quality, consistency, and compliance with environmental and social standards. Its principal customers include those working with acclaimed brands, manufacturers, and others who operate in the textile industry's premium segments.

1.5.2.2

Segments served

SEGMENT	PREMIUM FASHION	SPECIALIZED TEXTILE INDUSTRY	SUSTAINABLE BRANDS	INDUSTRIAL COSTUMERS
CHARACTERISTICS	High quality, design and sustainability	Technical and differentiated production	Traceability and ESG compliance	Consistency and efficiency

This approach allows the company to position itself as a strategic partner, capable of supporting its customers in the development of products aligned with global trends.



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1.6 Commercial strategy and brand development

(NO GRI)

During 2025, Inca Tops strengthened its commercial strategy through the expansion of digital channels, brand positioning, and active participation in international textile industry trade fairs.

Key milestones include:

- Participation in international fairs such as Pitti Filati and Milano Unica.
- Development of digital strategies focused on lead generation and global positioning.
- Implementation of digital marketing tools to improve commercial conversion.
- Strengthening presence in international markets through specialized campaigns.

These actions helped consolidate the brand's visibility and strengthen its positioning in strategic markets.



1.6.1 Supplier relations and responsible sourcing

Supply management at Inca Tops is based on long-term relationships with suppliers, prioritizing criteria of quality, sustainability and compliance with international standards.

The company works in close collaboration with supplier communities, especially in the alpaca value chain, promoting responsible practices, capacity building, and traceability from the source.

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1.6.2

Enfoque de abastecimiento



SUPPLIER SELECTION

Technical assessment and sustainability

BUSINESS RELATIONSHIP

Long-term

TRACEABILITY

Control from source

SUPPLIER DEVELOPMENT

Capacity building

This approach helps to ensure the quality of th final product and to generate shared value in the supply chain.

1.6.3

Competitiveness and differentiation

Inca Tops' positioning in the global market is based on a combination of factors that allow it to differentiate itself within the industry:



Vertical integration of the value chain

Specialization in premium natural fibers

Innovation in product development

Focus on sustainability and traceability

Direct relationship with supplier communities

These elements allow the company to maintain a sustainable competitive advantage over time, consolidating itself as a relevant player in the global textile industry.

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1.7 Standards that support us: certifications and recognitions

(GRI 2-28)

1.7.1

Commitment to international standards

Inca Tops' commitment to sustainability, quality, and transparency is supported by the adoption of international standards and certifications that validate its production processes, materials, and organizational management.

These certifications not only guarantee compliance with technical requirements, but also reflect the integration of environmental, social, and governance (ESG) criteria throughout the operation. They also assure customers and stakeholders that products meet high standards of traceability, chemical safety, animal welfare, and social responsibility.



1.7.2

Principales certificaciones

CERTIFICATION	SCOPE	APROACH
OEKO TEX® STANDARD 100	*Textile products*	*Harmful substances*
OEKO TEX® STeP	*Production processes*	*Sustainable production*
GLOBAL ORGANIC TEXTILE STANDARD · GOTS ·	*Organic products*	*Organic textile chain*
RAS · RWS · RMS	*Natural fibers*	*Animal welfare*
NATIVA PRECIOUS FIBER	*Alpaca fiber*	*Traceability an sustainability*

These certifications cover both the product and the processes, allowing for comprehensive sustainability management throughout the value chain.

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1.7.3

Certifications as the cornerstone of traceability

The implementation of certifications has allowed Inca Tops to strengthen control of its supply chain, ensuring traceability from the origin of the fiber to the final product.

In this sense, standards such as GOTS and NATIVA guarantee the responsible origin of raw materials, while certifications such as OEKO-TEX® Standard 100 ensure the safety of textile products for the end consumer.

For its part, OEKO-TEX® STeP allows the evaluation of the performance of production facilities under environmental and social criteria, including the efficient use of resources, the management of chemicals and working conditions.

1.7.4

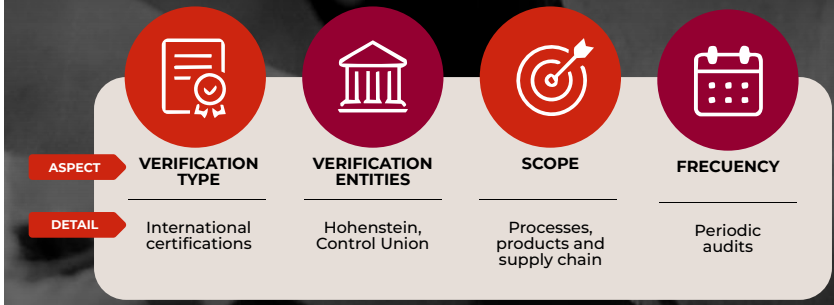
Audit and verification processes

During 2025, Inca Tops has been subjected to external audit processes associated with its certifications, which have been carried out by independent entities such as Hohenstein and Control Union.

The scope of audits depends on the particular certification, including:

- *Evaluation of production processes unde sustainability criteria (STeP)*
- *Organic product verification (GOTS)*
- *Validation of traceability and sustainability standards (NATIVA, RAF)*

1.7.4.1 External verification



1.7.4.2 Internal management and compliance control

The management of certifications at Inca Tops is integrated into its management system, which includes internal review processes, information validation, and indicator monitoring.

The reported information is collected from different areas of the organization and subjected to validation processes before its inclusion in the sustainability report, ensuring its consistency, traceability and reliability.

Furthermore, the company's policies and guidelines are reviewed periodically to ensure their alignment with international standards, current regulations, and sustainability commitments.

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1.8 Associated policies and guidelines

(GRI 2-23, 2-24, 2-27)

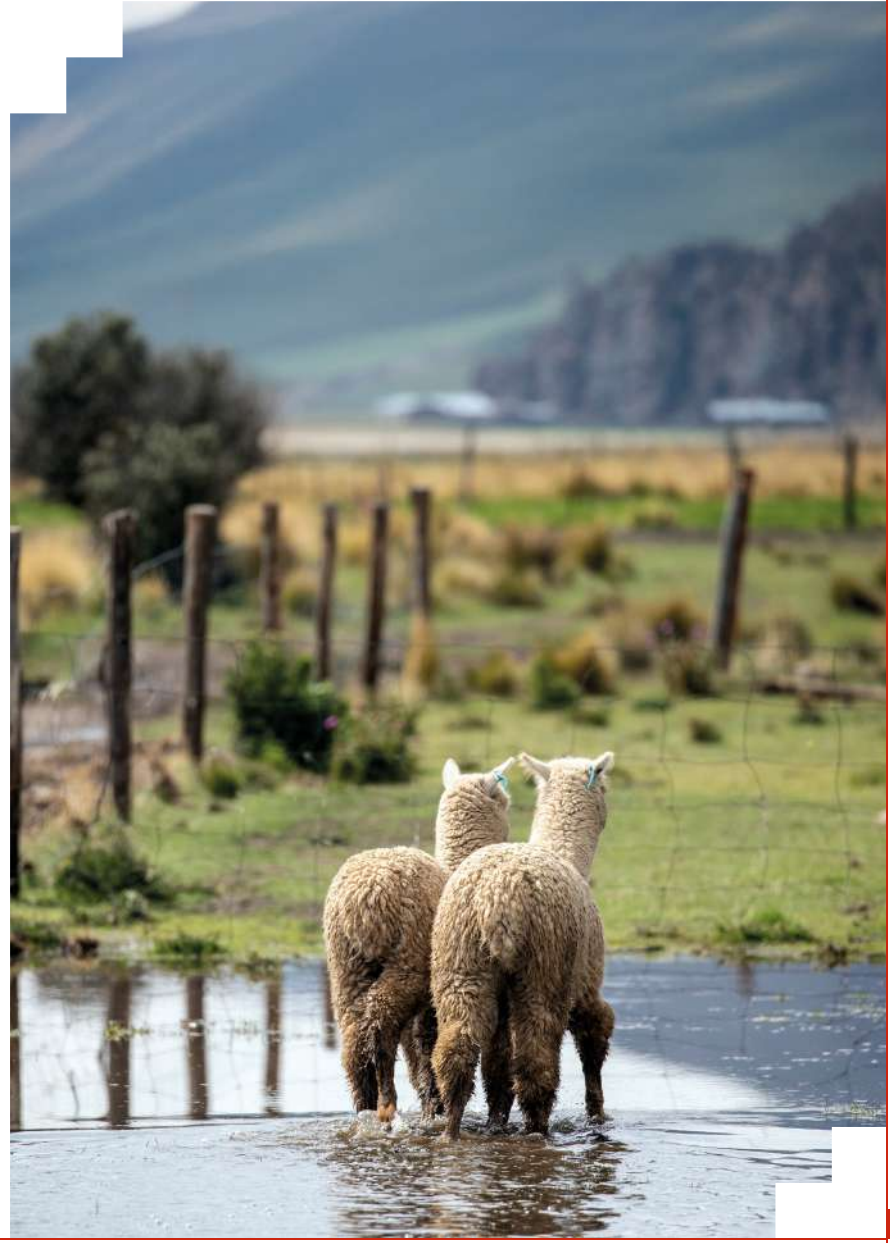
Inca Tops has an Integrated Management Policy that covers the areas of quality, environment, safety and occupational health, complemented by specific policies that reinforce its focus on sustainability.

1.8.1

Main policies

- Sustainability Policy
- Alcohol and Drug Policy
- Information Security Policy
- Human Rights Policy
- Supply-Chain Control and Security Policy
- Cell phone usage policy

These policies are approved by the General Management, as the highest executive body, and are communicated to stakeholders through training, induction processes and internal communication channels.



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1.8.2

Commitments and due diligence

Inca Tops' policies and guidelines are aligned with international standards and frameworks in sustainability, strengthening its focus on ethics, compliance and corporate responsibility.

During 2025, the company has continued to implement due diligence processes aimed at identifying, preventing and mitigating environmental, social and operational risks.

1.8.2.1

Due diligence approach

RISK ASSESSMENT	INTERNAL AUDITS	CORRECTIVE ACTIONS	INDICATORS
Operational, environmental and social	Monitoring and control	Continuous improvement	Performance monitoring

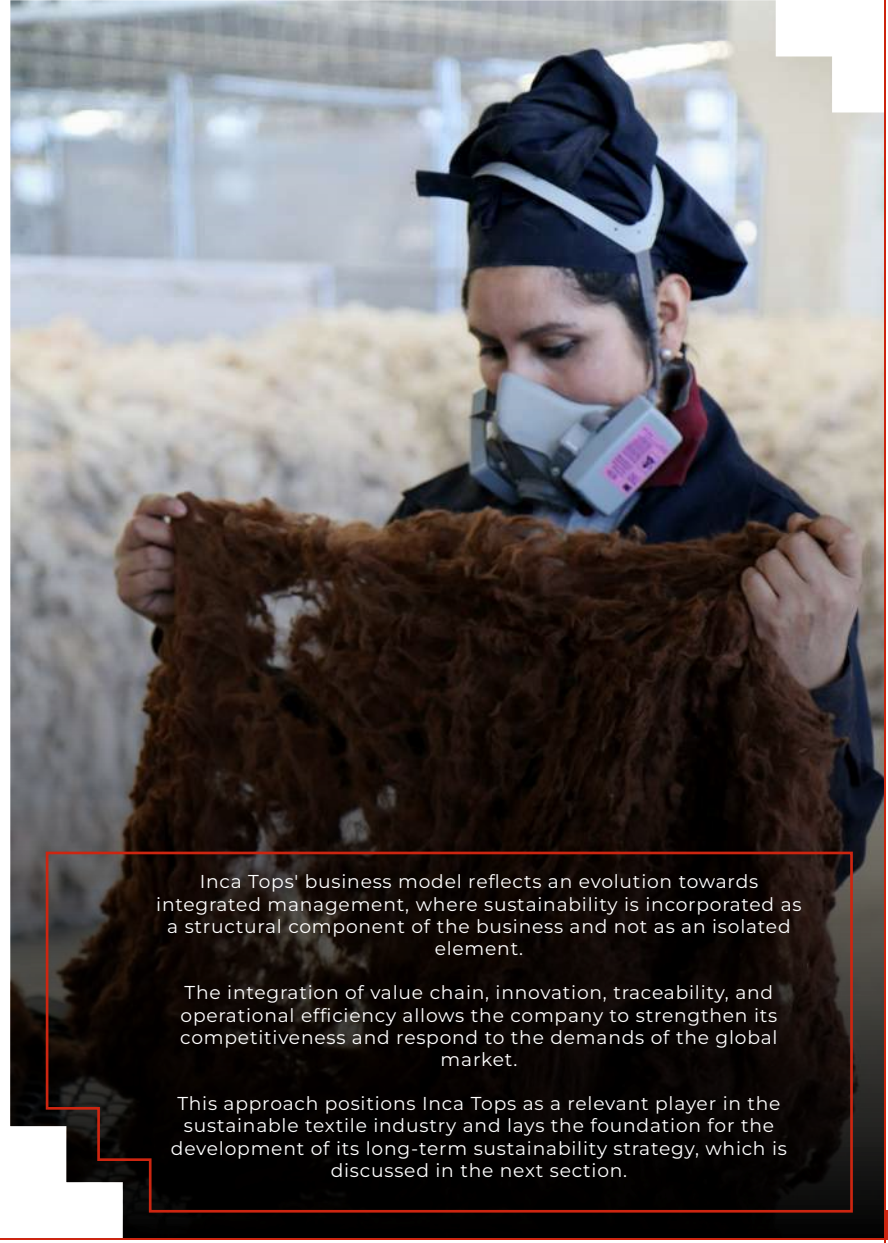
Furthermore, the commitment to human rights is formalized in the Code of Ethics and Conduct, which establishes principles such as non-discrimination, respect, integrity and ethical conduct in all operations.

1.8.2.2

Transparency and communication

The certifications and standards adopted by Inca Tops not only strengthen its internal management, but also allow it to communicate its performance transparently to customers, business partners and other stakeholders.

This approach helps to consolidate trust in the brand and position the company as a benchmark in sustainability within the textile industry, responding to the growing demands of the global market in terms of traceability, compliance and responsibility.



Inca Tops' business model reflects an evolution towards integrated management, where sustainability is incorporated as a structural component of the business and not as an isolated element.

The integration of value chain, innovation, traceability, and operational efficiency allows the company to strengthen its competitiveness and respond to the demands of the global market.

This approach positions Inca Tops as a relevant player in the sustainable textile industry and lays the foundation for the development of its long-term sustainability strategy, which is discussed in the next section.

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02

Vision 2030: Weaving the Sustainable Future

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Our strategy and commitments for purposeful growth

At Inca Tops, sustainability has evolved from a complementary approach to a central strategic axis which guides decision-making and the long-term evolution of the business. With a vision for 2030, the company integrates operational efficiency, innovation, the circular economy, and the energy transition as key enablers to strengthen its competitiveness and to manage its impacts responsibly.

This approach allows progress towards a management model where sustainability not only responds to environmental demands, but is positioned as an engine for generating economic, environmental and social value, aligned with international standards and the expectations of its stakeholders.

2.1 Our purpose: what drives us

(GRI 2-22, 2-23)

Inca Tops' purpose is built on integrating its textile heritage with a vision of innovation and sustainability, orienting its operations towards generating shared value throughout its entire chain.
Beyond yarn production, the company promotes a responsible textile industry, where traceability, resource efficiency and continuous improvement become structural elements of the business.
This purpose translates into a management based on four interconnected strategic pillars: valuing tradition, innovation applied to processes, integrating ESG criteria, and generating a positive impact on its environment.
Our purpose is embodied in the following strategic pillars:

Tradition	Valuation of natural fibers and textile knowledge
Innovation	Process optimization and materials development
Sustainability	IIntegration of ESG criteria into management
Impact	Responsible relationship with communities and environment

Purpose ceases to be declarative and becomes operational, aligning organizational culture, investment decisions, and sustainable performance.

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2.2 Global commitment: contribution to the SDGs

(GRI 2-22, 2-23)

As part of its strategic approach, Inca Tops aligns its management with the Sustainable Development Goals (SDGs), prioritizing those where its operation has the greatest capacity to make an impact.

This alignment allows internal management to be connected with global challenges, ensuring consistency between business growth and its contribution to sustainable development.

2.2.1

Contribution to the prioritized SDGs

During 2025, this alignment materialized in concrete initiatives linked to water efficiency, energy transition, talent development and circular resource management, demonstrating a progressive integration of the SDGs into operations.

Insight: The SDGs are not approached as a conceptual framework, but as a practical guide to orient investments, operational priorities, and impact measurement.

Los ODS no se abordan como un marco conceptual, sino como una guía práctica para orientar inversiones, prioridades operativas y medición de impactos.

