

Rotoplas'

FUTURE

IS BEING SHAPED

**2021 ANNUAL
INTEGRATED
REPORT**

TODAY



Our purpose and mission inspire every decision we make, just like water, we are constantly in movement, progressing towards our maximum potential

We know that...



Rotoplas'

FUTURE
IS BEING SHAPED
TODAY

OUR FUTURE IS SUPPORTED BY:

- High growth potential in the global water industry, especially given the challenges of climate change and water scarcity
- Leading brands in the **14** countries where we operate
- Clear and achievable strategy based on our 2021-2025 Sustainable Growth Plan

We are working to accomplish our growth plan

IN A SUSTAINABLE MANNER

→ 2020-2025: *Plan*

To double sales
in 5 years

We renewed our strategy and

WE DEFINED OUR GOALS



→ Environmental Target

Carbon Neutral *by 2040*

→ Diversity Target

Increase the participation of women in the workforce from 23% to 30% *by 2025*

We are constantly *reinventing* ourselves

RESPONDING TO WATER CHALLENGES

- We developed and launched 13 new solutions in 2021 that continue to transform the industry

We continue

TO EVOLVE IN AN AGILE WAY

→ Our ROIC has increased **83.5%** since the start of the *Flow* transformation program *in August 2019*

↑ 6.6 percentage points
(7.9% vs 14.5%)

To go

FURTHER EVERY DAY



→ **We have great potential**
~~to grow~~ *to continue to grow*

There is high demand for non-centralized water solutions as water infrastructure is being outpaced by population growth

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ABOUT THIS REPORT

GRI 2-3, 2-4, 2-14

	2020	2021
GRI Standards	↑	↑
SASB	↑	↑
TCFD recommendations	↑	↑
COP – Global Compact	↑	↑
CEO Water Mandate	↑	↑
SDG Achievement	↑	↑
IFRS	↑	↑
Stakeholder Capitalism Metrics – World Economic Forum		↑



Grupo Rotoplas S.A.B. de C.V. report has been prepared in accordance with the GRI Standards for the period from January 1 to December 31, 2021. It also follows the Sustainability Accounting Standards Board (SASB) guidelines for the construction products, chemicals, and water services industries.

For defining the issues to be reported, a **double materiality process** was considered and carried out in updating our sustainability strategy. This process included raising the information expectations of major stakeholder groups and investors.

The information contained in this report gives an account of the structure and strategy, as well as the main milestones of our economic, social, environmental, and corporate governance performance and management, developed within the framework of the objectives set out in our sustainability strategy, which has gone into shaping this report.



In turn, the information gathered considers the management of risks and opportunities related to climate change, for which **we follow the TCFD (Task Force on Climate-related Financial Disclosures) recommendations.**

This report constitutes our Communication of Progress (COP) by reporting on progress in the implementation of the 10 Global Compact Principles, as well as managing the commitments regarding global water challenges from the CEO Water Mandate. In addition, the report reflects Rotoplas' contribution to the achievement of the United Nations (UN) Sustainable Development Goals (SDGs).

It should be noted that the financial information contained in these pages has been prepared in accordance with the International Financial Reporting Standards (IFRS).

To facilitate navigation and identification of the contents associated with GRI, SASB, and TCFD, the indicators are included at the beginning of each topic as they are answered. In addition, the annexes include tables and indices for each framework used, including references to the SDGs, COPs, and the CEO Water Mandate.

For the first time, we have also incorporated the Measuring Stakeholder Capitalism table, proposed by the World Economic Forum, with the aim of moving toward common metrics that help facilitate communication for all our stakeholders.

The information contained in this report has been collected and reviewed internally by the persons responsible for each topic, and then validated in its entirety by the Sustainability Committee and Grupo Rotoplas' Corporate Practices and Strategy Committee.

In addition, **this document was externally verified, carried out by an independent third party**, whose letter is also contained in the annexes to this report.



HOW TO READ THIS REPORT?

→ FRONT PAGE OF EACH CHAPTER

A reference to the SDGs, lines of action of the Sustainability Strategy, and core elements of the TCFD recommendations.

→ START OF EACH SECTION

A reference to the contents of the GRI Standards, the SASB metrics, and detailed TCFD recommendations.

→ THE END OF THE REPORT

GRI, SASB, TCFD, and their relation to the Commitments of the CEO Water Mandate, Global Compact, Stakeholder Capitalism.

SUSTAINABILITY STRATEGY



SDG

- 1 No poverty
- 2 Zero hunger
- 3 Good health and well-being
- 4 Quality education
- 5 Gender equality
- 6 Clean water and sanitation
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation, and infrastructure
- 10 Reduced inequalities
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action
- 14 Life below water
- 15 Life on land
- 16 Peace, justice, and strong institutions
- 17 Partnerships for the goals

TCFD RECOMMENDATIONS – CORE ELEMENTS



Governance

The organization's governance regarding risks and opportunities related to the climate.



Strategy

The real and potential impacts of the climate-related risks and the opportunities related to the organization's business, strategy, and financial planning.



Risk management

The processes used by the organization to identify, evaluate, and manage climate-related risks.



Metrics and objectives

The metrics and objectives used to assess and manage the relevant risks and opportunities related to the climate.

HIGHLIGHTS

Through our solutions, we become our customers and users' partners to help them reduce their environmental impact

In 2021, more than **\$22 million pesos** were allocated to social investment in Mexico, Argentina, Peru, and Central America
→ impacting more than **22,000 people**

14

countries in which we have a presence

3,380

employees

+60,000

points of service

+30,000

points of sale

27

product lines

19

Manufacturing plants

1 Innovation Center

10,915 mm

MXN Sales

1,764 mm

EBITDA MXN

We are part of:

DJSI MILA Pacific Alliance

S&P/BMV Total Mexico ESG Index

We are Leaders in Sustainability

We maintain a **conscious capitalism approach:**

People, the planet, and our economic benefit have the same priority level.

We are a **growing company** that has paid dividends annually

First sustainable bond issuer in Latin America in 2017 (AGUA 17x & AGUA 17-2x)

➔ 2020-2025 Sustainable Growth Plan:

- 2x sales (vs. 2020)
- EBITDA Margin \geq 20%
- Net Debt /EBITDA leverage \leq 2.0x
- ROIC ~20%

2021 EVENTS



February

- **Harpic and Rotoplas** join to provide **access to water and hygiene in social projects** in the State of Mexico.
- Participation in Work Groups for the **Business Advisory Council's 2030 Agenda, Sustainable Water and Diversity Groups**, Salary Gap and People with Disabilities Group.

March

- **Opening of a new manufacturing plant in Nicaragua** to supply products to Nicaragua, Costa Rica, and Panama.

April

- **Start of participation** in the Global Compact Accelerator, Target **Gender Equality, and Climate Environment Accelerator.**

May

- **Cash reimbursement to shareholders of capital for \$0.45 per share.**
- **Launch of the Sustainability Strategy 2021-2025**, focusing on 360° value creation throughout the water cycle.
- **Launched the "a fluir" call for proposals** for the supply and installation of rainwater harvesting systems in communities with a social gap and lack of basic services.
- Ratification of AGUA* in the sample of the **ESG index of the Mexican stock exchange (BMV).**



June

- Launch of the **"Water Savvy communities: best practices from Latin America"** invitation in collaboration with the IDB, The Nature Conservancy, and other companies.

July

- **GBM published the "Deep Dive AGUA" with a price target update to \$47.0 and a Market Outperformer rating.**
- Launch of the **"FUNAM Rotoplas"** award to promote and recognize research and innovation in water treatment.
- **Initiated coverage by Miranda Global Research and Miranda ESG, with a price target of \$45.0 and Buy recommendation**, making Rotoplas the first issuer in the Mexican stock exchange (BMV, for its Spanish acronym) with ESG analysis coverage.

August

- **S&P Global Ratings** confirmed **Grupo Rotoplas' 'mxA-** rating with a stable outlook.
- **UNDP Mexico and Rotoplas promote water security for rural and indigenous communities** in Chiapas, Campeche, and Tabasco.
- Appointment of **Xavier Garcia de Quevedo Topete as a new member of the Company's Board of Directors.**
- Obtained the **SRE badge in Peru** and improved **the group's MSCI** rating from BB to **BBB.**
- **Participation in the Water Week in Stockholm**, where the best practices of Communities with water knowledge in Latin America were recognized.



September

- Development of **internal comprehensive audit teams specializing in ISO management systems for Quality, Environment, Health, and Safety at Work.**

October

- **Market shaper contract started with BTG Pactual.**
- **Fitch ratified Grupo Rotoplas' 'AA(mex)' rating with a stable outlook.**

Throughout the year

Participation in **the work groups of the 18 Business Advisory Council of Agenda 2030**, such as: **The Sustainable Water Group, LGBTIQ Diversity and Inclusion Groups and People with Disabilities**, among others.

November

- **Announcement of support of the TCFD, Task Force on Climate-related Financial Disclosures**, for a resilient financial system, protection against climate risk, and increased disclosure of information.
- Inclusion for the fifth consecutive year in the **DJSI MILA Pacific Alliance.**
- Minority stake in **Banyan Water, a technology company specializing in water management software.**

December

- **BTG Pactual initiated coverage of AGUA* with a Buy recommendation and price target of \$39 pesos.**
- **Water Day 2021 celebration**, sharing the evolution of the *Flow* transformation program and business plan 2020-2025.



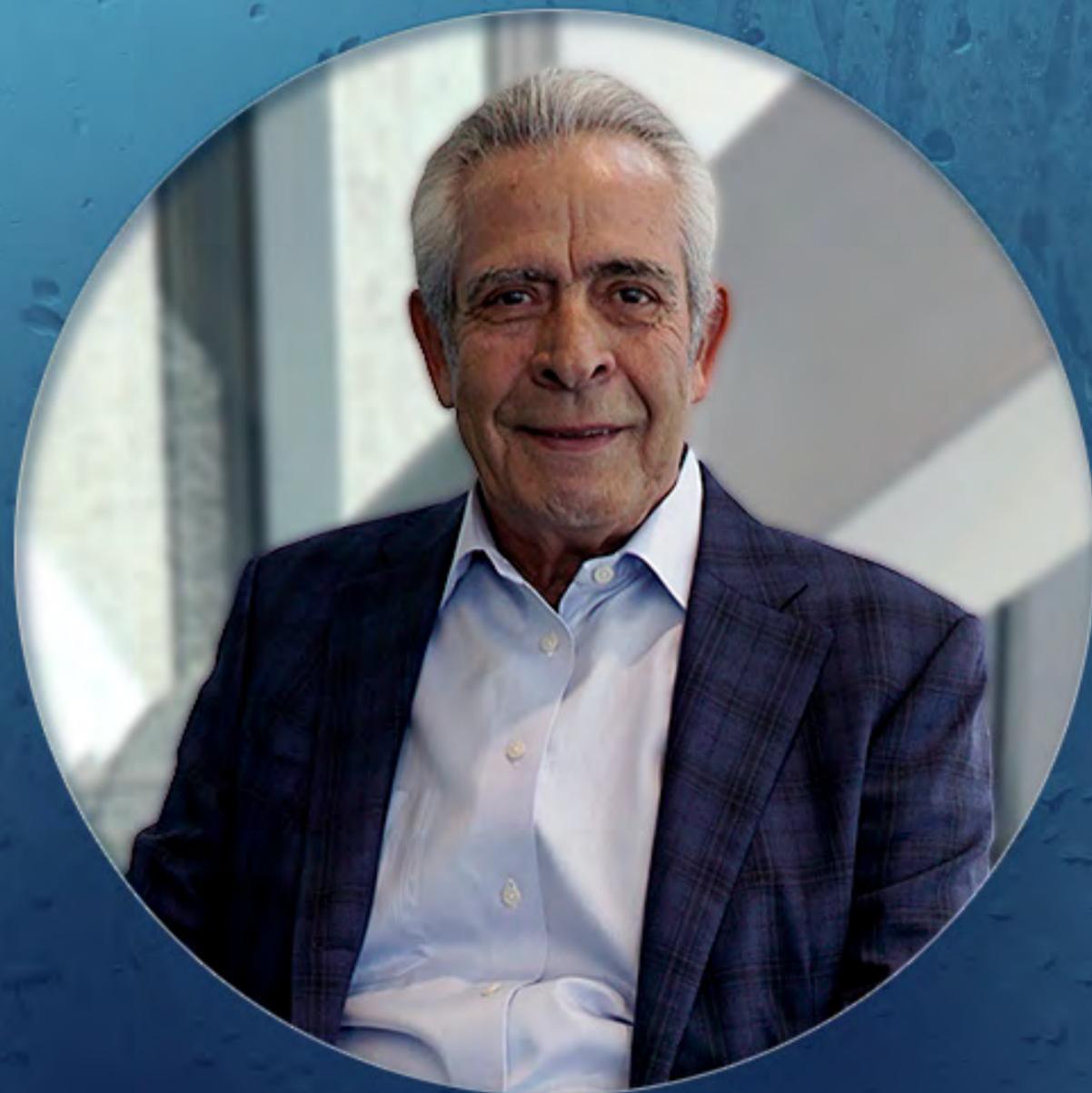
MESSAGE FROM THE CHAIRMAN OF THE BOARD

—
GRI 2-22

I'm pleased to share with you our **2021 Annual Report**, which is a compilation of the most important events of the year in financial, environmental, social, and governance matters.

2021 was marked by the post-pandemic global economic recovery, involving major supply chain challenges and accelerated growth in the demand for water management solutions. Likewise, each year we observe a greater impact on the day-to-day life of people due to climate change and water scarcity, forcing us to re-think our activities, the solutions we offer, and the way we operate.

Our sustainable Growth Plan aims to double sales in 5 years.



Carlos Rojas Mota Velasco
Chairman of the Board



In spite of being a growing company, we have paid dividends annually.

We are moving steadily towards achieving our 2025 growth and profitability goals. The *Flow* transformation program has provided us with the necessary tools and alignment to agilely adjust our strategy, without losing focus on the medium-term. Likewise, it has allowed us to gain market share in all the countries where we operate, consolidate our leadership in the industry, and pay dividends to our shareholders.

To be able to double our sales in 5 years, we estimated an average annual growth of 15%, however, in 2021 we were able to grow 26% vs. 2020 and 40% compared to 2019. The pandemic has changed consumption habits, benefitting e-commerce and solutions related to water and hygiene, and we have been able to capitalize on this opportunity.

I am very glad to see the cultural shift and maturity the Company has reached since the *Flow* transformation program started in August 2019. This new mindset has been adopted by our employees and we are ready to face new challenges and to incorporate more advanced technology into our solutions in order to achieve water security in Latin America and the United States.

I would like to take this opportunity to recognize each of our employees, distributors, plumbers, and suppliers, since their effort and commitment have allowed us to deliver quality products and services in a challenging environment. We would also like to thank our clients for their trust and preference, as well as our investors for continuing to support and believe in our mission to help bring people more and better water.

In the midst of an ever-changing environment and recognizing our responsibilities towards our stakeholders and sustainable development, we asked ourselves the following questions about our role in defining our future: How will we generate new and innovative solutions to improve water access for the population? How will we use technology to be more efficient and productive? How will we move towards water digitization? How will we contribute to stopping climate change? How will we encourage employees' development and creativity? How will we contribute to the growth of our business partners and communities? among others.





We seek to maintain our leadership role in sustainability and innovation, operating responsibly and supporting our clients in reducing their environmental impact

As a result of reflecting on these questions, and from an extensive surveying of our stakeholders, including the market and investors, we have defined our new 2021-2025 Sustainability Strategy which, along with the goals established in *Flow*, guide us on how to adapt to the future.

On this front, we aligned with the UN's Sustainable Development Goals and confirmed our commitment with various international organizations who share our vision for the future, such as the Global Compact with its 10 principles to encourage sustainable development, and the CEO Water Mandate Initiative. Besides this, we took part in different commissions and civil organizations that support environmental and social causes, such as gender equality and inclusion, sustainable development of natural resources, and the industry's development in the different markets where we operate.

We are committed to transparency and accountability. We completed the CDP¹ Climate Change Questionnaire for the second year in a row and followed the suggestions from the TCFD² to provide information to our investors about the actions we have implemented to mitigate climate change risks, and their governance.

¹ Carbon Disclosure Project.
² Task Force on Climate-Related Financial Disclosures.

We are aligned with the main international ESG disclosure frameworks to provide greater transparency for our stakeholders

In line with this, we followed the GRI and SASB reporting standards while preparing this annual report, aiming to communicate our management in an effective and comparable way for all our stakeholders. For the first year, we included in the index the indicators proposed by the Stakeholder Capitalism system.

I kindly invite you to read our annual report to get further details on our management, commitments, and results.

Carlos Rojas

Carlos Rojas Mota Velasco
 Chairman of the Board

MESSAGE FROM THE CEO

—
GRI 2-22

Charly Rojas

Carlos Rojas Aboumrad
Chief Executive Officer

In 2021

We continued to evolve our internal culture to be more agile and innovative in response to the new opportunities and challenges that arise.

The demand for improved and innovative water solutions that promote our stakeholders' well-being is increasingly evident, and it provides us with the opportunity to create economic value.



With this in mind, in the second quarter we launched our 2021-2025 Sustainability Strategy with a 360° value generation perspective. This strategy focuses on the planet, people, and profits as key components to our growth plan.

In terms of the planet, we addressed circularity and climate change, along with water availability. For our focus on people, we improved our user's quality of life as well as the promotion and development of our team members. Looking at profit, we focused on strengthening our corporate governance and ensuring access to our solutions, as well as devising and executing initiatives to increase the Group's operating profit.

This strategy reflects and renews our commitments and goals in terms of ESG, aligning them with the objectives we established in *Flow*, our organizational transformation program. In its second year of implementation, Flow focused on initiatives that promote sales growth with an emphasis on the customer and user experience.

2021 was a challenging year, however, our priorities continued to focus on our employees and stakeholders' well-being, as well as ensuring the delivery of products to distributors and customers. We faced increasing demand and difficulty securing access to raw materials in terms of quantity and cost, both of which were indirectly impacted by the pandemic. Rotoplas was able to respond resiliently to supply chain instability because of our clear strategy and talented team that faced these challenges, took advantage of opportunities, and solved them in an effective, agile, and timely manner.

This year, boosting innovation, we launched new products and new manufacturing processes to improve the characteristics of our solutions, making them more sustainable. Likewise, we launched new sales channels, which strengthened synergies by cross-selling between businesses in different countries.

Flow has evolved from a transformational program → to how the Company operates daily.



We made great progress in the **digitization of water solutions** by officially launching *Acuantia* in the United States, where we expect to merge e-commerce operations with the septic business to develop a key market with high growth potential.

Through the digitization of water, we will adapt our product and service portfolio to smart solutions that use water more efficiently

We automated *bebbia's* platform to improve the data entry system by introducing online maintenance scheduling and instant messaging communication, which provides quicker and more accurate responses for our customers.

Likewise, we formed a strategic alliance with the technology company Banyan Water, to jointly develop the next generation of products and services for more efficient water use via data analytics.

In monetary terms, **the year's performance resulted in a 26% increase in sales**, exceeding the annual growth target of 17% and strengthening our brands' position as leaders in the region.

The EBITDA margin was impacted by the increase in raw material and logistics costs and closed at 16.2%. During the year we followed a strategy of temporarily absorbing cost increases with the objective of gaining market share in the first half of the year to make the portfolio more profitable in the second half. **ROIC** reached 14.5%, 235bps higher than the cost of capital, in line with our long-term sustainable value generation plan.

Increased by 6.6 points since the start of the Flow transformation program in August 2019



We have clear objectives on climate change and diversity



Net income increased 3% excluding the non-recurring financial gain from the early closing of foreign exchange hedges in March 2020. We maintain an optimistic outlook for a future focused on being innovative, agile, and continuing to digitize water. We also remain aligned and disciplined in executing initiatives to achieve our 2025 growth and profitability targets.

Regarding our ESG objectives, we are aware of the considerable progress to be made, and therefore, we set specific goals for each aspect of our strategy, here I would like to highlight two.

Internally, we are working on increasing the number of women in our workforce, and have committed to reaching 30% by 2025, up from 23%. In line with our environmental focus, and our understanding of the intimate relationship between water resources and climate change, we aim to be a carbon-neutral company by 2040.

We are convinced that the path to sustainability must be walked hand in hand with our stakeholders, as well as with other experts that can help enhance our work and evaluate our progress. In that regard, I am pleased to share that in 2021 we continued to improve our scores in the Corporate Sustainability Assessment from the S&P/BMV Total Mexico ESG Index, we were part of the Dow Jones Sustainability MILA Pacific Alliance index for the fourth consecutive year, and we improved our MSCI rating from BB to BBB.

I encourage you to continue to join us on this path towards sustainable development in which we can change the lives of thousands of people while respecting the environment.

Charly Rojas

Carlos Rojas Aboumrad
Chief Executive Officer

WHO WE ARE

COMPANY DESCRIPTION

GRI 2-1

TCFD



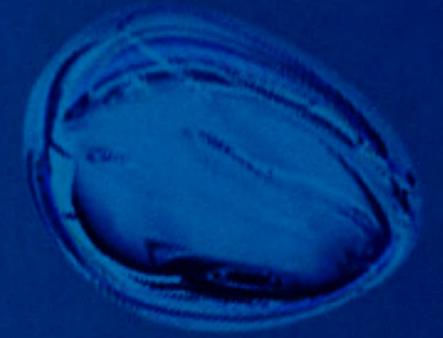
SDG



→ Mission
To provide people with **more and better water**

→ Vision
To offer non-centralized and sustainable water solutions, that benefit our customers, done in the Rotoplas Way

- Values
- Service-oriented attitude
 - Social and Environmental Responsibility
 - Humility and integrity
 - Passion for Business
 - Collaboration



Since Rotoplas¹ began operations in Mexico in 1978 and its subsequent geographic expansion, we have become **leaders** in the development and distribution of water and sanitation solutions in Latin America and the United States



Through our brands, we offer products and services that cover storage, waterflow, improvement, purification, water treatment, recycling, and irrigation.

We provide the end user with complete solutions to their water management needs, helping to reduce the gaps in the population's access to water, improving the quality of the resource and contributing to economic development

FOR MORE INFORMATION

Financial statements, and the entities included



[view links](#) 

¹ Grupo Rotoplas S.A.B. de C.V., commercially known as Rotoplas, has been listed on the Mexican Stock Exchange (BMV) since December 14, 2014 under the ticker AGUA*.

BUSINESS MODEL

Rapid population growth, lack of centralized infrastructure, high levels of pollution in groundwater, as well as increased awareness of environmental care and the risks involved in climate change, are some of the growth engines that have driven the business over the last two decades.

Our value proposition is to improve the relationship of humans with water by offering end-to-end solutions to increase its availability and quality through treatment and reutilization cycles.

Our business model has been aimed at increasing the efficiency of production, distribution, and sales processes, through the optimization of infrastructure, machinery, and logistics.

In addition, driven by the conviction that the future lies in digitization and data analysis, we focus on the development and implementation of a robust technology-based platform.

→ BUSINESS MODEL / NON-CENTRALIZED WATER SOLUTIONES



Through our solutions, we become our customers' ally to be more sustainable every day

B2B business to business
B2C business to consumer
B2D business to distributor

SOLUTIONS

GRI 3-3, 2-6

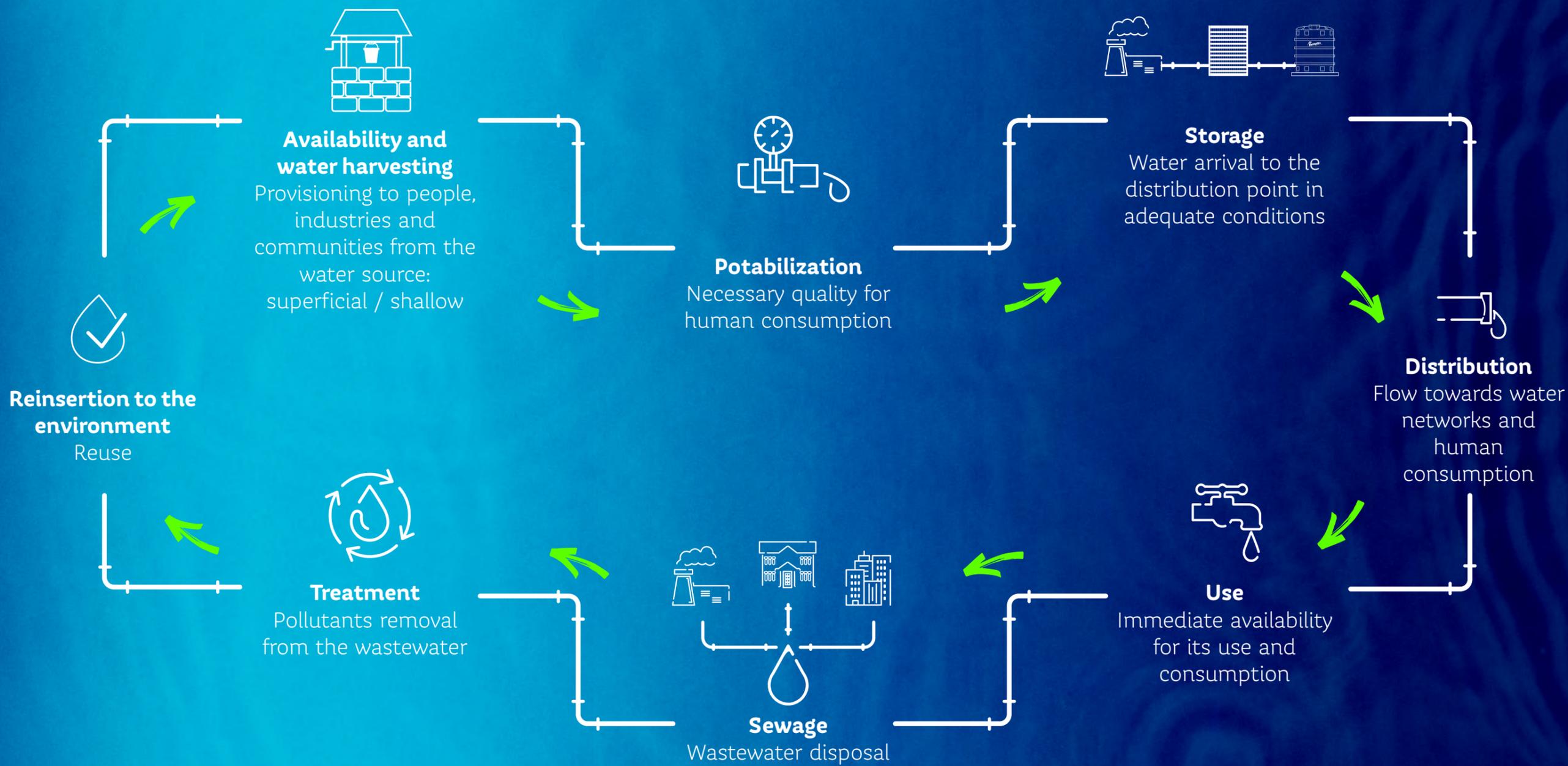


We have the necessary expertise and technology to develop products and services that help to solve the global challenges of water scarcity and quality deterioration.

Through our products and services, we support the population's resilience to climate change and water scarcity

Solutions

→ **RELATIONSHIP BETWEEN THE SOLUTIONS AND THE WATER CYCLE**



Rotoplas' presence throughout the water cycle

Product Portfolio

We offer a **variety of solutions for better water management, adapted to urban and rural environments.**

Using a B2D (business to distributor) marketing model and e-commerce, we reach the end users of our brands. These distributors include home improvement stores, hardware stores, construction companies, government agencies, and non-governmental organizations (NGOs).



Our brands provide a wide range of innovative water and sanitation solutions, improving people's quality of life in rural and urban areas





→ STORAGE

Designed to meet different water supply needs.



- **Water tanks**
Dual tank
Mid – low range water tank
- **Cisterns**
- **Industrial and agricultural**
Tanks for water and chemicals
Inductor tanks
Horizontal tanks
Feeders
Troughs



→ WATERFLOW

Is intended to cover all the needs of a hydraulic installation in single-family, affordable-entry-level, and residential housing, high-rise buildings, industries, boats, and others.



- **Pipes**
Ultraflex pipe
Hydraulic
Fortech-CT
- **Plastic bolts and connectors**
- **Valves**
Check valve
- **Pumps**
Hydropneumatic systems
Hydropneumatic centrifugal peripheral submersible circulating pump
- **Inspection chambers**



→ WATER IMPROVEMENT

Is subdivided into:

- **Purification Line:** provides purified, crystalline water, free of particles, soil, sediments, and heavy metals, for drinking, cooking, and preparing food.
- **Treatment Line:** promotes hygiene in areas of backwardness, along with favoring the development of small production units, such as the Family Gardening Agricultural Irrigation System.
- **Heating Line:** It proposes solutions for water heating and energy and gas savings.



