



## TRACEABILITY AND RAW MATERIAL POLICY

VIPOSA purchases hides exclusively from suppliers that have an environmental license and registration with health agencies, whether federal, state or municipal.

Approval of hide suppliers involves assessing technical requirements, documentary records and the supplier's ability to trace the cattle back to the farms of origin. As part of the approval process, the supplier signs document 5VG01039 Declaration of Origin of Raw Material in which he/she commits to the following requirements:

- Cattle farms must not be located in areas of illegal deforestation, indigenous lands, environmental protection areas or involved with child or slave labor, and must not be on the embargo lists of IBAMA or any State Environmental Agency, as described in the monitoring protocols for cattle suppliers in the Amazon and Cerrado:

- The farms from which the hides supplied to VIPOSA come must be registered in the Rural Environmental Registry (CAR) and/or have an Environmental License, with a copy of these documents kept on file by the supplier;

- Producers and suppliers in the chain must operate ethically and legally, ensuring animal welfare throughout the animal's life cycle, including transportation and handling. The Five Freedoms of Animal Welfare must be respected, which are:

1. Freedom from hunger and thirst – access to water and adequate diet;
2. Freedom from discomfort – appropriate environment with shelter and resting area;
3. Freedom from pain, injury and disease – proper prevention, diagnosis and treatment;
4. Free to express natural behavior – sufficient space, suitable facilities and company of own species;
5. Freedom from fear and stress – conditions that prevent unnecessary mental suffering.

- No chemical product should be applied to the hides without the prior consent of Viposa. If the use of a chemical product is necessary (for example, to preserve the hides), it will be indicated or provided by Viposa;

- In the event of environmental fines or recognition of non-compliance with one of the criteria described above, the supplier undertakes to notify Viposa immediately.



## Raw Material Traceability Policy

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Viposa's traceability system begins with the receipt of the hides and at the beginning of their processing, each hide receives a physical mark (stamp) capable of identifying at least the supplier, the date of slaughter and the leather producing plant.

### SUPPLIER EVALUATION

The assessment of the traceability of the hides is carried out by Viposa's Sustainability and Environment Department, which, through its own system, verifies the following criteria:

- Hide suppliers that already have a cattle traceability system with socio-environmental verification of the farms of origin (direct and/or indirect) as established in our policy, may be considered approved and exempt from our verification, provided that they present an annual report prepared by an independent certification body.
- Suppliers of hides that already have a cattle traceability system with socio-environmental verification of the farms of origin (direct and/or indirect) as established in our policy, may be considered approved as long as they periodically present a verification report of the farms of origin, prepared by a third-party company specialized in socio-environmental monitoring.
- Suppliers of hides that do not have a cattle traceability system with socio-environmental verification of the farms of origin (direct and/or indirect) as established in our policy, may be considered approved as long as they periodically present documents that make it possible to be verified by a third-party company, specialized in socio-environmental monitoring, hired by Viposa. All findings raised by the audits are recorded and stored as evidence.

### ANIMAL WELFARE MONITORING

To strengthen our commitment to animal welfare in our chain, we have adopted the following monitoring mechanisms:

- Annual self-assessment questionnaire: sent annually to suppliers, containing objective questions about animal welfare, including the possibility of sending evidence (documents or images);
- 2nd party on-site assessments (audits): carried out on a sample basis every 24 months to verify the declared practices and compliance with the criteria established in this policy. The practices assessed involve, among other aspects:
  - methods of animal identification and their impact on welfare,
  - quality of facilities and equipment,

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- correct application of vaccines and medicines,
- and the adoption of rational and low-stress management.

### NON-CONFORMITIES

If any irregularity is found and proven in any of the criteria, the supplier will be immediately notified to resolve the issues. In the specific case of non-conformities related to animal welfare, Viposa undertakes to work together with suppliers to develop a corrective action plan. The supplier will have a set period of time to implement the necessary improvements and comply with the criteria established in this policy. If, at the end of the agreed period, the requirements are not met, the supply will then be interrupted.

If irregularities are proven in other cases, the supplier will be registered as a “restricted supplier”. The restricted supplier may only reestablish the supply of raw materials after confirming to us that the issues have been resolved. Upon confirmation, the supply will be reestablished.