SDGs	GOAL INVOLVED	CONTRIBUTION
	Efficient use and treatment of water	Actions for the efficient management of water resources have been strengthened, ensuring the continuous operation of the wastewater treatment plant (WWTP). Monitoring of water consumption per kilogram of processed fiber and optimization of dyeing processes are ongoing, prioritizing the use of certified inputs. Discharges remain within current environmental parameters.
	Key goal: Energy efficiency and transition to renewable energy	During 2025, energy efficiency measures were strengthened through continuous monitoring of consumption per unit of production. The use of natural gas was reinforced as a replacement for more polluting fuels, and the use of efficient equipment and LED lighting systems increased. Furthermore, carbon footprint measurement continues to be used as a key climate-management tool.
	Safe working conditions and professional development	Safe working conditions are maintained, in accordance with occupational health and safety guidelines. Sustainability and safety training programs, as well as employee well-being initiatives, have been strengthened. The company continues to promote equity, diversity, and formal employment in its operations.
	Modernization and sustainable processes	Innovation in production processes continues to be promoted, aimed at reducing environmental impacts, especially through minimizing textile waste and improving operational efficiency.
	Waste reduction and sustainable consumption	Circular economy practices were strengthened, promoting the reuse of textile waste within the production process. International certifications supporting the responsible management of inputs and processes are maintained. Traceability and transparency throughout the value chain are also guaranteed, in response to the demands of sustainable markets..

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2.3 Listening to What Matters Most: materiality analysis

((GRI 3-1, 3-2)

Inca Tops maintains as its basis the materiality analysis developed in 2024, which continues to be valid as a guide for strategic sustainability management.

This analysis identifies priority topics considering the impact on the business and the expectations of stakeholders, allowing efforts to be focused on the most relevant aspects.

2.3.1

Priority material topics

During 2025, management focused on deepening these topics through concrete operational improvements, especially in resource efficiency, environmental control and compliance with international standards.

WATER AND EFFLUENTS
Efficient water use and control of discharges

ENERGY AND EMISSIONS
Optimization and impact reduction

WASTE MANAGEMENT
Valorization and circular economy

OPERATIONAL EFFICIENCY
Continuous process improvement

REGULATORY COMPLIANCE
International certifications and standards

During 2025, the materiality assessment carried out in 2024 remained in effect. Its relevance was validated through an internal review of emerging regulatory trends, customer expectations, and the organization's strategic priorities.







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2.4 Innovation that transforms: circularity and efficiency

(GRI 3-3, 301, 306)

Innovation at Inca Tops is geared towards improving operational performance through the efficient use of resources and the reduction of impacts, consolidating a production model based on circular-economy principles.

During 2025, the company strengthened its management by improving source segregation, increasing waste traceability, and coordinating with authorized operators, prioritizing recovery over final disposal.

2.4.1

Circular-economy approach

STAGE	APLICATION IN INCA TOPS
Prevention	*Optimization of production processes*
Reduction	*Reduction in waste generation*
Reuse	*Internal reuse*
Valorization	*Management with authorized EO-RS*
Final disposition	*Controlled alternative*

2.4.2

Waste Management 2025

Waste management during 2025 was developed under a total- traceability approach, ensuring that all waste is managed in accordance with current regulations and internal standards.

WASTE CATEGORY	WASTE GENERATED 2025			
	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 waste	58.89461	61.689	19.00592	118.339
hazardous waste	4.56	2.65	0	4.49
Total waste generated				269.62853

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2.4.3

Valorization initiatives

During 2025, waste valorization was consolidated as a key axis of environmental management, highlighting the articulation with specialized programs and the improvement in segregation, which allowed for optimizing traceability and reducing final disposal.

INITIATIVE	RESULT
ANIQUEM Program	3.2 metric tons recycled
Source segregation	Improvement in traceability
External management	100% with authorized operators

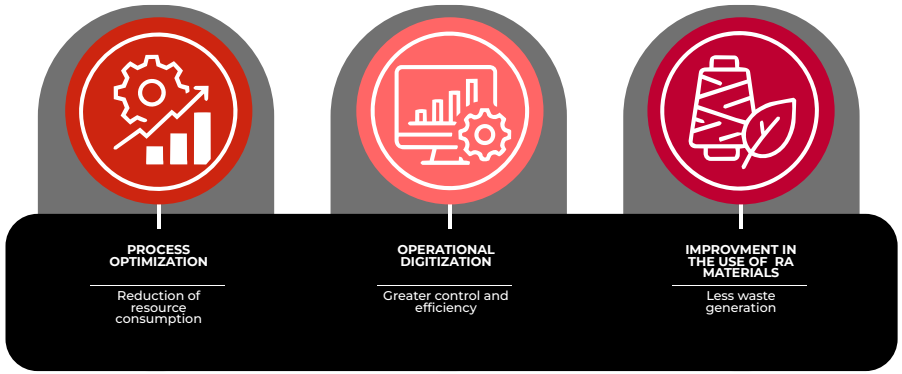
The circular economy is no longer an isolated initiative but is integrated as an operational component that improves efficiency, reduces costs, and minimizes impacts.



2.5 Operational efficiency as an enabler

Operational efficiency is positioned as a cross-cutting element in Inca Tops' sustainability strategy, allowing for the optimization of resource use, improved productivity, and reduced environmental impacts.

During 2025, the company consolidated improvements in processes, digitization and use of raw materials, strengthening its responsiveness to a competitive and demanding environment.



Operational efficiency not only improves economic performance, but also acts as the main driver of sustainability within the production model.

2.5.1

Energy for change: transition to renewable sources (GRI 302, 305)

Energy management at Inca Tops is aimed at continuous improvement in energy efficiency and the reduction of greenhouse-gas emissions.

During 2025, actions such as the use of natural gas, the implementation of solar energy, and the incorporation of more efficient technologies were consolidated.

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2.5.2

Energy consumption
2025 Inca Tops energy consumption (kWh)

Energy consumption from non-renewable sources	19,589,034
LPG consumption	327,503
Diesel consumption	20,800
Natural gas consumption	19,240,731
SUBTOTAL	19,589,034
Energy consumption of the different types of energy purchased	65,956,369
Electricity consumption	10,063,859
Steam consumption	55,892,510
SUBTOTAL	65,956,369
Total energy consumption	85,545,403

2.5.3

GHG emissions 2025 (metric tons CO2 eq.)

Emissions measurement is carried out using recognized methodologies, allowing the organization to manage and monitor its environmental performance.

	Plant 1 (*)	Plant 2 (*)	Plant 3 (*)	Plant 4 (*)
Total emissions Scopes 1, 2 and 3 (metric tons CO2 eq.)	2,960.60	1,327.63	26.33	2,074.53

(*) The calculation was performed internally; an external certification entity was not hired for verification.

(**) The calculation of personnel emissions for home-to-work transport has been carried out with a factor calculated based on the results of the Zamacola plant CF Calculator; emissions from business trips are not being included for plants 1, 2 and 3.



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2.6 How the strategy translates into results 2025

Inca Tops' sustainability strategy for 2025 has materialized into concrete results at the operational level, demonstrating the effective integration between strategic planning and execution.

In the environmental sphere, water management was consolidated as a key component of operational efficiency, reflected in the strengthening of process monitoring and the optimization of the Wastewater Treatment Plant's (WWTP) performance. This approach ensured regulatory compliance and improved control over one of the operation's most critical resources.

In addition, the circular economy strategy resulted in a significant reduction in waste generation, as well as an increase in waste recovery. Improvements in source separation, increased traceability, and collaboration with strategic partners demonstrate a progressive transition toward a more efficient and circular production model.

On the climate front, actions focused on energy efficiency and process optimization have strengthened emissions management, with notable progress in reducing the carbon footprint in specific operating units. These improvements reflect a gradual transition toward operations which are less carbon-intensive.

At the social and organizational level, the strategy materialized in strengthening talent, consolidating a preventive safety culture, and developing capabilities across the value chain, particularly in supplier communities. This approach directly contributes to operational resilience and long-term business sustainability.

Taken together, these results show that sustainability at Inca Tops is not limited to strategic guidelines, but translates into tangible operational improvements, strengthening competitiveness and value creation in all dimensions of the business.



Inca Tops' Vision 2030 consolidates a management model where sustainability ceases to be a complementary axis to become a structural component of the business, integrating operational efficiency, innovation and responsible resource management throughout the value chain.

During 2025, this strategy has translated into concrete progress, reflected in the optimization of resource use, the strengthening of the circular economy, improvements in energy management, and enhanced environmental control of operations. These results demonstrate a consistent evolution toward a more efficient and resilient model, aligned with the demands of the global market.

Beyond environmental performance, this approach allows for the consolidation of a shared-value-generation logic, where sustainability drives competitiveness, strengthens adaptability, and improves strategic decision-making.

In this context, Vision 2030 not only defines a long-term aspiration, but also establishes a clear and measurable roadmap that guides the integrated management of economic, environmental and social impacts, and which is explored in more detail in the following sections of this report.

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How do we ensure ethical, transparent and sustainable management?

At Inca Tops, sustainability is built into the way decisions are made. Corporate governance aligns business strategy with compliance, risk management, and stakeholder relations, ensuring consistency between economic growth and environmental and social responsibility.

In line with its 2030 Vision, the company has consolidated a governance model that integrates ESG criteria at all decision-making levels, strengthening transparency, traceability, and long-term trust. This approach allows the company not only to meet international standards such as GRI, but also to anticipate risks, optimize management, and maintain competitiveness in global markets.

3.1 Structure that leads: corporate governance

(GRI 2-9, 2-10, 2-2, 2-13)

Inca Tops' corporate governance structure is based on a clear definition of roles and responsibilities that ensure management aligned with the business strategy and sustainability principles.

The Board of Directors exercises the highest supervisory function, guiding business strategy and incorporating ESG criteria into decision-making. Its composition combines business experience, industry knowledge, and strategic vision, strengthening management and control capabilities.

At the executive level, management is structured through departments and leadership teams responsible for implementing the strategic guidelines defined by the Board of Directors throughout the entire value chain. This organizational structure allows for integrated coordination of the company's various areas, strengthening operational efficiency, risk oversight, compliance, and the cross-cutting integration of ESG criteria into management. During 2025, the company further strengthened the integration of sustainability into decision-making processes, consolidating a governance model focused on generating sustainable value and aligning operational performance, compliance, and strategy.

Looking ahead, the organization will continue to move towards greater integration of digital tools and ESG metrics in decision-making, strengthening information traceability and management capabilities at the corporate level.

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Directory Structure 2025 (GRI 2-9, 2-10)

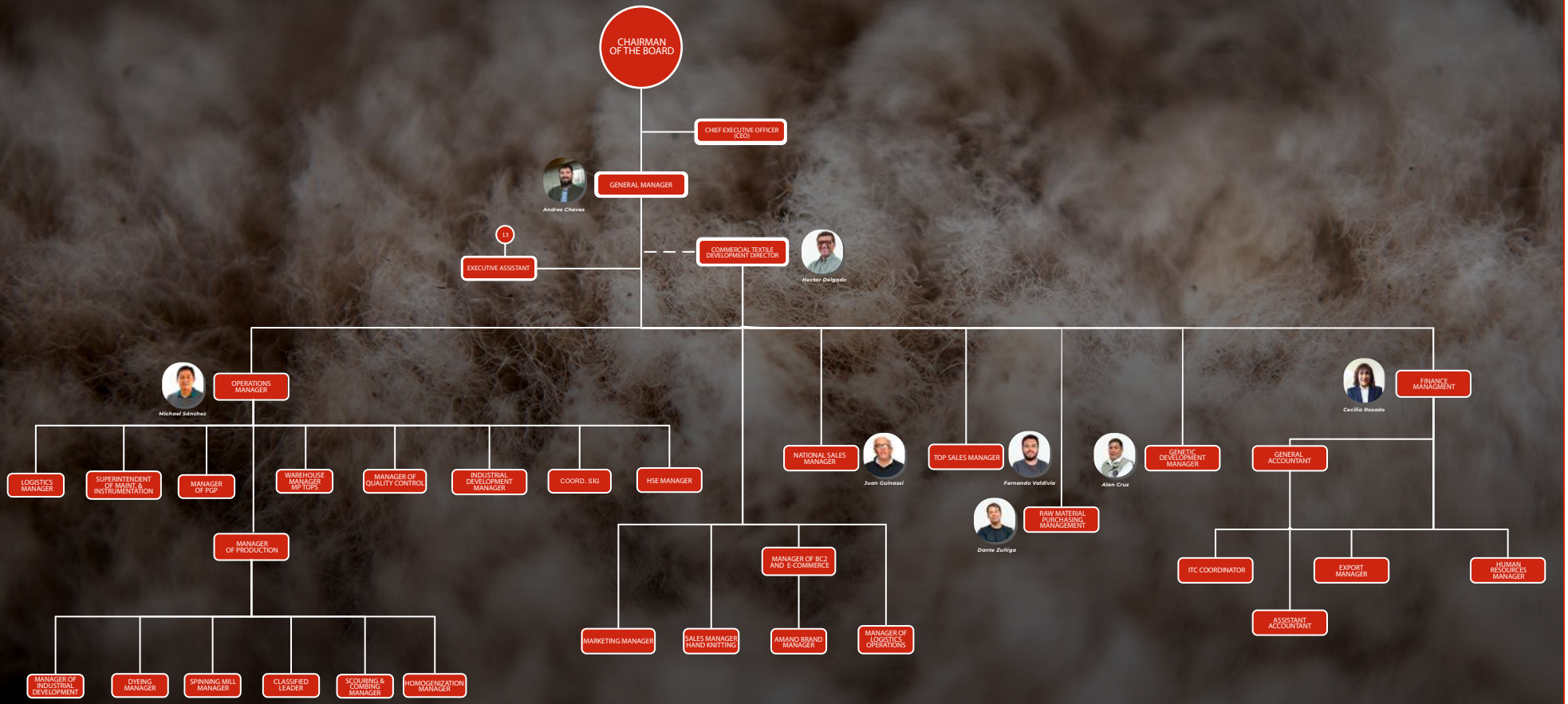
NOMBRE	POSITION ON THE BOARD O DIRECTORS	EXECUTIVE POSITION	LENGTH OF STAY	INDEPENDENCE
J. François Patthey Salas	*President*	*Founding President of the Inca Group*	*More than 17 years*	----
Mario Cuzzi Morán	*Vice President*	*Member of the Board of Directors of Grupo Inca*	*More than 6 years*	----
Alejandro Olazabal Gómez De La Torre	*Director*	*General Manager Incalpaca TPX*	*More than 1 year*	----
Aloïs Patthey Kaufmann	*Director*	*CEO of Grupo Inca*	*More than 9 years*	----
Luis Chaves Bellido	*Director*	*Director Associated with Inca Group*	*More than 15 years*	----
Joaquín Alcázar Belaúnde	*Independent Director*	*Business consultant*	*More than 9 years*	*Independient*
Fernando Chiappe Barchi	*Independent Director*	*Business consultant*	*More than 7 years*	*Independient*

A solid governance structure ensures informed decisions, strengthens organizational control, and aligns sustainability with business strategy.

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3.1.1

Organizational Chart 2025



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3.2 Culture of integrity: ethics, compliance and transparency

(GRI 2-23, 2-24, 2-26, 205-1, 205-2, 205-3)

The Code of Ethics and Conduct establishes the guidelines that govern the behavior of employees and third parties, promoting transparency, respect, non-discrimination and regulatory compliance.

During 2025, the organization strengthened its compliance system by consolidating the due diligence approach, actively disseminating policies, and implementing control mechanisms aimed at preventing corruption risks.

In addition, significant milestones were achieved:

- Maintenance of STeP by OEKO-TEX® and GOTS certifications, which validate ethical and sustainable practices
- Compliance with internal and external audits without critical findings
- Strengthening reporting and denunciation mechanisms (including internal digital platforms)

In the short term, the company will continue to consolidate the use of reporting channels and the cross-cutting application of due diligence.

In the medium term, the focus will be on strengthening the organizational culture through continuous training and improvement in the traceability of compliance processes.

In the long term, the plan is to extend the due diligence system to the supply chain, integrating digital tools for its management and monitoring.