- **Heaters**
4-stage electric shower
Water heaters
- **Biodigesters**
- **Filters**
Standard, jumbo with refrigerator, tap, jug with integrated filter
- **Purifiers**
Purifiers on sink, below sink, Reverse Osmosis
Water purifier and alkalizer
- **Family-orchard-type agricultural irrigation system**
- **Domestic wastewater treatment**
Residential septic tanks



→ SELF-SUSTAINABLE

A comprehensive solution that combines the storage, waterflow, and water improvement products to meet specific needs in rural and urban environments.

- **Rural rainwater harvesting**
- **Urban rainwater harvesting**
- **Outdoor toilet with biodigester**



Services

Services **address more complex and/or far-reaching water and sanitation needs throughout the water cycle.** With these solutions, we seek to build long-term relationships with our clients. We are involved from the custom design and installation process of the solutions to their operation, maintenance, and training of those involved.

Through the direct sale of services, B2B (business to business), and B2C (business to consumer) marketing models, we reach private, industrial, and commercial clients, as well as government agencies and non-governmental organizations that develop water and sanitation projects.

→ WATER TREATMENT AND RECYCLING



Water treatment and recycling plants designed for industries, both for pre-consumption through purification and desalination, and for post-consumption or residual, through treatment and recycling

- Rainwater Harvesting
- Water treatment plants, Post-industrial water, and Pre-consumption water
- Water purifying plant
- Water desalinating plants
- Rainwater harvesting systems for industries (complement for water treatment plant)



Empresa de Grupo Rotoplas



→ RESIDENTIAL AND COMMERCIAL DRINKING WATER PURIFICATION



Pre-consumption water treatment for homes, offices, and schools, through filtration and purification with dispensers Rotoplas (purifiers) and drinking water fountains.



→ WATER MANAGEMENT FOR AGRICULTURAL USE



Intelligent irrigation systems for agriculture. Water treatment and recycling solutions can be added to the business of water treatment and recycling plants.



Our experience allows us to offer a wide range of solutions to meet complex needs

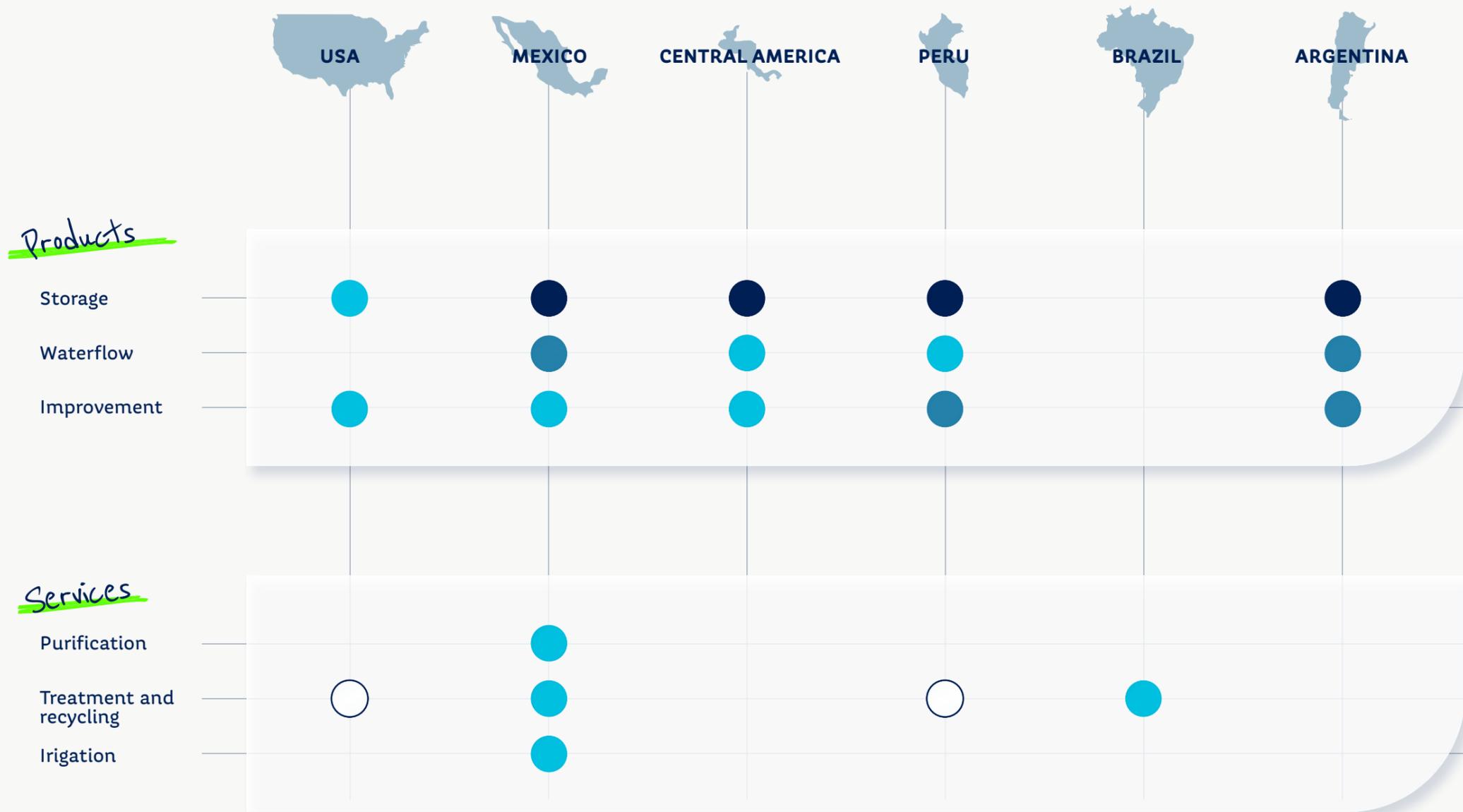
ROTOPLAS' PRESENCE

GRI 2-2
SASB IF-WU-000.A

Our service platform and a portfolio comprise 27 product lines. In addition, we have a network of **19 manufacturing plants, 3 distribution centers,** and 1 research and development center, strategically located in Mexico, Central America, Peru, and Argentina. We also participate in the United States market through an e-commerce platform, and recently, with our septic solutions business.

We sell products via more than **30,000 outlets,** serving various industries in **14 countries** throughout the Americas.

→ OUR PRESENCE



Presence

- Mature market
- Expanding market
- Emerging market
- Plan

→ STRATEGY BY COUNTRY AND REGION



Presence

Mexico

- Increase product portfolio and sales channels.
- Adoption of new technologies to reduce water and energy consumption in production processes.
- Development of e-commerce platforms integrating data and analytics.

Peru

- Maintain storage leadership and diversify the business into the water heater and waterflow categories.
- Geographic expansion.
- Development of new sales channels.

USA

- Create brand awareness and increase market share.
- Expand product and service offerings on the online platform, adapting to the retail market.
- Continue with omni-channel strategy.
- Continue to improve the digital platform.

Central America

- Continue to develop the waterflow business.
- Increase product offerings.
- Boost the sales force.
- Expand the business to other countries in Central America.

Argentina

- Strengthen leadership in water storage, waterflow, and improvement.
- Boost exports in Mercosur, the Caribbean, and Africa.
- Promote the commercial strategy of margin increase and cash flow sustainability.

Brazil

- Develop and expand the water treatment and recycling plant business.
- Continue to integrate competitive and innovative technologies, including 24/7 automated monitoring system.

RESULTS THAT BUILD TRUST

TCFD



SDG



RELEVANT FINANCIAL DATA

GRI 3-3

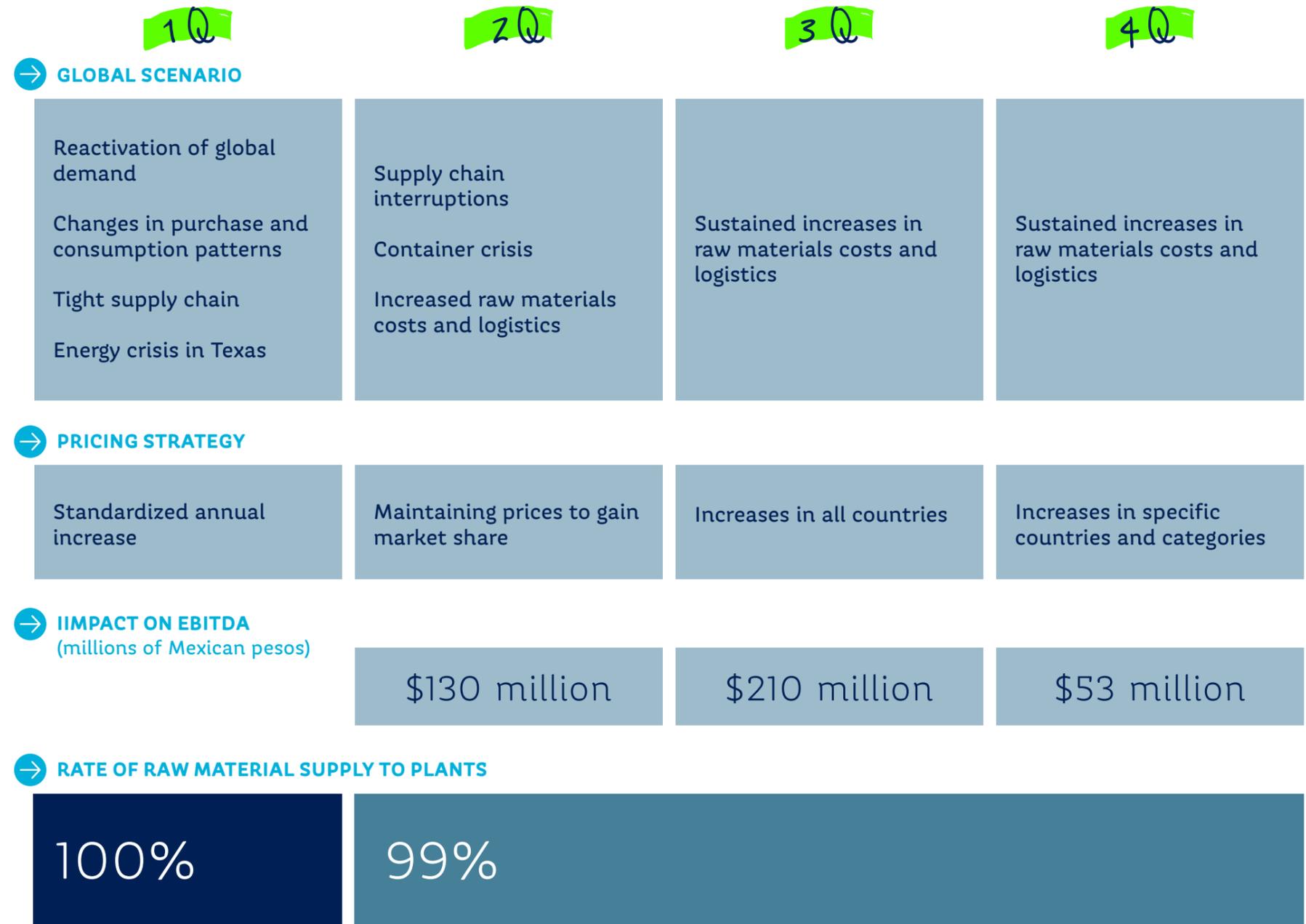
The growth outlook of the water industry has benefited from:

- * The effects of climate change *and water scarcity*
- * The population increase that generates high demand for non-centralized water solutions in the face of overflowing water infrastructure

Our commodity-sourcing strategy, in a stressed supply chain environment, enabled us to meet customer demand and gain market share without compromising our long-term goals.

This year was marked by the gradual reopening of economies and the reactivation of demand, but also by a global supply chains disruption problem, which resulted in higher raw materials and

logistics costs challenges that we were able to successfully overcome thanks to the agility and coordination that the *Flow* program has provided, helping to achieve our growth and profitability objectives.



During the first half of the year

The consequences of these disruptions began to be observed, and we responded to them by temporarily absorbing these cost increases to raise our market share. **The result was double-digit sales growth and a strengthening of our leadership position,** as well as a 98% achievement of the annual EBITDA target in absolute terms. During the second half of the year, prices were adjusted in all geographies and product categories, achieving a sequential improvement in margins toward the end of the year.

The agility of the strategy and increased investment in working capital helped us to ensure that we can supply materials **to deliver 100% of orders to the more than 90,000 distributors and customers** we serve directly.

In **2022,** we plan to make disciplined investments to keep evolving and be able to meet customer and investor needs in a sustainable manner. Likewise, we are committed to **making our operations more sustainable** while helping our customers reduce their environmental impact and become more resilient to climate change.



DISTRIBUTION OF ECONOMIC VALUE

—
GRI 3-3, 201-1, 203-1

ECONOMIC VALUE GENERATED AND DISTRIBUTED (EVG AND EVD) (Figures in millions of Mexican pesos)

In line with our **360° approach to sustainable value creation**, which considers all of our stakeholders, we are convinced that a financially healthy company not only generates benefits for its shareholders through the distribution of capital gains, but also benefits a wide range of groups, allowing the circulation of wealth in the economy.



Thus, for example, payments are generated for services to suppliers contributing to local development and to the fiscal coffers through taxes. Employees receive remuneration for their work and investments are generated in research and development, among other things, as shown in the following table.

	2019	2020	2021	Δ 20 vs 21
Revenues (Economic Value Generated, EVG)	8,086.0	8,644.0	10,914.5	26.3%
Costs and Expenses (Economic Value Distributed, EVD)	7,018.0	8,720.0	11,472.9	31.6%
Operating Costs and Expenses	5,763.4	5,714.0	8,550.8	49.6%
Salaries and benefits (for collaborators, COGS + G&A)	1,215.0	1,192.0	1,299.3	9.0%
Payment to capital suppliers (not considering purchase and/or sale of shares)	606.5	1,196.0	831.3	-30.5%
Payments to government (taxes and contributions)	268.0	243.0	131.9	-45.7% ¹
Investment in Research and Development (R&D, salaries and D&A not considered)	39.6	73.0	70.5	-3.4%
Acquisitions (IPS)	-	-	65.2	-
Infrastructure investments	329.3	291.0	515.0	77.0%
Donations (community)	6.2	10.0	19.3	92.7%
Retained (EVG-EVD)	1,068.0	-75.0	-568.8	NA

¹ In 2020, there was an extraordinary gain in exchange rate hedges, which was not repeated this year, which mainly explains the 50% decrease.



Net sales increased 26.3%, exceeding the annual growth target of 17.0%. **Product sales grew 29.8%**, driven by growth of over 20% in all three categories: storage, waterflow, and improvement. Of the total growth, 18.2% corresponds to increases in volumes and 11.6% to the increase in prices. In addition, sales of new solutions released as part of the *Flow* program account for 2.6% of total revenue.

On the other hand, **service sales represented 4.5% of the total**, contracting by 20.4%, due to the lack of maintenance billing in the drinking water fountain business and a slowdown in the water treatment and recycling plants business. Despite showing double-digit growth, as *bebbia* is a developing business, it failed to compensate for the other divisions.

We closed the year with a gross margin of 38.1%, a decrease of 350 bps due to the rise in raw materials and freight costs in all regions. Despite the mismatch between price increases and the rise in

costs, **adjusted EBITDA² amounted to \$1.76 billion and its margin was 16.2%, a 200bp decrease.**

An annual impact of \$393 million on EBITDA is estimated, due to the temporary absorption of cost increases. Likewise, a profit of 1.8 times the absorbed cost is estimated as a result of the increase in market share.

Net profit grew 3.4% to \$312 million, without considering the non-recurring financial gain from the early closing of foreign exchange hedges in March 2020. The increase in working capital was due to the growth in sales and the strategy of securing inventories in the face of shortages of raw materials.

Which enabled us to achieve 99.53% factory efficiency

At the end of December, the net debt/Adj. EBITDA ratio stood at 1.3x and the cash conversion cycle was optimized by 7 days, settling at 71 days.

² Adjusted EBITDA considers: operating profit + depreciation and amortization + non-recurring expenses (donations and *Flow* implementation expenses). In 4Q21, it considers \$76 million from *Flow* expenses and \$10 million from donations, while in 4Q20, it considers \$71 million from *Flow* Expenses and \$1 million from donations. On an accrued basis, it considers \$301 million from *Flow* expenses and \$19 million from donations in 2021, as well as \$167 million from *Flow* expenses and \$10 million from donations in 2020.



Although we are a growing company with ambitious 2025 targets, we have paid dividends to our shareholders annually.

Through cash and equity repayments, Rotoplas has paid a yield of more than 7% over the last two years. During 2021, two capital repayments were made, one in cash and one in kind, totaling \$2.14 pesos per share.

The return on the AGUA* share price for the year was 11.2%. Considering capital repayments, the annual yield amounts to 19.7%.

Capital investments (Capex) reached 4.7% of sales, going mainly to the technological upgrading of the plants in Mexico, with the pilot launch of the new generation of water tanks whose goal is the sustainability of the category in the long term, as well as the increase of productive capacity in different countries,

and the digitization of businesses like Acuantia and *bebbia*.

ROIC settled at 14.5%, 235 bps higher than the cost of capital, in line with the long-term sustainable value generation plan. ROIC has increased 83.5% since the start of the *Flow* transformation process in August 2019.

ROIC has increased
83.5% since the start of the
Flow transformation process in
 August 2019



→ **MAIN RESULTS FOR 2021 BY COUNTRY**
(Figures in million Mexican pesos)

	Mexico	Argentina	USA	Others <i>Peru, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, and Brazil</i>
Net revenues	↑ 14.4%	↑ 57.4%	↑ 31.8%	↑ 27.6%
	as a result of double-digit growth in products.	Driven by all three categories, with record volumes and market increases worth noting in the waterflow and improvement categories, mainly with the sale of water heaters. In addition, the operation of the plants was optimized to meet the growing demand.	Driven by changes in consumption habits due to the pandemic, a better user experience on our websites, and the launch of septic solutions under the Acuantia brand.	<p>Peru continued to diversify its operations into the categories of improvement and waterflow, and new sales channels were developed. In waterflow, it continued to penetrate the market with products imported from plants in Mexico and Argentina, generating efficiencies in the production process.</p> <p>Central America all countries grew and gained market share, maintaining leadership within the region. Tuboplus' penetration in Guatemala continued during the quarter.</p> <p>Brazil closed contracts for new water treatment and recycling plants, driven by post-pandemic economic reactivation and regulatory changes in water and sanitation.</p>
Adjusted EBITDA	\$1,011 million and a 17.9% margin	\$448 million ³ and a 17.1% margin	\$81 million with a 6.3% margin	\$223 million with a 16.7% margin
	<p>Main investments:</p> <ul style="list-style-type: none"> • First stage for the launch of the new generation of water tanks. • Increased productive capacity in waterflow and from the digitization of <i>bebbia</i>. 			<i>cumulative</i>

³ Adoption of IAS 29, Financial Reporting in Hyperinflationary Economies. Because Argentina has accumulated inflation above 100% in the last three years, it is considered a hyperinflationary economy. In accordance with IAS 29, an inflation adjustment has been made to the financial statements to account for changes in purchasing power.

Sustainable Bond

AGUA 17-2X



Our sustainable bond seeks to finance projects and solutions that generate social development, improvements in the health of the population, and protection of the environment, which are aligned with the United Nations' Sustainable Development Goals (SDGs).

In 2017, we issued two bonds: AGUA 17 X and 2X. The first one was for \$600 million pesos, with a 3-year term that expired in June 2020, and it was prepaid in February 2020. The second, AGUA 17-2X, was for \$1.40 billion pesos with a 10-year term and maturing in June 2027. Subsequently, two reopenings of this bond have been made; the first in 2018 for \$1.00 billion pesos, and the other in 2020 for \$1.60 billion pesos.

Partnerships with a business and sectoral focus

—
GRI 2-28

Partnerships

We participate in the following associations:

- Mexican Business Council
- Brazilian Association of Sanitation Materials Manufacturers (Associação Brasileira dos Fabricantes de Materiais para Saneamento) (ASFAMAS) (Brazil)
- Guatemalan Construction Chamber (Cámara Guatemalteca de la Construcción) (CGC) (Guatemala)
- National Chamber of Industry (Cámara Nacional de la Industria de la Transformación) (CANACINTRA) (Mexico)
- Argentine Mexican Chamber (Cámara Argentino Mexicana) (CAMEX)
- Argentine Chamber of Plastic Industry (Cámara Argentina de la Industria Plástica) (CAIP)
- Argentine Chamber of Gas Artifact Manufacturers (Cámara Argentina de fabricantes de artefactos a gas) (CAFAGAS)
- Association of Argentine Importers and Exporters (Asociación de Importadores y Exportadores Argentinos) (AIERA)
- Argentine small and medium metal industry chamber (Cámara de pequeña y mediana industria metalúrgica argentina) (CAMIMA)
- IDEA – Institute for Business Development of Argentina (Instituto para el Desarrollo Empresarial de la Argentina)
- FUNDECE



Flow: EVOLUTION IN PROGRESS

GRI 3-3
IP 5

TCFD



SDG



Flow is an organizational transformation program *initiated in 2019* with the aim of strengthening our business model and is focused on creating economic value to maintain a positive social and environmental impact.

Flow
→ defines the way we operate

The strategy is based on initiatives which are divided into three pillars:

- **Profitability of the current portfolio.** Income, cost, expenditure, and working capital levers
- **Growth and execution.** Improve the quality of execution of opportunities and improve capital allocation decisions
- **Organizational culture and health.** Leadership, operating discipline, talent development, accountability, and organizational climate

Flow shapes a new work discipline that emphasizes the ongoing monitoring of each initiative from its creation via a digital platform, throughout its implementation, and ending with evaluation. Its oversight includes the Steering Committee, the Transformation Office, and the Capital Allocation Committee.

To engage and motivate participation from all employees, the program considers variable compensation incentives associated with ROIC objectives, as well as additional compensation for employees and consultants directly involved in implementing initiatives.

2019

- Plan design
- Platform and process design

2020

- Initiative execution
- Successful transformation
- Creation of economic value

2021

- Demonstration of the transformation's sustainability
- Maintain the pace of initiative creation and implementation

2022 - 2025

- Sustainable growth
- 360° value creation
- ROIC Profitability ~20%

After designing the work plan in 2019 and successfully completing the first stage of *Flow* in 2020, **this year, several initiatives were implemented that, aiming at business sustainability, organizational health, innovation, customer/user experience, and digital technology,** supported the achievement of the core goal of value creation by keeping the ROIC 235 basis points above the cost of capital.



During the year, we focused on demonstrating the sustainability of the transformation through growth and profitability

→ generating record sales

300+ initiatives implemented

MXN\$268 million in CAPEX

800+ employees involved

To achieve the goals by 2025, **local strategies per country have been proposed:**

Mexico

- To grow the service platform
- Explore new opportunities

Argentina

- Price policy in line with inflation and boosting export platforms
- Self-sustaining cash flow

Central America

- Capitalize on regional synergies
- Add products to the solution portfolio

USA

- Increase conversation rate on website
- Penetrate the septic tank business

Peru

- Develop the waterflow segment

Brazil

- Expand the water treatment and recycling plant business

KEY FACTORS

TCFD



SDG



DIGITAL TRANSFORMATION

GRI 3-3

In 2021, we began a digital transformation process with the aim of aligning the Rotoplas of the future with digital & analytics trends to improve our customer experience.

In this first stage, the work focused on streamlining processes and strengthening the digital innovation strategy, improving the website and e-commerce platforms' service level, as well as digitizing the *bebbia* business in Mexico and Acuantia in the United States.

To strengthen and accelerate the digitization of water solutions, in November, we announced the acquisition of a minority stake in Banyan Water, a technology company founded in 2011 that specializes in generating software and data analysis to obtain relevant metrics and water savings. With this acquisition, we seek to lay the foundation for a new generation of products and services that will provide smarter resource management.

What do we mean by *water digitization?*

- * Smarter water use through metrics and data-derived knowledge
- * Scalable mass-consumption solutions

AGILE METHODOLOGY

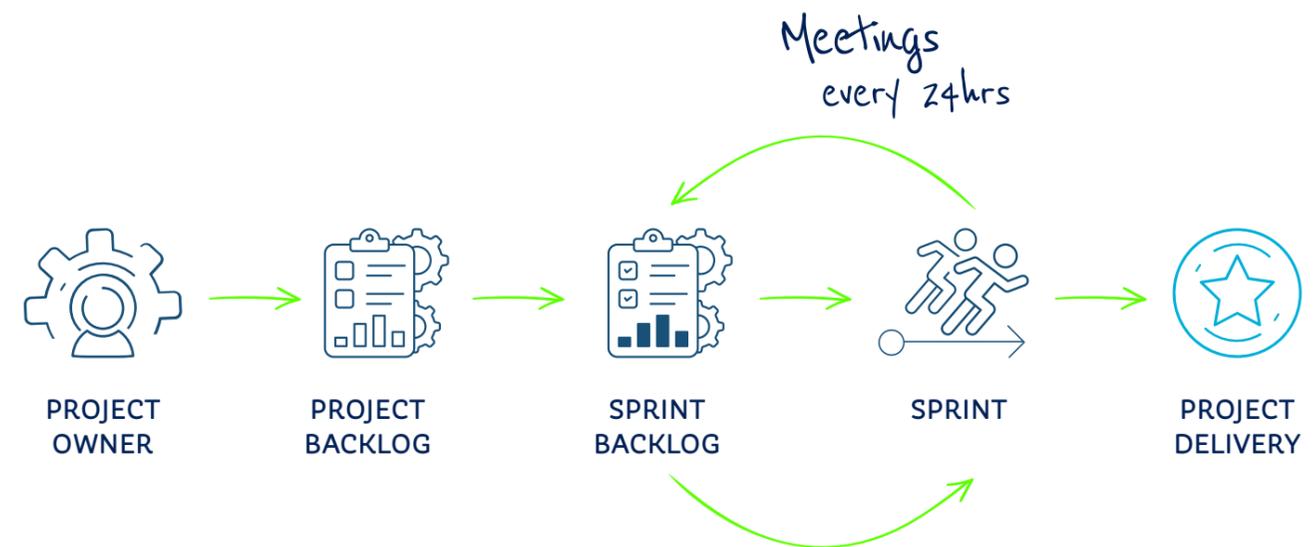
This year, we began to apply the Agile methodology to facilitate adapting work to the specific conditions of each project and speeding up communication with clients, and providing more flexibility to the circumstances of the environment.

The Agile methodology provides more autonomous and efficient project management, along with cost reduction and increased productivity. This is achieved through a new perspective where projects shift from focusing only on initial planning to a dynamic process, where job requirements and solutions evolve with each project's progress and needs.

The **importance of employees to the success of the methodology** should be emphasized, as it is necessary to incorporate an innovative and dynamic vision where the work teams are organized in multidisciplinary and self-organized groups, with daily meetings, according to changing needs.

During this first year, it was implemented with excellent results in bebbia and Acuantia. In the coming years, we expect to continue to incorporate this methodology progressively into the other businesses and work teams.

→ AGILE WORK PROCESS



We started with:

bebbia® **Acuantia.**

- * Accelerated and scalable value creation
- * Empowering and developing employee talent



INNOVATION

GRI 3-3, 2-28
IP 2, IP 5



Rotoplas invests 4% of EBITDA in research and development

To develop products, services, and business models that favor efficient water management, while contributing to social, economic, and environmental development, **it is necessary to break paradigms and think of the business and its processes in an open and inclusive manner.**

With this perspective in mind, we invited the various areas of the organization to, in collaboration with other areas or with third parties, generate initiatives with incremental and/or disruptive impact, implementing innovation in a systematic way.

Through our Innovation Policy, we **encourage the creation, capture, and exchange of value** to generate competitive advantages, improve production processes, and create new and better solutions adaptable to technological progress

and our customers' changing needs.

The strategy is defined by the Innovation Committee, a body chaired by the CEO and permanently made up of representatives from the following departments: Finance, Individual Solutions, Services, R&D, and Marketing, while also having the support of the Sustainability, Digital, and Supply Chain teams. This committee meets on a quarterly basis to approve the initiatives and budget.

The Committee bases its decisions on a scoreboard that includes the percentage of revenue and EBITDA generated by new products and services, the potential value in revenue and profitability of projects under review, the proportion of innovations with inter-area collaboration, and the percentage of opportunity-to-launch conversion.

→ **INNOVATION
PROCESS**



All solutions are developed through a design and testing process. **In the validation stage, we assess user adaptation risks, marketing challenges in terms of price or channel, and risks from technical performance.**

After meeting quality standards and sustainability criteria to reduce or eliminate negative externalities along the value chain, a market study is conducted, and the solution is marketed.

