**SUSTAINABILITY POLICY**

At Incalpaca TPX we conceive sustainability as a fundamental axis and integral part of the Company. Our activities denote the commitment assumed and oriented to the appropriate management of the economic, social and environmental impacts generated. We prioritize the preservation of the environment, the well-being of our collaborators and community, the consolidation of policies, practices and processes leading to the continuous improvement of the performance of environmental, social and governance aspects in our value chain.

The following are pillars of the sustainability of the organization:

**Equity:** Without any distinction, we promote good fair-trade practices, decent and safe working conditions, improving the quality of life in our areas of influence and the conservation of ancestral traditions, complying with national laws and current international social standards.

**Environment:** We are committed to the sustainable and efficient use of natural resources and the prevention of pollution; we comply with applicable and current legal regulations and international standards. We promote the circular economy, the reuse and recycling of solid waste, ensuring the use of environmentally friendly products, focused on achieving clean production. In addition, we promote the conservation of habitats throughout our value chain, from the raising of the alpaca.

**Animal welfare:** We care about knowing the origin of the fiber we use in the manufacture of our products, which is why we try to obtain fiber from farms where the five animal freedoms are respected. Likewise, our “Inca Shearing” model is the shearing technique adopted by the national alpaca industry and converted into a National Technical Standard for reducing the stress level of the animals during the shearing process. On the other hand, the participation of Incalpaca TPX in the sustainable management of vicuña fiber has been transcendental in preventing the extinction of this species and ensuring its conservation.

**Resilience:** We have the ability to prepare, respond and adapt to changes, with continuous improvement as our objective and commitment. Through our genetic programs, we improve the quality of alpaca fiber, which allows our products to be more durable, resistant and of high quality.

The Senior Management of Incalpaca TPX is committed to the implementation and monitoring of this Policy and to the establishment of objectives and goals that allow us to manage and communicate our environmental, social and governance impacts.

Alejandro Olazábal Gómez de la Torre

Administration and HR Manager

INCALPACA TPX S.A.

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