3.2.1

Corruption Risk Assessment (GRI 205-1)

CATEGORIES	UNIT OF MEASUREMENT	2025
NUMBER OPERATIONS	NUMBER	5
PROPORTION OF TRANSACTIONS	PERCENTAGE	100%



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3.2.2

Communication of anti-corruption policies (GRI 205-2)

JOB CATEGORY	2025 %
Directorship	100%
Management	100%
Administration	100%
Technicians (operators)	100%
Suppliers	100%



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3.2.3

Training on anti-corruption issues (GRI 205-2)

JOB CATEGORY	2025 AREQUIPA	2025 PACOMARCA
Directorship	100%	----
Management	100%	----
Administration	100%	100%
Technicians (operators)	100%	100%
Suppliers	100%	----



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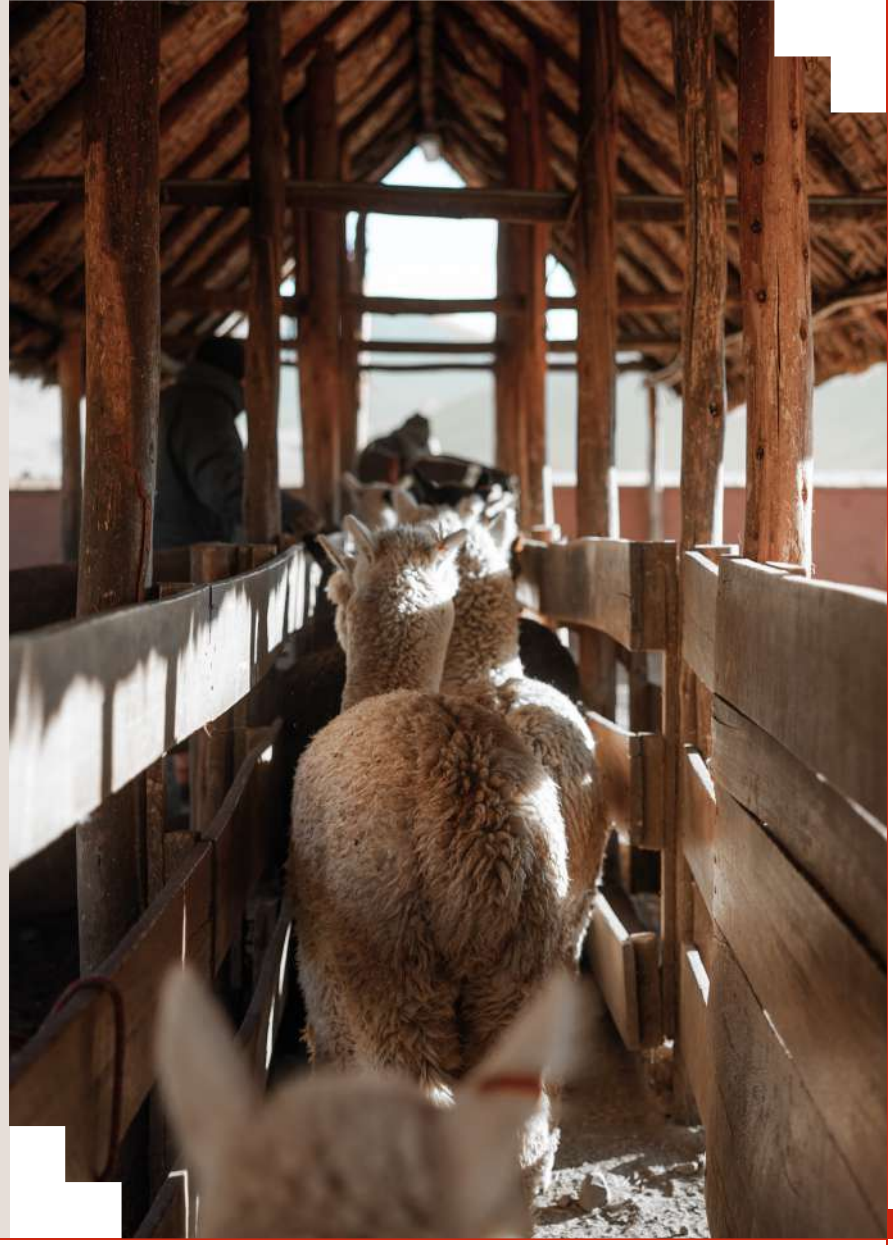
3.2.4

Cases of corruption (GRI 205-3)

INDICATOR	2025
Confirmed cases	0
Sanctions against workers	0
Terminated contracts	0
Public legal cases	0

During 2025, the organization achieved full coverage in communication and training on anti-corruption policies, as well as the evaluation of 100% of its operations. Furthermore, no cases of corruption were recorded, reflecting the effectiveness of the implemented control mechanisms.

Prevention, ethical culture, and process traceability consolidate trust in operations and strengthen business sustainability.



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3.3 Anticipating the future: comprehensive risk management

(GRI 2-12, 2-25, 201-2)

Risk management at Inca Tops is developed under a comprehensive approach that allows anticipating scenarios and strengthening the resilience of the business.

During 2025, the due diligence approach was consolidated as a cornerstone of risk management, integrating it into key processes and the supply chain. This has enabled improvements in the identification, assessment, and monitoring of operational, social, and environmental risks.

Among the main risks identified are external factors such as logistical disruptions, regulatory changes, geopolitical conflicts, and trade barriers.

The organizational response is based on continuous monitoring, diversification of suppliers, and strengthening of operational planning.

IN THE SHORT TERM

The company will continue strengthening the monitoring and closure of identified findings.

IN THE MEDIUM TERM

The company will advance the digitalization of risk management and expand due diligence processes to critical suppliers.

IN THE LONG TERM

The full integration of risk management into corporate strategy and decision-making processes is envisioned.

Proactive risk management strengthens operational resilience and supports sustained competitiveness in complex and evolving environments.



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3.4 Constructive dialogue: relationship with our stakeholders

(GRI 2-29, 3-1, 3-2)

Stakeholder relations are a pillar of Inca Tops' sustainable management, allowing the business strategy to be aligned with the expectations of the environment.

During 2025, the company strengthened its dialogue mechanisms, ensuring fluid communication with key stakeholders and promoting greater integration of their expectations in decision-making.

This approach is complemented by development initiatives in the value chain, strengthening relationships with suppliers and working together with communities, consolidating a management model based on trust and collaboration.

IN THE SHORT TERM
Communication and feedback channels will continue to be strengthened.

IN THE MEDIUM TERM
Efforts will be made to improve the traceability of stakeholder relationships through digital tools.

IN THE LONG TERM
A deeper integration of stakeholders into the business strategy is projected.

3.4.1

Stakeholder groups and dialogue mechanism

STAKEHOLDER GROUP	MECHANISMSS	TYPES
BOARD OF DIRECTORS AND MANAGEMENT	*Meetings, reports*	*Internal*
CUSTOMERS	*Meetings, digital platforms*	*External*
WORKERS	*Training, internal channels*	*Internal*
TRADE UNIONS	*Events, sector meetings*	*External*
STATE	*Formal communications*	*External*
COMMUNITY	*Programs and workshops*	*External*
SUPPLIERS	*Meetings, audits*	*External*

This approach strengthens transparency, gathers relevant information, and improves decision-making.

Continuous dialogue allows relationships to be transformed into strategic value and strengthens business sustainability.

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3.5 Valor sostenible: desempeño económico

(GRI 201-1, 201-4, 204)

Inca Tops' economic performance reflects sustained growth, driven by operational efficiency, resource optimization, and the integration of sustainability criteria into financial management.

During 2025:

- ***Sales grew by 13% compared with 2024***
- ***Costs and expenses increased by 2.5%.***
- ***The result of the fiscal year was positive.***

This performance is reinforced by relevant milestones such as:

- ***Progress in energy-efficiency initiatives, linked to a reduction of costs and emissions.***
- ***Continued use of the Green Line with the BCP, geared towards sustainable financing***

IN THE SHORT TERM
The company will continue to strengthen financial efficiency and cost control.

IN THE MEDIUM TERM
It will promote digitization and the use of analytics for decision-making.

IN THE LONG TERM
It will evaluate new sustainable financing alternatives aligned with international markets.

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3.5.1

Procurement and suppliers ((GRI 204)

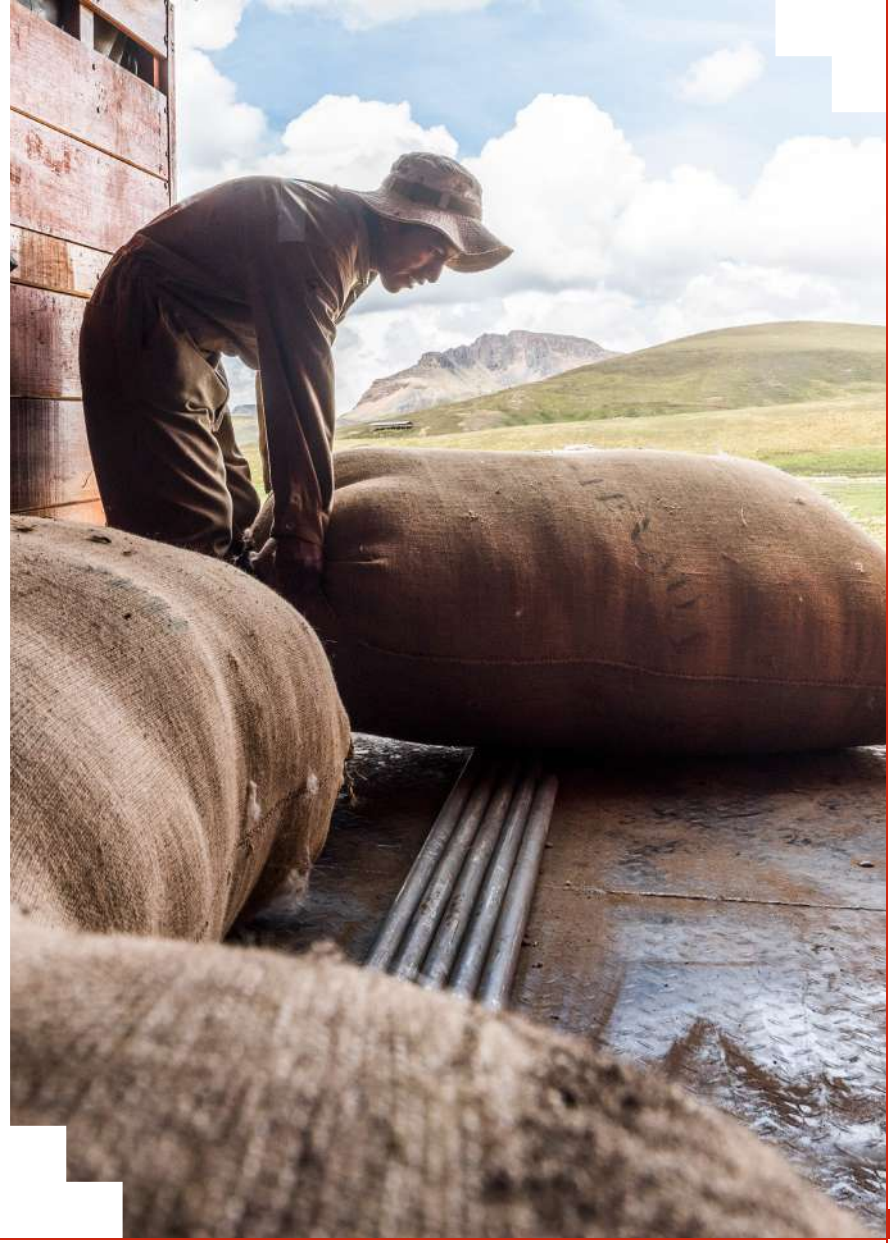
ORIGIN	2024	2025
INTERNATIONAL	19%	18%
NATIONAL	81%	89%

3.5.2

Proveedores por ubicación

YEAR	INTERNATIONAL	NATIONAL
2024	27%	73%
2025	22%	77%

During 2025, a greater weight of national suppliers is evident, strengthening the local economy and the resilience of the supply chain.



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3.6 Integrating governance with sustainability

Governance at Inca Tops is not limited to ensuring regulatory compliance; it acts as a key enabler of business sustainability. By integrating ESG criteria into decision-making, the governance structure aligns corporate strategy with risk management, operational efficiency, and long-term value creation.

This approach is reflected in the progressive incorporation of environmental and social indicators into the evaluation and monitoring processes, as well as in the articulation between the different areas of the organization to ensure a coherent and cross-cutting management of sustainability.

In this way, governance becomes a mechanism that not only strengthens transparency and control, but also boosts the company's ability to anticipate challenges, adapt to the demands of the environment, and consolidate a sustainable and resilient business model.

IN THE SHORT TERM

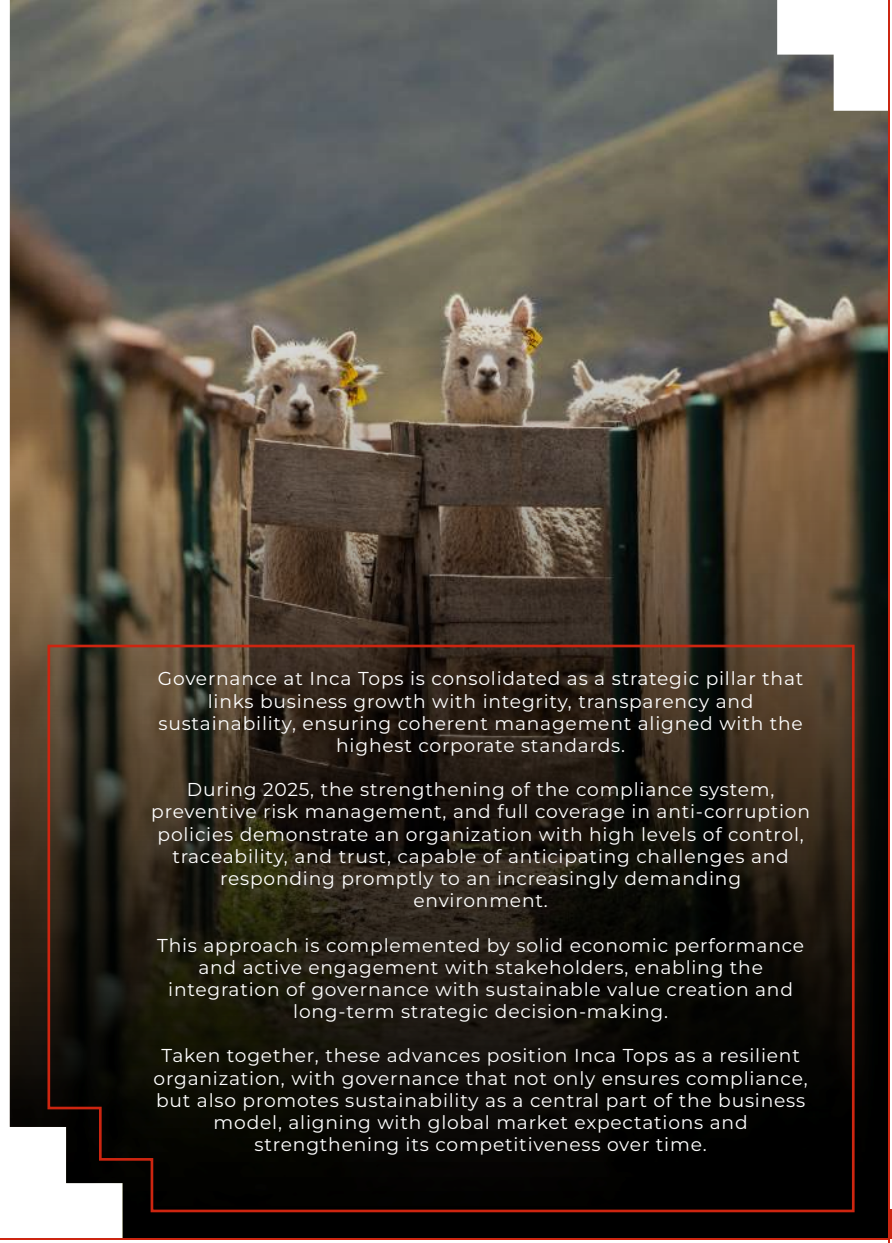
The company will continue strengthening the monitoring and closure of findings through the application of due diligence.

IN THE MEDIUM TERM

Efforts will focus on strengthening the organizational culture through continuous training and improving the traceability of compliance processes.

IN THE LONG TERM

The full integration of the due diligence system into the supply chain is envisioned, supported by digital tools for management and monitoring.



Governance at Inca Tops is consolidated as a strategic pillar that links business growth with integrity, transparency and sustainability, ensuring coherent management aligned with the highest corporate standards.

During 2025, the strengthening of the compliance system, preventive risk management, and full coverage in anti-corruption policies demonstrate an organization with high levels of control, traceability, and trust, capable of anticipating challenges and responding promptly to an increasingly demanding environment.

This approach is complemented by solid economic performance and active engagement with stakeholders, enabling the integration of governance with sustainable value creation and long-term strategic decision-making.

Taken together, these advances position Inca Tops as a resilient organization, with governance that not only ensures compliance, but also promotes sustainability as a central part of the business model, aligning with global market expectations and strengthening its competitiveness over time.

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04

From Pacomarca to the World: Traceability that Transforms

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Our value chain is responsible from the source

At Inca Tops, sustainability begins at the source of the fiber. Traceability not only guarantees quality, but also shapes a business model that integrates animal welfare, community development, and responsible trade relations.

From the high Andean communities to international markets, the company manages a value chain that combines innovation, technical knowledge and social commitment, ensuring that each stage of the process generates economic, environmental and social value.

During 2025, this approach was consolidated by strengthening the Pacomarca model, deepening traceability and integrating international standards, positioning the company as a benchmark in the responsible management of natural fibers.

4.1 Pacomarca: innovation, animal welfare and genetic improvement

(GRI 3-3, 413, 304)

Pacomarca constitutes the strategic innovation axis of Inca Tops in the alpaca value chain, integrating research, knowledge transfer and productive development.

Through this model, the company promotes the genetic improvement of the fiber, the strengthening of producers' capacities and the adoption of practices aligned with international standards such as the Responsible Alpaca Standard (RAS).

The animal welfare approach is based on compliance with the five freedoms, guaranteeing adequate conditions of feeding, health, natural behavior and responsible handling.

During 2025, significant progress was made in animal welfare management and genetic improvement, demonstrating an operation aligned with international standards and with positive impacts throughout the value chain.