As part of the innovation process, we also encourage the integration of our own developments with technologies already available on the market, as well as **as working together with specialized research centers:**

- Network of Transfer of Technology Offices (OTT Network) in Mexico, which strengthens the innovation ecosystem
- CICY (Yucatán Center for Scientific Research), and CONACYT (Research Center of the National Council of Science and Technology)
- Coahuila University for materials innovation.
- Research and Advanced Studies Center of the National Polytechnic Institute (CINVESTAV, for its Spanish acronym) for the development of an advanced electrochemical oxidation system for the treatment of polluted waters.
- Mexican Institute of Water Technology (IMTA, for its Spanish acronym) for the development of a desalination system.
- CONACYT's Center for Applied Chemistry Research (CIQA, for its Spanish acronym) for the development of formulations and test protocols for Rotoplas products with post-consumption material.
- Tecnológico de Monterrey, with whom we convened the Rotoplas-Tec de Monterrey Challenge for students of Industrial Design to develop, as part of their academic activities, the design of a filter for a rainwater harvesting system.
- National Autonomous University of Mexico (UNAM, for its Spanish acronym), with a Collaboration Agreement which has produced some technological services for different initiatives and the revision of UNAM patents.
- The Autonomous University of Sinaloa with whom, in the context of the activities of the innwai Hub of Open Innovation, we are developing filtration membranes manufactured from fish waste to replace traditional components in purification systems.

In 2021, we strengthened the innovation and entrepreneurship ecosystem with the support of partners such as the Network of Technology Transfer Offices (Red OTT, for its Spanish acronym), the United States-Mexico Foundation for Science (USMFS or FUMEC, for its Spanish acronym), Angel Ventures, Enterprise Singapore, KOTRA (Korea), the Israeli Embassy Commercial Mission, the French Embassy Commercial Mission, and the Low Carbon Business Action Mexico program (European Union), who constantly connect us with startups, scaleups, and innovative companies to explore possible collaborations.

In addition, through our Open Innovation Hub website innwai.rotoplas.com, we constantly receive and evaluate collaboration proposals.

 go to website 

As a result of the innovative drive and technological development powered by *Flow*, we have launched **new solutions and new sales channels** focused on customer needs.



Investments in innovation with environmental criteria reached \$8.6 million pesos during 2021

 **NEW SOLUTIONS**

Mexico

- Filter 2.0
- Water softeners
- Heater showers
- Air conditioning pipe
- Plumbing accessories
- Flexible connector hoses
- New pump model

Central America

- Plumbing accessories

Peru

- 750-liter tank
- 15-thousand-liter tank for industrial line

Argentina

- Gas water heater
- Automatic heater

 **NEW CHANNELS**

Mexico

- Relationship with construction chambers and schools
- Agribusiness commercial team
- Door to door sales for *bebbia*

Central America

- Plumber loyalty plan

Peru

- Department and household appliance stores
- e-commerce for certain products

Argentina

- Department and household appliance stores
- Technical Consultants
- Foreign trade team focused on the African continent



Since the start of *Flow*, we have strengthened our cross-selling strategy, leveraging synergies between our businesses. As an example, Tuboplus, a pipes brand that started in Mexico, is **now available in Central America and Peru**. In addition, Acuantia, a business that replicates Sytesa's water treatment plant model in Mexico, was **launched in Brazil**.

Regarding Acuantia, after a long development process, this year it officially **began operating in the United States**, merging the e-commerce operations with the launch of the septic systems business. With this, we hope to provide a better user experience, helping customers to decrease their water footprint and increase the water available in homes through circularity, turning one gallon of water into three, before safely returning it to nature.

During 2021, the water treatment and recycling plant business continued to make progress in the introduction of more efficient technologies and processes to ensure that our customers have better water utilization, **achieving Zero Liquid Discharge plants**.

We should also highlight developments in our drinking water platform, bebbia, where we fully automated the hiring process via the website and added a door-to-door sales channel. We also incorporated the online maintenance scheduling and initiated the use of instant messaging for faster and more convenient communication.

SUSTAINABILITY STRATEGY

GRI 3-3, 2-9, 2-12, 2-13, 2-22, 2-29
SASB RT-CH-210a.1

TCFD



SDG



The Sustainability Strategy acts as an enabler to generate value for people and the planet.

Stakeholders

- o Employees
- o Customers and users
- o Suppliers
- o Investors and financial community
- o Authorities
- o Academia
- o Communities

360° Impact 



In a context of climate crisis, water scarcity, and growing social demands for equality and transparency, we have incorporated sustainability as the foundation of the new Rotoplas Way, and it is the central philosophy that explains how we operate.

In April this year, we launched our **new 2021 – 2025 sustainability strategy, with a 360° approach**, that considers all stakeholders throughout the water cycle. We are committed to achieving ambitious benefits within 5 years, together with enhancing positive impacts and reducing our environmental impact, without compromising the ability to generate and distribute value for future generations.

Its creation considered our corporate strategy and a process of double materiality where, in order to define the main impacts of the company on our stakeholders, a wide range of executives, employees, investors, suppliers, distributors, end users, and civil society organizations participated, resulting in the definition of the global matrix, as well as the Mexico and Argentina matrices.

To incorporate the financial point of view into the process, we added to investors' vision the information requirements of recognized indices, guides, and questionnaires on the subject.

We have a strategy that positions people, planet, and profit at the same priority level, defining goals and proposing concrete initiatives for 6 lines of action.

With a conscious capitalism approach



360° Value

→ 2025 GOALS

People

- Impact 1 million people with access to water and sanitation



- Increase the percentage of women in the workforce to 30%



Profit (governance)

- Evaluation of 100% of direct suppliers with ESG criteria
- Achieve 80 points in customer satisfaction (NPS Composite Score)



Planet

- Be a carbon neutral company by 2040



- Maintain the intensity of CO₂ per ton of resin processed in 0.41 (scope 1 and scope 2)



- Increase purified water from 164 thousand to 1.7 million cubic meters through Rotoplas solutions on a cumulative basis



→ RESULTS FOR THE YEAR AND SHORT- AND MEDIUM-TERM GOALS

Profit

People

DIRECT SUPPLIERS EVALUATED WITH ESG CRITERIA

CUSTOMER SATISFACTION (NPS SCORE)

CO₂ INTENSITY - SCOPE 1 AND SCOPE 2 - PER TON OF RESIN PROCESSED

M³ OF PURIFIED WATER USING OUR SOLUTIONS (ACCUMULATED)

PEOPLE IMPACTED WITH ACCESS TO WATER AND SANITATION

WOMEN IN THE WORKFORCE

2021	0%	67	0.41	164 thousand	330 thousand	22.9%
GOAL 2022	20%	68	0.50	314 thousand	549 thousand	24%
GOAL 2025	100%	80	0.41	1.7 million	1.0 million	30%

←

Planet

←

ORGANIZATIONAL STRUCTURE OF SUSTAINABILITY

—
GRI 2-14, 2-16
TCFD GOB-A

The **Sustainability Committee** is an executive and multidisciplinary body, comprised of the Strategy, Human Capital, Institutional Relations, Government Relations, Legal, Investor Relations, Quality, Marketing, and Innovation areas.

The Committee is responsible for promoting, coordinating, and monitoring initiatives related to the Sustainability Strategy, policies and other issues related

to environmental, social, and corporate governance issues. In addition, it is responsible for reporting progress to the Board of Directors, through the Committee on Corporate Practices and Strategy.

During the year, the Committee first approved the evolution of the Sustainability Strategy, and then forwarded it to the Board of Directors for final approval; this process is followed each year with the Annual Integrated Report.



It has a multidisciplinary structure and reports to the Board of Directors through the Corporate Practices Committee



Policies

—
GRI 2-23

We have a set of public policies and procedures that regulate how we act and relate to the environment, society, and governance practices



- | | |
|---|--|
| Health, Safety, and Environment Policy  | Institutional Relations Policy  |
| Sustainability Policy  | Anti-Corruption Policy  |
| Grupo Rotoplas Human Rights Policy ¹  | Climate Change Policy  |
| Sustainable Purchases Policy  | Diversity Policy  |
| | Innovation Policy  |

View all policies


¹ The Human Rights Policy covers Rotoplas' position and guidelines on community relations, diversity and equal opportunity, child labor, forced labor, and career development, among other topics.

Commitments to initiatives that support sustainability

—
GRI 2-28

We believe that to achieve sustainable development, it is important to work in line with international initiatives linked to our industry and other players who share our approach to sustainability and value generation, as well as being publicly accountable for our work in order to promote good practices and provide quality information to our stakeholders.

In this regard, we continue to progress in the implementation of the 10 principles of the UN Global Compact and maintain our commitment and adherence to

the CEO Water Mandate. We have also responded to the Climate Change CDP for the second consecutive year and used the TCFD recommendations to provide information to investors about our actions to mitigate climate change risks and governance.

In addition, we integrated an assessment of the 17 Sustainable Development Goals (SDGs) of Agenda 2030 approved by the United Nations into our Sustainability Strategy, identifying direct contributions to 11 of the 17 goals.

→ CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS



2 CDP: Climate Disclosure Project
3 TCFD: Task force on Climate-Related Financial Disclosure

In terms of sustainability stock indices, we were included for the second consecutive year in the S&P/BMV Total Mexico ESG Index. We have been part of the Mexican Stock Exchange sustainability indices since 2019, and for the fifth consecutive year, we have been part of the Dow Jones Sustainability MILA Pacific Alliance Index.

For the first time, we were included in the S&P Global Sustainability Yearbook 2022 and increased our S&P Global SAM rating by 10%. In addition, our rating from MSCI⁴ improved from BB to BBB.



Associations with a holistic approach to sustainability in which we participate:

- Edge Advisory Board, Duke University (USA)
- Workgroups for the 2030 Agenda, Business Coordinating Council, Global Compact Mexico, and Office of the Presidency (Mexico)
- Global Compact Network Mexico (Mexico)
- Women´s Empowerment Principles
- Argentine Institute of CSR and Sustainability (Instituto Argentino de RSE y Sustentabilidad) (IARSE)

⁴ MSCI: US provider of tools for mutual funds, debt, equity market indices, hedge funds indices, and other portfolio analysis tools.



→ 2021 PROGRESS ON ESG ISSUES

Planet

- +5% in the amount of recycled resins used in production processes
- +220 million liters purified by *bebbia* since its launch
- Second year that the CDP questionnaire is answered
- Adoption of TCFD recommendations for the release of the Climate Change Strategy



People

- Focus on employee welfare during the pandemic
- Improvement in employee engagement indicators from 79% → 80%
- Increase in the Organizational Health Index from 68% → 72%
- 20% of STEM (Science, Technology, Engineering, and Mathematics) positions held by women
- Focus on increasing workforce diversity, and an increase in the percentage of women from 22% → 23%



Profit

- Inclusion of sustainability criteria for capital allocation
- Greater independence of the Board of Directors 53% → 57%
- Internal auditor certification
- Improved ESG scores
 - 10% increase in S&P Global SAM rating
 - MSCI increase from BB to BBB



Progress

CORPORATE GOVERNANCE AND ETHICS



We work to ensure that **our employees and suppliers operate within ethical guidelines.** We integrate sustainability criteria into decision-making.



TCFD



SDG



STRENGTH AND OPERATION OF THE STRUCTURE

strength

Corporate Governance

—
GRI 3-3, 2-9, 2-10, 2-11, 2-23

Convinced that a robust corporate governance is capable of delivering sound results and building confidence regarding the responsible and honest management of a company, we work in close observance with the Stock Market Law (LMV, for its Spanish acronym). In addition, through our Corporate Governance Policy, we seek to adopt international best practices to ensure our fiduciary duty and due diligence in decision-making processes.

Grupo Rotoplas is listed on the Mexican Stock Exchange under the ticker AGUA*, with a free float of 23%.

Our governance structure is **headed by the General Shareholders' Meeting**, the body that approves and/or ratifies all the Company's acts and transactions, and annually appoints the Board of Directors, and its compensation, by majority vote.

View stock holding



Click here 



Board of Directors

—
GRI 2-12, 2-13, 2-16, 2-17, 2-18, 2-19, 2-20, 405-1
TCFD GOB-A

The Board of Directors **has 14 members, 8 of whom are considered independent,** and it is chaired by Mr. Carlos Rojas Mota Velasco, Founding Partner of the company.

Moreover, it establishes the guidelines for internal control and auditing, it appoints the CEO and Managing Director, and it approves the compensation policies for senior management.

The main responsibilities of the Board are to define the strategy of the company, follow up on its correct execution by the leadership team, and approve the management of the business.

The Board has three committees composed of independent board members. During 2021, sessions of the Board of Directors and Committees were held remotely. **Attendance at the 4 Board and Committee meetings was 100 percent** and members were paid three centenarios (gold bullion coins) for each Board meeting and one centenario for each Committee meeting.

More information on the Board Committees



Click here 



→ CORPORATE PRACTICES AND STRATEGY COMMITTEE

It proposes the members of the Board of Directors to the General Shareholders' Meeting. It provides input to the Board on administrative practices and operations, and assists in the preparation of qualitative and quantitative information, as well as providing follow-up for the sustainability committee. It normally meets 4 times a year.

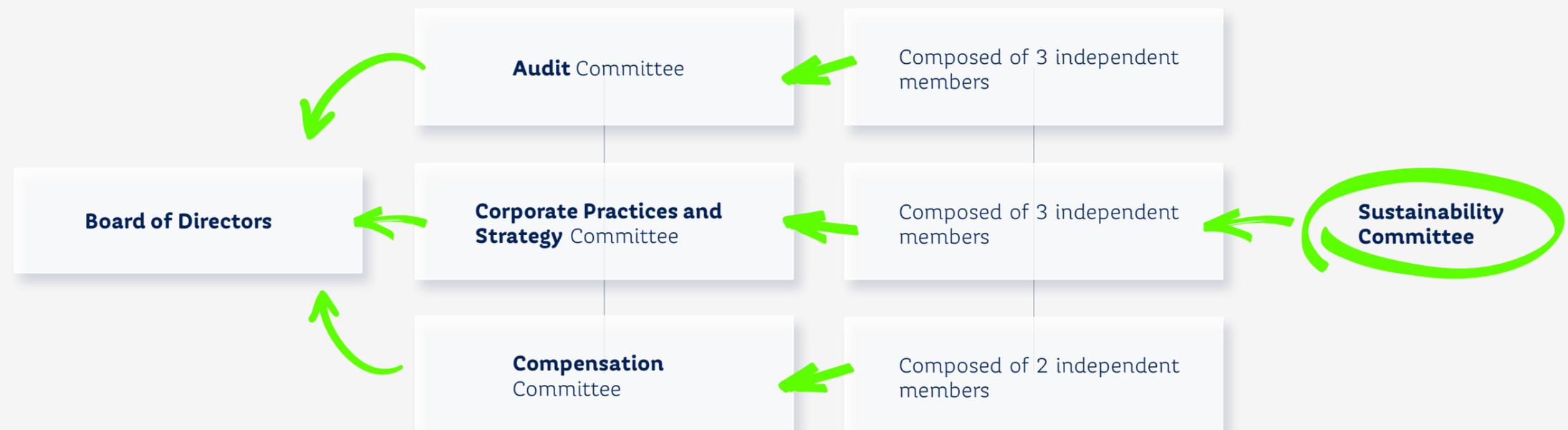
→ AUDIT COMMITTEE

It oversees issues related to internal and external audits, internal controls, related parties, board member and management activities, and cybersecurity issues. In addition, it presents periodic reports and informs the Board of Directors in case of irregularities. It normally meets 4 times a year.

→ COMPENSATIONS COMMITTEE

It supports the Board in matters related to organizational structure, hiring, compensation, employee ethics, as well as recommendations in organizational development processes. It normally meets 4 times a year.

→ BOARD OF DIRECTORS





Diversity and characteristics of the Board of Directors

57%

of independent Board Members

5

Board Members who are not Mexican

1

female Board Member, equivalent to 7% of the Board

Board is comprised

of 3 generations; Baby Boomers, Gen X, Millennials

Board Members with expertise

in different industries and geographies

10.7

years of average seniority

More information on the members of the Board of Directors



click here

We value the diversity of our Board, as it is able to integrate visions from different experiences, generations, and nationalities. In addition, 6 members¹ participate on the Board of some other publicly-traded company aside from Rotoplas.

¹ None of the board members participates on more than four Boards, which enables them to devote time to the approach and monitoring of the Group's strategy.

Regular Board meetings are held quarterly, and before each meeting, the members receive the information necessary for informed decision-making. In addition, to **keep board members suitably up to date on relevant issues** related to their functions and the business, they receive some form of training at least once a year.

During 2021, they were trained on their responsibilities and duties as Board Members, as well as on issues of water digitization and the evolution of the water industry. In addition, due to the adoption of a new digital platform to ensure information security and better control of decision-making and voting at the meetings, board members were trained to make efficient use of the tool.

Each member of the Board of Directors undergoes an annual self-assessment in order to **continually** improve and make more professional business decisions. This year, 93% participation was recorded

The compensation received by Board members is established by the Compensations Committee and approved by the General Shareholders' Meeting, taking into account the economic situation, responsibility of the position, and market standards for comparable companies.

During 2021, external auditors were paid a total of \$13.5 million pesos, 73% of which corresponds to the annual audit, and the rest, to other activities.

More information on board members' self-assessment



Go to link 





Management Team

We have a highly experienced and high-performance management team, composed of the **CEO, 6 Vice-Presidents, and 12 Directors**. The CEO is responsible for managing, guiding, and executing the Company and its subsidiaries' business in accordance with the strategies and guidelines approved by the Board.

Coordination and monitoring of the work of the different vice-presidencies and directorates is carried out through strategic alignment meetings where, among other topics, ongoing projects are presented, and the Sustainability Strategy and the status of the organizational transformation program, *Flow*, are reviewed.

Compensation, in general terms, is determined considering accurate risk management, the company's business strategy and values, as well as a comparison with other companies in the industry, or of similar size. The

compensation of the leadership team, including the CEO, is established by the Compensations Committee in accordance with the policies approved by the Shareholders' Meeting.

Sixty percent of the variable part of the CEO's compensation is related to the achievement of the key objectives:

Sustainability, Implementation of the new Rotoplas Way, Product Unit Performance, Service Unit Performance, and Development of Evolutionary Capabilities. The

remaining 40% will depend on the achievement of leadership goals, including: **passion for customers, talent development, and innovation.** Added to this are long-term incentives in the form of Equity-Referenced Units (UVRs, for the Spanish acronym), linked to the individual and business evolution, with a 4-year accrual period and 25% distribution per year.

With regard to the variable compensation of the Vice-Presidents, initially, it follows the same structure as the CEO, but with adjustments allowed within the 60% related to the achievement of key objectives, based on their level of responsibility within each pillar. In addition, some Vice-Presidents also have a Referenced Value Unit (UVR) Allocation Plan and/or a Stock Option Plan (SOP) that is associated with the evolution of indicators such as ROIC and shareholder value generated.

In the case of the SOP, the Chairman of the Board has the exclusive prerogative of selecting the relevant officials and executives who will be able to benefit from this incentive plan.

RISK MANAGEMENT

GRI 3-3, 2-12, 2-23, 201-2
TCFD GDR-C

Risks are inherent to all human activity, but as part of an industry that works with something as sensitive as water, we have a particularly important responsibility. This is why the entire organization participates in the **comprehensive risk strategy**, which is specifically coordinated by the risk management department. It is also directly monitored by the Audit Committee, which in turn reports to the Board of Directors.

Our risk map includes **economic, social, and environmental aspects**, directly related to the operation, contingencies, and other risks that could be generated as a result of interactions with different stakeholders.

To keep our matrices current, each business reviews risks annually and proposes modifications to generate corrective (prevention or response) actions. These measures are monitored by our financial and socio-environmental risk specialists through the internal control system, and if necessary,



supported by independent external advisers. Subsequently, the measures are reported to the Audit Committee and directly to the CEO to avoid any possible conflicts with other business interests and priorities.

This year, **we added the risk of disruption to the supply chain**, in the face of global shortages of raw materials and delays in delivery times as a result of the pandemic and other international crises.

It is worth noting the role of the members of the Board in risk management due to their broad experience in the industry, as well as particularly in Rotoplas.

Risk Matrix 2021

Category

Risks

Description

Management details (subchapter)

→ MARKET

Increase in raw material prices	The main raw materials we use are oil derivatives, whose prices vary based on market conditions	
Supply chain limitations	Supply problems, delays, and cost increases in raw materials under local and global external conditions	Relevant financial data
Variations in consumers' income and changes in their preferences	<p>We are exposed to customers' disposable income and the economic conditions of each country</p> <p>In a changing environment, consumer confidence can become affected and preferences changed for one type of solution or other, particularly in the face of increasingly more global competition</p>	User experience
Macroeconomic conditions that affect the sectors in our market	Demand for our solutions in sectors such as construction or agriculture is influenced by short- and medium-term macroeconomic conditions	
Decrease in the return on investment of capex allocated to increase and improve production capacity, given the changes in the macroeconomic environment and in the cost of capital	<p>The water solutions business requires a significant capital investment to design and build plants near the points of sale and distribution</p> <p>Increased exposure to local sales, and thus, to the economic conditions of the country where we are operating, making it difficult to sell that production in markets with better trends</p>	



Risk Matrix 2021

Category	Risks	Description	Management details (subchapter)
→ REGULATORY	Changes in the rules of foreign trade operations	We are exposed to disruptive measures on issues of imports and exports in the countries where we have operations, as well as those from where we import and/or to which we export	
	Unforeseen costs of complying with environmental, labor, and security laws	We are subject to various laws and regulations on environmental, labor, and safety issues that can be modified. Said modifications may represent additional costs, as well as costs derived from penalties for noncompliance	
→ OPERATIONAL	Operations affected by extreme weather conditions and/or natural disasters	Extreme weather conditions and/or natural disasters could hamper our operations or damage the infrastructure including production plants and distribution centers	Risks and opportunities of climate change
	Stoppage and temporary shutdown of plants and/or distribution centers	Substantial interruption at production plants, supply chain, distribution centers, or distribution network for reasons beyond our control	Risks and opportunities of climate change
	Inability to develop high quality and innovative products and solutions	Our brand strength could face difficulties if we are unable to supply innovative and quality solutions	Innovation
→ FINANCIAL	Inability to manage the Company's growth effectively	<p>We could be subject to a lack of resources, financing, processes, controls, and adequate systems to manage the Company's growth.</p> <p>Increases in the interest rate would increase the cost of money for investments in future growth</p>	





Risk Matrix 2021

Category

Risks

Description

Management details (subchapter)

→ EMERGING

<p>Water availability and quality for our operations</p>	<p>Certain technologies we use require water for some of our processes. Depending on the region where our operations are located, the availability, supply, and quality of water may vary as a result of climate phenomena, pollution, and other external factors, whether environmental, social, or political-legislative</p>	<p>Risks and opportunities of climate change</p>
<p>Cyberattack vulnerability</p>	<p>We are exposed to cyberattacks and data leaks. This risk also applies to the internet and phone sales business lines.</p>	<p>Information security</p>
<p>Political instability</p>	<p>Political and social movements are experienced in the countries where we have operations and could generate unstable situations. This may affect several of our processes, from the operation to the sale of products and services</p>	
<p>Transition to low-carbon economies</p>	<p>The risks and opportunities of climate change, as well as the effects that it is already having on companies and the population, trigger new measures by both governments and companies, changing the scenarios of production costs, sales, logistics, etc.</p>	<p>Risks and opportunities of climate change</p>





In the face of crises,
internal and external
protocols have been
established for

timely action

If necessary, the Crisis Committee, defined in the External Communication Policy and consisting of the Vice-Presidencies of Administration and Finance, as well as Individual Solutions (Products), is activated. Also involved are the areas of investor relations, marketing, communication and advertising, human capital, and the legal department. **All parties involved are duly trained in crisis management.**

The committee may be convened by any of its members at critical times that could damage the company's reputation and has the power to summon anyone needed to obtain an understanding of the specific situation. With regard to the spokespersonship, it has been established that this function can only be performed by the Vice-President of Administration and Finance, and those in charge of Investor Relations.



ethics

CULTURE OF ETHICS AND COMPLIANCE

GRI 3-3, 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 406-1, 415-1

Rotoplas operates under laws and regulations, as well as **ethical principles, respect, honesty, and integrity;** values that are an essential part of our corporate culture.

While these principles are lived on a daily basis, they have also been formalized through the Code of Ethics and Conduct and the Anti-Corruption Policy, as well as in each of our other policies, and are enforceable both on employees and board members, and on our value chain. Currently, to work with a supplier, the supplier must first sign their compliance with the Code of Ethics and Conduct.

In addition, each new employee is trained on the standards of ethics and conduct as part of their onboarding process and must annually reiterate their commitment. In addition, every time any aspect of the Code is integrated or updated, training is reactivated for

all employees. During 2021, 487 hours of onboarding training courses were provided to approximately 200 people, during which they signed their agreement with the Code.

In order to strengthen the Code and enable our employees and other stakeholders to report violations, we have the **“Confía Rotoplas”** platform, where complaints are handled by an independent third party through a scrupulous, anonymous, and confidential process.

Complaints concerning violations of the codes are referred to the Ethics Committee, comprised of members of the senior management. Once received, cases are sent to the Human Capital or Corporate Security and Control areas for resolution. This resolution is returned to the Committee for validation and implementation. Likewise, the Committee also evaluates and responds to the observations of internal audits at the workplace.

487 hours of onboarding training courses

During the period, 32 complaints were filed, eight of which were found to have no grounds when investigated and were therefore rejected. Of the remaining 24, the Ethics Committee intervened in 6 of them. It should be noted that no complaints were linked to acts of corruption or to the privacy of our customers' data.

- Code of Ethics and Conduct 
- Anti-Corruption Code 

Go to links 

Non-compliance / Segmentation	No. of cases	Resolution
Cyberbullying	1	Formal complaint filed with the authorities
Sexual harassment	2	Termination of employment relationship
	1	Internal correction
Sexual Harassment / Olimpia Law	1	Formal complaint filed with the authorities
Sexual abuse	1	Termination of employment relationship
Sexual harassment	1	Termination of employment relationship
	1	Internal correction
Workplace harassment	1	Files
Fraudulent administration	2	Termination of employment relationship
Attempted bribery	3	Termination of employment relationship
	1	Internal correction
Falsification of documents	1	Formal complaint filed with the authorities
Gender-based violence	1	Termination of employment relationship
	1	Official report
Extortion attempt	1	Termination of employment relationship
	1	Internal correction
Phishing / identity theft	3	Internal correction
Damage to corporate image / reputational crisis	1	Official report

Total **24**

During this period →

We were not notified of any breaches, nor did we receive significant fines or penalties in terms of economic, social or governance matters. We also did not have any legal actions linked to unfair competition, monopolistic practices, or free competition.

As for lobbying activities, **we are part of sectoral organizations** to which we contribute financially, particularly to the Water Advisory Council, COPARMEX, and CAINTRA Nuevo Leon, with a total contribution of \$344 thousand pesos throughout the year. However, we do not make monetary contributions to political parties, government officials, or candidates.

Compliance



Protocol for complaints of sexual harassment

There are some reports, such as sexual harassment which, due to their nature, are extremely sensitive. In these cases, the complainants are passed through the relevant mechanisms to handle the issue administratively or judicially. In the first case, the complaint is filed through Confía Rotoplas, and is investigated by external specialists who present their findings to the Ethics Committee. In the second case, the complaint is transferred to the legal field, a situation in which Rotoplas offers specialized legal advice and covers the cost of the legal fees.

In any case, we make sure to explain and watch over the rights and obligations of the parties involved, respecting the will of the victim within the legal parameters. In order to avoid these types of circumstance, we include sexual harassment in the Code of Ethics trainings, and in the onboarding course for all employees. Moreover, if complaints are filed, **harassment awareness-raising, identification, and reporting workshops** are considered as part of the remedial actions.

Crime prevention Model

—
GRI 3-3

The Crime Prevention Manual provides the basis for our corporate system of management, monitoring, and prevention analysis, as well as mitigation of the main crimes to which the company is exposed.

In accordance with the laws applicable in the countries where Grupo Rotoplas has operations, crime prevention constitutes a mitigator of the criminal liability of the collective legal person. The prevention model, together with the **“Confía Rotoplas”** reporting channel, the investigation and audit processes, and the Ethics Committee, are the **pillars that enable the organization to be in compliance.**

INTEGRITY OF THE VALUE CHAIN

—
GRI 3-3, 2-6

To achieve the delivery of high-quality products and services, as well as to maintain the evolution of our portfolio toward more efficient solutions, with less environmental impact and a better user experience, it is not enough to implement innovative internal policies and procedures. It is necessary to work with all the members of our upstream and downstream value chain **to generate opportunities for mutual learning and to promote good environmental, social, and corporate governance practices.**

Upstream, are our suppliers, who provide us with the right quality of raw materials needed for production. Downstream are our distributors, installers, and maintenance providers.



DEVELOPMENT OF DISTRIBUTORS AND PLUMBERS

GRI 203-2

Organized Sales



Including **self-service and department stores**, price clubs, convenience stores and, as of this year.

Retail



Sales to **retailers, including hardware, plumbing, finishes, materials**, and retail stores.

Direct



Marketing of our product and solutions through **Rotoplas direct sales.**

Distributors



Points of sale devoted to **marketing products for construction in general** (government and construction company sales).

E-commerce



Marketing through **online platforms**, whether our own, or our distributors, or third-party marketplaces.



Marketing and distribution

To make the distribution more efficient, we have the comprehensive **Rotoplas Transportation Management System (RTMS)** for orders in Mexico, Central America, and Peru.

With this system, clients can order products through a website, where inventories are up to date and the best delivery routes are assigned, allowing them to track their orders



Installation and maintenance

GRI 3-3
IP 4

Our service platform includes the installation and maintenance of the solutions, both by our own employees and by specialized third parties. **We also provide post sales assistance for product repair and/or warranties.**

We maintain a close relationship with plumbers and provide them with ongoing training to increase their work efficiency, understand the benefits of **Rotoplas solutions**, and make high quality installations, maintenance and repairs, increasing customer satisfaction. In addition, through partnerships, the plumber team conducts awareness-raising and resource-care talks for communities and clients.

During 2021, we provided 6,912 hours of training to 5,744 plumbers in Mexico and Central America. It includes 406 people who obtained the **ECO 079 "Water Solutions Advisor"** certificate granted by the Ministry of Public Education in Mexico.

In addition, in Mexico and Central America, we have the **"Earn More with Rotoplas" loyalty program**, focused on generating value through rewards for plumbers, distributors, and retail vendors, key people who help us deliver our solutions to the final consumer.

In Argentina, 1,113 installers, professionals, and/or retail vendors received in-person training. As these are in-person training sessions, the pandemic has reduced the number of participants since, in previous years, participation reached around 12,000 people.

In addition, in Argentina, the Club A benefits program, recently renamed the Expert Club, provides each purchase of Rotoplas solutions with points to access different benefits.

In the United States, we have **The Tank Depot loyalty program designed to reward customer loyalty with points** that can be used on products, gift cards, account credits, and even travel rewards.

Meanwhile, in Peru, we have developed a soft skills program with the aim of improving customer service, working on skills in communication, decision-making, problem solving, and conflict management, among other topics. The program involved 82 plumbers who, together, have received a total of 2,160 hours of training.

training to 5,744 plumbers in Mexico and Central America



improving customer service



Procurement

GRI 2-23, 2-24, 203-2, 204-1

In the selection and renewal of contracts with our suppliers, once we have assessed the quality of raw materials or service, the value for the price, and the supply guarantee, we consider their commitment to our values, which are formalized through the signing of our Code of Ethics and Conduct. **As of 2022, we will begin evaluating our suppliers using sustainability criteria.**

In our **Sustainable Procurement Policy**, we establish environmental, social, and corporate governance requirements for suppliers in order to promote best practices and performance aligned to our strategy, where commitment to human rights, anti-corruption, sustainability, and climate change play a fundamental part.

Our proposal is to work together, generating benefits for both parties. An example of this has been the project to **incorporate recycled resins** where, in addition to favoring the sustainability of our products, we have supported the development of suppliers in cities where we did not find an offer.

In 2021, we paid our suppliers more than \$7.83 billion pesos, which represents a 46% increase compared to 2020. The increase is due to several number of factors, including new product launches, the growth in global sales volume by country, and the increase in the price of materials and services as a result of the global supply crisis as well as the shortage of materials and freights.

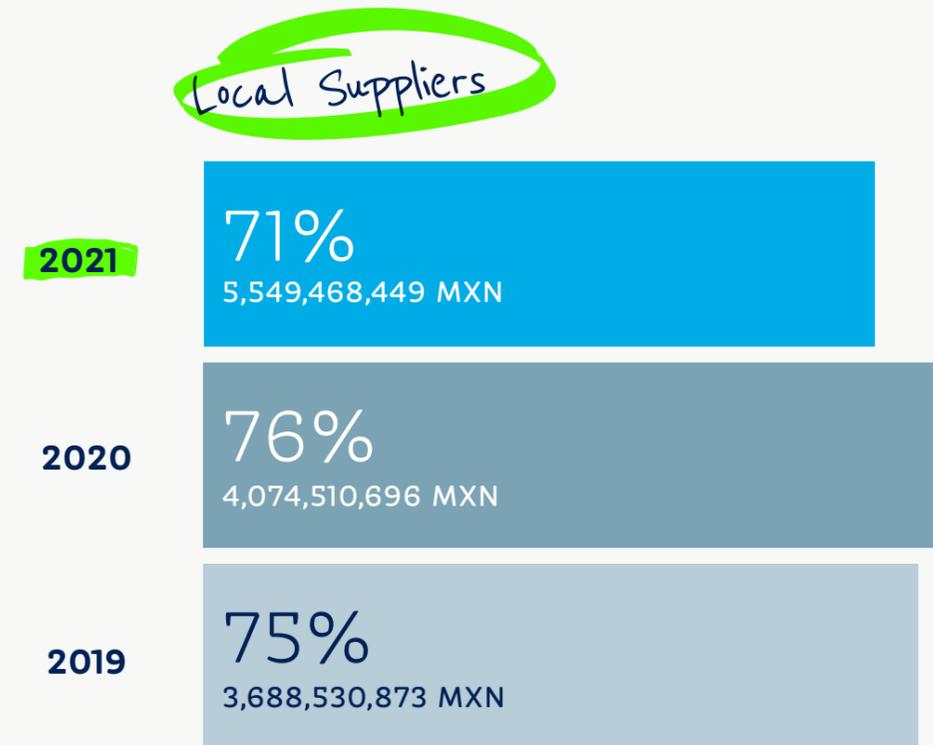
We classify as critical suppliers those with whom we negotiate large volumes and who provide us with unique services or raw materials, because of their specificity and/or the production capacity we require. These are defined annually as part of the risk management process, through a plant-level analysis involving teams from the areas of quality, production, and procurement.



→ SUPPLIER SPENDING BY CATEGORY

	2019	2020	2021
Materials	52.15%	52.80%	57.08%
Equipment and transportation	23.51%	29.97%	22.96%
Fees	8.62%	6.03%	7.40%
Technology	8.97%	4.01%	4.40%
Others	6.76%	7.20%	8.15%

→ SUPPLIER SPENDING



suppliers

ACCESS TO SOLUTIONS

We facilitate access to our solutions through the **development of new channels**, as well as with the **support of distributors and plumbers** to professionalize their work, ensuring an optimal shopping experience for our users.



TCFD



SDG



DIGITIZATION AND OMNICHANNEL

GRI 3-3

As part of our digital transformation process, we have moved forward with new ways of marketing, such as e-commerce, which has also brought with it new technological and security challenges



e-commerce

SASB IF-WU-000.A

During the period, we carried out important **upgrades to the e-commerce platforms**, improving the user experience in *bebbia* and Acuantia. This has produced **direct effects on the year's sales**, mainly in the United States, where they increased 32% due to better visit-to-sale conversion rates on websites and the development of the septic business. We currently have more than 32 thousand customers in the United States.

Rotoplas' growth in the United States compares to a

14.9% increase in online sales across all sectors.



Information security

—
GRI 2-23, 2-24, 418-1

Through our **Information Security Policy**, we address issues such as information confidentiality, integrity, and availability, based on security best practices, applicable to both the Group and our customers. Moreover, we have the **Access Control Policy**, applicable to our employees and suppliers in order to ensure the protection of our customers' data.

We have generated an effective internal self-regulation system consisting of: a crisis committee, a secure protected network structure in the cloud, and support and monitoring by cybersecurity consultants. We also have training in information security culture at all levels of the organization and constant monitoring to identify gaps in cybersecurity.

We also constantly update security controls based on ISO 27001, NIST frameworks, and personal data regulatory requirements, as well as the Business Continuity Plan and the Strengthening of the Disaster Recovery Plan

During 2021, we received no complaints from customers about privacy or data loss.

CIRCULARITY AND CLIMATE CHANGE

From the design and implementation of our operations, we work with **efficiency criteria in the use of materials, water, and energy**, with the aim of reducing our greenhouse gas (GHG) emissions.

03



TCFD



SDG





We are committed to progressively increasing the use of renewable energies and to managing our waste by maximizing its use before final disposal, with circular economy criteria



QUALITY

GRI 3-3, 2-23, 2-24, 2-27, 416-1, 416-2, 417-2, 417-3

In order to ensure high standards of quality, environmental care, and product safety, we work closely with our own **Health, Safety, and Environment & Climate Change policies**. We undergo internal audit processes carried out by the Quality Department and external audits to certify our processes and products under prestigious international benchmark rules and standards.

At the Leon, Lerma, and Peru plants, we have an Integral Management System certified under ISO 9001 standards of quality, ISO 14001 in environmental matters, and ISO 45000¹ for occupational safety and health requirements.

ISO 9001: 2015
Quality Management
Managers

- Certified plants**
- Lerma
 - Leon (Rotopinsa and Rotomolding)
 - Peru
 - Compounds Monterrey
 - Anahuac
 - Guadalajara
 - Gulf
 - Pacific
 - Southeast
 - Tuxtla
 - Guatemala
 - IPS (waterflow) in Argentina

ISO 14001: 2015
Environmental
Management
Systems

- Lerma
- Leon (Rotopinsa and Rotomolding)
- Peru

ISO 45001: 2018
Occupational Safety
and Health
Management System

Plants operating "based on"

- Pilar (storage) in Argentina
- Talsar (water heating) in Argentina



In order to promote the improvement of our products, we evaluate the impacts that they could have on the health and safety of our users at different stages of the products' life cycles.

The products are assessed according to the technical standards of each country and we back compliance through independent certifications. In addition, all our products have a certificate of compliance based on the corresponding standard, whether the NOM (Mexican Official Standards), NMX (Mexican Standards), or compliance based on internally determined specifications. In Mexico and Argentina, standard ISO 15874 guarantees the quality of pipeline production processes. Likewise, in Argentina, heaters are certified by the Argentinian Gas Institute (IGA, for its Spanish acronym).

¹ In 2020, we migrated the OHSAS 18001 certification to ISO 45001.

The strict quality processes implemented throughout the life cycle of our products have enabled us yet again to avoid being penalized for any kind of breach of the regulation on the impacts of products or services on users' health and safety or by labeling and marketing of solutions.



quality

EFFICIENCY AND CIRCULARITY

—
GRI 3-3
SASB CG-BF-410a.1, RT-CH-410a.1

We seek circularity of resources and efficiency in the processes, both in the environmental and in the economic arenas, from the design of the products to their final disposal.

Flow, our organizational transformation program, has facilitated the generation of new projects with a life cycle approach, where solutions are planned for efficiency in the use of materials, energy, and water, as well as proper waste management.

10.3% of our revenue comes from products designed for resource efficiency in the usage phase

→ MAIN CIRCULARITY INITIATIVES - ENERGY AND MATERIALS

Supply of **renewable energy** - solar panels-

Incorporation of own and third-party **recycled resins**

Development of **processes** to manufacture water tanks, seeking **more efficiency** in energy and water required

Making **use of water** through the offer of treatment and recycling services

Energy efficiency projects in rotomolding and compound plants (e.g. Replacement of fuels and heater sleeves on gas injectors)





Materials

—
GRI 2-4
SASB CG-BF-000.A, CG-BF-410a.1, RT-CH-000.A
TCFD MYO-A

The main inputs used in the manufacture of our products at the Group level are resins composed mainly of polyethylene and polypropylene.

During 2021, the total number of resins used was 107,058 tons, 12.3% more than in 2020¹

Striving for a circular approach, we are working to increase the quantity of recycled raw materials and to develop suppliers that can provide us with post-industrial resins aligned to our standards. During the year, we purchased 5,920.29 tons of recycled resins. We should note that, to date, we have incorporated between 35% to 100% recycled material into some of our tank models.

¹ The development of an ESG data monitoring system per plant has allowed us to strengthen the monitoring, updating the data of resin used in 2019 to 95,368 tons.

Waste

—
GRI 306-1, 306-2, 306-3, 306-4, 306-5
SASB CG-BF-410a.2, RT-CH-150a.1, CG-BF-410a.1

We work to **reduce the waste from our manufacturing processes**, especially in the injection, extrusion, milling, and rotomolding operations. The generation of waste from processed resins is minimal, as we seek to reuse it in our own processes with a circularity approach.

As for impact, hazardous waste is reduced; this is mainly residues with oils and/or other process chemicals. In addition, we apply separation for selective removal by external specialists to maximize reuse and recycling.

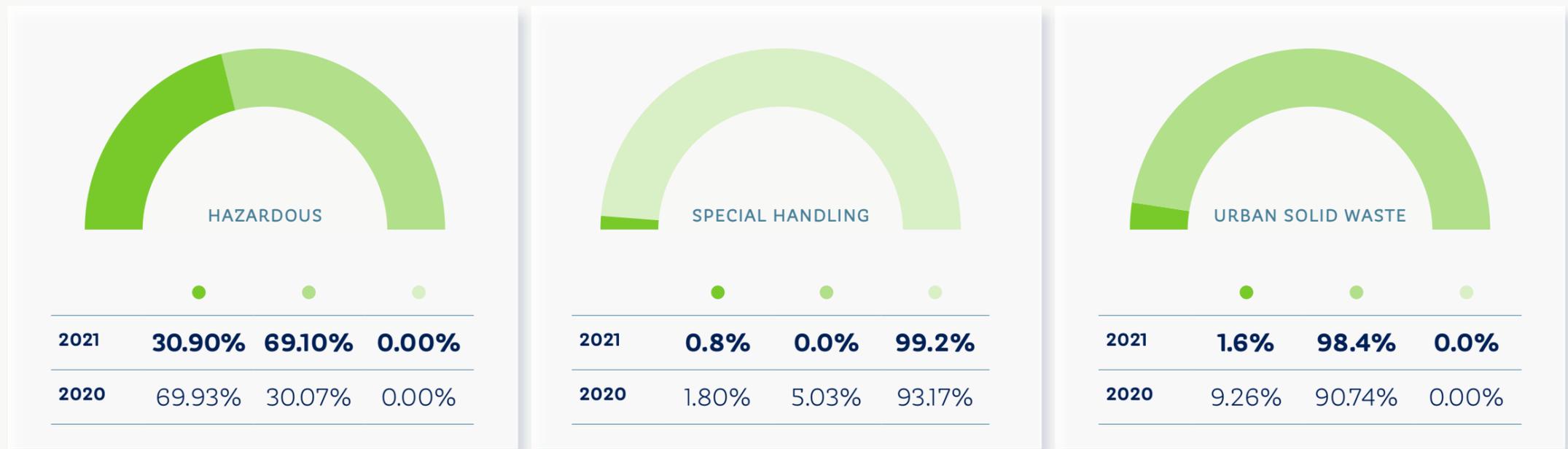
Outside of our direct scope, the quality of our solutions, the delivery of a lifetime warranty for some of them, and the maintenance we provide contribute to extend their useful life, making them an alternative to other products with less durability and contributing to the reduction of our customers' waste. For this reason, we have focused on recovering products after use.

→ WASTE GENERATED (TONS)



→ DESTINATION OF THE WASTE GENERATED (%)

● COPROCESSING ● END-OF-LIFE ● RECYCLING



Water

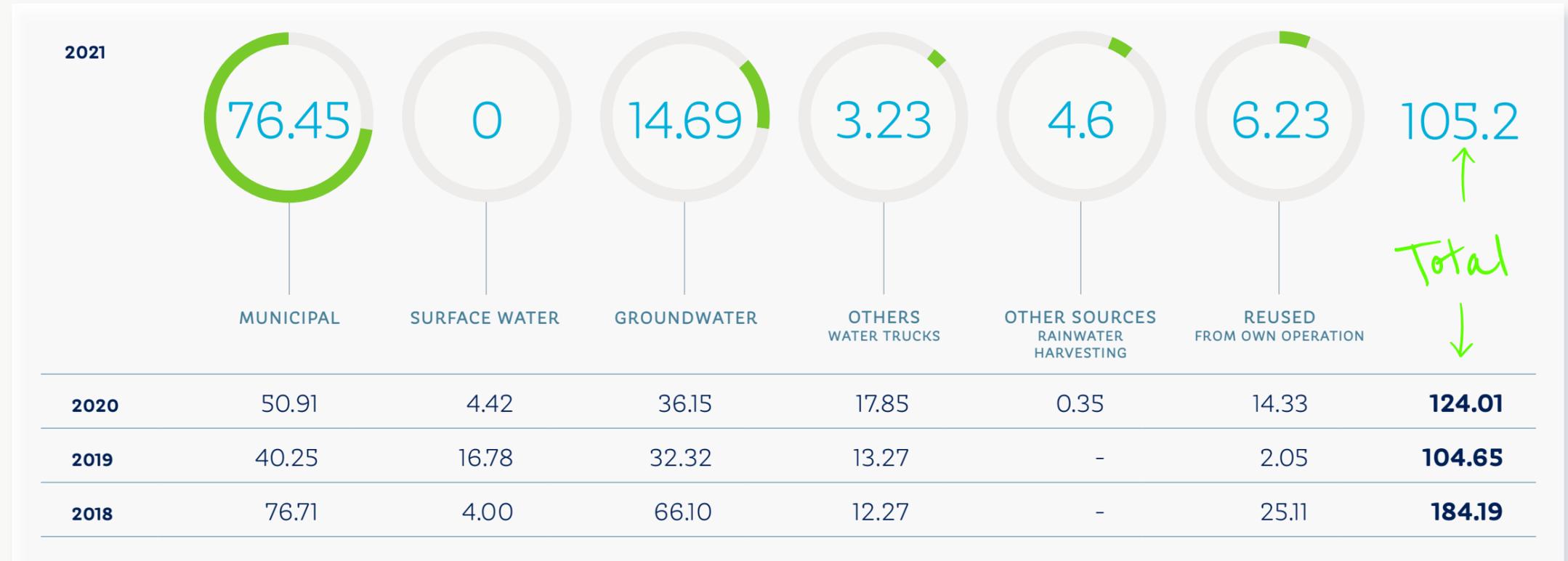
—
GRI 303-1, 303-2, 303-3
SASB CG-BF-410a.1, RT-CH-140a.1, RT-CH-140a.2, RT-CH-140a.3, IF-WU-000.D, IF-WU-140b.1
TCFD MYO-A

We are aware of the importance of water care and protection, which is an essential part of our purpose as a company. Even though our operation is not considered especially water-intensive, more than 55%² is located in areas with water stress. For both of these reasons, **we constantly seek to optimize internal processes to reduce our consumption.**

In addition, **we treat wastewater from our operation to reuse it or return it to the environment in good condition, always in compliance with local regulations.** We have WWTPs at the Guadalajara and Merida plants in Mexico and in Pilar in Argentina.

At the plants in Guatemala and Peru, we have systems that provide treatment and recirculation of approximately 60% of the resource in our process.

→ WATER CONSUMPTION BY SOURCE (MILLIONS OF LITERS)



Our main risks related to water management are: Scarcity of the resource; increase in its cost; a negative perception of its management by some of our stakeholders; and regulatory breaches, which are handled in our risk matrix. On the latter aspect, it should be noted that there were no cases of non-compliance regarding water permits, standards, or regulations this year, as in 2020.

We did not have any incidents related to the quality of the water discharges, either in our own centers or as a result of the treatment plants that we operate for our clients.

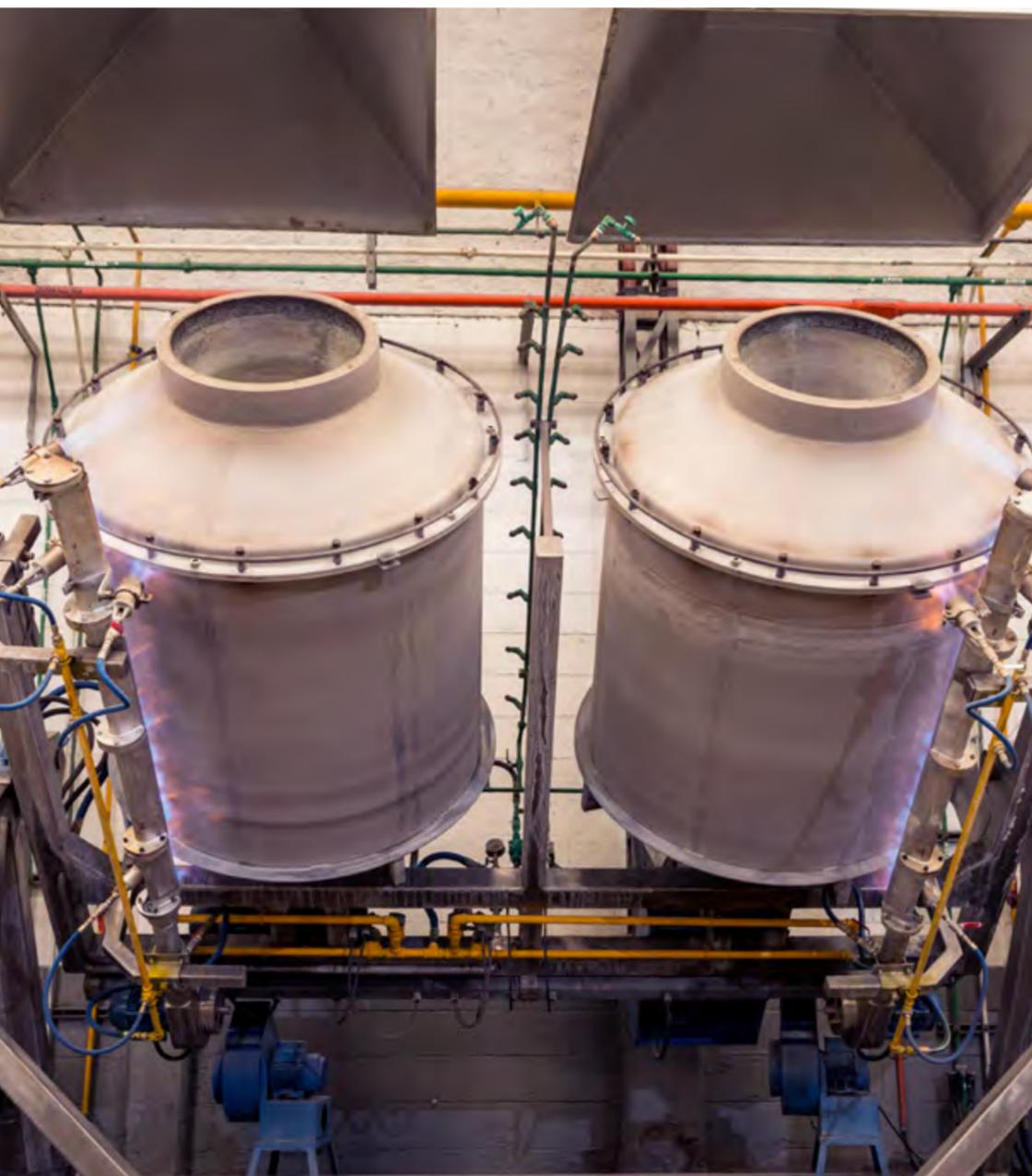
² Equivalent to 57.86 million liters (equivalent in thousands of m³).

Power

GRI 302-1, 302-3, 302-4, 302-5

SASB CG-BF-130a.1, CG-BF-410a.1, IF-WU-130a.1, RT-CH-130a.1

TCFD MYO-A, MYO-C



Our energy consumption at the Group level reached 162,726,098 kWh (585,813 GJ) in 2021, including fuels and electricity, translating into a reduction of 11.4% compared to 2020.

Our main processes, which consider extrusion, injection, milling, and rotomolding, accounted for 96.4% of consumption. **The total energy consumed in them was 156,787,751 kWh (564,436 GJ), and the intensity was 1,493 kWh/ton of resin processed, which represents 17.8% less than in 2020.**

Looking to be more energy efficient, we have developed a set of initiatives through the **Rotoplas Automated Manufacturing System with Technology (SMART, for its Spanish acronym)**, which are implemented in the processes for the production of storage solutions and for manufacturing water heaters. Additionally, the new molding process allows gas consumption to be replaced with electricity, which pollutes less.

Power



→ ENERGY CONSUMPTION MAIN PROCESSES

		2018	2019	2020	2021	Δ 20 vs 21
Fuels (GJ)		432,077	417,120	438,638	361,617	-17.6
Injection, extrusion, and milling	Natural gas	ND	ND	ND	615	0.0
	LP gas	3,083	1,882	2,953	5,156	74.6
	Diesel	96	54	48	455	850.2
Rotomolding	Natural gas	345,946	327,631	361,648	308,681	-14.6
	LP gas	82,657	87,309	73,352	55,278	-36.4
	Diesel	295	245	636	95	-85.1
Electricity (kWh)		47,035,425	417,120	438,638	361,617	-17.6
Injection, extrusion, and milling	Cogeneration (Acquired)	37,827,915	329.3	291.0	515.0	77.0%
	Renewable generated	NA	6.2	10.0	19.3	92.7%
	Renewable purchased	0	1,068.0	-75.0	-558.4	NA
	Non-renewable	3,562,255	329.3	291.0	515.0	77.0%
Rotomolding	Cogeneration (Acquired)	1,014,543	6.2	10.0	19.3	92.7%
	Renewable generated	0	1,068.0	-75.0	-558.4	NA
	Renewable purchased	0	6.2	10.0	19.3	92.7%
	Non-renewable	4,630,712	1,068.0	-75.0	-558.4	NA
Total Power (GJ)		601,404	1,068.0	-75.0	-558.4	NA
Total Power (kWh)		167,056,779	1,068.0	-75.0	-558.4	NA
Intensity (kWh/ton of resin processed)		1,733	1,068.0	-75.0	-558.4	NA
<i>Total power consumption</i>						
Total Consumed (GJ)		622,429	614,370	661,323	585,813	-11.4
Total consumed (kWh)		172,896,979	170,658,451	183,700,997	162,726,098	-11.4
% represent the main processes		96.6	94.2	94.3	97.8	348.5 pb

CLIMATE COMMITMENT

—
GRI 3-3



Climate Change Model

—
GRI 2-23, 2-24
TCFD GOB-A y GOB-B

Climate change is a global phenomenon and both the reduction of greenhouse gas emissions and adaptation to climate change are part of the challenges of the UN Sustainable Development Goals.

As a Group, we seek to combat climate change through our operation, products, and services


as established by our Sustainability Strategy, our Climate Change Policy, and in the identification of our main risks and opportunities linked to climate change.

Climate Change Policy 

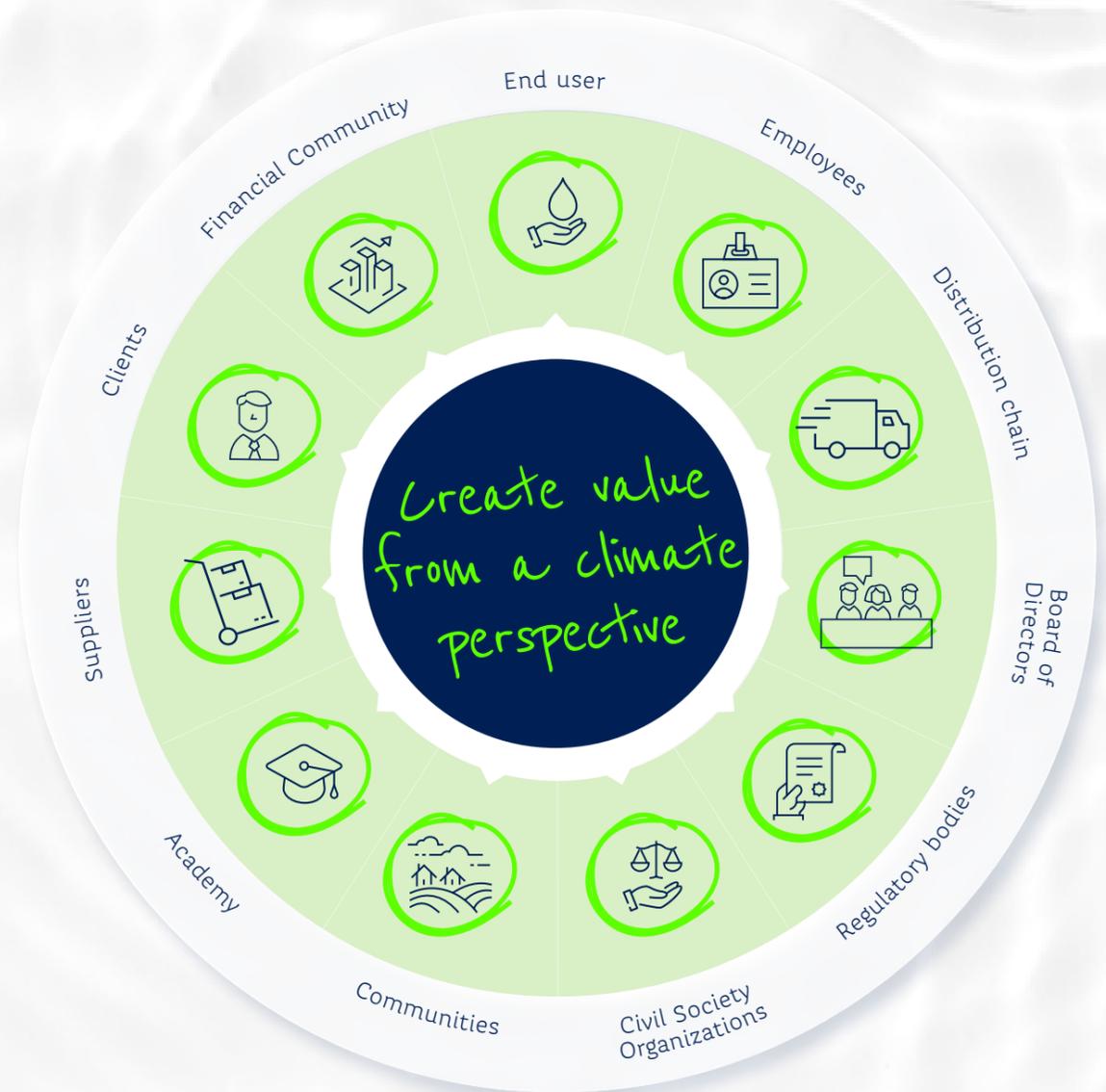
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With this objective, our business and operation model address the particular impacts, risks, and opportunities generated in the different countries where we operate, through:

- **Prevention of risks to our operation**, including those relating to the availability of raw materials.
- **Facilitating access to water for people**, through non-centralized solutions, and resource protection especially in areas of low availability.
- **Reduction of energy requirements**, both for production and in the usage phase of the solutions, together with the search to increase the supply of renewable sources.