In this context, at the corporate level, Inca Tops worked with a total of 905 families certified under the Responsible Alpaca Standard (RAS), distributed across the regions of Puno, Cusco, Apurímac, and Huancavelica. This reach reflects the progressive strengthening of a supply chain based on animal welfare, traceability, and sustainability from the source.

IN THE SHORT TERM

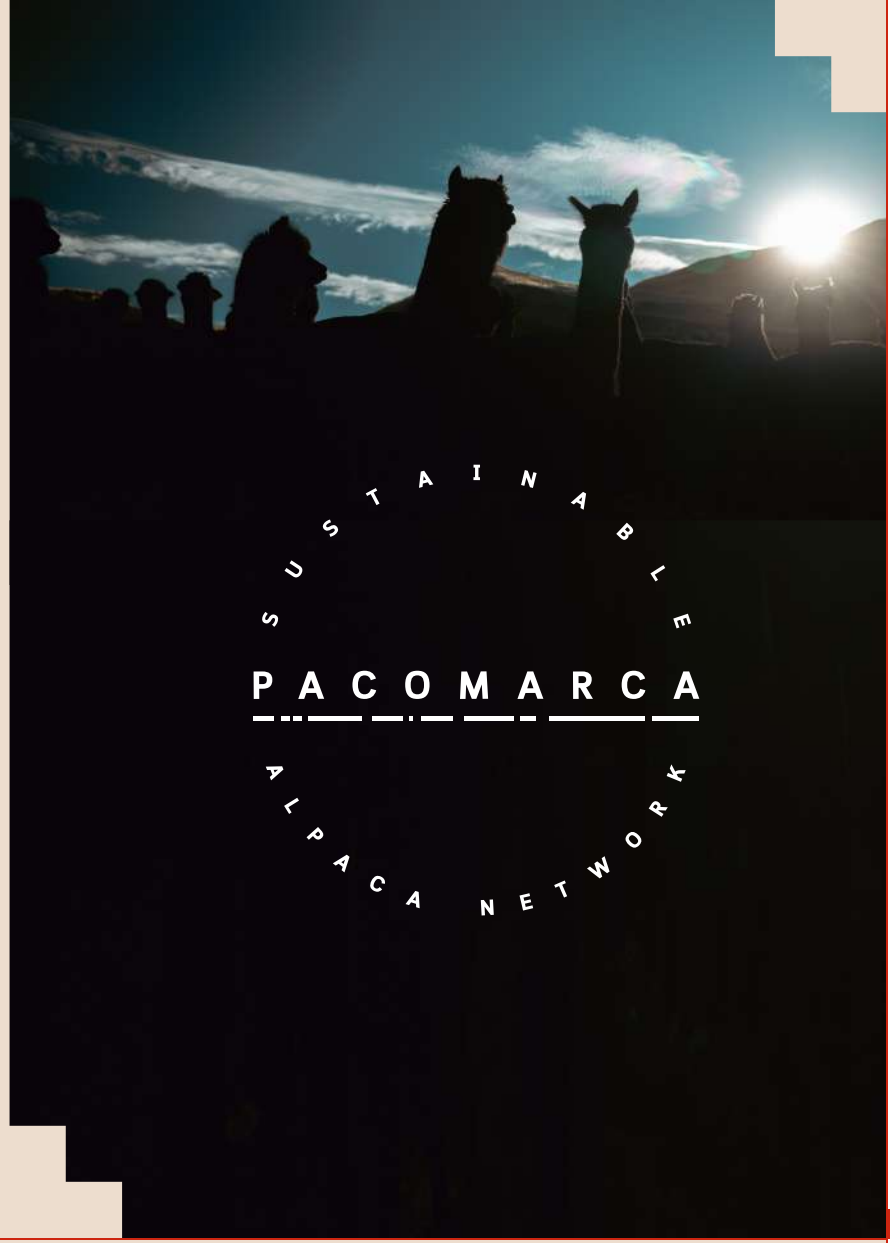
The company will continue to strengthen the coverage of animal health and registration programs.

IN THE MEDIUM TERM

It will seek to expand the reach of the Pacomarca program to new communities.

IN THE LONG TERM

the aim is to consolidate a benchmark model in genetic innovation and animal welfare for the industry.



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4.1.1

Animal welfare management (audited information)

	INITIATIVE	DESCRIPTION	INDICATOR	GOAL 2025	RESULT 2025
	**Freedom from hunger and thirst**	Permanent access to water and food	Extensive grazing system	Extensive grazing system	Extensive grazing system
	**Freedom from discomfort**	Avoid overcrowding	Extensive grazing system	Extensive grazing system	Extensive grazing system
	**Freedom from pain, injury and disease**	No mistreatment or mutilation	0 cases	0 cases	0 cases
	**Natural behavior**	Free-range parenting	Extensive grazing system	Extensive grazing system	Extensive grazing system

During 2025, no cases of mistreatment, injuries or mutilations were recorded, demonstrating the effective compliance with the RAS protocols.
are management generates positive impacts in three dimensions:



ECONOMIC

Access to better prices for certified fiber



ENVIRONMENTAL

Conservation of high Andean ecosystems



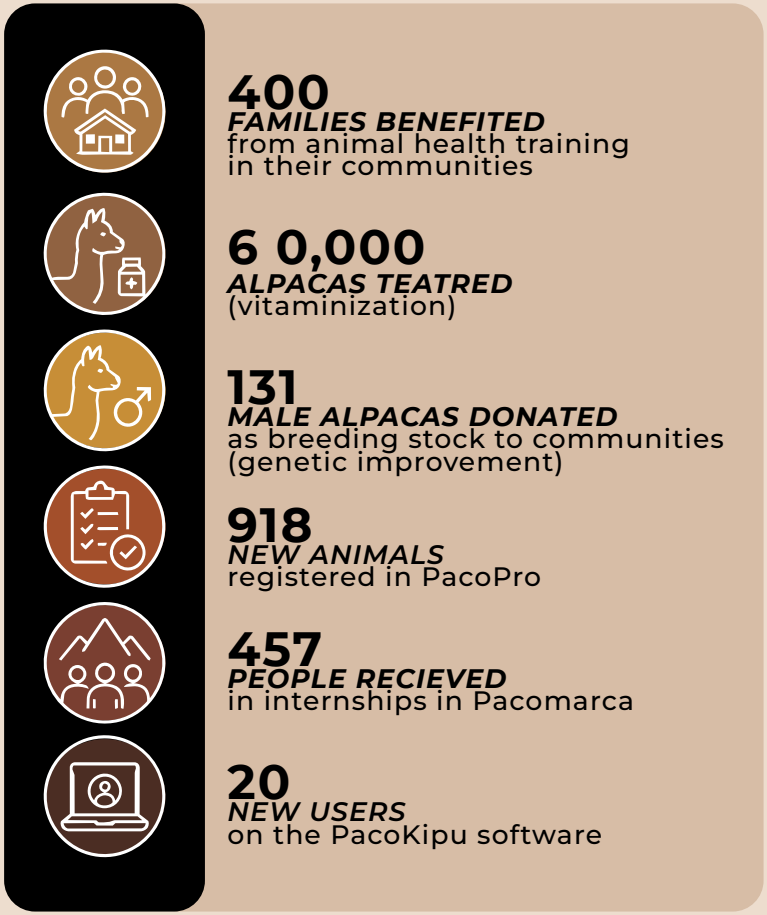
SOCIAL

Strengthening traditional practices

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4.1.2

Impact of the Pacomarca program (2025)



400
FAMILIES BENEFITED
from animal health training
in their communities

6 0,000
ALPACAS TEATRED
(vitaminization)

131
MALE ALPACAS DONATED
as breeding stock to communities
(genetic improvement)

918
NEW ANIMALS
registered in PacoPro

457
PEOPLE RECIEVED
in internships in Pacomarca

20
NEW USERS
on the PacoKipu software

Innovation at the source not only improves the fiber, but transforms the entire production chain.

4.1.3

Scientific research and technical leadership

The innovation developed at Pacomarca goes beyond productivity improvements and has become a significant contribution to the scientific and technical development of the alpaca industry at both the national and international levels. Through an approach based on applied research, knowledge transfer, and academic collaboration, Inca Tops promotes the generation of scientific evidence aimed at strengthening the sustainability, animal welfare, and competitiveness of the alpaca value chain.

During 2025, Pacomarca continued to consolidate itself as a center of reference in genetic research, productive management and applied sustainability, promoting the development of specialized studies linked to fiber quality, reproduction, animal welfare, health management and conservation of high Andean ecosystems.

As a result of this sustained work, by the end of 2025 Inca Tops had accumulated 34 scientific articles published in journals specializing in animal science and alpaca production, actively contributing to the development of technical knowledge for the sector.

This approach is strengthened through scientific and academic cooperation alliances with more than 25 national and international universities and research institutes, allowing the development of joint projects, internships, applied research and technology transfer spaces aimed at strengthening capacities throughout the value chain.

Likewise, Pacomarca continues to function as a training and technical exchange space for producers, researchers, students and specialists, promoting the dissemination of good practices and the incorporation of innovative tools in the productive and genetic management of alpacas.

The integration of scientific research, applied innovation, and collaborative work with communities simultaneously strengthens productivity, traceability, and sustainability in the supply chain, consolidating Pacomarca as a technical and scientific benchmark for the sustainable textile industry based on alpaca fiber.

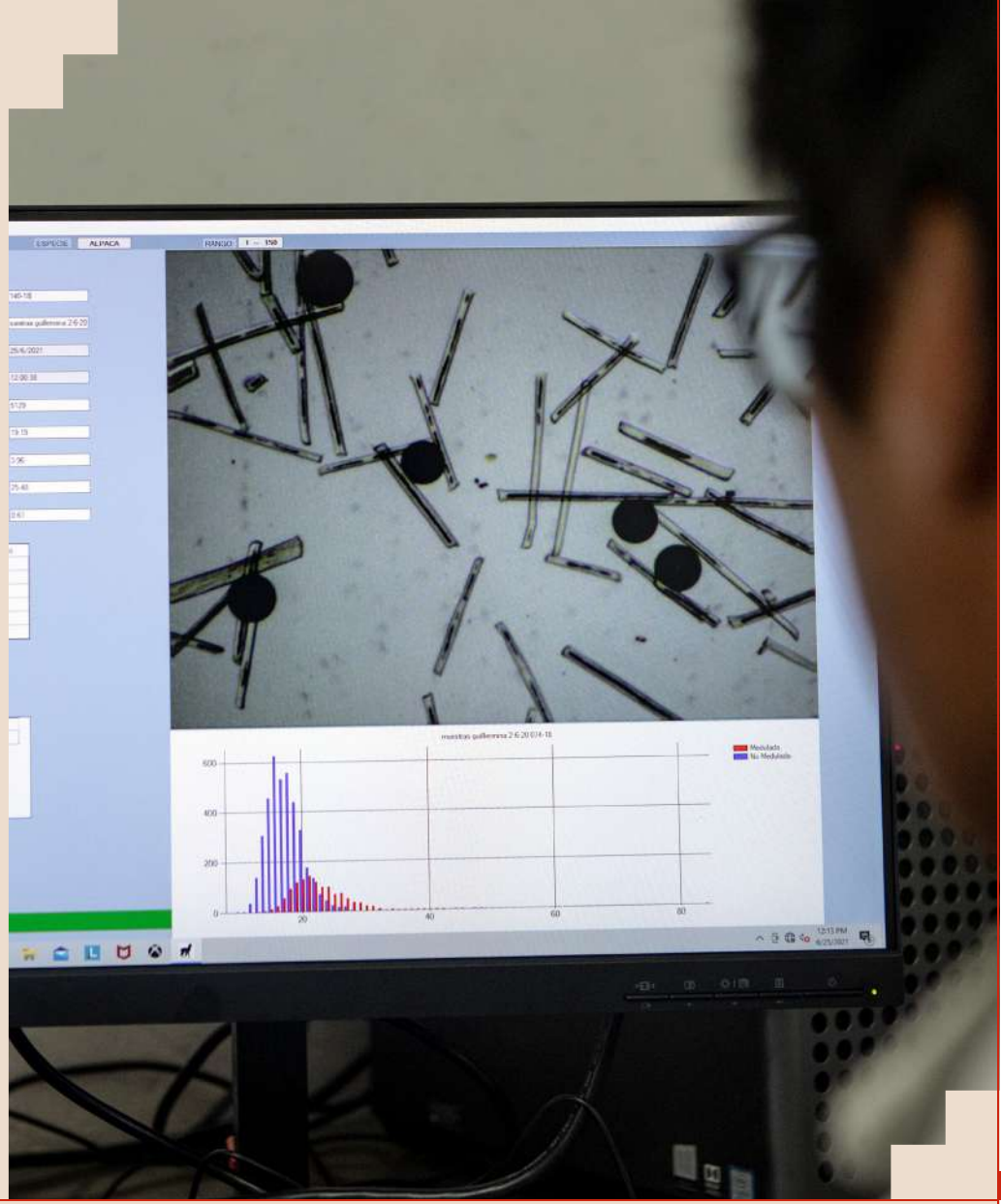
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4.1.4

Research and Scientific Articulation Indicators 2025

ACCUMULATED SCIENTIFIC ARTICLES	34
ALLIED UNIVERSITIES AND INSTITUTES	+25
RESEARCH LINES PROMOTED	Genetics, animal welfare, fiber, sustainability
SCOPE	National and international

Scientific research developed from Pacomarca strengthens the sustainability of the alpaca value chain, integrating technical knowledge, innovation and technology transfer as strategic elements for the competitiveness and international leadership of Inca Tops.



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4.2 Traceability with purpose: quality from the source

(GRI 2-6, 301, 308, 414)

Traceability at Inca Tops ensures the responsible origin of the fiber, guaranteeing quality, transparency and compliance with international standards.

This system is based on certifications, technological tools and a direct relationship with producers, which allows information to be managed from the origin to the final product.

During 2025, registration systems were strengthened, producer training was provided, and the use of tools such as PacoKipu was increased, improving traceability and information availability in the value chain.

This approach allows us not only to meet the demands of the international market, but also to generate differential value in premium segments.

IN THE SHORT TERM

The company will continue to strengthen its registration and control systems.

IN THE MEDIUM TERM

It will advance in the digitization of traceability.

IN THE LONG TERM

The plan is to integrate traceability fully into the business and sustainability strategy.

Traceability transforms fiber into a product with identity, history, and value for the global market.

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4.3 Alliances that strengthen: responsible sourcing

(GRI 204, 308, 414)

Inca Tops' sourcing is based on long-term relationships with alpaca farming communities, promoting sustainable practices and local economic development.

During 2025, the company strengthened its model through:

- Supplier evaluation under ESG criteria
- Audits and monitoring
- Knowledge transfer
- Productive development programs

This approach has made it possible to consolidate a more resilient, transparent supply chain that is aligned with international standards.

IN THE SHORT TERM

The coverage of supplier evaluation will continue to expand.

IN THE MEDIUM TERM

Preventive risk management in the supply chain will be strengthened.

IN THE LONG TERM

The plan is to integrate ESG criteria across the entire supplier network.



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4.3.1

Supplier Evaluation

INDICATOR	2025
ENVIRONMENTAL EVALUATION	10
SOCIAL EVALUATION	10

4.3.2

New Suppliers Evaluated

CRITERION	2025
ENVIRONMENTAL	100%
SOCIAL	100%

4.3.3

Supplier Audits

YEAR	% AUDITED
2025	35%

4.3.4

Supply chain risks

- STRIKES AND WORK STOPPAGES
- LOGISTICAL CONGESTION
- GEOPOLITICAL CONFLICTS
- TRADE BARRIERS

These risks are managed through planning, diversification of suppliers, and strengthening of strategic relationships.

Responsible sourcing not only ensures operational continuity, but also strengthens the sustainability of the entire value chain.

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4.4 Impactful trade: fair and sustainable relationships

(GRI 204, 413, 203)

The relationship with suppliers and communities at Inca Tops is based on principles of fair trade, equity and shared value creation.

The company promotes:

- Fair payment for fiber
- Buying directly from producers
- Capacity building
- Economic inclusion

During 2025, a greater participation of national suppliers was consolidated, which contributes to local economic development and the resilience of the supply chain.

In the short term, the company will continue to strengthen direct business relationships. In the medium term, it will seek to expand its base of sustainable suppliers. In the long term, it plans to consolidate a sustainable business model fully integrated into its corporate strategy.



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4.5 Community programs
(GRI 413-1, 413-2)

Inca Tops' community programs are part of its sustainability strategy, aimed at strengthening productive capacities, improving living conditions and promoting territorial development.

During 2025, initiatives focused on animal welfare, productive strengthening, innovation and knowledge

PROGRAM	BENEFICIARIES	INVESTMENT
RAS	*Alpaca farming communities*	*S/ 283,902*
ALPACA DONATION	*+800 families*	*S/ 58,550*
YARN DONATION	*+100 families*	*S/ 21,767*
GREENHOUSE	*+100 families*	*US$ 10,000*
PACOMARCA INTERNSHIPS	*457 people*	*US$ 20,000*

During the period, no significant negative impacts on communities were identified, demonstrating preventive and responsible management.

IN THE SHORT TERM

The coverage of community programs will continue to expand.