Each area, with the support of the corporate strategy team, sets its annual greenhouse gas (GHG) reduction targets. These targets and goals are reviewed quarterly by the Sustainability Committee. Then the Vice President of Sustainability and Human Capital, who chairs the Committee, reports directly to the Corporate Practices and Strategy Committee, which in turn reports to the Board of Directors. In this way, the objectives and their results are evaluated and eventually corrected in consideration of the impact that these measures generate in the attainment of strategic objectives. It should be noted that, as a Group, we have set the goal of being a carbon neutral company by 2040.

Seeks to mitigate risks and capitalize on opportunities raised by climate change for Rotoplas and its stakeholders



Rotoplas measures its GHG emissions scope 1,2,3 as well as its water footprint

- ➔ **MITIGATION**
Reducing **Greenhouse Gas Emissions** (GHG)
- ➔ **ADAPTATION**
Reduce vulnerability to **Climate Change**
- ➔ **OPPORTUNITIES**
Capitalize on opportunities in water & climate change - **products and services**

Action items for stakeholders:

- 1 **Culture of leadership** against climate change
- 2 **Climate change** in the supply chain
- 3 **Strengthen Rotoplas' resilience** using technology and innovation
- 4 **Climate change criteria** in distribution
- 5 **Awareness** of climate change mitigation and adaptation

→ MAIN WORK AXES BASED ON THE MAIN RISKS AND OPPORTUNITIES BY STAKEHOLDER GROUP



Stakeholder group

→ MAIN WORK AXES BASED ON THE MAIN RISKS AND OPPORTUNITIES BY STAKEHOLDER GROUP

Stakeholder group	Work axes
<p>Suppliers</p> <p>Climatically sensitized and proactive suppliers</p>	<ul style="list-style-type: none"> • Assess and monitor suppliers based on their environmental performance as part of the cycle of Grupo Rotoplas' products and services. • Support the development of raw materials with a lower impact and risk. • Foster efficiency and the reduction of GHG emissions in logistics network.
<p>Board of Directors and internal bodies</p> <p>Strategic climate governance</p>	<ul style="list-style-type: none"> • Consider performance related to climate change in metrics, rewards, and strategy. • Encourage public participation and leadership in topics linked mainly to water.
<p>Financial community</p> <p>Generation of climate value for investors and insurance companies</p>	<ul style="list-style-type: none"> • Provide relevant information on climate issues for the financial community interested in them. • Strengthen measurements and monitoring to meet the information requirements and foster transparency. • Use the green financing schemes and contribute to their development in the markets.
<p>Authorities and regulatory bodies</p> <p>Provide certainty in regulatory compliance</p>	<ul style="list-style-type: none"> • Strengthen the audit processes and encourage external certification. • Participate in collective initiatives to respond to climate change (including water availability). • Foster a culture of environmental compliance in the company.
<p>Community</p> <p>Portfolio that contributes to the climate resilience of communities</p>	<ul style="list-style-type: none"> • Participate in collective initiatives to respond to climate change (including water availability). • Foster and/or participate in research and studies under a scheme of alliances. • Generation of indicators linked to climate change.

Stakeholder group

Risks and opportunities of climate change

—
GRI 3-3, 2-23, 2-24, 201-2

SASB IF-WU-450a.1, IF-WU-450a.4

TCFD EST-A, EST-B, GDR-A, GDR-B, GDR-C

Due to our operation, we are exposed to a **series of risks and opportunities linked to climate change**, which were first identified in 2019, through a broad survey that incorporated different internal and external views. From that moment on, the survey is **periodically reviewed and updated with prevention and mitigation measures**, considering the views of the plants and the operation. The latter are collected by the risk, commercial, operations, and sustainability departments.

→ The monitoring of these measures is carried out through the internal control system and the support of third parties.



 **MAIN IDENTIFIED RISKS, REFERENCING THE NOMENCLATURE ESTABLISHED IN THE TCFD RECOMMENDATIONS**

Type of risk ³	Description	Time horizon ⁴	Financial impact	Climate Change Strategy Initiatives
 Physical, acute	Exposure of facilities to affectations by more frequent and severe hydrometeorological events (hurricanes, floods, etc.)	Medium	Total loss of the facility, inventory, and/or interruption of the business.	<ul style="list-style-type: none"> • Structural reinforcement and preventive maintenance of plants and distribution centers. • Analysis of the risk of flooding of the facilities and property and proposal of response measures.
 Transition, regulation	Publication of new environmental regulations (waste management, emissions, rainwater harvesting, sanitation law, plastics, etc.)	Medium	Fines for breaches of the law.	<ul style="list-style-type: none"> • Incorporation of environmental practices of excellence, above the required legal minimums. • Promotion of environmental practices in the supply chain by incorporating criteria into supplier selection processes. • Disposal of expendable packaging without affecting product integrity. Study of alternative materials for the packaging remaining.
 Transition, market	Increased cost of raw materials due to shortages of materials, resources to obtain them, or vendor difficulties to comply with regulations.	Medium	Orders not covered.	<ul style="list-style-type: none"> • Development of local suppliers of recycled resin, our main input, and resin reuse from our own processes. • Availability of alternatives for critical raw materials.
 Transition, reputation	Inability to meet consumers' socio-environmental expectations, or products that become obsolete on the market.	Medium	Sales not generated on the most obsolete products.	<ul style="list-style-type: none"> • Incorporation of recycled resins into storage products. • Development of drinking water service as an alternative to plastic bottles for consumers. • Development of rainwater harvesting and post-use water treatment systems for industries. • Development of more eco-efficient versions in the updating of drinking fountains, purifiers, and dispensers (also of treatment plants). • Other investments in product improvement and development with less environmental impact

³ Transition risks are those associated with changes on the path to a low-carbon economy, such as legislation or consumer preference. Physical risks are those associated with higher intensity natural events, such as a hurricane (acute) and/or long-term (chronic) changes in weather patterns, such as temperature. They can cause infrastructure damage, and affect operational continuity, among other consequences.

⁴ * Short term: < 2 years; Medium Term: 2-10 years; Long term: > 10 years



In addition, in 2020, we performed an analysis to determine which of the treatment plants (WWTPs) that we operate as a service are located in areas at risk of flooding (in a 100-year range), to consider this in the valuation of the asset. Of the total installed and operating, those that have this characteristic represent a capacity of 7,064 m³ of water treated per day.

➔ MAIN IDENTIFIED OPPORTUNITIES, REFERENCING THE NOMENCLATURE ESTABLISHED IN THE TCFD RECOMMENDATIONS

Type of risk	Description	Time horizon ⁵	Financial impact	Climate Change Strategy Initiatives
➔ Products and services	Development of new products and services with eco components, through R&D and innovation (e.g. project of recycled resins)	Medium	Savings on materials. Projected sales of product lines with lower environmental impact (e.g. with recycled resins)	<ul style="list-style-type: none"> Investment in product development (research, testing, etc.) Development of recycled resin suppliers as an alternative to searching in a limited market. Collaboration with universities and research centers. Development of drinking water services as an alternative.
➔ Markets	Access to emerging markets; increasing demand for water storage, purification, treatment, and sanitation, due to the increase in extreme weather events that exacerbate water stress (quality and quantity)	Medium	Projected gains from solutions.	<ul style="list-style-type: none"> Commercial action in schemes that allow communities to access products (alliances with CSOs, government programs, other companies' social responsibility, etc.) Diversification of the marketing network to improve access for end consumers (e.g. online commerce). Development of the rieppo business unit, to meet the water requirements of crops.

⁵ * Short term: < 2 years; Medium Term: 2-10 years; Long term: > 10 years

➔ MAIN IDENTIFIED OPPORTUNITIES, REFERENCING THE NOMENCLATURE ESTABLISHED IN THE TCFD RECOMMENDATIONS

Type of risk	Description	Time horizon	Financial impact	Climate Change Strategy Initiatives
➔ Markets	Access to new markets created by emerging regulations that seek to reduce the vulnerability of the population to droughts and floods caused by climate change, such as the National Water Program, through decentralized solutions for storage, treatment, water purification, and reutilization.	Medium	Projected gains from solutions.	<ul style="list-style-type: none"> Commercial action in schemes that allow communities to access products (alliances with CSOs, government programs, other companies' social responsibility, etc.) Development of solutions for medium-low segments, complementing the premium portfolio, and facilitating access, either by direct purchase by the individual or in third-party programs (CSOs, government) (e.g. storage, portable and low-cost water treatment plants, low-cost rainwater harvesting kit, etc.).
➔ Resource efficiency	Efficient use of energy in production processes, purchase of cleaner energy at lower cost, and self-generation of renewable energy.	Short	Savings from self-generation of renewable energy. Also due to energy efficiencies.	<ul style="list-style-type: none"> Efficiency projects through technology change (e.g. replacing rotomolding for blow molding). Installation of solar panels at the plants.

main opportunities

→ INDICATORS LINKED TO RISKS AND OPPORTUNITIES OF CLIMATE CHANGE

Risks

- Cost of insurance
- Investment in **plant maintenance**
- CapEx with **sustainability** criteria
- % of plants and DCs with **climate risks**
- Value of **sanctions** for **environmental breaches**

Opportunities

- bebbia sales**
- Number of **bebbia users**
- Number of people **benefited by rainwater harvesting solutions**
- Projected **sales for rieggio**
- Investment in **recycled resins** (third parties)
- % of recycled resin** used as raw material
- Reduced **energy consumption**
- % of sourcing from **renewable energies**

risks and opportunities

Carbon footprint calculation

—
GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
SASB RT-CH-110a.1, RT-CH-110a.2, RT-CH-120a.1
TCFD MYO-A, MYO-B, MYO-C

With the self-imposed goal of being a carbon neutral company by 2040, we work to progressively and efficiently reduce our emissions, betting first on **energy efficiency** and second on the use of **cleaner energy**.



→ ENERGY EFFICIENCY

	2018	2019	2020	2021	Δ 20 vs 21 (bp)
% renewable electricity	-	1.3	1.9	1.8	- 6.6
% electricity cogeneration	79.5	81.6	67.7	50.6	- 1,702.1
% renewable energy	-	0.3	0.5	0.7	12.7
% cogeneration energy	22.47	22.06	20.23	20.15	- 8.0

In 2021
 50.6% of the electricity consumed came from cogeneration and 1.8% from renewable sources (both purchased and generated from solar panels installed in plants in Mexico).

→ GHG EMISSIONS MAIN PROCESSES (tonCO₂EQ)

	2018	2019	2020	2021	Δ 20 vs 21 (bp)
Scope 1	25,402.69	21,610.47	25,384.99	21,504.87	-15.3
Scope 2	19,343.72	18,348.26	20,981.30	22,576.91	7.6
TOTAL (S1+S2)	44,746.41	39,958.73	46,366.29	44,081.78	-4.9
Intensity (tonCO ₂ e/ton of resin processed)	0.49	0.48	0.49	0.41	-15.3

We emitted 45,497 tons of CO₂eq in Scope 1 and Scope 2, the main processes⁷ of which accounted for 96.9%. Also for these processes, the emission intensity (scopes 1 and 2) was 0.41 tonCO₂eq/Ton of processed resin, highlighting that it represents

15.3%
less than in 2020

→ TOTAL GHG EMISSIONS

	2018	2019	2020	2021	Δ 20 vs 21 (bp)
Scope 1	26,524.48	25,707.74	27,572.46	21,577.55	-21.7
Scope 2	19,627.53	18,650.60	21,398.17	23,919.68	11.8
TOTAL (S1+S2)	46,152.01	44,358.34	48,970.63	45,497.22	-7.1
% represent the main processes	97.0	90.1	94.7	96.9	220.7

Scope 1 emissions: Direct from burning fuels and refrigerant leakage
Scope 2 emissions: Indirect from the generation of electricity consumed

⁷ Extrusion, injection, milling and rotomolding.





Emissions from the transport of products by third parties reached 26,634 tons of CO₂eq and the estimated emissions generated by our drinking fountains, dispensers, purifiers, and treatment plants in their use stage reached 3,064 tons of CO₂eq (solutions with electricity consumption and that belong to the service scheme). We also calculated other Scope 3 emissions (see table).

On the other hand, the combustion of LP and natural gas from the rotomolding processes generated 24.5 tons of nitrous oxides (NO_x), 0.1 tons of sulfur oxides (SO_x), and 1.3 tons of particulate matter (PM).

→ GHG EMISSIONS (tonCO₂EQ) - SCOPE 3

	2018	2019	2020 ⁸	2021
Scope 3 ⁹ Indirect from fuel burned in carriers' vehicles during the distribution of Grupo Rotoplas products ¹⁰	17,726	21,380	20,688	26,634
Scope 3 Use of products and services sold: drinking fountains, purifiers, dispensers, and treatment plants	NA	5,186	5,170	3,064
Scope 3 Disposal of waste	NA	NA	213	216
Scope 3 From manufacturing and transportation of raw materials ¹¹	NA	88	652	NA
Scope 3 Total	17,726	26,566	26,724	29,915

*NA: Not available

Note:

The estimated energy consumption in the usage phase of our products, considering the number of solutions in operation and their energy consumption rates, was: 1) Purifiers: 324,174 kWh, 2) Dispensers: 420,458 kWh, 3) Treatment plants: 6,500,038 kWh

8 Since 2020, the emissions from the roto molding plants in Brazil are not included due to their sale.
 9 Since 2020, the fuel consumption by outsourced transport of the Argentinian (Loma Hermosa and San Martin) and Peruvian Waterflow Plants has been incorporated
 10 The scope of transportation emissions from the distribution centers in Merida (Mexico), Argentina, Brazil, Costa Rica, El Salvador and Peru are not considered for any of the years.
 11 For the manufacturing and transportation of raw materials, information from a single supplier is considered, and the scope is expected to increase in the following years.

WATER AVAILABILITY



We encourage and enable **responsible water use through efficient solutions for industry** and participate in the public agenda by contributing solutions that are designed with the needs of citizens and authorities in mind.



TCFD



SDG

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ENVIRONMENTAL FOOTPRINT OF OUR SOLUTIONS

GRI 302-5

environmental footprint

Through non-centralized and sustainable solutions, we promote the adaptation of communities to climate change and water scarcity. Because water storage and conveyance products do not require energy for the usage phase, we have focused on the **energy efficiency of water improvement solutions and of our service platform.**

We contribute to lowering the environmental footprint of our customers, offering products that allow them to be more sustainable by reducing their own waste, as well as their consumption of water and electricity. *bebbia's* household drinking water purification service can **reduce the consumption of plastic bottles**, and with the treatment and recycling plants, **water can be reused** instead of being discarded and polluting

the subsoil. In addition, with rieggo's new solutions, we help to mitigate water problems in agriculture and **encourage the adoption of sustainable practices in the field.**

Within Services, we strive for **energy efficiency** in our solutions: drinking water fountains, dispensers (institutional use), purifiers (household use), and treatment plants. In addition, we have sought to reduce energy requirements in the upgrades of the equipment for rendering water services.

As part of the *bebbia* purifier offer, we replaced the **inverse osmosis** model with the compact reverse osmosis model, resulting in savings of 7.2 Wh per equipment, which means 29% energy efficiency without increasing the price for the end user.





As an example, the Rotoplas water softeners, via an ion exchange process, treat household water to improve its quality and eliminate plaque generating several daily benefits, such as: avoiding premature replacement of pipes clogged by tartar, extending the lifetime of household appliances, and reducing energy consumption from pumping water through plugged pipes. It also helps to reduce the use of water heating systems and consumption by helping to remove soap and shampoo more quickly.

more than 95%
energy efficient



Likewise, the Rotoplas electric shower is more than 95% energy efficient and allows the replacement of fossil fuels with low power consumption. In addition, it is automatically activated even under low pressure, obtaining hot water immediately, which prevents water from being wasted during the waiting time. The interchangeable heating element of the electric shower prevents the user from having to purchase more products in the event of breakdown or expiration of its useful life.

Another example is the Rotoplas washable filter which, in addition to providing an efficient and economical solution to improve the quality of water used in the home, as it is washable, does not require cartridge replacement.

Water footprint and carbon footprint of products

To provide more information to our customers and users about our main solutions and their impact throughout their life cycle, we measured the water footprint of 16 products and the carbon footprint of 5, **following the guidelines established by international standards ISO 14046 and ISO 14067**, respectively.

For the estimation of the water footprint, the impacts of eutrophication, ecotoxicity, and scarcity were measured, which implies the contribution to bodies of water harmful compounds that deplete the oxygen of water (eutrophication), and increase the toxicity of the medium (ecotoxicity), as well as the water scarcity factor. The results indicate that the greatest impact of our products is in the stages of raw materials manufacturing, use, and end of life.

On our website, you can view the environmental spec sheets with the footprints of the products at all their stages, from the extraction of raw materials to their final disposal or recycling, many of which have a lifetime guarantee.

More information on the water footprint and environmental footprint of products

 [Click here !\[\]\(a76428ab40aa0d9aaf430d62585f134b_img.jpg\)](#)



ROTOPLAS' ROLE IN THE PUBLIC AGENDA

We seek to encourage the **culture of water care** by participating in different public forums, understanding that, for economic and social growth and development, it is essential to satisfy the demand for **clean water for all inhabitants**

Participation in sector initiatives

—
GRI 3-3, 2-28

We work together with associations specialized in water, sanitation, and other environmental aspects, in the different countries where we are present, enhancing our experience and knowledge to provide more and better solutions to the population.

Associations in which we participate:

- Aquafondo – Water fund for Lima and Callao (Peru). For the third year, we have held the chairmanship.
- Cámara Peruana de la Construcción (Peruvian Construction Chamber) (Peru)
- Cámara Peruana Mexicana (Peruvian-Mexican Chamber) (Peru)
- Water Advisory Council (Consejo Consultivo del Agua) (CCA) (Mexico)
- Green Finance Advisory Committee (Consejo Consultivo de Finanzas Verdes), Mexican Stock Exchange (Mexico)
- Yucatan Peninsula Basin Committee (Consejo de Cuenca de la Península del Yucatan) (CCPY) (Mexico)
- Argentinean Water Forum (Foro Argentino del Agua) (FAdA) (Argentina)
- International Water Association (IWA)
- Trata Brazil Institute (Instituto Trata Brasil) (ITB) (Brazil)
- Water.org

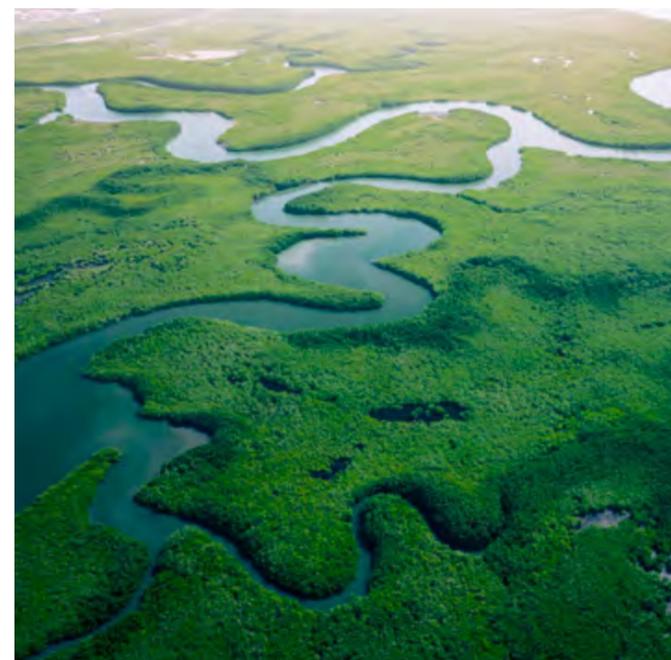
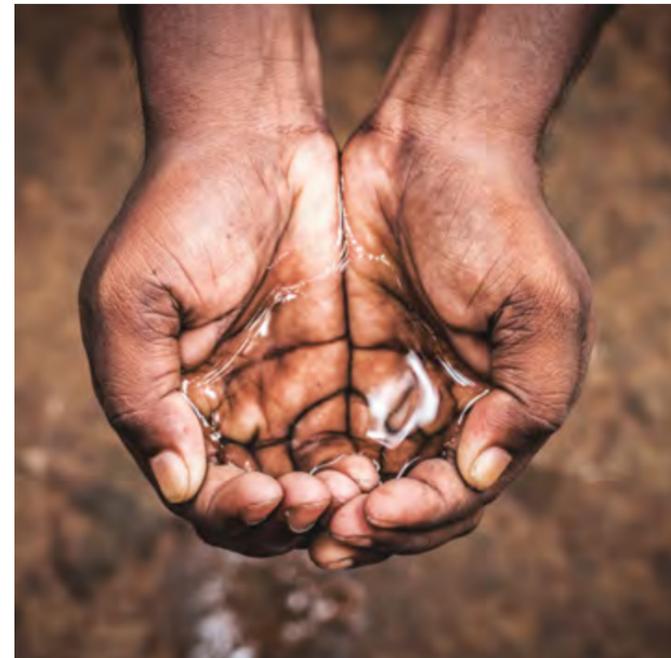
Support for international initiatives

GRI 2-28

We are also a part of and support global initiatives, which seek to enhance our vision and **collaborate on sustainable water treatment** across borders.

Grupo Rotoplas supports the UN's public-private initiative, CEO Water Mandate. Since the adoption of the mandates in May 2019, we have become part of a diverse and global community of **more than 150 companies committed to taking action** on the challenges of water as an essential resource for human life, industrial activities, and environmental balance. Annually, through this report, we issue a Communication of Progress (COP) on the progress of our commitments.

Since 2020, we have participated in the movement launched by the Business Coordinating Council, the **Global Compact Network Mexico** and the Office of the Presidency to drive the achievement of the SDGs through workgroups with the participation of academia, civil society, and the federal government.



Moreover, we continue to participate in Duke University's Edge Advisory Council, promoting close relations between the private sector and academia to foster innovation in sustainable solutions.

In 2021, we participated in different forums and sessions, such as **Water Week** in Stockholm, where the **best practices of Latin America Communities with water knowledge were recognized.**

We also participate in NGOs: The Nature Conservancy and the Gonzalo Rio Arronte Foundation in Mexico where, represented by the Executive Chairman of the Board of Directors, Carlos Rojas Mota Velasco, we seek to support the preservation of natural resources.

To promote water culture and increase collective awareness of its importance and care, we have the Spanish-language Fan del Agua (Fan of Water)  where we publish relevant and current information on water issues and invite users to calculate their water footprint.

Additionally, we have an alliance with agua.org.mx  to publicize what Rotoplas does regarding water, and to support content related to water culture in Mexico.

- Fan del agua

- Agua.org.mx


Go to links 

QUALITY OF LIFE OF USERS

We **provide wellness to our users** through products that meet their basic needs, and we support the development of vulnerable populations, providing quality water and sanitation.



TCFD



SDG



USER EXPERIENCE

Our customers and users are at the center of everything we do; we want to achieve **More and Better Water** for them. With this mission we seek to bring value to our customers and consumers, faithfully following the principles of the Rotoplas experience: to be **empathetic, agile, memorable, and to create simple experiences.**

We work to provide a **personalized and quality experience**. To do this, we provide sufficient and timely information about our products and services, as well as after-sales services.

In 2021, the Customer Service Centers (SAC, for its Spanish acronym) in Mexico, Peru, and Central America **resolved 3,124 inquiries** and complaints from our customers

The service achieved 92% satisfaction.



user

User Experience Center of Excellence (CoE)

The primary function of the CoE is to analyze different areas of the company to diagnose the maturity of customer focus and generate new capabilities. To this end, the **Insight Center** is utilized, it is a digital platform that spreads information about customer and user needs and expectations to various members of Rotoplas.

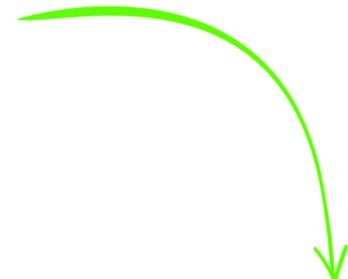
Over the past two years, the CoE has played an important role in **identifying variations in consumer habits** resulting from the pandemic, providing key information to quickly update the strategy and roadmaps. Key findings include a strong migration to digital platforms and the need for end-to-end rather than isolated solutions.

Voice of the Customer Survey

—
IP 3

During 2021, we measured the perception of our end customers, distributors, and other stakeholders in the various businesses. The voice of the customer (VoC) survey included readings from the product business units (B2D) in Mexico, Central America, Argentina, and Peru, as well as e-commerce in the United States. In addition, users of *bebbia*, the heater installation service in Peru, and Sytesa in Mexico were included in services (B2B, B2C).

Three aspects were assessed across all business units: the relationship with the brand, products, and company; the satisfaction with the experience at each touchpoint; and the repurchase intention. In the overall evaluation, we obtained 67% and continue to work toward our goal of 80% by 2025.



The results and their conclusions were presented to key leaders of the organization, who use them as input to continue taking action to achieve the **customer satisfaction goals.**

→ We obtained 67% in the overall evaluation

SOCIAL PROGRESS

—
GRI 3-3, 203-1, 203-2
IP 8
SASB IF-WU-000.A

For more than four decades, our products have contributed to **improving the quality of life of our users and reducing social inequality** in many communities through access to water and sanitation.

Rotoplas' services support communities' **resilience and adaptation to climate change** and support the development of agriculture and other industries by providing alternatives to reduce their environmental impact. For instance, through rainwater harvesting and wastewater treatment solutions, the water resource can be reused in the same operations and/or released to the environment in better conditions.

At the end of 2021, **more than 60,000 institutional and residential bebbia purifiers** have been installed, which enables us to contribute to improving our users' quality of life. We also sold 10,000 rainwater harvesting systems, **benefiting 40,088 people**.

This year, **we provided 330 thousand people with access to water and sanitation**. Our goal by 2025 is to reach 1 million. Moreover, under donation schemes and social programs, **more than 190 rainwater harvesting systems were installed** in houses that did not have access to water in Mexico.



Community support programs

—
GRI 3-3
IP 1, IP 8

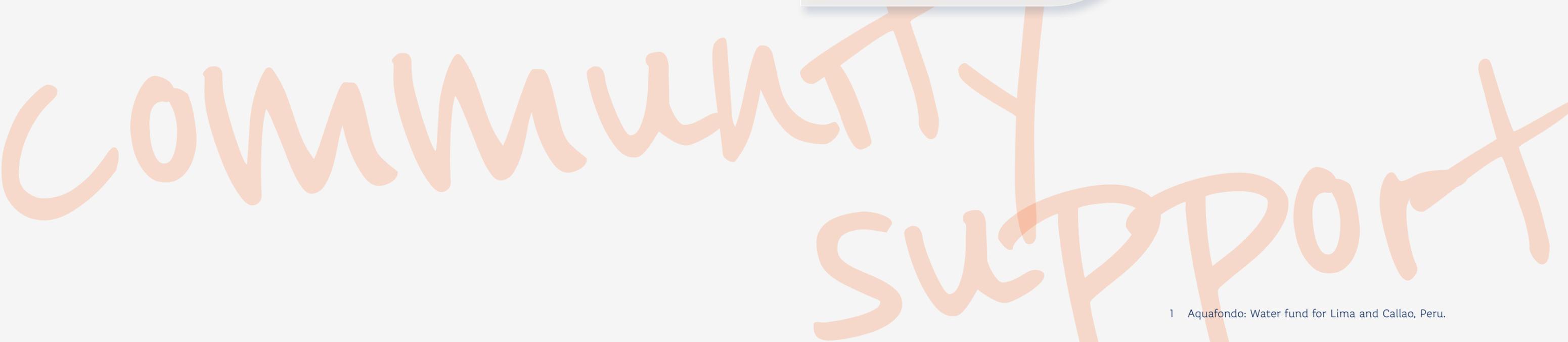
Through our community work, we seek to improve people's quality of life.