IN THE MEDIUM TERM

Efforts will be made to strengthen their impact through measurement and monitoring.

IN THE LONG TERM

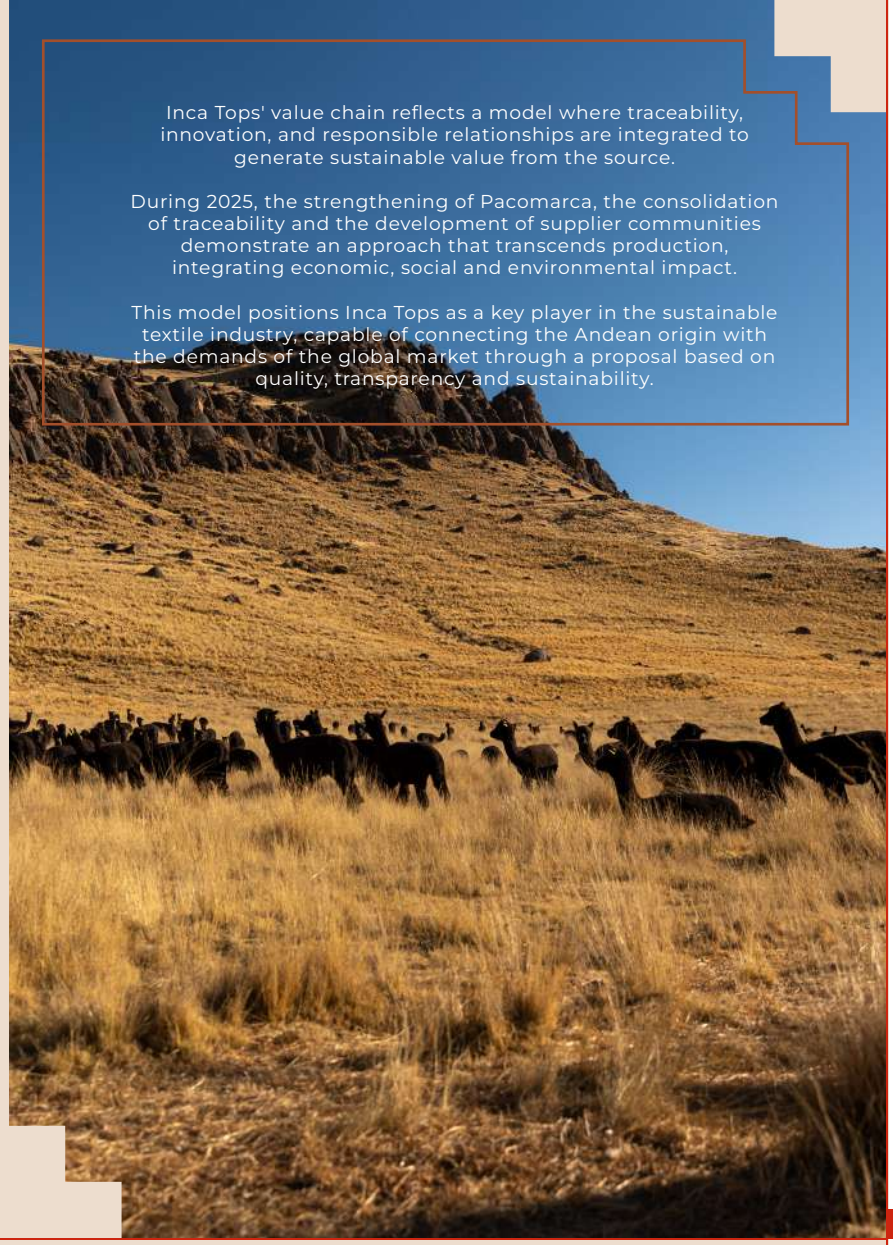
The aim is to consolidate a sustainable territorial development model.

Strategic social investment strengthens the value chain and generates a sustainable impact in the territories.

Inca Tops' value chain reflects a model where traceability, innovation, and responsible relationships are integrated to generate sustainable value from the source.

During 2025, the strengthening of Pacomarca, the consolidation of traceability and the development of supplier communities demonstrate an approach that transcends production, integrating economic, social and environmental impact.

This model positions Inca Tops as a key player in the sustainable textile industry, capable of connecting the Andean origin with the demands of the global market through a proposal based on quality, transparency and sustainability.



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05

Fiber with Purpose: In Harmony with the Planet

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Integrated environmental management for sustainable performance

At Inca Tops, environmental sustainability is not managed as an isolated axis, but as a direct enabler of operational efficiency, business continuity and competitiveness in international markets.

By 2025, environmental management will be consolidated as an integrated system based on optimizing resource use, rigorously controlling impacts, and continuously improving processes. This approach allows not only compliance with international standards but also the generation of tangible value through operational efficiencies, risk reduction, and reputational enhancement.

The environmental strategy is based on three key pillars: climate action, water management and circular economy, integrated across the entire operation and aligned with the organization's ESG commitments.

5.1 Climate action: emissions management and energy efficiency

(GRI 305, 302)

Climate management at Inca Tops responds to a strategic vision where the reduction of emissions is directly linked to energy efficiency, technological innovation and the progressive transformation of the energy matrix.

During 2025, the company consolidated its approach based on three dimensions: measurement, reduction, and energy transition. Measurement is carried out through the annual calculation of the carbon footprint at all its locations, strengthening the traceability and comparability of information. Reduction is driven through operational improvements, while the energy transition is realized through the incorporation of energy sources which are less carbon-intensive.

Among the main milestones of the period, the consolidation of the use of natural gas in the plants stands out, significantly reducing the intensity of emissions, as well as the continuity of the 1,200 solar panels used for water heating for fiber scouring, one of the most energy-intensive stages of the production process.

Furthermore, technological modernization through the use of refrigerants with lower global warming potential (R-410A) reinforces the commitment to cleaner and more efficient operation.

Climate management goals

IN THE SHORT TERM

Consolidate the use of natural gas and maintain the operation of solar thermal energy

IN THE MEDIUM TERM

Completely migrate to LED lighting and improve energy efficiency per process

IN THE LONG TERM

Implement a photovoltaic power plant to reduce significantly the carbon footprint

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GHG emissions by scope – 2025 (metric tons CO_2 eq)

CONCEPT	Plant 1	Plant 2	Plant 3	Plant 4
SCOPE 01	2,114.42	277.35	0.38	1,111.81
SCOPE 02	605.20	739.48	1.79	642.12
SCOPE 03	240.98	310.80	24.16	320.60
TOAL	2,960.60	1,327.63	26.33	2,074.53

(*) Internal calculation
(**) Scope 3 includes home-work transportation (except business trips)

Reducción de emisiones (tCO_2eq)

YEAR	SCOPE 01	SCOPE 02	SCOPE 03	TOTAL
2025	240.4	----	----	240.4

Regarding 2024, emissions management shows a greater consolidation of the measurement and control system, where the reduction does not respond to isolated actions, but to structural decisions linked to energy efficiency.

5.2 Water we care for: water efficiency and operational control

((GRI 303)

Water is a critical resource in Inca Tops' operations, particularly in processes such as fiber scouring, dyeing, and moisture conditioning, while also serving as a strategic pillar for the sustainability of the business. Its use in these key processes not only determines the quality of the final product but also influences the company's environmental performance.

In this context, water management has evolved from a control-based approach to an integrated model focused on operational efficiency, risk management, and compliance with international standards, where every cubic meter of water consumed is monitored, analyzed, and optimized according to production requirements.

During 2025, this approach was further strengthened through enhanced traceability of water consumption by process, enabling a direct link between water use, production efficiency, and operational decision-making.

Water management goals

IN THE SHORT TERM

Optimize the use of chemical inputs and strengthen process monitoring

IN THE MEDIUM TERM

Improve the performance of wastewater treatment plants and evaluate the reuse of treated water

IN THE LONG TERM

Implement reuse schemes for auxiliary uses

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5.2.1

Integrated water management: control, traceability and efficiency

Inca Tops' water supply combines public and underground sources, all under current authorizations, ensuring a formal, controlled operation aligned with national regulations.

However, the difference lies not in the source, but in resource management. The company has developed a system based on direct measurements, continuous records, and cross-validations, which allows for precise knowledge of consumption at each stage of the production process.

This level of control has allowed, compared with 2024, for strengthened monitoring of water consumption in wet processes, incorporating indicators that directly link water use to production levels. Thus, water management ceases to be an isolated indicator and becomes a key component of operational efficiency.



5.2.2

Effluents as part of the cycle: treatment, control and continuous improvement

- In line with this approach, water management at Inca Tops does not end with consumption, but extends to the treatment and control of generated effluents.
- All wastewater is treated in specialized plants before being discharged into the sewer system, ensuring compliance with Maximum Permissible Values (MPVs) and international standards required by certifications such as STeP by OEKO-TEX® and GOTS.
- During 2025, operational improvements were consolidated at the Wastewater Treatment Plant (WWTP), notably the optimization of biological processes and the reduction in the use of chemical inputs. This progress not only improves treatment efficiency but also reduces the environmental impact associated with the effluent.
- Control is carried out through a robust system of internal monitoring and external verification with accredited laboratories, ensuring traceability, data reliability, and ongoing compliance. As a result, the company recorded no non-compliance with discharge parameters during the evaluated period.



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5.2.3

Impact management: from operation to sustainable value

Interaction with water resources involves impacts that extend beyond consumption. At Inca Tops, these impacts are managed through a preventive approach, where continuous monitoring and operational control allow for anticipating deviations and reducing risks.

This approach includes not only internal operations, but also the relationship with the value chain, promoting responsible standards in water use and alignment with international requirements.

Thus, water management contributes simultaneously to three dimensions of the business:

Economic efficiency, by optimizing consumption and reducing operating costs

Environmental performance, by controlling the quality of effluents and minimizing impacts

Market confidence, by meeting standards demanded by global customers

The following are the key water performance indicators for 2025:

Water extraction (GRI 303-3)

TOTAL WATER EXTRACTION	VOLUME IN m³ OF ALL ZONES	VOLUME IN MEGALITERS OFF ALL AREAS WITH WATER STRESS
Surface water	*0.00*	*0.00*
Groundwater	*256,417.98*	*0.00*
Seawater	*0.00*	*0.00*
Water produced	*0.00*	*0.00*
Third-party water	*21,227.60*	*0.00*
TOTAL	*277,645.58*	*0.00*
Fresh water (total dissolved solids ≤ 1000 mg/L)	*0.00*	*0.00*
Other, specify (total dissolved solids > 1000 mg/L)	*0*	*0*
TOTAL	*0.00*	*0.00*

Note: Only consumption at industrial sites is considered.

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Water discharge (GRI 303-3)

TOTAL WATER DISCHARGE	TOTAL WATER DISCHARGE IN ALL AREAS (megaliters)	TOTAL WATER DISCHARGE IN ALL WATER - STRESSED AREAS (megaliters)
Surface water	0.00	0.00
Groundwater	0.00	0.00
Marine waters	0.00	0.00
Third-party water (total)	254,697.16	0.00
TOTAL	254,697.16	0.00
Fresh water, (total dissolved solids ≤ 1000 mg/L)	0.00	0.00
Other, (total dissolved solids > 1000 mg/L)	0.00	0.00
TOTAL	0.00	0.00

Note: Only consumption at industrial sites is considered.

Total water consumption (GRI 303-3)

TOTAL CONSUPTION m³	277,645.58

Note: Only consumption at industrial sites is considered.



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5.2.4

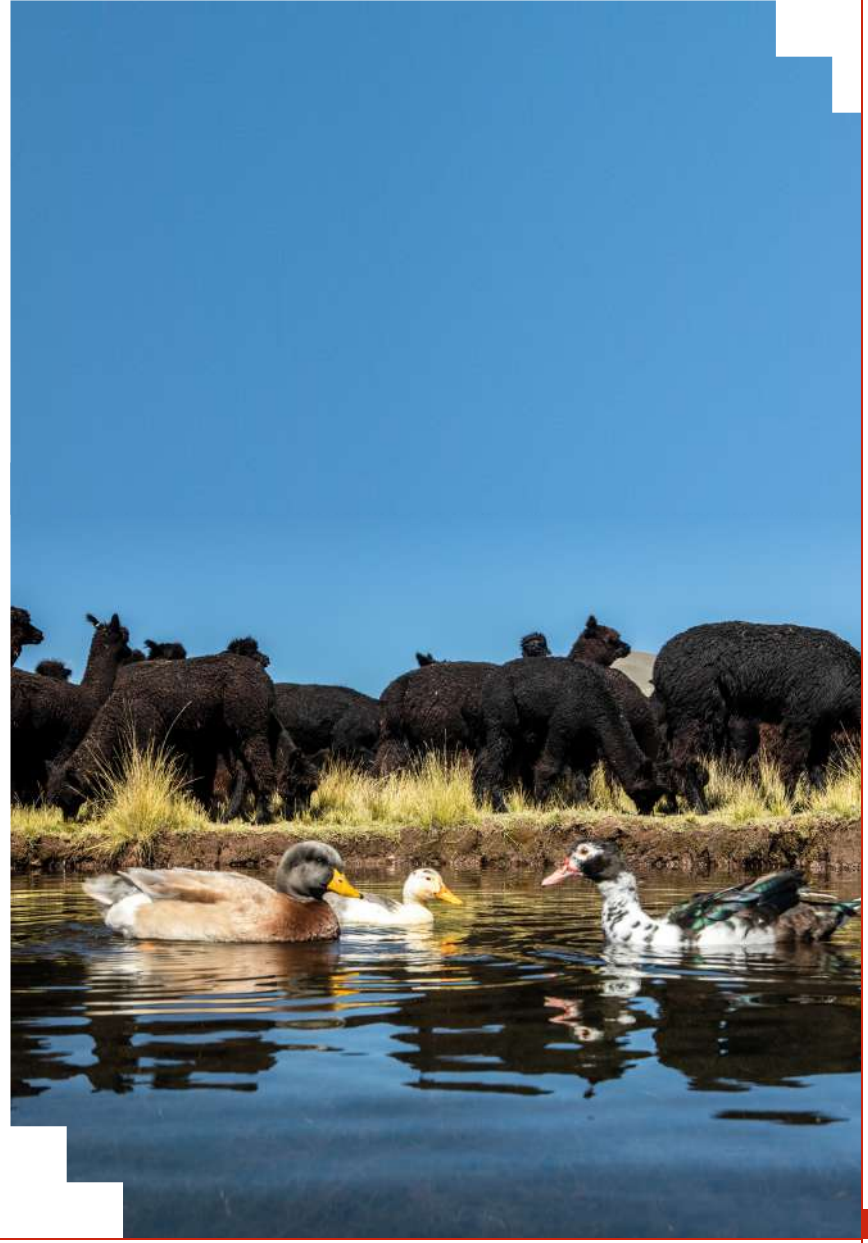
Goals, milestones and evolution of the water model

1 Water management in 2025 reflects not only control, but also evolution. Key advances during this period include the consolidation of process monitoring, the optimization of wastewater-treatment-plant performance, and the reduction in the use of chemical inputs in treatment.

2 These advances are integrated into a clear roadmap: maintain full compliance with discharge parameters, progressively reduce specific water consumption, and move towards resource reuse schemes in the short and medium term.

3 The development of treated water reuse projects, currently under evaluation, represents a key step towards closing the water cycle within the operation.

Water management at Inca Tops demonstrates a transition towards a model where sustainability is directly integrated into operations. Water resource control is no longer solely a response to regulatory requirements, but is positioned as a factor of competitiveness, efficiency, and alignment with increasingly demanding international markets.



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5.3 Circularity in action: integrated waste management (GRI 306)

(GRI 306)

At Inca Tops, waste management is part of a broader vision of operational efficiency and the transition to circular economy models. In an industry where the intensive use of materials is inherent to the production process, the ability to manage, reduce, and recover value from waste becomes a critical factor for business sustainability and competitiveness in international markets.

During 2025, the company consolidated a management model based on traceability, operational control and progressive valorization, allowing not only the mitigation of environmental impacts, but also the generation of economic and social value from waste.



5.3.1

Operational management: control, traceability and compliance



The waste-management system covers all stages of the cycle, from generation to final disposal, under a documented control scheme and continuous monitoring.



Source segregation allows for the differentiation of hazardous and non-hazardous waste, facilitating its proper handling by authorized operators. This approach ensures compliance with current regulations and reduces environmental and operational risks.



Regarding 2024, the registration and traceability mechanisms were strengthened, which has allowed for improved information quality and ensured more efficient and transparent management, aligned with international standards such as STeP by OEKO-TEX®.

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5.3.2

Performance 2025: waste generation and management

The following are the auditable indicators for the period:

Waste generation – 2025 (t)

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)
NOT DANGEROUS	Disused sacking	0.984	0	-	2.1692
	Disused cardboard	4.8336	21.654	3.76	1.5498
	Light scrap metal	6.25	5.02	-	10.15
	Disused copper-cladding	0	0.34	-	0
	Sludge	2.73	0	-	62.14
	Disused wood	1.3006	4.78	1.72	0.2248
	Disused paper	2.43	0	-	0
	Disused plastic	15.64441	1.561	2.60	1.7834
	General municipal waste	22.62	22.62	10.92	22.62
	General non-municipal waste	1.98	5.714	-	3.763
	Disused jute	0	0	-	3.8305
	Plastic strapping	0.122	0	-	10.1083
Total non-hazardous waste		58.89461	61.689	19.00592	118.339
DANGEROUS	Hazardous waste (obsolete light fixtures, WEEE, solid materials, contaminated packaging, batteries, others)	4.56	2.65	0	4.49
Total hazardous waste		4.56	2.65	0	4.49
Total Waste Generated			269.62853		

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The performance in integrated waste management during 2025 reflects a significant improvement in the operational efficiency of Inca Tops, showing a substantial reduction in total waste generation compared with the previous year.

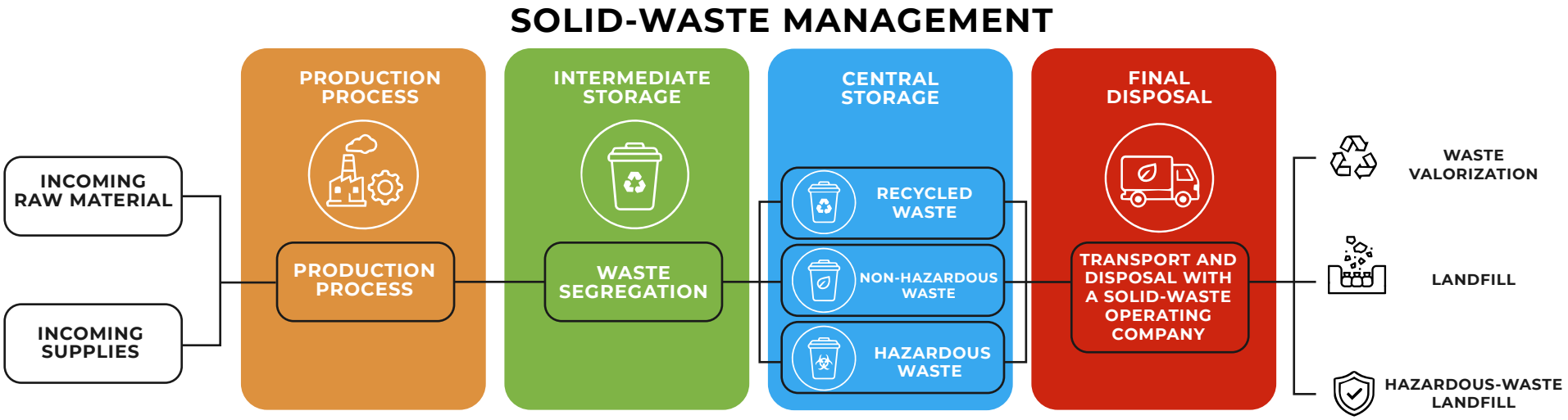
Overall, waste generation decreased from 403.48 tons in 2024 to 269.63 tons in 2025, representing a reduction of approximately 33%. This result is due to the consolidation of practices focused on optimizing material use, controlling production processes, and more efficient management of operational flows.

From a classification perspective, non-hazardous waste continues to represent the largest proportion of the total waste generated. Within this group, the observed reduction is primarily associated with lower generation of metal waste—especially light and heavy scrap metal—as well as improvements in the handling of auxiliary materials such as plastics, cardboard, and wood.

Hazardous waste also shows a significant decrease, going from 18.53 tons in 2024 to 11.70 tons in 2025, reflecting more controlled management of critical inputs, as well as improvements in segregation, storage and final disposal in accordance with current regulations.

At the operational level, the most significant reduction is concentrated in Plant 1, demonstrating progress in the efficiency of production processes. In contrast, Plant 4 maintains significant levels of waste generation, particularly related to sludge and operational waste, representing a priority management focus going forward.

Waste management flow



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5.3.3

Impactful valorization: circularity and social commitment

One of the most significant developments in 2025 has been the consolidation of waste valorization initiatives with social impact. Within this framework, the company has strengthened its participation in recycling programs in partnership with organizations such as ANIQUEM, enabling usable waste to be reused for the benefit of vulnerable populations.

This collaboration not only helps reduce the amount of waste destined for final disposal, but also integrates environmental management with a social approach, generating shared value.

In addition, the organization continues to evaluate alternatives for the use of industrial by-products, such as sludge generated in wastewater treatment plants (WWTPs), identifying valorization opportunities that allow progress towards closing production cycles.

This approach reflects a clear evolution: waste ceases to be an operational liability and becomes a resource with the potential for reuse and generating a positive impact.

Recovered waste – 2025 (t)

WASTE (TRADEABLE)	Plant 1 Waste generated (t)	Plant 2 Waste generated (t)	Plant 3 Waste generated (t)	Plant 4 Waste generated (t)
Disused sacking	0.984	0	-	2.1692
Disused cardboard	4.8336	21.654	3.76102	1.5498
Light scrap metal	6.25	5.02	-	10.15
Disused copper-cladding	0	0.34	-	0
Disused wood	1.3006	4.78	1.72	0.2248
Disused paper	2.43	0	-	0
Disused plastic	15.64441	1.561	2.6049	1.7834
Disused jute	0	0	-	3.8305
Plastic strapping	0.122	0	-	10.1083
TOTAL		102.82153		

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-54%

REDUCTION IN MARKETABLE WASTE GENERATED

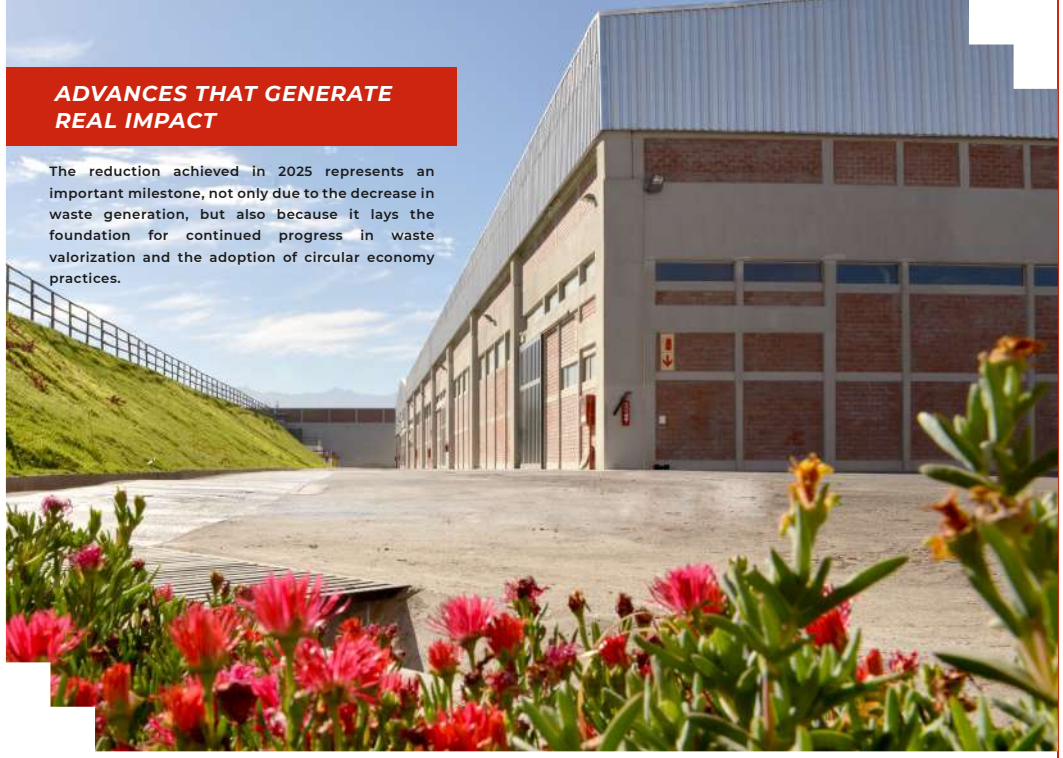
The circular economy strategy implemented in 2025 resulted in a significant reduction in total waste generation, reflecting improvements in operational efficiency, material utilization, and waste generation control.

2024	2025
221.15 t Marketable Waste Generated	102.82 t Marketable Waste Generated

This result is not solely attributable to operational variations, but also reflects structural **improvements in materials** management and process optimization.

ADVANCES THAT GENERATE REAL IMPACT

The reduction achieved in 2025 represents an important milestone, not only due to the decrease in waste generation, but also because it lays the foundation for continued progress in waste valorization and the adoption of circular economy practices.



KEY DRIVERS OF THE RESULT

IMPROVED INPUT MANAGEMENT
Greater control and utilization of raw materials and operational resources.

PROCESS OPTIMIZATION
Improvements in production efficiency and reduced material losses.

MATERIAL RECOVERY
Increased recovery of reusable and recyclable materials.

REDUCTION OF RESIDUAL
Significant reduction in waste destined for final disposal.

PROGRESS TOWARD A CIRCULAR ECONOMY
Incorporation of responsible management principles and more efficient resource use.

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5.3.4

Goals, milestones and evolution of the model

ACHIEVEMENTS 2025



Significant reduction in waste generation

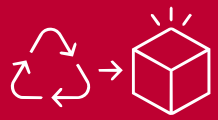


Reduction in hazardous waste



Strengthening of segregation and traceability practices

CIRCULAR ECONOMY



Promotion of material valorization initiatives



Partnerships to generate environmental and social value



Increased recovery of waste and by-products

LOOKING AHEAD



Increase waste valorization rates



Reduce waste sent for final disposal



Strengthen employee participation in environmental management

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5.3.5

Impact and value creation

Waste management at Inca Tops generates positive impacts across multiple dimensions. Environmentally, it contributes to reducing the impacts associated with final disposal and promoting more efficient resource use. Economically, it optimizes operating costs and opens up opportunities related to resource recovery. Socially, initiatives such as the partnership with ANIQUEM reinforce the company's commitment to community development.

In this way, waste management is integrated across the organization's ESG strategy, aligning operational efficiency, environmental responsibility and social impact.

The evolution observed in 2025 shows that waste management at Inca Tops has ceased to be an isolated operational approach and has become a strategic component of the business.

The reduction achieved represents not only a lower environmental impact, but also an improvement in the efficiency of resource use, contributing directly to the economic sustainability of the operation.

This progress positions the organization on a clear path towards circularity, where process optimization, innovation and responsible materials management are integrated as key ena



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5.4 Environment and biodiversity: responsible land management
(GRI 304)

RESPONSIBLE WATER MANAGEMENT

The use of groundwater and spring water is carried out under valid authorizations issued by the National Water Authority (ANA). Water management prioritizes the efficient use of resources and the continuous monitoring of performance.

ENVIRONMENTAL IMPACT MANAGEMENT

Effluent treatment, waste management, and emissions control help minimize impacts on soil, water, and the environment, strengthening environmental compliance and operational efficiency.

LAND STEWARDSHIP AND BIODIVERSITY CONSERVATION

Pacomarca promotes sustainable pasture management, alpaca genetic improvement, and the conservation of high-Andean ecosystems, contributing to the resilience of the value chain from its origin.

MANAGEMENT ALIGNED WITH INTERNATIONAL STANDARDS

Environmental management is aligned with international certifications such as OEKO-TEX® STeP and GOTS, which promote environmental impact control, efficient resource use, and the continuous improvement of operations.



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Biodiversity goals

IN THE SHORT TERM

Strengthen sustainable practices in the plant and value chain

IN THE MEDIUM TERM

Consolidate genetic improvement and ecosystem management programs

IN THE LONG TERM

Integrate biodiversity criteria throughout the supply chain

5.4.1

Environmental management approach

Use of resources	Authorized and controlled extraction (ANA)
Water	Effluent treatment and discharge control
Waste	Segregation, valuation and controlled disposal
Emitions	Reduction through energy efficiency
Territory	Responsible management in operations and Pacomarca

Environmental management at Inca Tops is not limited to mitigating impacts, but is part of an integrated system where operational efficiency, regulatory compliance and continuous improvement ensure a balanced relationship between industrial operations and the territory in which they are developed.

The progress achieved during 2025 reflects the consolidation of an environmental management model that integrates operational efficiency, circular economy principles, and continuous improvement. The optimization of water use, reduction of waste generation, strengthening of traceability, and valorization of materials contributed to enhancing the organization's environmental performance and strengthening the resilience of its operations.

These results demonstrate that sustainability goes beyond regulatory compliance and becomes a key enabler of competitiveness, driving more efficient resource management and creating value for the business and its stakeholders.

This commitment was recognized through the 2025 Business Creativity Award, which highlighted the Zamácola Plant as an international benchmark for sustainability in the alpaca textile industry.



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06

Talent that transforms: Ayllu culture, well-being and security

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The value of people at the heart of our organization

At Inca Tops, sustainability is built from the ground up, starting with people. In a business model that is intensive in technical knowledge, production specialization, and traceability; human talent not only sustains operations but also defines the organization's capacity to innovate, adapt, and compete in highly demanding global markets.

Following the Ayllu Culture approach, the company integrates principles of collaboration, respect, and a sense of community as the foundation of its organizational management. This model transcends the cultural dimension to become a strategic axis that articulates talent development, holistic well-being, workplace safety, and the relationship with the environment.

During 2025, Inca Tops consolidated a human-capital management model aligned with ESG principles, where continuous training, risk prevention, inclusion, and organizational commitment are directly integrated into the generation of sustainable value. This approach allows the company to strengthen its operational performance, organizational resilience, and social impact simultaneously.

6.1 Driving talent: development and growth

(GRI 404, GRI 401, GRI 405)

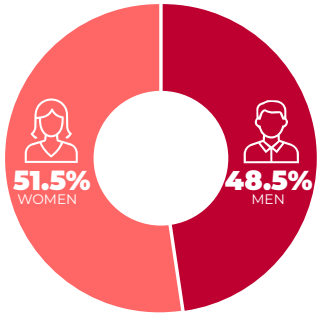
Employee development is a fundamental enabler of sustainability and competitiveness at Inca Tops. Therefore, learning management is integrated across the company's business strategy, strengthening capabilities aligned with operational objectives, quality standards, and organizational commitments.

During 2025, Inca Tops strengthened its talent management model through the implementation of its Annual Training Plan, designed according to the needs of each area and organizational level. This model combined technical specialization with the development of management skills, leadership, and organizational culture, promoting comprehensive professional growth.

In addition, the company consolidated strategic alliances with educational institutions, strengthening the continuity of training and the enhancement of internal knowledge. These initiatives were complemented by internal knowledge-transfer programs, including cross-functional training and operational exchanges, contributing to the preservation of critical knowledge and the continuous development of capabilities.

Employee Category	UNDER 30	30 - 50 YEAR	OVER 50
Senior Management	0%	100%	0%
Managers	0%	83%	17%
Supervisors	0%	57%	43%
Administrative	15%	45%	40%
Operational Staff	9%	57%	34%

Workforce Composition by Gender



The composition of the workforce at Inca Tops reflects active participation by both women and men, reaffirming the organization's commitment to diversity and inclusion across all occupational levels.

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6.1.1

Performance in talent training and development

2025 marks a turning point in training management, showing a significant expansion in coverage and scope compared with 2024. This progress reflects the transition to a more structured, measurable model aligned with the strategic objectives of the business.

Training and development of employees (GRI 404-1)

INDICATOR	UNIT	2025
Total number of employees trained	*Individuals*	*1,263*
Total time devoted to training	*Hours*	*10,675*
Proportion of employees who received training	*Percentage*	*99%*

This increase demonstrates the consolidation of a systematic-learning management system, aimed at closing skills gaps and strengthening organizational performance.

In terms of training intensity, the distribution of training hours reflects a balanced approach across organizational levels, ensuring both the strengthening of strategic capabilities and technical specialization in operational areas.

Average training hours per category (GRI 404-1)

PROFESIONAL CATEGORY	TRAINING HOURS 2025	AVERAGE PER CONTRIBUTION
Senior Managment	*11*	*6*
Managers	*48*	*7*
Headquarters	*144*	*10*
Administrative	*709*	*9*
Operations	*9,697*	*9*

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Additionally, talent management is linked to performance evaluation processes, which allows training to be connected with concrete results in productivity, professional development and continuous improvement.

Performance and Development Evaluation (GRI 404-3)

INDICAtOR	2025
Evaluated collaborators	150
Assessment coverage (men)	100%
Assessment coverage (women)	100%

Milestones 2025 – Talent Development:

- Expansion of training coverage to near-total levels
- Incorporation of impact assessment methodologies (Kirkpatrick)
- Strengthening of technical and operational programs
- Consolidation of strategic educational alliances

Talent management goals:

IN THE SHORT TERM
Maintain ≥ 95% coverage and strengthen technical training.

IN THE MEDIUM TERM
Expand specialization and leadership programs

IN THE LONG TERM
Ensure the sustainability of knowledge through dual training

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6.1.2

Talent development and knowledge transfer

Beyond formal training, Inca Tops has made progress in consolidating a continuous learning ecosystem, where knowledge is managed as a strategic asset.

During 2025, programs aimed at accelerating talent development and ensuring operational continuity were strengthened. Notable initiatives include the mentoring program, focused on strengthening leadership skills in middle management, and specialized technical programs that directly address the requirements of production processes.