During the year, we made individual efforts and participated in collaborative programs in partnership with various organizations to develop **community care and education programs**, as well as to promote responsible water use. We also continued the special programs developed during the pandemic, helping to **improve the health conditions of the communities** with which we interact.

→ **Rotoplas invested \$22 million pesos** in social and environmental programs through its work with more than 40 organizations in Mexico, Argentina, and Peru.

→ **The company's social investment benefited 22,000 people**, including more than 2,800 girls and boys, about 9,300 women and **more than 2,000 people from original communities.**

In Peru, social investment was developed in several parts of the country through strategic partners. With Aquafondo,¹ we developed the Aquagol School Contest – One Goal for Water: educational-recreational contest, aimed at schoolchildren aged between 9 and 13 years old, with the aim to **educate them on the issue and care of the water resource**. Participants were recognized as water guardians. This project was one of the winners of the **Call for Water-Aware Communities: Experiences from Latin America SIWI 2021**.

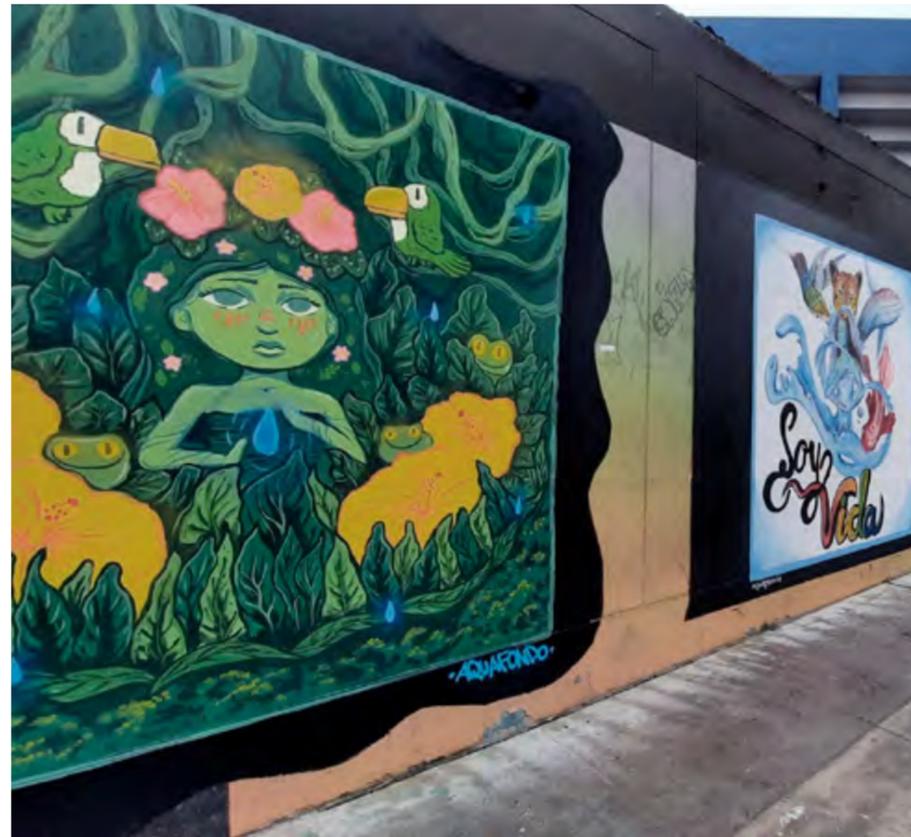


¹ Aquafondo: Water fund for Lima and Callao, Peru.



Also, with Aquafondo, and in partnership with the National Water Authority and the Miraflores Municipality, we participated in the **Urban Art Contest, SensibilizArte, Somos Agua, Somos Arte (We are Water, We are Art)**, targeting adult artists or urban art amateurs committed to the care of the water and the environment. Through murals, artists left messages aimed at raising awareness about the importance of responsible use of water resources through art and creativity, as well as improving the visual space of the city.

We also participated with SUNASS² on the project - **Expo Agua Educativa Sunass 2021 (Sunass Educational Water Expo)**, a virtual fair lasting 31 days in schools throughout Peru, where drawings, stories, poetry, and music created by the schoolchildren were on display. Rotoplas was an ally in the recognition of children in the category "Good Practices for Saving Drinking Water," in which we received an award for contributing to the formation of new generations committed to valuing drinking water and sanitation services.



In addition, through the America Hoy television show, we supported 5 ollas comunes (a kind of community kitchen) from the El Paraiso locality, in the Villa Maria del Triunfo district, **providing water storage to help more than 150 families**. Together with the Lurin Municipality, we collaborate on the **"Municipal Eco-Productive Bio-Orchard for the implementation of sustainable programs for schools, ollas comunes, shelters, and homes"** project with the aim of contributing to and protecting the improvement of a healthy environment through the implementation and maintenance of bio-orchards with the production of vegetables and medicinal herbs in the district.

² SUNASS: Superintendencia Nacional de Servicios de Saneamiento (National Superintendency of Sanitation Services), Peru

Access to water and sanitation

GRI 3-3
IP 1, IP 8

In Mexico, during 2021, the first call for *A Fluir* (Let's Flow) was launched with Fundación Merced, seeking to support organizations with projects that help to **guarantee access to water for human use** by implementing rainwater harvesting systems (RWHS), strengthening organizations' capabilities, and measuring projects' social impact. Of the 309 projects registered in Mexico, 5 were selected, installing 131 systems with the capacity to impact **more than 1,300 people in Veracruz, Oaxaca, Queretaro, the State of Mexico, and Puebla.**

In partnership with the United Nations Development Program UNDP, we carried out more than 200 water availability activities, which included the installation of 63 RWHS with a capacity of 10 thousand liters, each, in the states of Campeche, Tabasco, and Chiapas. In addition, we developed an awareness-raising discussion on access to water and sanitation with a gender

perspective, considering that more than 8 million indigenous or rural people in Latin America lack running water in their homes, with women and girls bearing an additional burden in trying to obtain the resource, mainly in the context of the pandemic, where they are most at risk of infection.

In addition, together with Harpic and Un Kilo de Ayuda, we worked with the Mazahua Community on mechanisms to strengthen the population in **water management, sanitation, hygiene, food production**, and local economies, to have the greatest number of tools to enable families to deal with the pandemic and other general problems.

Finally, with the aim of collecting funds to bring clean water to the neediest places in Mexico and to ensure sanitation, the Together Live virtual concert was held.



In Argentina, social investment projects were implemented in the Buenos Aires, Entre Rios, Salta, and Neuquen Provinces, in collaboration with organizations such as HPHA³, Misiones San Cristobal, Akamasoa Argentina, and Una Escuela Sustentable (A Sustainable School), among others. The projects sought to provide access to water through RWHS that **directly benefited more than 1,900 people.** These projects were complemented by ongoing technical advice and training in sanitation.

³ HPHA: Habitat para la humanidad Argentina (Habitat for Humanity, Argentina), NGO

Knowledge development and innovation

—
GRI 3-3
IP 8

We drove innovation and development of knowledge, both in internal processes and through alliances with academia, organizations, and specialized research centers.

In Mexico, together with Fundación UNAM,⁴ we launched the Rotoplas-FUNAM 2021 award, which promotes and recognizes research and innovation focused on water treatment, carried out by national or foreign graduates from different levels of Engineering and Science at UNAM.

Likewise, in Argentina, in agreement with the Asociación Conciencia and AySA,⁵ the “Water in Debate” Program was carried out; this is an educational project that seeks to create among the participants a space for research, reflection, and debate on water, its management and its uses. The program involved 4 schools, 50 students aged 15 to 18, and 6 teachers.

Additionally, collaboration agreements were signed with leading universities in Buenos Aires, such as UNSAM⁶, UB,⁷ and USAL⁸ to promote the participation of students and graduates. Also, an agreement was signed with the Programa Empuja⁸ (Push program) to boost youth employment opportunities through training.

Finally, through their technical talks the Argentinian team provided workshops on access to water and sanitation, which benefited more than 1,200 people.



innovation

4 UNAM: National Autonomous University of Mexico
 5 AySA: Agua y Saneamientos Argentinos (Argentinian Water and Sanitation Company)
 6 UNSAM: National University of San Martin
 7 UB: University of Belgrano
 8 USAL: Universidad del Salvador

TALENT PROMOTION



We work to enhance the talent of our associates by **providing them with a safe, healthy, and diverse work environment** in which they can develop holistically.



TCFD



SDG

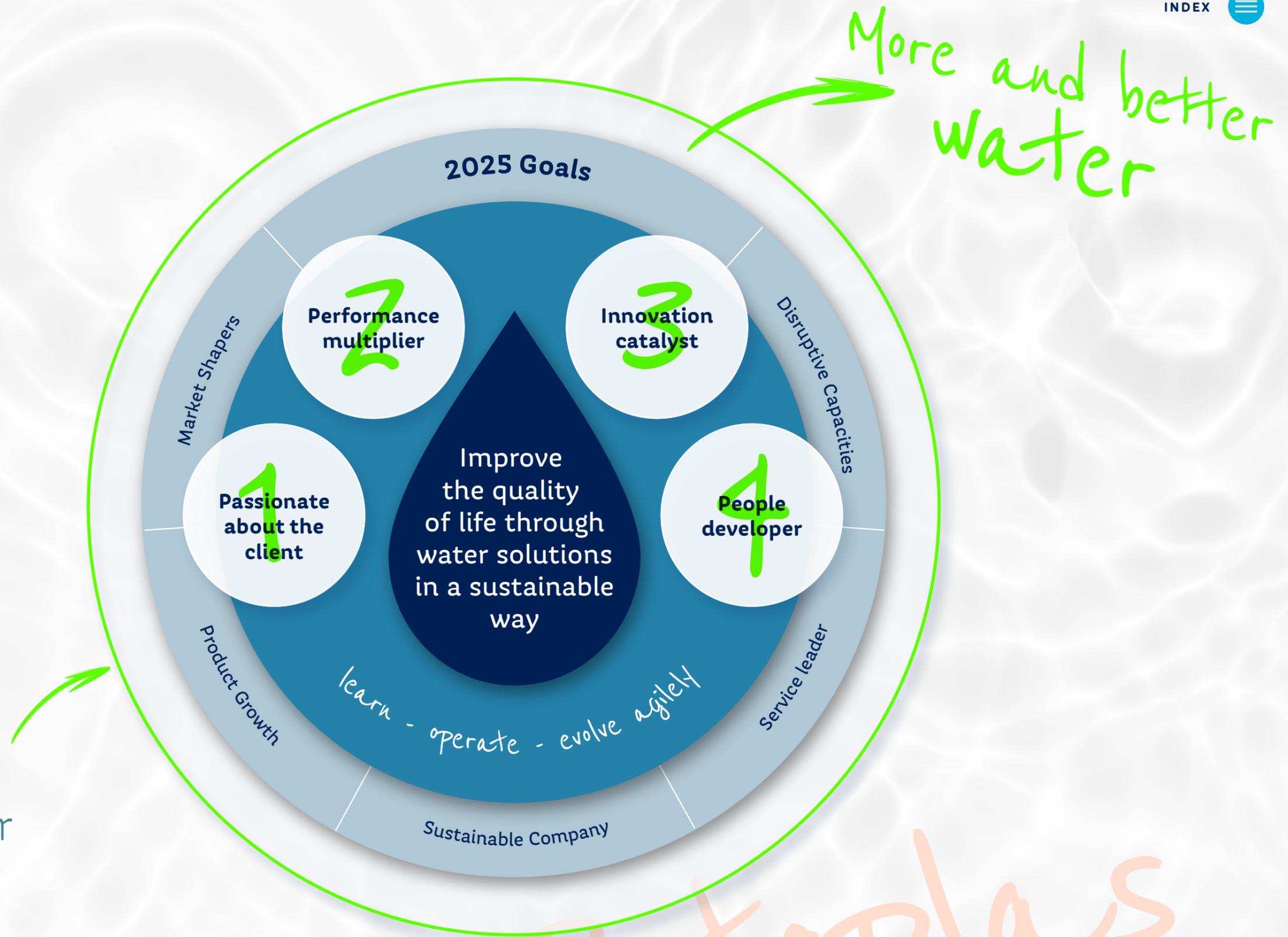


Our employees, as well as the quality of the relationships that are generated between them and other interest groups, are central themes within the Rotoplas Way.

Through the Human Resources directorate, we seek to develop all the potential of our employees. With the training we provide, the support programs, the work environment, and the remuneration granted, we seek to keep the work teams motivated so that the Group's goals can be achieved.

Talent search and development is key to continuing the *Flow* transformation program and evolving the company to achieve automation and implementation of technology tools and water digitization.

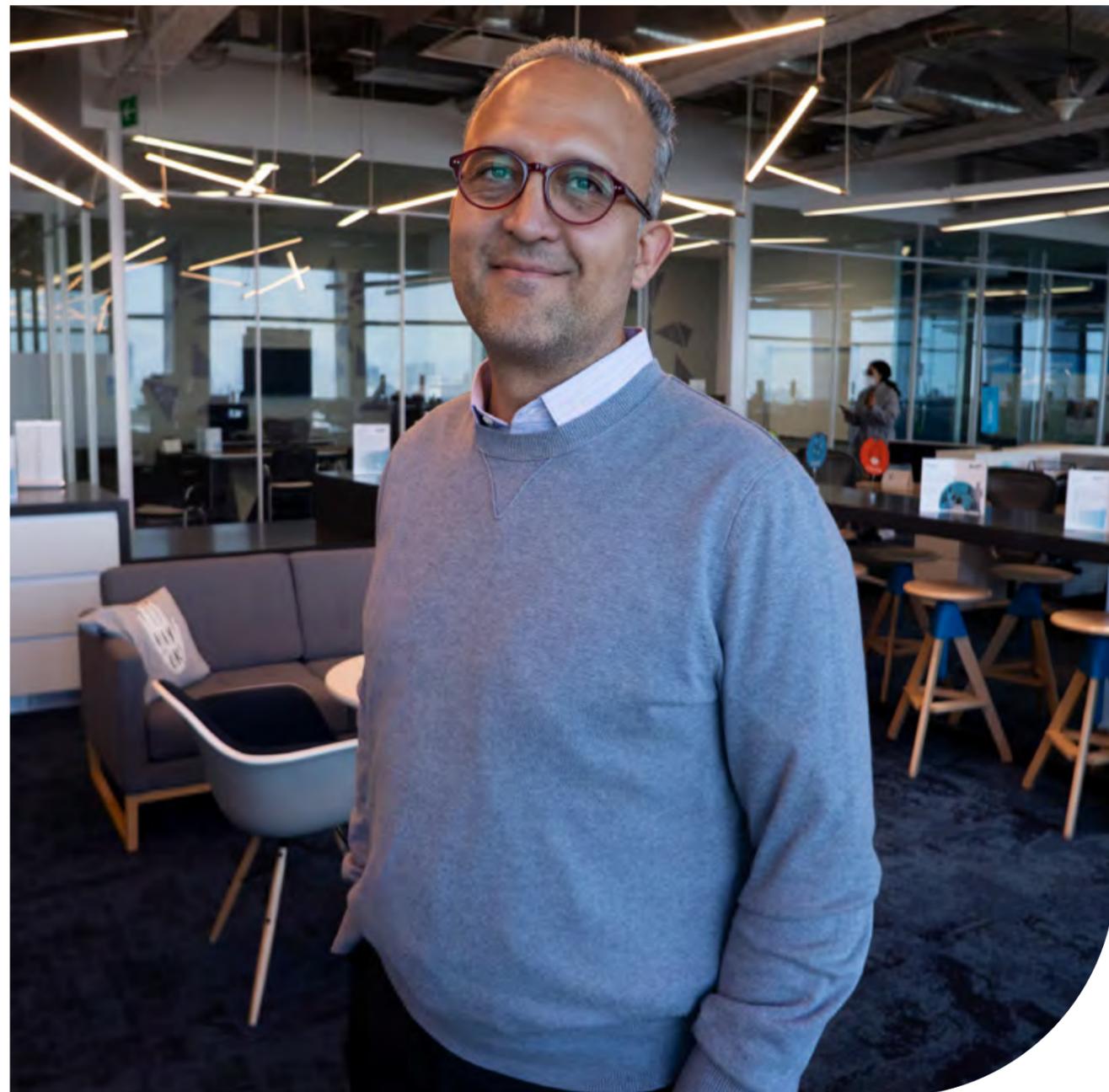
We encourage our associates to live by four essential pillars



WORKFORCE DESCRIPTION

GRI 2-7, 2-8, 2-30, 405-1

3,380 employees



We ended 2021 with 3,380 employees, 2% more than in 2020. Of them, 94.6% are workers with indefinite contracts. We also have 168 individuals who provide services to Grupo Rotoplas through contractors.

Of the total direct staff 22.9% are women, which means 1.2 points of growth compared to 2020. When analyzing the distribution of women by position, we found that the highest percentage is among middle managers, at 29.9%, followed by individual contributors at 28.4%, operators at 18.8%, and finally, in the executives category women make up 11.6%. We are committed to gender diversity and equality, in that regard we are working to meet our goal and reach 30% of women in the workforce by 2025, including an

increase in the number of women in leadership positions.

The breakdown of our workforce by nationality is directly related to the number of workers employed in each country. Thus, in 2021, 66.5% of the employees were located in Mexico, followed by 22.0% in Argentina and the remainder in the United States, Peru, Central America, and Brazil. Meanwhile, the main nationalities among employees are 66.4% Mexican, 21.1% Argentinian, and 4.8% Peruvian.

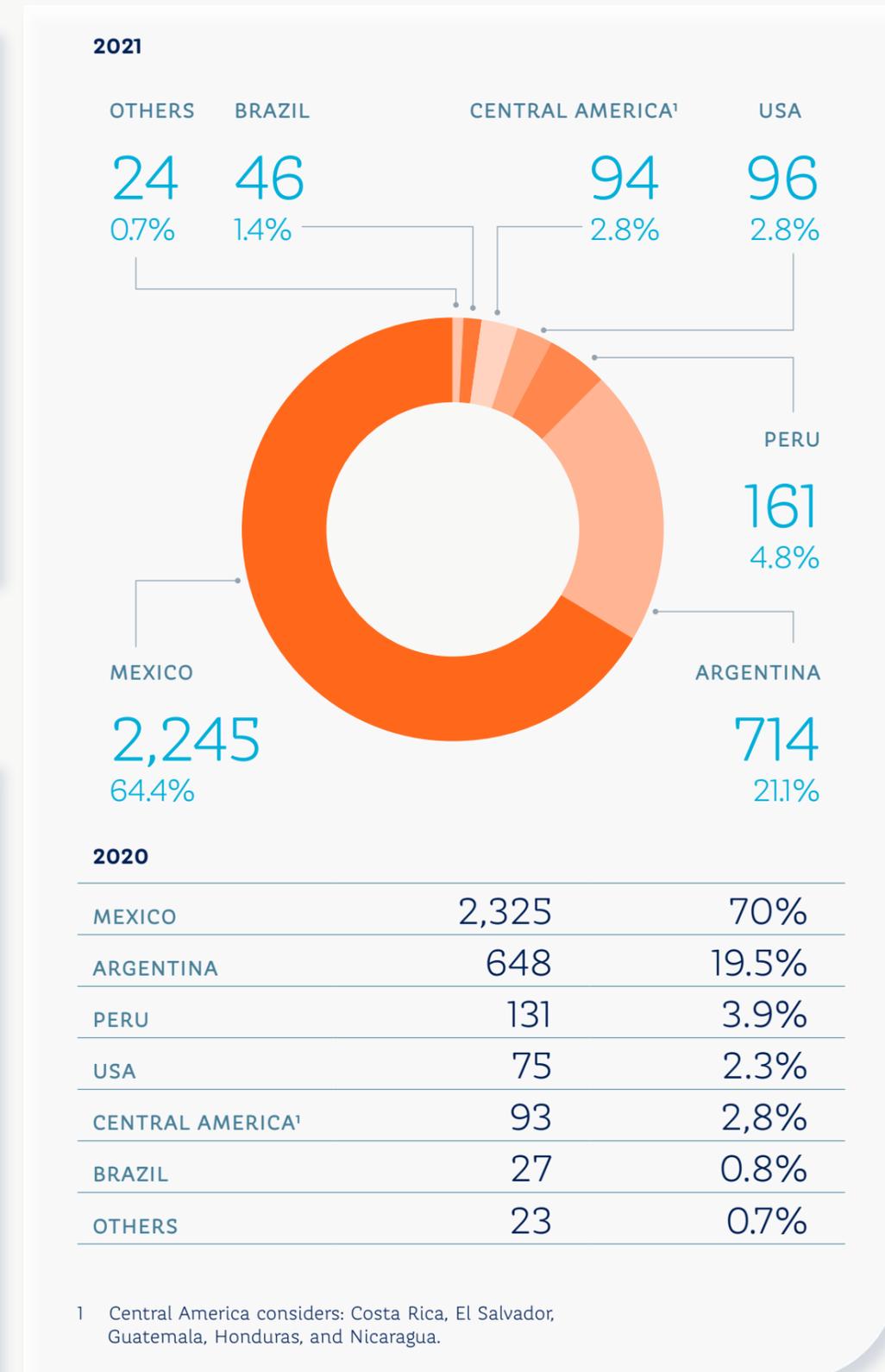
As for the average age, 65.7% of employees are between 30 and 50 years old, 24.6% are under 30, and 9.8% are over 50 years old.

We are committed to our employees' right to be unionized; 48% of our employees are part of the 12 unions of Grupo Rotoplas in Mexico or Argentina; 3% more than in 2020. In the last 5 years, we have had no strikes in any of the localities.

→ WORKFORCE DEMOGRAPHICS



→ EMPLOYEES BY AREA OF ORIGIN



→ EMPLOYEES BY COUNTRY

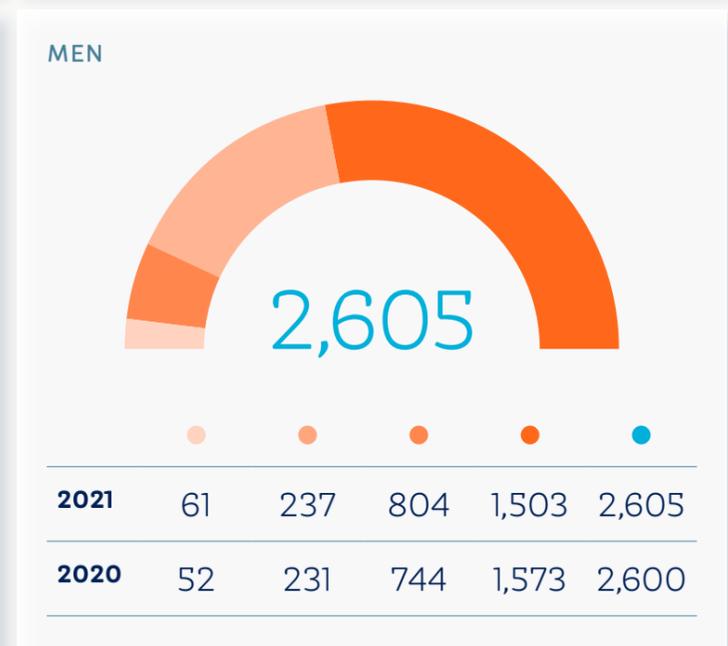
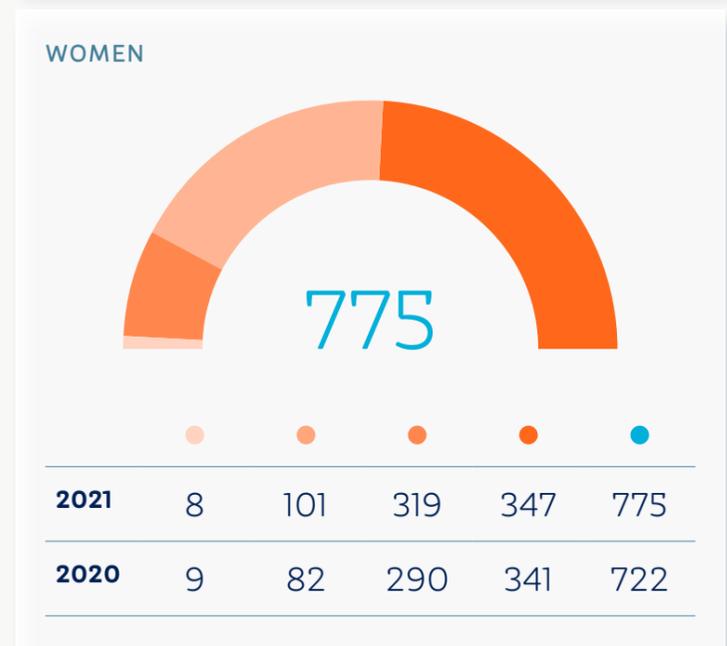


EMPLOYEES BY PROFESSIONAL CATEGORY², AND AGE GROUP

● EXECUTIVES ● MIDDLE MANAGEMENT ● INDIVIDUAL CONTRIBUTORS ● OPERATORS ● OVERALL TOTAL

Administrative

UNIONIZED EMPLOYEES BY COUNTRY



<i>Argentina</i>	661
2021	661
2020	597
2019	240
<i>Brazil</i>	0
2021	0
2020	0
2019	79
<i>Mexico</i>	1,209
2021	1,209
2020	908
2019	717
<i>Total</i>	1,870
2021	1,870
2020	1,505
2019	1,036

Employees

² The parameters for the level of employee contribution by professional category were modified in 2020 and 2021.

DIVERSITY, EQUALITY, AND INCLUSION

GRI 3-3, 2-23, 2-24, 401-3

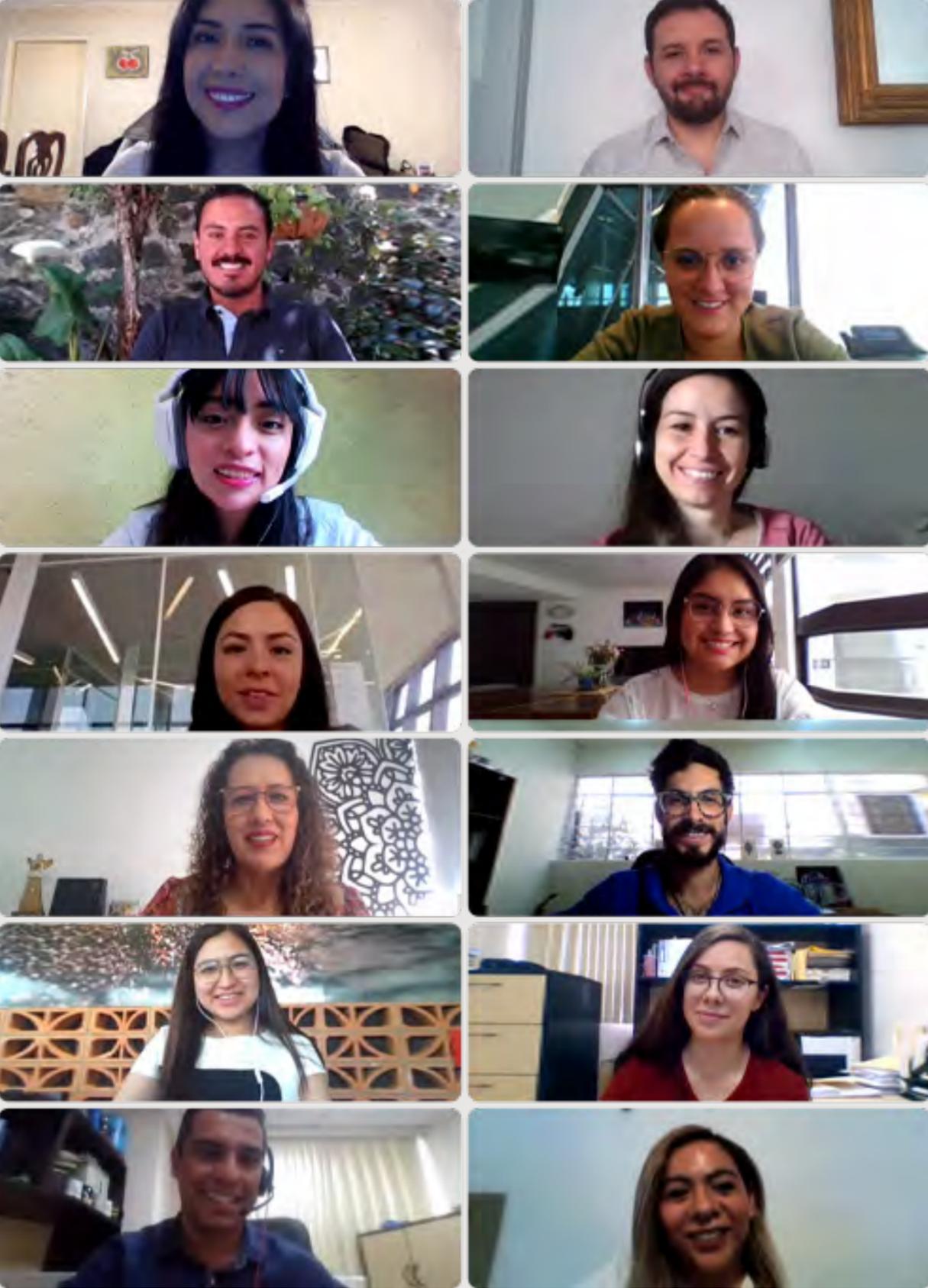
for the management team 

We understand that diversity is an asset capable of bringing together new ideas and perspectives necessary for innovation. For this reason, through our Diversity and Inclusion Policy, we promote respect and equal treatment above all, as well as inclusion of vulnerable groups. This policy governs our daily actions, as well as the recruitment process, internal promotions, and the delivery of compensation and benefits.