In addition, the organization began incorporating more robust evaluation methodologies, such as the Kirkpatrick model, allowing it to measure not only participation in training, but also its impact on learning, behavior, and performance.

Strategic framework: Implemented development programs

PROGRAM	APROACH	BENEFICIARY COLLABORATORS
CPT	Dual technical training	2
CTS	Technical qualification in service	1
Educationa agreements	Vocational training	10
Mentoring program	Leadership Development	2
Specialized technical training	Operational efficiency	280

This approach allows for a reduction in dependence on critical knowledge and strengthens operational continuity.

6.1.3

Talent management and work dynamics (GRI 401)

Talent development management is closely linked to the organization's work dynamics. In this sense, indicators such as turnover and hiring allow for the evaluation of the effectiveness of training and retention strategies.

During 2025, the turnover rate increased by 1% compared with 2024, while the hiring rate showed a slight decrease of 1%. This trend reflects a more stable workforce, where the focus is on consolidating internal capabilities rather than expanding staff. The results achieved in 2025 demonstrate a significant evolution in the talent management of Inca Tops, consolidating learning as a strategic pillar of the business.

The increase in training coverage, along with the implementation of more robust evaluation and knowledge transfer mechanisms, strengthens operational efficiency, reduces risks associated with skills gaps, and ensures the continuity of technical knowledge.

In this context, talent development not only contributes to the organization's economic performance but also generates social value by improving employability, promoting professional growth, and strengthening job stability. In this way, Inca Tops integrates human capital management as an essential component of its sustainability strategy, aligning productivity, well-being, and long-term competitiveness.



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6.2 Comprehensive well-being: occupational safety and health

(GRI 403)

Occupational health and safety management at Inca Tops is a critical pillar for operational continuity and business sustainability. In a process-intensive industry, risk prevention not only protects people but also ensures the efficiency, quality, and reliability of operations.

In this context, safety is not managed as an isolated requirement, but as a structural component of the business strategy. The Occupational Health and Safety Management System (OHSMS) is fully integrated into operational management, enabling the systematic identification, control, and mitigation of risks throughout the organization.

During 2025, Inca Tops consolidated a preventive approach based on risk management, strengthening the organizational culture and continuous improvement, aligned with current national regulations —Law No. 29783 and its regulations— and linked with relevant international standards and certifications in the sector.



6.2.1

System management and comprehensive coverage

Inca Tops' Occupational Health and Safety Management System (OHSMS) has a comprehensive scope, covering not only direct employees but also contractors, subcontractors, and third parties operating under the company's control. This approach ensures consistent risk management across all operations.

The system is based on structured processes of hazard identification, risk assessment and application of controls (HIRAC), executed continuously and updated in response to operational changes or relevant events.

Coverage of the SGSST (GRI 403-8)

INDICATOR	UNIT	2025
Total number of collaborators	*Individuals*	*1089*
Number of contracting companies covered	*Organizations*	*34*
Proportion of employees and contractors covered	*Percentage*	*100%*
Workers excluded from the system	*Indivicuals*	*1*

Note: Coverage is calculated considering authorized contractor companies, whose number of workers may vary.

This level of coverage reflects a mature system, which extends risk management to the entire operational chain under direct control, minimizing gaps in the protection of people.

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6.2.2

Preventive management and risk control

Inca Tops' approach is based on prevention as a core principle. Through HIRAC matrices, the organization identifies physical, chemical, ergonomic, psychosocial, and mechanical risks, applying the hierarchy of controls (elimination, substitution, engineering controls, administrative controls, and PPE).

These processes are executed by trained personnel and validated through internal and external audits, ensuring consistency, traceability and continuous improvement.

The results of these assessments are integrated into the Annual Occupational Health and Safety Plan, allowing for prioritizing risks, optimizing resources, and strengthening operational controls.



6.2.3

Participation, culture and communication in security

Safety management at Inca Tops is based on a participatory organizational culture, where workers play an active role in identifying and controlling risks.

Employees—including third parties—have multiple channels to report unsafe conditions, such as HSE reports, direct communication with supervisors, and suggestion boxes. This system is based on a key principle: no retaliation, guaranteeing a trusting environment that encourages participation.

The organization also has a joint Occupational Health and Safety Committee, which meets monthly and participates in the supervision of the system, investigation of incidents and definition of improvement actions.



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6.2.4

Incident investigation and continuous improvement

Inca Tops applies structured methodologies for incident and accident investigation, emphasizing the use of root cause analysis (RCA). This approach allows not only for correcting events but also for preventing their recurrence.

The findings derived from these processes are directly incorporated into the OHS system, updating risk matrices, reinforcing controls and strengthening training programs.

This management cycle follows a continuous improvement model (PDCA), which allows the system to evolve based on operational evidence.



6.2.5

Occupational health and overall well-being

Occupational health management at Inca Tops is carried out through the HSE area, which performs monitoring, medical surveillance and preventive programs aimed at protecting the health of workers.

The organization guarantees access to occupational health services and prevention programs, including medical evaluations, health campaigns, and wellness activities.

In addition, voluntary programs are implemented that address non-occupational risks, such as vaccination campaigns, specialized medical check-ups, and activities focused on physical and emotional well-being.



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6.2.6

Health and safety outcomes

During 2025, preventive management allowed for maintaining controlled levels in critical occupational health indicators.

Occupational diseases – non-manual workers

INDICATOR	2024	2025
Deaths due to occupational disease	0	0
Recordable occupational diseases	0	0
Main types of diseases	ND	ND

These results reflect the effectiveness of the preventive approach and systematic risk control implemented in the organization.



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6.2.7

Strengthening the safety culture

During 2025, one of the most relevant advances was the consolidation of the Safety Based on Well-being (SBW) program, aimed at strengthening the preventive culture from a behavioral approach.

This program incorporates tools for identifying risk behaviors, managing emotions, promoting self-care, and integrating safety with the worker's overall well-being.

Furthermore, 100% of the activities of the Annual OSH Plan were completed, demonstrating a structured management aligned with organizational objectives.

6.2.8

Impact of safety and health management

Managing occupational health and safety has direct impacts on multiple dimensions of the business:



At the same time, the organization recognizes associated challenges, such as the constant investment in training, infrastructure and control, as well as the need to manage cultural adaptation processes in the face of new security practices.

Milestones 2025 – Safety and health

- Implementation of the SBW program
- 100% Compliance with the OSH Plan
- Zero occupational diseases
- Full system coverage

Security goals

IN THE SHORT TERM
Consolidate SBW

IN THE MEDIUM TERM
Strengthen preventive culture

IN THE LONG TERM
Integrating security into strategic decisions

The evolution of the OHSMS at Inca Tops during 2025 demonstrates the transition towards a more mature management model, where safety is fully integrated into the business strategy. The preventive approach, the total coverage of the system and the incorporation of behavioral management tools allow not only the reduction of risks, but also the strengthening of organizational resilience.

6.3 Ayllu Culture: Identity and Organizational Commitment

At Inca Tops, sustainability extends beyond internal operations to the high-Andean communities that form part of its value chain. Through its Ayllu Culture, the company integrates community development, human talent, and sustainability as strategic pillars that strengthen traceability, competitiveness, and shared value creation.

During 2025, Inca Tops further consolidated a management model aligned with ESG principles, promoting talent development, well-being, occupational health and safety, and organizational engagement. This approach enhances the company's operational performance, organizational resilience, and positive social impact.

6.3.1

Integrated management: from the community to the value chain

During 2025, Inca Tops consolidated a community management model based on knowledge transfer, technical support, and the generation of shared value. This model is implemented primarily through the RAS standard and the innovation ecosystem led by Pacomarca, enabling the alignment of production practices with international sustainability standards.

Through this approach, the company not only improves the technical capabilities of producers, but also strengthens the resilience of the supply chain, ensuring consistency in fiber quality and long-term sustainability.

This model is complemented by interventions aimed at resolving structural gaps in communities, incorporating practical solutions that respond to real needs, such as basic infrastructure, access to technical knowledge and productive management tools.

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6.3.2

Social and productive investment aligned with the business

As part of this strategy, investment in communities is geared towards initiatives that generate a direct impact on productivity, social well-being and environmental sustainability.

Strategic Framework: Community Development Programs 2025 (GRI 413-1)

PROGRAM	*STRATEGIC APROACH*	*SCOPE*	*INVESTMENT 2025 (PEN)*
RAS	Product standardization and sustainability	Alpaca farming communities	283,902
Alpaca donation	Genetic improvement and productivity	+800 families	58,550
Yarn donation	Strengthening the local economy	+100 families	21,767.58
Infrastructure (greenhouses, cabins)	Food security and living conditions	+50 families	10,000
Pacomarca (visits and internships)	Knowledge transfer	457 people	-
PacoKipu	Productive digitization	New users	-
Social programs	Community cohesion and well-being	Local population	-

This portfolio reflects an evolution compared with 2024, when interventions were more concentrated on specific initiatives. In 2025, management is geared towards a more structured approach, where each action simultaneously contributes to operational efficiency, supply-chain sustainability, and territorial development.

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6.3.3

Results: Impact across three ESG dimensions

The results of this management demonstrate a direct contribution to the organization's sustainable performance:



In the economic sphere, productivity is strengthened and the value of the fiber is increased, generating better income for producers and greater stability in the supply chain.



In the social sphere, the quality of life of communities is improved through access to knowledge, infrastructure and development opportunities, further strengthening the relationship of trust with the company.



In the environmental field, sustainable herd management and responsible production practices are promoted, contributing to the conservation of high Andean ecosystems.

This integrated approach allows sustainability to translate into operational efficiency and the reduction of risk, aligning social impact with business objectives.

6.3.4

Social governance and the role of stakeholders

The evolution of this model has been made possible thanks to the active participation of stakeholders, particularly producers, strategic partners and customers, who influence the prioritization and design of interventions.

Throughout 2025, this interaction allowed initiatives to be oriented toward more agile solutions with tangible impact, prioritizing actions that generate short-term results without losing sight of the long-term objectives. This translates into more accessible programs, greater adoption by communities, and more efficient implementation.

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6.3.5

Organizational culture and inclusion (GRI 405)

Internally, the Ayllu Culture is reflected in an organizational environment based on equity, respect, and the development of individuals. Talent management incorporates principles of diversity and inclusion, ensuring equal opportunities and strengthening organizational cohesion.

This consistency between internal culture and relationship with the environment reinforces the company's identity and its positioning as perceived by global customers, especially in a context where social traceability and responsibility in the supply chain are key factors.

Milestones 2025 – Ayllu Culture:

- Expansion of the community model
- Greater adoptio of digital tools
- Strengthening of Pacomarca
- Increased intervention in communities

Community goals:

- **IN THE SHORT TERM** — Expand coverage
- **IN THE MEDIUM TERM** — Improve productivity
- **IN THE LONG TERM** — Integrate sustainability into the supply chain

The Ayllu Culture positions Inca Tops at a higher level of sustainability management, by coherently integrating community development with operational efficiency and business competitiveness.
More than a social approach, it is a management model that reduces risks in the supply chain, strengthens traceability and ensures the sustainability of the business's core resource.
In this sense, the relationship with the communities ceases to be a complementary component and is consolidated as a strategic asset, key to the continuity, resilience and differentiation of Inca Tops in the global market.

During 2025, the organization significantly strengthened its training, safety, and organizational culture practices, demonstrating an evolution toward a more structured, proactive management model aligned with international standards. The expansion of training programs, the strengthening of a proactive safety culture, and the consolidation of professional development opportunities have improved operational performance, reduced risks, and increased employee engagement.

In this context, the Ayllu culture is positioned as a central axis that connects organizational strategy with the employee experience, promoting an environment based on collaboration, respect, and shared responsibility. This approach not only strengthens the work environment but also facilitates the effective implementation of sustainability initiatives at all levels of the organization.

Furthermore, integrating goals and monitoring mechanisms into talent management has enabled greater traceability of results, ensuring that implemented actions generate measurable impacts on both employee well-being and operational efficiency.

This approach strengthens the organization's ability to adapt to environmental challenges and sustain its growth responsibly.

Taken together, these advances position Inca Tops as an organization that recognizes the strategic value of its human capital, actively integrating it into its sustainability model. In this way, talent development becomes a key enabler for competitiveness, business continuity, and the consolidation of an organizational culture aligned with ESG principles.



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Our commitment to communities and territorial development

Inca Tops' social commitment extends beyond its operations, reaching the communities and territories that form part of its value chain. In this context, the company focuses its efforts on generating a sustainable positive impact, strengthening capabilities, promoting local development, and building long-term relationships based on trust and mutual benefit.

During 2025, this approach materialized in initiatives aimed at strengthening breeders, implementing social programs, and promoting the organization's active participation in its community. These actions reflect a management style that integrates social sustainability as an essential part of the business model, contributing to the resilience of the supply chain and to territorial development.

7.1 Strengthening our breeders: capacity building

(GRI 413-1)

Capacity building in alpaca-raising communities forms the basis of Inca Tops' sustainability model. In an industry where the quality of the final product depends directly on management at the source, the development of breeders becomes a critical factor for operational efficiency, traceability, and compliance with international standards.

Through the RAS standard and Pacomarca's technical ecosystem, the company promotes an approach that combines knowledge transfer, genetic improvement, animal welfare, and territorial sustainability. This model allows local production practices to be aligned with the demands of the global market.

During 2025, this approach evolved into a more structured and continuous intervention, prioritizing the generation of sustainable capacities in communities, which directly contributes to improving fiber quality, reducing product variability, and strengthening the resilience of the supply chain.

Results of the RAS program and productive strengthening (2025)

***Families benefited** (vitamin supplementation)*	***400***
Alpacas treated	***60,000***
Alpacas delivered	***131***
Yarn donation (kg)	***252.7***
New animals registered	***918***
New PacoKipu users	***20***
People on visits and internships	***457***
Community infrastructure	***1 cabaña + 1 invernadero***

Regarding 2024, there is evidence of an evolution towards a more comprehensive approach, where interventions cease to be isolated actions and become a continuous system of technical and productive support.

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Milestones 2025 – Capacity Building

- Consolidation of the RAS model as an operational standard in the field
- Expanding the scope of intervention in alpac farming communities
- Strengthening the Pacomarca ecosystem as a technical transfer center
- Incorporation of digital tools (PacoKipu software) for production management
- Improved traceability from the source

Community development goals

IN THE SHORT TERM

Expand coverage of technical programs in key communities

IN THE MEDIUM TERM

Increase productivity and fiber quality through genetic improvement

IN THE LONG TERM

Consolidate communities as sustainable strategic partners of the business

This approach allows Inca Tops to strengthen the sustainability of its value chain from the source, recognizing that capacity building in breeders and communities not only generates a positive social impact, but also contributes directly to the quality, traceability and continuity of supply.

7.2 Value-generating programs: social investment and well-being (GRI 413-1)

(GRI 413-1)

Inca Tops' social investment focuses on initiatives that have a direct impact on productivity, well-being, and territorial sustainability. This approach moves beyond welfare-based models, prioritizing interventions that strengthen capacities and foster autonomy within communities.

During 2025, the company consolidated a portfolio of programs aligned with this approach, where each initiative simultaneously contributes to social development and the efficiency of the value chain.

Community development and investment programs

PROGRAM	AIM	SCOPE	INVESTMENT 2025 (PEN)
RAS	Animal welfare and sustainability	Alpaca farming communities	283,902
Alpaca donation	Genetic improvement	+800 families	58,550
Yarn donation	Productive reactivation	+100 families	21,767.58
Greenhouses	Food security	+200 families	10,000
Visits to Pacomarca	Technical transfer	457 people	20,000
Social programs	Community well-being	Local population	-

Additionally, initiatives focused on community well-being were developed, including winter-clothing campaigns, sports activities, reforestation programs, and actions aimed at vulnerable populations.

Regarding 2024, there is evidence of an evolution toward a more strategic social investment, where resources are allocated prioritizing productive impact, territorial sustainability and strengthening of the value chain.

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Milestones 2025 – Social Investment

- Greater alignment of social investment with business strategy
- Increased impact on community productivity
- Diversification of programs with a territorial focus
- Integration of social welfare and productive development

Social investment goals

IN THE SHORT TERM

Optimize the impact of existing programs

IN THE MEDIUM TERM

Scale up productive interventions in communities

IN THE LONG TERM

Consolidate a sustainable and self-sustaining social investment model

Social investment at Inca Tops is becoming a key strategic management tool that strengthens operational resilience, improves productivity at the source, and generates shared value. This approach transforms social investment into a strategic business asset.