We believe that the first step in ensuring inclusion is to recognize the current context of inequality in which we find ourselves as a society. We work locally and globally with different institutions such as the UNDP³; Olascoaga MX⁴ and Integrarse⁵ for the implementation of initiatives that promote education, social entrepreneurship, and women's empowerment.

As for internal work, **this year we held an awareness workshop** where Rotoplas' position on diversity and inclusion (D&I) was defined, and we held the first of four awareness-focused workgroups in which a zero tolerance agreement was reached for discriminatory humor. The next theoretical sessions were established for 2022.

In addition, we developed the D&I awareness route, establishing **5 theoretical sessions targeting 1,300 employees** and available in three languages (Spanish, English, and Portuguese). The first session was attended by 22% of the administrative and sales population, while the next four have been scheduled for 2022.



³ United Nations Development Program
⁴ Social enterprise and authorized donations recipient. It fosters ecosystems of female leadership.
⁵ Alliance of private organizations in seven countries that support companies in the dissemination and implementation of Social Responsibility.



To reaffirm our support for the **LGBTIQ+** community and people with **disabilities**, we added new sections to our diversity and inclusion policy, promoting internal and external communication that reflects our diversity, making visible the different groups that make up society and the organization, and recognizing that talent can come from anywhere regardless of gender, age, race, sexual orientation, disability, or other variables.

In this context, we carried out a survey, which found that **5% of the administrative population felt comfortable expressing their place in the LGBTIQ+ collective**. In addition, in order to include employees with a disability in the Rotoplas staff, we began to participate in the Global Compact workgroups on the topic.

In line with our goal of 30% female employees by 2025 (which we established as part of our participation in the Global

Compact Accelerator of Target Gender Equality), we joined the Women Empowerment Principles, a set of principles established by the UN Global Compact and UN Women to guide businesses on promoting gender equality and empowerment in the workplace, based on international human and labor rights standards.

We know that one of the measures necessary to assist women and men in the workplace is to promote suitable environments for reconciling family life and work. In this context, we support the use of **maternity and paternity leave** by our staff. During the year, of the 22 women who took this leave, **100%** returned to work, while of the 80 men who used it, **95%** returned once the leave was over. In the administrative offices, we have spaces specially equipped for breastfeeding on site, with the aim of supporting the return of mothers to their work activities on site.

Remuneration

GRI 405-2

A fundamental pillar of our support for diversity, equality, and inclusion is that remuneration is based on formal criteria, taking into account the job profile, experience, and skills of the individual, regardless of gender or other characteristics.

28.1%⁶ of our employees have variable remuneration, linked to performance objectives, as do senior executives, who obtain bonds based on business indicators in their area.

Additionally, in **Mexico** every year a salary review of collective labor agreements is carried out based on the Federal Labor Law, and every 2 years benefits are reviewed.

In **Argentina**, wage negotiations take place nationwide between trade unions and industrial chambers. Due to the current inflationary situation, there are several negotiations throughout the year to protect the employees' purchasing power.

At the Group level, we have sought to close the gender wage gap. Considering the fixed part of total wages in 2021, we find that female salaries exceed male salaries by 6%, whereas, when incorporating the variable part, men's salaries are 3% higher.

→ SALARIES RATIO Women - Men

Management level	2020		2021	
	Fixed	Fixed + variable	Fixed	Fixed + variable
Executives	84%	70%	88%	74%
Middle Management	103%	96%	98%	90%
Individual contributors	114%	102%	113%	107%
Operators	86%	100%	77%	82%
Total →	88%	76%	106%	97%

⁶ In 2021, staff members ceased to receive variable remuneration.



New hires and turnover

—
GRI 3-3, 401-1
IP 6

Convinced that to deliver the best customer experience and achieve internal transformation, associates must be **at the center**. We have focused, both on empowering internal talent and on seeking new external talent. **During the year, 44 people were promoted, 36.4% of whom were women.**

We are concerned about finding the best candidates for each position, considering a diverse list of applicants, including men and women. We have also worked to improve our value offer and strengthen RotoPlas' brand, both for recent graduates and experienced individuals.

During 2021, **recruitment increased by 165%**, to 384 at the Group level and the Group's voluntary turnover rate reached 6.05%, increasing from 4.37% in 2020. In economic terms, each new contract cost an average⁸ of \$1,751 Mexican pesos.

⁷ Turnover rate: considers voluntary or involuntary departures in 2021 (as the case may be), of indefinite contracts / Average monthly HC 2021, excluding transfer, retirement, death, or temporary leave. The number of involuntary terminations of indefinite contracts in 2021 was 223.

⁸ Average of the starting salaries of new employees incorporated in the year (one month's salary). 10% of that amount is the value considered as total engagement costs.

→ NUMBER OF HIRES
(Indefinite por permanent)

♀ Women
♂ Men

2020

> 30 years old		30 - 50 years old		< 50 years old	
♀	♂	♀	♂	♀	♂
2	6	10	18	-	2
3	4	2	1	-	-
1	23	2	29	-	-
1	3	2	2	-	-
-	-	-	-	-	-
3	5	5	16	-	5
10		41		21	
51		87		7	
145 hires					

Total

Recruitment increased by 165%

2021

	> 30 years old		30 - 50 years old		< 50 years old	
	♀	♂	♀	♂	♀	♂
Mexico	12	55	17	60	1	13
Brazil	1	3	4	15	-	-
Argentina	4	55	6	68	1	1
Central America	1	5	4	9	-	-
Peru	-	-	-	-	-	-
USA	5	10	4	20	3	7
Gender	23	128	35	172	5	21
Age	151		207		26	
Year	384 hires					

recruitment

→ VOLUNTARY TURNOVER RATE

♀ Women

♂ Men

2020		
♀	♂	TOTAL
1.25%	3.92%	5.17%
2.29%	2.29%	4.57%
0.29%	1.31%	1.60%
1.11%	1.11%	2.22%
1.68%	2.53%	4.21%
2.89%	5.78%	8.66%
1.11%	3.26%	4.37%

	2021		
	♀	♂	TOTAL
Mexico	1.42%	4.93%	6.35%
Brazil	0.00%	0.00%	0.00%
Argentina	0.57%	3.56%	4.13%
Central America	0.00%	1.05%	1.05%
Peru	0.72%	0.72%	1.45%
USA	10.11%	20.22%	30.34%
Grupo Rotoplas	1.39%	4.72%	6.05%

→ TURNOVER RATE

2020		
> 30 years old	30 - 50 years old	< 50 years old
9.02%	3.35%	1.14%
9.68%	10.97%	12.56%
18.70%	14.31%	13.70%

	2021		
	> 30 years old	30 - 50 years old	< 50 years old
Voluntary	2.42%	3.22%	29.25%
Involuntary	7.26%	3.17%	40.90%
TOTAL	9.68%	6.40%	70.15%



Turnover

To encourage internal talent, the **succession planning program** seeks to ensure the mapping and development plan for the positions with the greatest impact on the business strategy, these being creating and enabling positions of value, as well as positions deemed as critical. During 2021, the strategy to align the succession plan with the successors' career plans was completed.

We have initiatives for the incorporation of students and recent graduates, including liaisons with **8 strategic universities in Mexico and 3 in Argentina.**

In addition, we continue to carry out the **Professionals under Development program (PRODES)**, which functions as a talent incubator attracting and developing high potential students in their last year of a BA or engineering major. Those selected participate for two years in four innovative projects of *Flow*. During 2021, we had **7** participants in the PRODES program in Mexico. After the 2-year term, most program participants undergo selection processes and remain in a full-time position.

passing through the different areas of the company.



Work environment

—
IP 7

With the objective of having a barometer that allows us to monitor the work environment and our workers' satisfaction, we annually develop a climate survey which, in 2021, achieved the participation of 95% of the Group's personnel. The results are used by both the plants and directorates to establish specific action plans, which are monitored on a bimonthly basis. In 2021, **internal customer satisfaction (NPS) reached 80 points out of 100.**

Up one point from the previous year.

GROWTH



Talent development

—
GRI 3-3, 404-1

Through the annual training plan, we provide **31,583 hours of training**, giving our employees at the Group level specific preparation according to their needs, in addition to strengthening their soft skills and knowledge of internal policies.

We have the digital learning platform **AprendeR**, which, since 2020, provides remote and flexible training to administrative personnel who, in these last two years, have been working from home. In 2021, **13,382 hours of training** were provided through this platform.

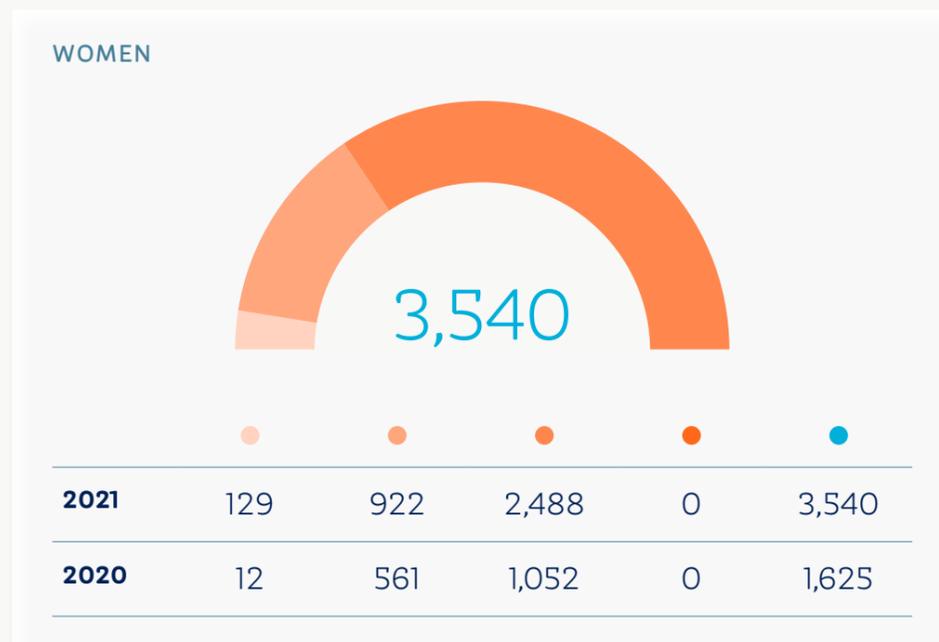
Training costs and expenses for all employees during 2021 totaled **\$14 million pesos.**

→ ANNUAL TRAINING PLAN (HOURS)

● EXECUTIVES ● MIDDLE MANAGEMENT ● INDIVIDUAL CONTRIBUTORS ● OPERATORS ● OVERALL TOTAL
Administrative



→ APRENDER DIGITAL LEARNING PLATFORM (HOURS)



Performance evaluations

GRI 3-3, 404-3

Administrative staff, including executives, middle management, and individual contributors, are evaluated annually with the performance scorecard, which is aligned with the strategy of Grupo Rotoplas and the OKRs (*objectives and key results*). In addition, for various positions, revenues, EBITDA, ROIC, and the Group service level are also considered. **In 2021, 85% of the target population was evaluated.**

In addition, staff in charge of teams receive a 360° evaluation, through which they obtain multidimensional feedback covering the 4 dimensions of our leadership model. This process is applied every year since scoring is part of the Talent Indicators for the final performance evaluation and is also part of the annual salary increase process. In the year, **81% of the employees who are within this bracket were evaluated** since new hires do not participate in these processes.

For executives, in addition to these evaluations, the 4-box talent evaluation is added, and for the middle management, the 9-box evaluation, a methodology that seeks to determine the relationship between the level of performance and the potential.

Both processes are carried out annually.

→ NO. OF EMPLOYEES EVALUATED

		Performance Measurement Dashboard		360° multidimensional competency	
		2020	2021	2020	2021
Administrative	Executives	49	65	51	62
	Middle Management	259	338	342	338
	Individual contributors	980	900	811	836
Total		1,288	1,303	1,204	1,236

Not applicable for operators

In addition, since 2019, we decided to submit every two years to an **organizational health assessment (OHI)**, which identifies employees' perception of how we execute our processes to achieve our results, i.e., our work culture. During this survey, we identified Rotoplas as a **Market Shaper**, indicating that we are progressing through strategic innovation

via a deep understanding of the market, our clients, and our competitors. Therefore, to progress in organizational health, we began to focus on **5 management practices**, which resulted in an improvement from 68 to 72 points (base 100) in 2021, compared to the 2019 measurement.

We have defined plans to continue to enhance each of these **5 practices**.

<p>1</p> <p>Operating discipline</p>	<p>2</p> <p>Customer Focus</p>	<p>3</p> <p>Supportive Leadership</p>	<p>4</p> <p>Talent development</p>	<p>5</p> <p>Consequence and Recognition Management</p>
<p>We migrated from the Balance Scorecard evaluation to the OKR <i>objectives and key results</i> performance evaluation.</p>	<ul style="list-style-type: none"> We declare and reaffirm our Customer Experience Principles: <ul style="list-style-type: none"> Be empathetic. Your need is my need Be simple. We add value and not steps Be agile. We anticipate your needs Be memorable. We seek to exceed your expectations We homologate the Voice of the Client indicators in all our business units. We enable the Insight Center consisting of the Business Intelligence and Customer Experience area, together with an open platform for the organization, where all the studies and key indicators of the client can be consulted. 	<p>We launched the Leadership Academy for the EQL (Leadership Team) and directors. During 2022, it will be implemented across the rest of the organization covering 100% of the personnel who head a team.</p>	<ul style="list-style-type: none"> We identified the internal value roles aligned to the Rotoplas value agenda, i.e. those positions that generate the greatest impact for the business. We created the Water University, which will be deployed in 2022, connecting performance evaluation with our educational offer, as well as drawing up transparent and accessible career plans for employees. 	<p>We developed a fair and transparent feedback system and generated a better tool to publicize outstanding behaviors through the ReCognize platform.</p>

As next steps

During 2022 and 2023, we will focus on strengthening our stated priority practices within the Market Shaper recipe, with the aim of continuing to evolve in our organizational health.



ReCognize

The ReCognize program allows us to promote among the administrative staff the **delivery of acknowledgments based on the Rotoplas values, or to be recognized in the categories of behavior, training, healthy lifestyle, and climate, as well as culture.** The awards generate points that can be redeemed for various awards.

The program was launched in August 2021 and at the end of the year it totaled more than 20 thousand points, which became approximately **\$400 thousand** Mexican pesos in redeemable prizes for employees at the group level.

it totaled 1,320 "Thank you"



SAFETY, HEALTH, AND WELLBEING



COVID-19 Protocols

GRI 403-3, 403-6

During this second year of the pandemic, we maintained a focus on caring for the health and safety of our people and their families. For plant **operators and field service personnel**, we maintained strict safety and hygiene protocols, including cleaning and sanitizing the facilities, monitoring of body temperature, and periodic application of molecular, serological (IgG) and rapid (IgG/IgM) tests.

For **personnel in plants and distribution centers**, we provided private transportation and reduced personnel numbers per shift, respecting social distancing in accordance with the recommendations of the World Health Organization (WHO) and the official regulations of each country.

The **administrative staff** was able to keep working remotely and 845 individuals, who performed about 40% of their work under this modality, received monthly financial support to cover the extra expenses generated by the increase in the consumption of Internet, and other utilities.

We offered telemedicine and follow-up services for COVID-19 cases by a specialist doctor and provided COVID insurance for our workers and their families.

It should be noted that, thanks to the set of measures implemented, we have been able to maintain and adjust the group's operations, without resorting to redundancies, suspensions, reductions in work hours, or interruption of hiring.

Activities with stakeholders were maintained virtually.

Occupational health and safety

GRI 3-3, 2-23, 2-24, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10
SASB RT-CH-320a.1, RT-CH-320a.2, RT-CH-540a.1

The protection of our people in all its dimensions is central to our operation.

We focus on eliminating risk factors and promoting a culture focused on the prevention of occupational accidents, diseases, and psychosocial factors, as well as the care of significant environmental impacts.

With our **HSE (Health, Safety and Environment) management model**, we seek to ensure safe working conditions for our employees, as well as for suppliers, contractors, carriers, and visitors performing activities in or outside the operating and business units.

The management model has an HSE policy and a structure composed of three types of committees: The HSE Central Committee composed of the Group's management and national management, who report directly to top management; Regional Committees made up of country

directors, managers, and regional coordinators; and HSE Plant Committees made up of managers, coordinators, and department heads from each operating unit, as well as representatives of the supply chain and of workers.

Our HSE culture strategy promotes the necessary technical and leadership skills to safeguard the appropriate working conditions, strict compliance with current legislation, and internal guidelines for each work area, materialized through different procedures and complemented by internal and external audits.

In addition, all of our plants adhere to the guidelines and benchmark practices of the occupational health and safety management system. **The Lerma and Leon plants (Rotopinsa and Rotomolding) in Mexico, as well as Peru are certified in ISO 45001:2018**

Occupational Health and Safety Management System.

View policy 

Hygiene, Safety, and Environment policy

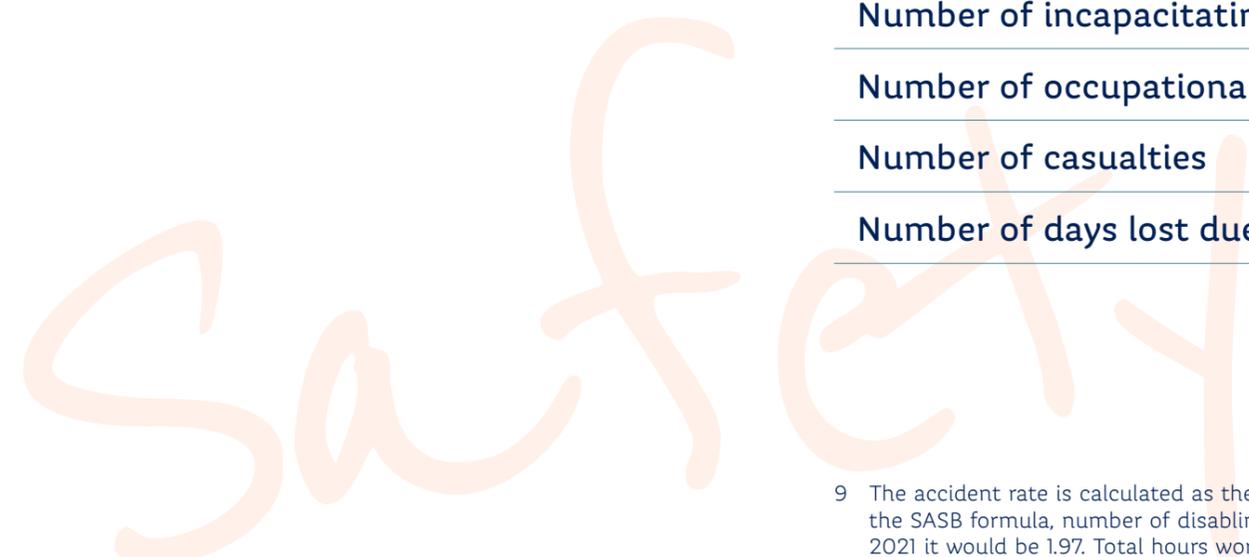


To monitor health and safety management, management conducts **reviews twice a year in the context of ISO 45001**, as well as monthly tours to record risks with a medical team which, in addition to the analysis of health and safety indicators, and to risks identified by employees themselves, are used as input to define the priority actions in each work center. In turn, at each plant, we have brigades prepared for emergency situations and that carry out periodic drills.

During 2021 the main accidents that occurred at the plants were related to injuries in limbs; however, during the period there was one incident in which a worker was trapped between two structures, resulting in serious injuries. Thanks to preventive measures, we again had no fatalities this year.

As part of the annual training program, **safety-focused sessions** are held, mainly around the most important risks in plants, related to limb damage and ergonomic conditions.

During 2021,
15,379 hours
of training were given on Health, Safety, and Environment.



→ EMPLOYEES

	2019	2020	2021
Number of minor injuries	25	93	73
Number of incapacitating accidents	58	98	71
Number of occupational illnesses	0	5	3
Number of casualties	0	0	0
Number of days lost due to injury	894	1,716	1,804
Accident rate ⁹	10.5	14.5	10.7
Rate of occupational illnesses	0	0.7	0.08
Absenteeism rate	0.1	0.2	0.03

→ CONTRACTORS¹⁰

Number of minor injuries	5	0	0
Number of incapacitating accidents	7	1	0
Number of occupational illnesses	5	0	0
Number of casualties	0	0	0
Number of days lost due to injury	53	67	0

⁹ The accident rate is calculated as the number of disabling accidents/hours worked*1,000,000. RTCH-320a.1: Using the SASB formula, number of disabling accidents/hours worked*200,000, the rate for 2020 would be 2.89 and in 2021 it would be 1.97. Total hours worked in 2020 was 6,776,880 and in 2021: 7,201,200.

¹⁰ Number of hours worked by contractors: 28,896.



Wellness

GRI 3-3, 201-3, 401-2, 403-6

To promote physical and emotional well-being

we have a medical team that carries out periodic examinations, vaccination campaigns, prevention and attention to specific ailments, along with promotion of healthy habits.

Starting in 2021, we made available to our Spanish-speaking employees the **Midoonline telemedicine platform**, which replaced the previous comprehensive health line. At the end of the year, we totaled **306 consultations through the app.**



In addition, in October, we held the **Health Fair**, an online activity that included 953 participants from different countries who, throughout the activity, touched on **different topics related to wellness**, highlighting in the first three positions, Sessions called "Thrills that drown", "Getting to January with money" and "Health as a value".

We also provide employees with a series of benefits, similar for both part- and full-time staff, such as: **life insurance, medical insurance, savings funds, Christmas bonus, Agreements with Universities for employees and their children, and extended maternity and paternity leave**, among others.

In order to support our employees at the end of their working life, we currently have **retirement support programs** in Mexico and the United States where, within certain limits and specific conditions in each country, the company can match the savings of the employee.

APPENDICES

TCFD



SDG



- Sustainable bond AGUA 17X & 17-2X report
- Due Diligence in Human Rights
- Contribution to SDGs
- Materiality assessment
- Tables of contents - frameworks

SUSTAINABLE BOND AGUA 17X & 17-2X REPORT

—
TCFD EST-B
SASB IF-WU-000.C

This report pertains to the accrued results of the use of the resources we obtained through the two issuances of our sustainable bond.

Agua 17X

Issued in 2017 for \$600 million pesos, with a 3-year maturing in June 2020, and prepaid in February 2020.

Agua 17-2X

Issued in 2017 for \$1.40 billion pesos with a 10-year term and maturing in June 2027. Subsequently, two reopenings have been made; the first in 2018 for \$1.00 billion pesos, and the second in 2020 for \$1.60 billion pesos.



With the prepayment of the AGUA 17X issuance and the second reopening of the AGUA 17-2X issuance in February 2020, the total sum of the current program amounts to \$4.0 billion pesos, maturing in June 2027 with a fixed rate of 8.65%. The second reopening of AGUA 17-2X had a 3.04x excess demand.

Through the bond, we seek to finance initiatives that improve access to water and sanitation. Specifically, those projects and solutions with which we generate social development, improve health, and protect the environment. The bond's framework is aligned to the Principles of Green and Social Bonds, as well as to the guidelines for Sustainable Bonds from the *International Capital Market Association (ICMA)*. Compliance with the guidelines and key indicators presented below was validated by an independent third party (see annual bond review letter).

The Corporate Practices and Strategy Committee is in charge of selecting the projects to which the resources from the

Sustainable Bond will be destined, and it is comprised of 3 independent board members. The resources are intended for the development of solutions in 4 categories, depending on the objective sought: 1) Provision of drinking water, 2) Water storage, 3) Sanitation in homes, 4) Treatment, reutilization, and recycling of wastewater.

Through the resources raised, we strengthen our contribution to the **Sustainable Development Goals (SDGs)**. For instance, with the treatment plants and drinking water service, we also help to **reduce the environmental footprint of our customers.**

By the end of 2021, we had used 73.9% of the net resources obtained through the issuances of the Sustainable Bond¹. Of the total resources, 56.3% was destined to wastewater treatment (category 4), 17.6% to drinking water solutions² (category 1), and the remaining resources are still unused.

Every year we present the key indicators related to each category:

In annual terms, we experienced an impact related to COVID-19 as economic uncertainty limited the closing of new treatment plant contracts, and the shutdown of school facilities caused a standstill in the operation of drinking fountains throughout the year. Likewise, workplace purifiers had limited operation at the beginning of the year as people remained at home.

For indicators of purified water consumption in households, we applied daily consumption rates obtained from IoT (Internet of Things) devices.

¹ The decrease in the percentage of resources used compared to that reported in 2019 matches the new total resources received, since it considers the resources obtained in 2020 through the second reopening of the bond.

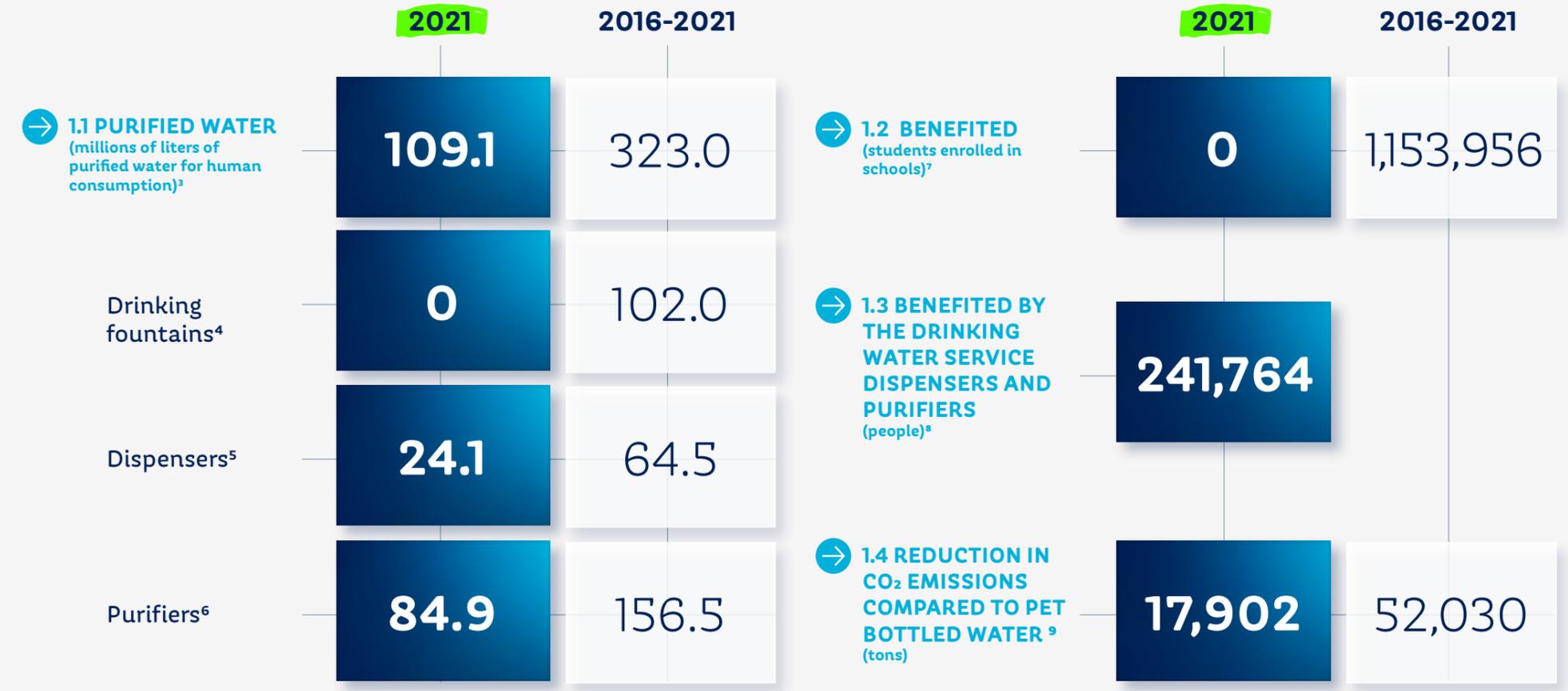
² Category 4: 56.3% of the total resources raised and category 1: 17.6% of the total resources raised; the difference corresponds to unused resources.



Category 1: Drinking water solutions

Purpose

To provide access to clean water to people in situations of scarcity or where tap water is not safe to drink; for instance, through drinking fountains, water filters, and purifiers (integrated in our drinking water service).