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7.3 Active engagement: social participation and collective impact

(GRI 413-1 / 413-2)

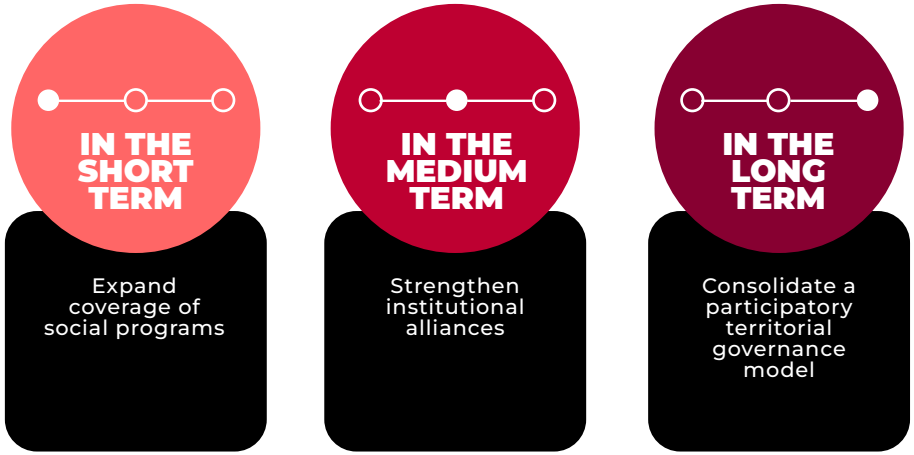
Inca Tops' social impact is built on an active and sustained relationship with communities, based on trust, participation and collaboration with local actors. During 2025, the company strengthened this approach by implementing social initiatives in partnership with organizations such as Inti Raymi, expanding the scope of its interventions and consolidating its territorial presence.

These actions include programs focused on well-being, social integration and improving quality of life, complementing productive interventions and strengthening the link between the company and its environment.

Milestones 2025 – Social Participation

- **Strengthening territorial strategic alliances**
- **Greater community participation in programs**
- **Increased social welfare interventions**
- **Building trust relationships**

Social participation goals



Active community participation improves the effectiveness of interventions, reduces conflicts, and strengthens the legitimacy of the operation. This approach positions Inca Tops as a trusted partner within its community.

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7.4 Community Impact Management

(GRI 413-2)

As part of its sustainability approach, Inca Tops conducts periodic assessments to identify real or potential impacts on communities.

2025 Result:

IMPACT ASSESSMENT	*RESULT*
Significant negative impacts	**Unidentified**

This result is due to a preventive management approach based on:

- **Integration of international standards**
- **Continuous technical support**
- **Active participation of communities**
- **Continuous improvement in territorial management**

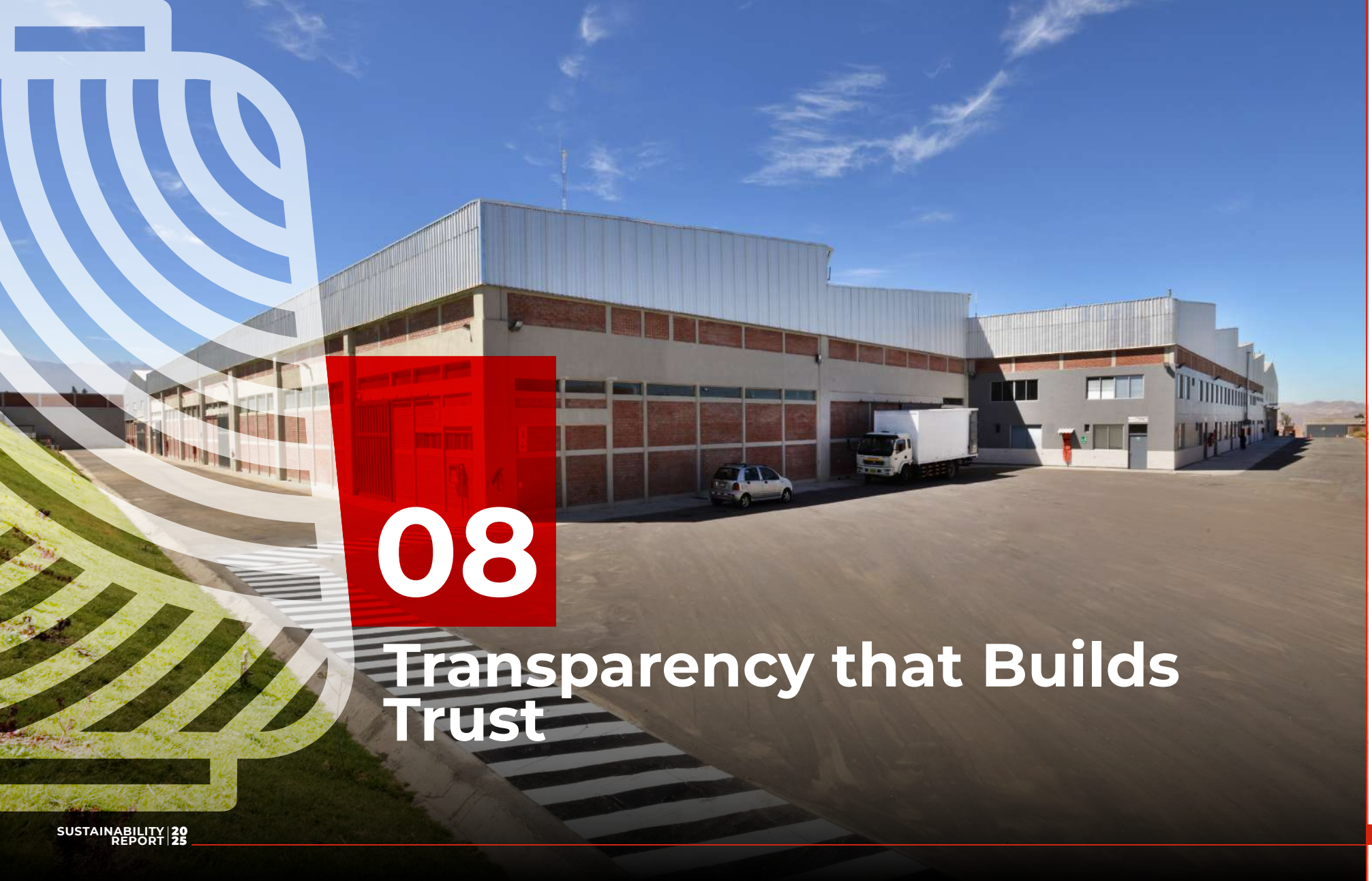
Social management based on prevention and participation allows for legitimate operations, reduces risks, and strengthens the long-term sustainability of the business.

At Inca Tops, the development of people and communities is an essential pillar of business sustainability. By strengthening capabilities, creating opportunities, and fostering collaboration throughout its value chain, the organization contributes to territorial development and the building of lasting, sustainable relationships.

The achievements of 2025 reaffirm that shared growth is the most effective path to generating positive impact, enhancing supply chain resilience, and creating long-term sustainable value for future generations.



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8.1 Reporting information, indicators and standards

Transparency at Inca Tops is a core component of its sustainability model, connecting operational performance with the trust of its stakeholders. Beyond regulatory compliance, the organization views information disclosure as a strategic enabler that strengthens decision-making, corporate reputation, and access to increasingly demanding global markets.

During 2025, this approach evolved into a more robust reporting model, characterized by the integration of audited information, the traceability of indicators, and methodological consistency in ESG performance measurement. This advancement allows not only the communication of results but also the demonstration of the management system's maturity and its alignment with international standards.

In this context, transparency ceases to be a reporting exercise and becomes a management mechanism that articulates financial, environmental, and social information within an integrated logic of generating sustainable value.

8.2 Regarding this report

(GRI 2-1, 2-2, 2-3, 2-4, 2-5)

Inca Tops' 2025 Sustainability Report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI), consolidating relevant information on its economic, environmental and social performance under a structured and comparable approach.

The scope of the report includes the company's operations in Peru, including the value chain linked to Pacomarca, which is a strategic component in the management of traceability, sustainability and territorial development.



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8.2.1

Scope and characteristics of the report

ELEMENT	DESCRIPTION
Reporting organization	Inca Tops SA
Reporting period	Fiscal year 2025
Coverage	Operations in Peru + Pacomarca
Standard applied	GRI – in compliance
Frequency	Annual
Publication date	2026
Point of contact	Inca Tops corporate channel

The information presented has been consolidated from internal records, management systems and auditable data, maintaining consistency with the 2024 report and ensuring comparability in the narrative.

8.2.2

Methodological approach

The development of the report is based on a methodological approach that integrates:

- The continuity of the 2024 materiality analysis as a current strategic framework
- Alignment with international standards and industry certifications
- The use of auditable and traceable indicators across all ESG dimensions
- Internal validation processes that ensure consistency and reliability

This approach ensures comparability of information over time and strengthens consistency between strategy, operations, and reported performance.

8.2.3

How transparency drives sustainability

Transparency at Inca Tops is not limited to the disclosure of information; it acts as a direct enabler of business sustainability. Through data traceability, standardized indicators, and information validation, the company strengthens its ability to manage risks, identify opportunities for improvement, and optimize its operational performance.

This approach allows ESG information to be integrated into decision-making processes, facilitating more efficient resource management, better risk anticipation, and greater alignment with market expectations.

Likewise, transparency strengthens the relationship with clients, certification bodies and strategic partners, who increasingly demand more evidence about the origin of products, environmental performance and the social conditions of the operation.

In this way, information management becomes a strategic asset that not only supports compliance, but also drives competitiveness and long-term sustainability.

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8.3 Índice de contenidos GRI

La presentación del índice de contenidos GRI permite evidenciar la correspondencia entre los temas materiales y la información reportada, facilitando la trazabilidad del contenido y su validación por parte de auditores, clientes y otros grupos de interés.

Este nivel de estructuración refuerza la transparencia del reporte y consolida su utilidad como herramienta de gestión y comunicación estratégica.

8.3.1

GRI Content Index

GRI STANDAR	*CONTENT*	*LOCATION IN THE REPORT*
GRI 2-1	Organizational details	Chapter 1
GRI 2-2	Entities included	Chapter 8
GRI 2-3	Reporting period	Chapter 8
GRI 2-4	Re-expressions of information	Chapter 8
GRI 3-1	Materiality determination process	Chapter 2
GRI 3-2	List of material topics	Chapter 2
GRI 302	Energy	Chapter 5
GRI 303	Water	Chapter 5
GRI 305	Emissions	Chapter 5
GRI 306	Waste	Chapter 5
GRI 401	Employment	Chapter 6
GRI 403	Occupational safety and health	Chapter 6
GRI 404	Training and education	Chapter 6
GRI 413	Local communities	Chapter 7

The structured integration of GRI standards allows for the consolidation of a report that not only communicates results, but also demonstrates management aligned with international best practices.

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8.4 ESG Indicators Table

The consolidation of ESG indicators in Inca Tops responds to the need to integrate environmental, social and governance performance into a structured measurement system, which allows for evaluating progress, identifying opportunities for improvement and strengthening decision-making.

Unlike a traditional reporting approach, these indicators are not presented as isolated metrics, but as part of an integrated system that reflects the evolution of the business model towards sustainability.



8.4.1 Environmental indicators (E)

INDICATOR	2025 RESULT	UNIT
Energy consumption	(Data reported Chapter 5)	KW
Water consumption	(Data reported Chapter 5)	m^3
GHG emissions (Scope 1 and 2)	(Data reported Chapter 5)	tCO_2e
Waste generated	(Data reported Chapter 5)	tons

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8.4.2

Social indicators

INDICATOR	2025 RESULT	UNIT
Total number of employees	1089	Individuals
OHSMS Coverage	100%	Percentage
Rate of occupational diseases	0	Individuals
Trained staff	1,263	Individuals
Training hours	10,675	Hours
Social investment	(Data from Chapter 7)	S/ (PEN)

Social indicators reflect the consolidation of people-centered management, where safety, training and well-being are integrated as pillars of organizational performance.

8.4.3

Indicadores de gobernanza (G)

INDICATOR	2025 RESULT
Compliance with OSH regulations	100%
Current certifications	OEKO-TEX, GOTS, RAS, NATIVA, STeP
Impact assessment in communities	Without significant negative impacts

The governance indicators demonstrate the strength of the control, compliance, and risk management system, as well as the integration of international standards into operations. This approach strengthens trust and ensures the long-term sustainability of the business.

Integrating ESG indicators into a structured measurement system allows Inca Tops to transform information into a strategic asset, strengthening traceability, decision-making, and alignment with international standards.

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Sustainability at Inca Tops is the result of a long-term vision that integrates innovation, traceability, operational efficiency, and a strong commitment to people, communities, and the environment. Throughout 2025, the organization strengthened its economic, environmental, and social performance, consolidating a business model that creates shared value and responds to the evolving expectations of global markets.

The progress presented in this report reflects Inca Tops' commitment to continuous improvement, transparency, and the responsible management of its impacts, reaffirming its purpose of leading a more sustainable and competitive textile industry built on alpaca fiber and the development of its entire value chain.

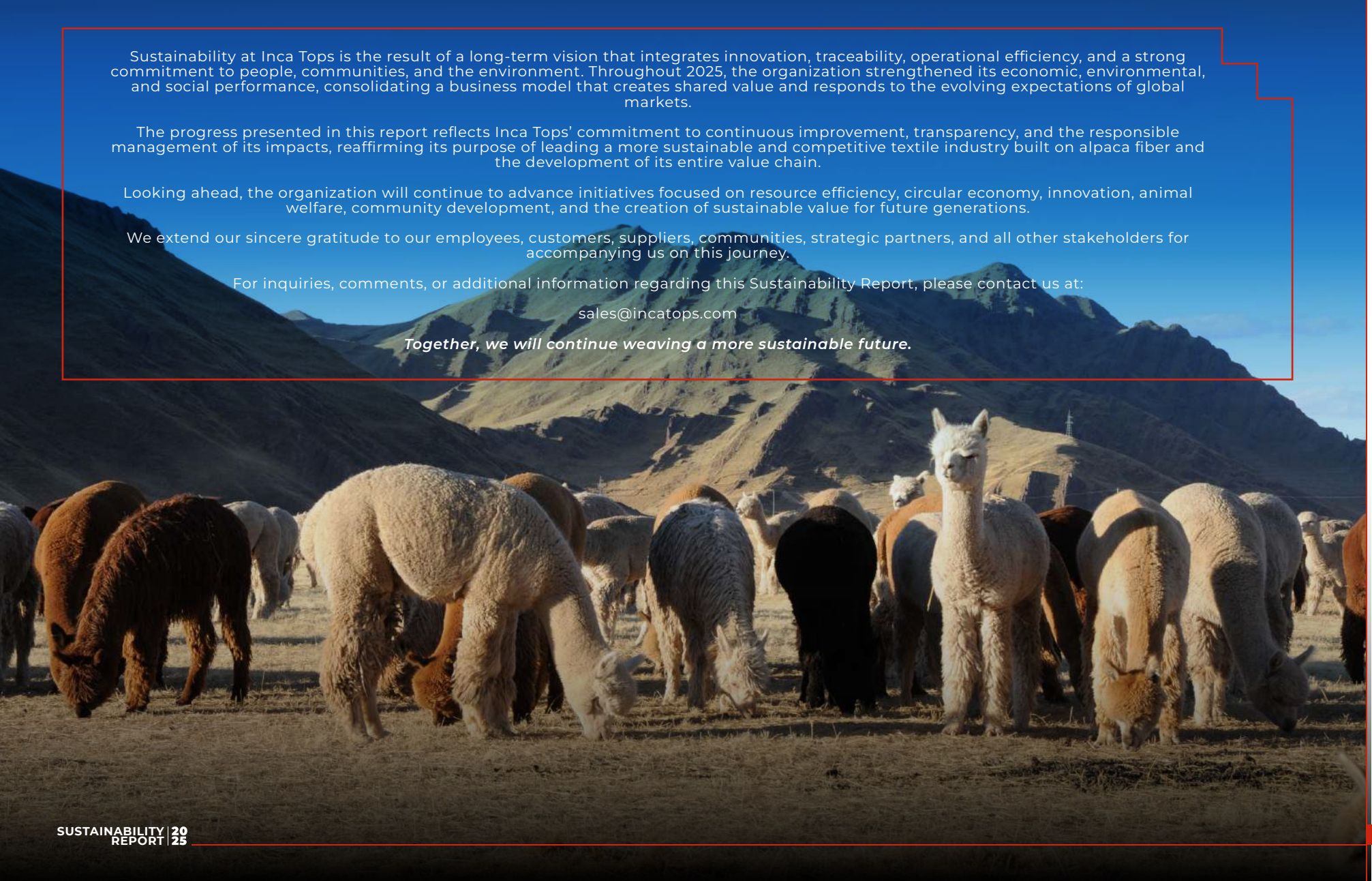
Looking ahead, the organization will continue to advance initiatives focused on resource efficiency, circular economy, innovation, animal welfare, community development, and the creation of sustainable value for future generations.

We extend our sincere gratitude to our employees, customers, suppliers, communities, strategic partners, and all other stakeholders for accompanying us on this journey.

For inquiries, comments, or additional information regarding this Sustainability Report, please contact us at:

sales@incatops.com

Together, we will continue weaving a more sustainable future.



01. Our Identity Origins and Global Value Proposition

02. Vision 2030: Weaving the Sustainable Future

03. Governance with Purpose: Leading wit Integrity

04. From Pacomarca to the World: Traceability that Transforms

05. Fiber with Purpose: in Harmony with the Planet

06. Talent that transforms: Ayllu culture, well-being and security

07. Growing Together: Social impact that Transcends

08. Transparency that Builds Trust


INCA TOPS