3 It integrates the water treated by the drinking fountains installed since 2016 with the dispensers and purifiers operating since 2017.
 4 Considers consumption until 2020, given that in 2021, the drinking fountains did not operate because of school shutdowns due to the pandemic.
 5 Water treated in the dispensers: average number of dispensers in the year * average daily consumption per dispenser (obtained from meters in a sample of dispensers) * 365 days of the year (270 days in 2020 and 300 days in 2021).

6 Treated water in purifiers: Average number of purifiers in the year * average daily consumption per purifier (obtained from meters in a sample of purifiers) * 365 days in the year; for 2020, 3 months of activity were excluded as an approximation to the limitations caused by the pandemic in the operation of offices and other work centers; for 2021, 2 months were excluded because the limitations were lower.
 7 In 2021, drinking fountains were not in operation because of the school shutdowns due to the pandemic.
 8 Considering the number of dispensers (for work centers) and purifiers (homes) installed by December 2021.

9 Obtained by dividing the total liters purified by 0.5 to identify the number of 500ml bottles and multiplying it by 82.8 grams of CO₂ per bottle, and the result is converted from grams to tons. Next, the emissions in tons are subtracted from Rotoplas' purification solutions (with the 2021 electricity emission factor for Mexico).

Category 4: Water and Wastewater Treatment

Purpose

To improve water quality and increase efficiency in the use through recycling and reusing wastewater; for instance, wastewater treatment and recycling plants, acquisition of technology for treatment, recycling, and purification.

This year, the first plants to go online in Brazil are added to the treatment plants in Mexico.



For the calculation of reused water, we consider a reutilization rate of 35% of treated water until the end of 2019, a rate of 54% for 2020, and a rate of 65% for 2021.

The increase in the rate has been achieved through technological improvements implemented in the new plants.

¹⁰ The figure varies from what was reported the previous year due to a miscalculation in 2020.



sustainable bond



Grupo Rotoplas SAB

Type of Engagement: Annual Review

Date: April 6, 2022

Engagement Team:

Hrithik Sharma, hrithik.sharma@sustainalytics.com, (+1) 647 951 3309

Hamoda Youssef, hamoda.youssef@sustainalytics.com

Introduction

In 2018, Grupo Rotoplas SAB (Rotoplas) issued sustainability bonds aimed at financing and refinancing, in whole or in part, existing and future projects that improve access to water and sanitation among underserved populations and increase water use efficiency. The use of proceeds is guided by the Rotoplas Sustainability Bond Framework (the "Framework").¹ Sustainalytics provided a Second-Party Opinion on the Framework in September 2018. In 2022, Rotoplas engaged Sustainalytics to review the projects funded through the issued sustainability bonds and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the projects funded with the bonds proceeds between 2018 to 2021, based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	KPIs
1. Drinking Water Solutions	Projects that provide access to clean water for individuals in areas that lack water supply or where tap water is unsafe to drink	<ul style="list-style-type: none"> • Descriptions of projects including the need for such infrastructure in various communities • Number of water fountains installed • Number of schools benefitted • Volume of water (cubic meter) purified
2. Water Storage	Projects that provide access to water for households or commercial facilities in water scarce areas or areas lacking reliable water supply	<ul style="list-style-type: none"> • Descriptions of projects including the need for such infrastructure in various communities • Volume of water (cubic meter) captured/stored
3. Sanitation and Sewage Treatment	Projects that provide access to adequate sanitation facilities in areas with underdeveloped sewage infrastructure	<ul style="list-style-type: none"> • Descriptions of projects including the need for such infrastructure in various communities • Number of sustainable bathrooms installed by region • Number of self-clean biodigesters installed by region • Number of households benefitted
4. Water and Wastewater Treatment	Projects that improve water quality and increase water-use efficiency through water recycling and reuse	<ul style="list-style-type: none"> • Descriptions of projects including the need for such infrastructure in various communities • Volume of water (cubic meter) treated/recycled

¹ Rotoplas Sustainability Bond Framework is available on Rotoplas website at: https://rotoplas.com/investors/rtp_resources/eng/related-documents/AGUA17-2X_Rotoplas_Sustainability_Bond_Framework.pdf?624638fa



→ CERTIFICATION LETTER OF THE SUSTAINABLE BOND



		<ul style="list-style-type: none"> Metrics on improvements in water quality e.g. Biochemical Oxygen Demand (BOD)
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Issuing Entity's Responsibility

Rotoplas is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Rotoplas's Sustainability Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Rotoplas employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by Rotoplas with respect to the projects. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Rotoplas.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed financed projects, funded through proceeds of Rotoplas's sustainability bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Framework. Rotoplas has disclosed to Sustainalytics that 73.9% of the proceeds of the sustainability bonds were allocated as of December 31, 2021.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the sustainability bond from 2018 to 2021 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the sustainability bond from 2018 to 2021 to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

² Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.



Appendix

Appendix 1: Allocation and Impact Reporting by Eligibility Criteria³

Use of Proceeds and Eligibility Criteria Category ⁴	Impact Reported by Eligibility Criteria (Cumulative, as of December 31, 2021)	Net Bond Proceeds Allocation (MXN) ⁵
Drinking water solutions		
Litres of water purified	322,999,147	683,327
Children benefitted through the installation of water fountains (school enrolment)	1,153,956	
People benefitted from PoU purification (users)	241,764	
Tons of avoided CO ₂ emissions versus bottled water made from PET	52,030	
Water and Wastewater Treatment		
Litres of water treated	40,077,119,000	2,184,070
Litres of water reused	18,365,773,342	
Total allocation of bond proceeds		2,867,397
Net bond proceeds raised⁶		3,879,494
Balance of unallocated net proceeds		1,012,097
Percentage of bond allocation		73.9%

³As of December 31, 2021.

⁴ No allocation was made under categories 2 (Water Storage) and 3 (Sanitation and Sewage Treatment) defined in the Framework.

⁵ The allocation amounts include acquisition, working capital and capital expenditure costs.

⁶ Amount after deducting the expenses and price differential at the re-openings.



→ CERTIFICATION LETTER OF THE SUSTAINABLE BOND



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About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2021, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the fourth consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2021 for the third consecutive year. For more information, visit www.sustainalytics.com.





DUE DILIGENCE IN HUMAN RIGHTS

—
GRI 3-3, 2-23, 2-24, 2-25, 2-26, 412-1, 412-2

Our commitment is formalized in the Human Rights Policy, where we establish the necessary principles and guidelines to be observed in the treatment and interaction of our employees, and in the relationship with external groups in our value chain.

The policy includes all our employees, as well as all stakeholders with whom we interact, including suppliers, clients, candidates to collaborate with the company, users of our solutions, and others. It is closely related to the Code of Ethics and Conduct and other policies.

In addition, it should be noted that we carry out our activities in strict compliance with the applicable legislation. We also consider recommendations and guidelines for:

- Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- OECD and G20 Principles on Corporate Governance
- Principles of the UN Global Compact

Currently, all our operations are subject to human rights impact reviews or assessments, within the framework of a due diligence process that we develop in accordance with OECD recommendations¹.

¹ OECD: Organization for Economic Cooperation and Development

Steps		How is it put into practice?		More details in the report	
 Generating responsible business behavior.		<p>Through our principles, values and the Rotoplas Way. In addition to the guidelines of behavior for our employees and for the external relationship with suppliers, distributors, directly with end clients/consumers, established in:</p> <ul style="list-style-type: none"> • Code of Ethics and Conduct • Grupo Rotoplas Human Rights Policy • Integral Hygiene, Safety, and Environment Policy • Sustainability and Social Responsibility Policy • Sustainable Procurement Policy • Diversity Policy 		<p>Sustainability strategy</p> <p>Culture of ethics and compliance</p> <p>Integrity of the value chain</p> <p>Access to water and sanitation</p> <p>Diversity, equality, and inclusion</p> <p>Safety, health, and wellbeing</p>	
 Identification and evaluation of negative impacts on operations, supply chains, and trade relations		<p>Through the “Confía Rotoplas” reporting platform, managed externally.</p> <p>They are complemented by the cases identified through internal and external audit processes.</p> <p>In addition, we continually strengthen relationships with suppliers, distributors, and plumbers so that they can inform us of practices that are contrary to responsible business conduct.</p> <p>For our suppliers, we are moving forward on an evaluation system to strengthen our knowledge of their ESG practices and consider this in the decision regarding the business relationship.</p>		<p>Culture of ethics and compliance</p> <p>Integrity of the value chain</p>	

Steps		How is it put into practice?		More details in the report	
 Cease, prevention, and/or mitigation of negative impacts		<p>Reports of violations of the codes are analyzed in the Ethics Committee and sent to the areas of Human Capital or Corporate Control and Security for resolution, which then return to the Committee for validation. Likewise, the Ethics Committee also evaluates and responds to the observations of internal audits of the work centers.</p> <p>Proactively:</p> <p>Each facility reviews and updates its risk matrices annually and, when necessary, proposes modifications to generate corrective actions.</p> <p>At the strategic level, guidelines are also proposed by business or for the group as a whole for common issues such as those related to human capital.</p> <ul style="list-style-type: none"> • Diversity and Inclusion Roadmap, including workshops and training sessions. • Implementation of the Sustainable Purchases Policy, for which an evaluation program is being worked on. • Guidelines for action in communities with government programs and/or civil society organizations (CSOs). • Community relations management process. • Social focus on the development of products that provide access to water or an improvement in water quality, as well as the impact on consumer health. 		<p>Diversity, equality, and compliance</p> <p>Culture of ethics and compliance</p> <p>Risk management</p>	



Steps		How is it put into practice?	More details in the report
<p>4 Follow-up on implementation of results</p>		<p>The Audit Committee oversees the implementation of different initiatives to monitor risks.</p> <p>In addition, each area is responsible for managing its main indicators.</p> <p>The Sustainability Strategy includes actions related to human rights. Therefore, the Strategy Scorecard also has useful indicators (e.g. ethics complaints) and is regularly monitored throughout the year.</p>	<p>Gestión de riesgos</p>
<p>5 Rendering of information on the impacts addressed</p>		<p>Through the integrated annual report, annual management is publicly reported, including the detection of human rights violations or infringements.</p> <p>We also maintain a fluid relationship with our stakeholders and there are mechanisms to respond to their specific concerns.</p> <p>For the first time, we developed a more detailed annex as a guide of the set of actions we carry out.</p>	<p>Integrated report</p>
<p>6 Redressing or collaboration in redressing the impact where applicable.</p>		<p>The definition of how to redress an identified human rights violation would be specifically assessed by senior management and approved by the Board of Directors.</p> <p>Compliance with legislation and preventive management have allowed us not to have significant cases of human rights infringements.</p>	<p>Culture of ethics and compliance Risk management</p>

CONTRIBUTION TO THE SDGs

(figures in million Mexican pesos)



We contribute to the **generation of value** for a wide range of stakeholders, including addressing water and sanitation needs, as well as the problems or difficulties associated with issues such as health. That is why our **business model is closely linked to Agenda 2030 and the Sustainable Development Goals (SDGs)**, set forth by the United Nations (UN).

Our Sustainability Strategy 2021-2025 addresses the SDGs to which we can contribute in a particular and greater way, identified from the material ESG issues.

Following is our contribution to these SDGs and related targets:

→ CONTRIBUTION TO THE SDGS



SDG 3 Health and wellbeing
Goals 3,3, 3,4, 3,9

Contribution in 2021

- Through our products, we facilitate **hygiene and health care**.
- Together with other institutions, we support projects for access to water for human use by implementing **Rainwater Harvesting Systems (RWHS)** in communities.
- We implemented **COVID-19 protocols** to take care of the health of our employees, offered telemedicine services and follow-up of cases by a specialist doctor. We also provided **COVID-19 insurance** for our workers and their families.
- In our operation, we safeguard occupational safety measures and promote employee diligence.

SDG
3

2021 Indicators

Access to water and sanitation for **330 thousand people**.

- More than 60,000 institutional and residential purifiers.

We installed 190 rainwater harvesting systems in houses that did not have access to water in Mexico.

- In Mexico, with the *A Fluir* project, we selected **5 projects with the capacity to impact 1,300 people**, and with the UNDP, we installed 63 RWHS systems with a capacity of 10 thousand liters, each.
- To reduce the risk of infection by COVID-19, 845 administrative staff did home office during 2021.

The midoconline telemedicine platform received **306 inquiries**.



SDG 4 Quality education
Goals 4,3; 4,7

Contribution in 2021

- We had a **scholarship program** aimed at supporting the professional and personal development of our permanent employees.
- We support and work together with our plumbers, installers, professionals and/or retail vendors to **train them in technical and soft skills**.
- We work together with other associations to train schoolchildren on the importance of sustainability and water resource care.
- We have **collaboration agreements with universities**.

SDG
4

2021 Indicators

- **6,912 hours of training** to 5,744 plumbers in Mexico and Central America.

406 individuals who obtained the ELO 079 "Water Solutions Consultant"

certificate granted by the Ministry of Public Education (Mexico).

- In Argentina, **we trained 1,113 installers, professionals**, and/or retail vendors.
- In Peru, we trained **82 plumbers in soft skills, through 2,160 hours of training**.
- With Aquafondo, we developed the Aquagol School Contest – a goal for water, with the objective of educating kids on the care of water.
- With SUNASS, we developed the project - Sunass Educational Water Expo 2021 in schools in Peru.
- With the Association Conciencia and AySA in Argentina, we carried out the educational program "Water in Debate", with the participation of 4 schools, 50 students aged between 15 and 18 years, and 6 teachers.
- **We trained more than 1,200 people** in Argentina through technical talks on access to water and sanitation.

→ CONTRIBUTION TO THE SDGS



SDG 5 Gender equality
Goals 5,5; 5,c

Contribution in 2021

- We work locally and globally with different institutions such as UNDP, Olascoaga MX, and Integrarse to **promote education, social entrepreneurship, and women's empowerment.**
- We adhere to the Women's Empowerment Principles (WEPs).
- We participated in the Global Compact's **Target Gender Equality Accelerator.**
- We are building a roadmap on Diversity and Inclusion (D&I), in a collaborative way with employees' participation.
- Our self-regulation: policies and codes are very demanding in terms of requirements and guidelines to **avoid discrimination.**



2021 Indicators

22.9% of our staff are **women.**

29.9% of middle management positions are held by women.

- D&I: In 2021, a workshop for directors and workshops for the staff were held.



SDG 6 Clean water and sanitation
Goals 6,1; 6,3; 6,4; 6,a, 6,b

Contribution in 2021

- We **offer solutions to improve water management for urban and rural environments**, with products for storage, waterflow, and improvement of water.
- We also work on optimizing the requirements of our different processes.
- Likewise, we work to **treat the wastewater from our operation** to reuse it or return it to the environment in good condition, with WWTPs in the Guadalajara and Merida plants in Mexico, and in Pilar in Argentina.
- In Guatemala and Peru, we have systems that provide treatment and **recirculation of approximately 60% of the resource in our process.**
- We work together with associations specialized in water and sanitation, enhancing our experience and knowledge to provide more and better solutions to the population.



2021 Indicators

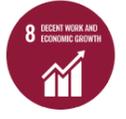
- We provide **access to water and sanitation for 330 thousand people.**

We installed more than 60,000 institutional and residential purifiers.

- We installed **190 rainwater harvesting systems** in houses that did not have access to water in Mexico.

164 thousand m³ of water purified by our solutions (cumulative 2020-2021).

→ CONTRIBUTION TO THE SDGS



SDG 8 Decent work and economic growth
Goals 8,2; 8,3; 8,4; 8,5; 8,8

Contribution in 2021

- Through the **Flow** program, we boost leadership, operating discipline, talent development, accountability, and organizational climate.
- We offer a **safe work environment** that enhances our workers' capabilities.
- We continue to create job opportunities.
- We enhance our own talent with the **Leaders** program and we seek young talent with the **PRODE (Professionals under Development)**, program, so that young people can be trained by working in the company, through agreements with universities.
- We did not have layoffs, decreases in hours, or stop hiring as a result of the COVID-19 pandemic.

2021 Indicators

- We added **384 new employees** across the Group. Even considering turnover, the workforce grew compared to the previous year, reaching **3,380 employees**.
- We had 7 participants in the PRODES program

Employee satisfaction reached 80%.



SDG 9 Industry, innovation, and infrastructure
Goals 9,2; 9,5

Contribution in 2021

- We deliver **sustainable growth** in the countries where we have operations
- We understand innovation with an open approach, in which we connect with the entrepreneurial environment and open ourselves to third-party solutions, in addition to our own developments.
- Our solutions, especially treatment plants, help industrial clients evolve towards an **activity with less impact on the environment**.
- We are investing to incorporate **data analytics** into our solutions, improving customer experience.
- We participate in different organizations with a business and sectoral focus.

2021 Indicators

Investment in infrastructure \$515 million

Invest 4% of EBITDA in research and development.

- We continued to operate INNWAI, an open innovation hub to address the problems of access to water, sanitation, and hygiene.

→ CONTRIBUTION TO THE SDGS

 **SDG 10** Reduced inequalities
Goals 10,4; 10,6

Contribution in 2021

- Our solutions address the problems of difficulties and lags in access to water and sanitation. This **helps families to focus on work and have better hygiene.**
- On the other hand, in our chain of distributors, installers, and plumbers, we **generate employment opportunities** and seek their development through training programs.
- We are also a generator of formal direct employment in the different countries where we operate.



2021 Indicators

- First **A Fluir (To Flow)** call with **Fundación Merced.**
- Partnership with the United Nations Development Program (UNDP).**
- Installation of rainwater harvesting systems (RWHS) in **community programs in Mexico and Argentina.**

 **SDG 11** Sustainable cities and communities
Goals 11,1; 11,3; 11,b

Contribution in 2021

- Through our product portfolio, we offer **solutions to improve water management in urban and rural centers**, through storage, waterflow, and improvement of water. We contribute to the development of non-centralized solutions.
- With wastewater treatment, we provide a **solution for businesses, especially in populated environments.**
- We also improve the logistics of our shipping, facilitating a **more efficient distribution.**



2021 Indicators

We installed 190 rainwater harvesting systems in houses that did not have access to water in Mexico.

164 thousand m³ of water purified by our solutions (cumulative 2020-2021).

→ CONTRIBUTION TO THE SDGS



SDG 12 Responsible consumption and production
Goals 12,5; 12,6; 12,8; 12,a

Contribution in 2021

- We use **recycled resins** for manufacturing our products.
- We also take advantage of the one resulting from our processes so that it can be reintegrated.
- We seek to offer solutions that **reduce the use of materials**, either because of their durability (such as water tanks) or because they are an alternative to consumption models with a greater impact (e.g. drinking water service).
- Through the **rieggio** operation, we are **facilitating efficiency practices for the agricultural sector**.
- Through our report, website, various community programs and other channels, we interact with our stakeholders to convey our **vision of sustainability and water care**.
- We are members of different local and trade associations that promote the sustainable development of companies.

2021 Indicators

5,920 tons of recycled resins

- Initial development of the **rieggio** business.
- **Annual Integrated Report GRI, SASB, TCFD.**

More than 60,000 institutional and residential bebbia purifiers in operation (drinking water service)



SDG 13 Climate action
Goals 13,1; 13,b

Contribution in 2021

- Climate change endangers the availability and quality of water for human consumption. - Through our products we contribute to **generating efficient alternatives** to respond to this risk.
- We are committed to **reducing our greenhouse gas emissions**, aiming to achieve carbon neutrality by 2040.

2021 Indicators

Our carbon footprint was **45,497 tons of CO₂ eq scope 1 and 2**, and **29,915 tons of CO₂ eq, scope 3**.



SDG

→ CONTRIBUTION TO THE SDGS



SDG 12 Promote just, peaceful, and inclusive societies
Goals 16,2; 16,5; 16,6

Contribution in 2021

- Our strong corporate governance strives for decision-making **focused on the good of the company and on long-term value creation for all stakeholders.**
- We promote ethics through self-regulation (policies and codes), management measures, training and generating awareness.
- We have the **“Confia Rotoplas” platform** for reporting non-compliance.
- In the Human Rights Policy of Grupo Rotoplas, we state our rejection of child labor and forced labor.
- We have an **anti-corruption policy.**
- We strengthen our governance with a Corporate Governance Policy and a crime management model.

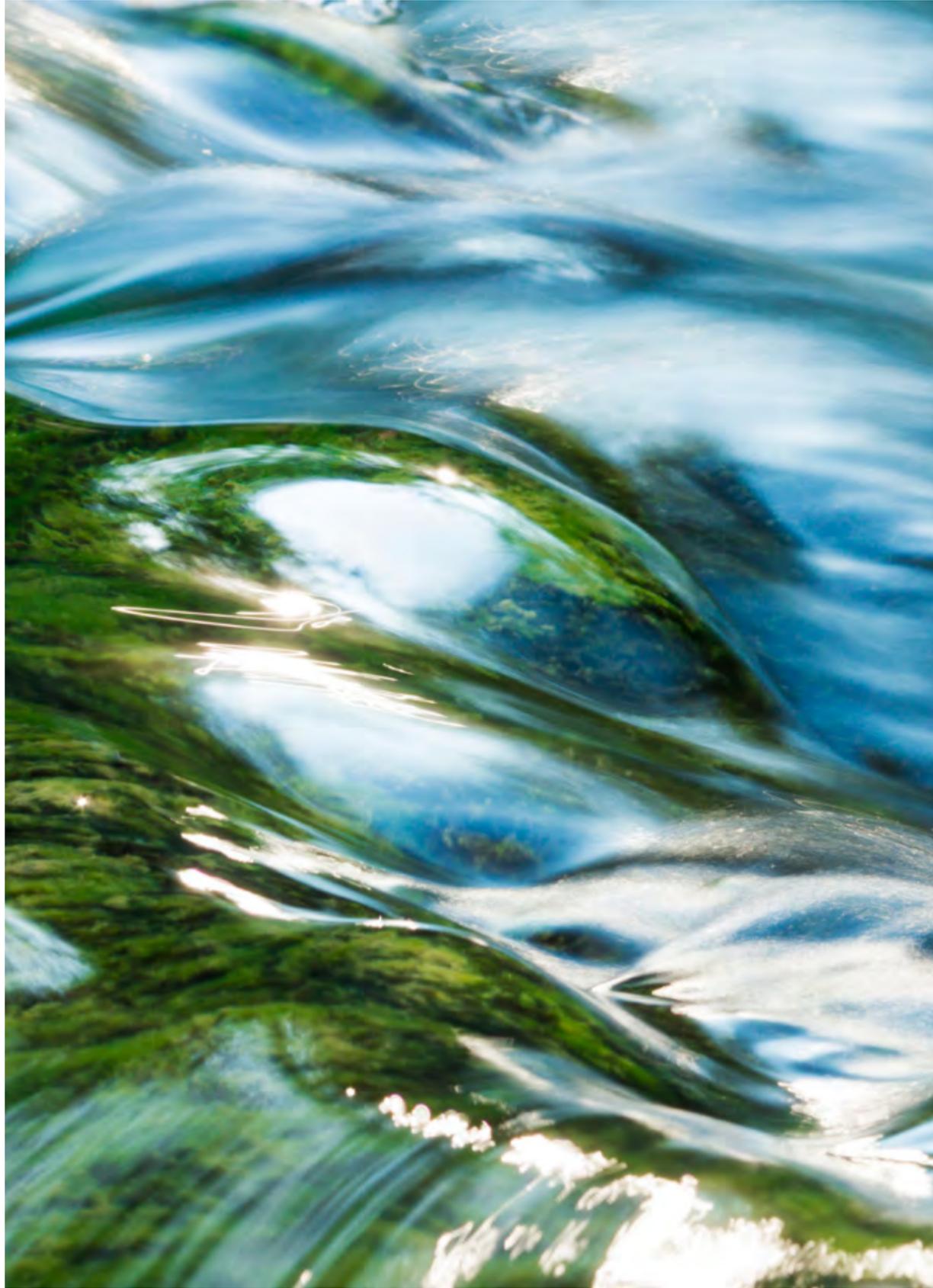


2021 Indicators

57% of the board members are independent

Contributors annually reaffirm their commitment to the Code of Ethics





MATERIALITY ANALYSIS

—
GRI 2-29, 3-1, 3-2

At the beginning of 2021, we developed a materiality analysis, which served as the basis for the **new Sustainability Strategy 2021-2025**. It follows the previous period from 2016, allowing us to address the changes that we experienced in this timeframe regarding: the business model and service diversification, geographic presence, stakeholders' new requirements, and the impact of COVID-19, among other aspects.

We adopted the concept of double materiality, per international best practices

Socio-environmental or impact materiality

Reflects the most significant impacts of the company abroad, on the economy, the environment, and on people; these impacts can have positive or negative consequences for the company (in its operation, reputation, and/or financially).

Financial materiality

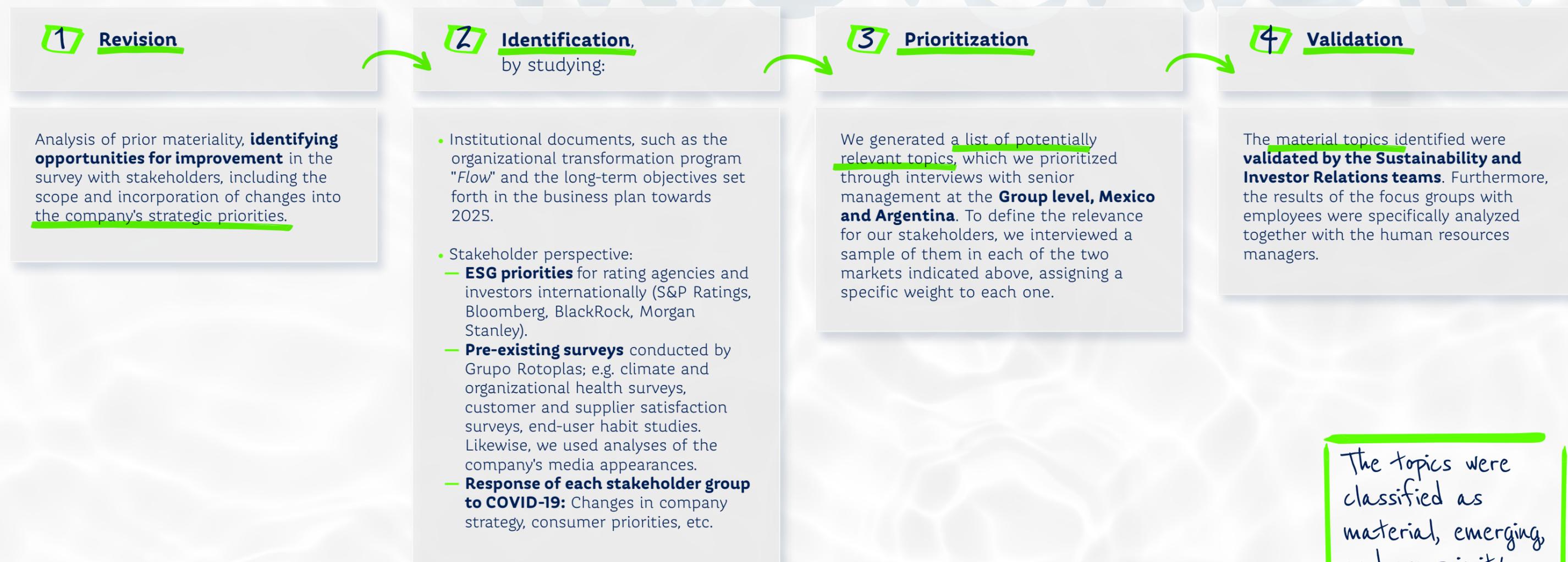
Reflects ESG factors that may have a reasonable likelihood of affecting the financial condition, operating performance, and cash flows within the company.

Furthermore, this materiality is dynamic, as it presents current and emerging material topics. The latter can become material in the short term or in the face of extraordinary changes, such as people's health with COVID-19.

Process for Impact Materiality

We carried out the analysis at the Group level and in our main markets: Mexico and Argentina, also including the perspective of a selection of our main stakeholders: Investors, employees, civil society organizations, suppliers, distributors, and plumbers, as well as end users.

The process was implemented in 4 stages:



1 Revision

Analysis of prior materiality, **identifying opportunities for improvement** in the survey with stakeholders, including the scope and incorporation of changes into the company's strategic priorities.

2 Identification, by studying:

- Institutional documents, such as the organizational transformation program "Flow" and the long-term objectives set forth in the business plan towards 2025.
- Stakeholder perspective:
 - **ESG priorities** for rating agencies and investors internationally (S&P Ratings, Bloomberg, BlackRock, Morgan Stanley).
 - **Pre-existing surveys** conducted by Grupo Rotoplas; e.g. climate and organizational health surveys, customer and supplier satisfaction surveys, end-user habit studies. Likewise, we used analyses of the company's media appearances.
 - **Response of each stakeholder group to COVID-19:** Changes in company strategy, consumer priorities, etc.

3 Prioritization

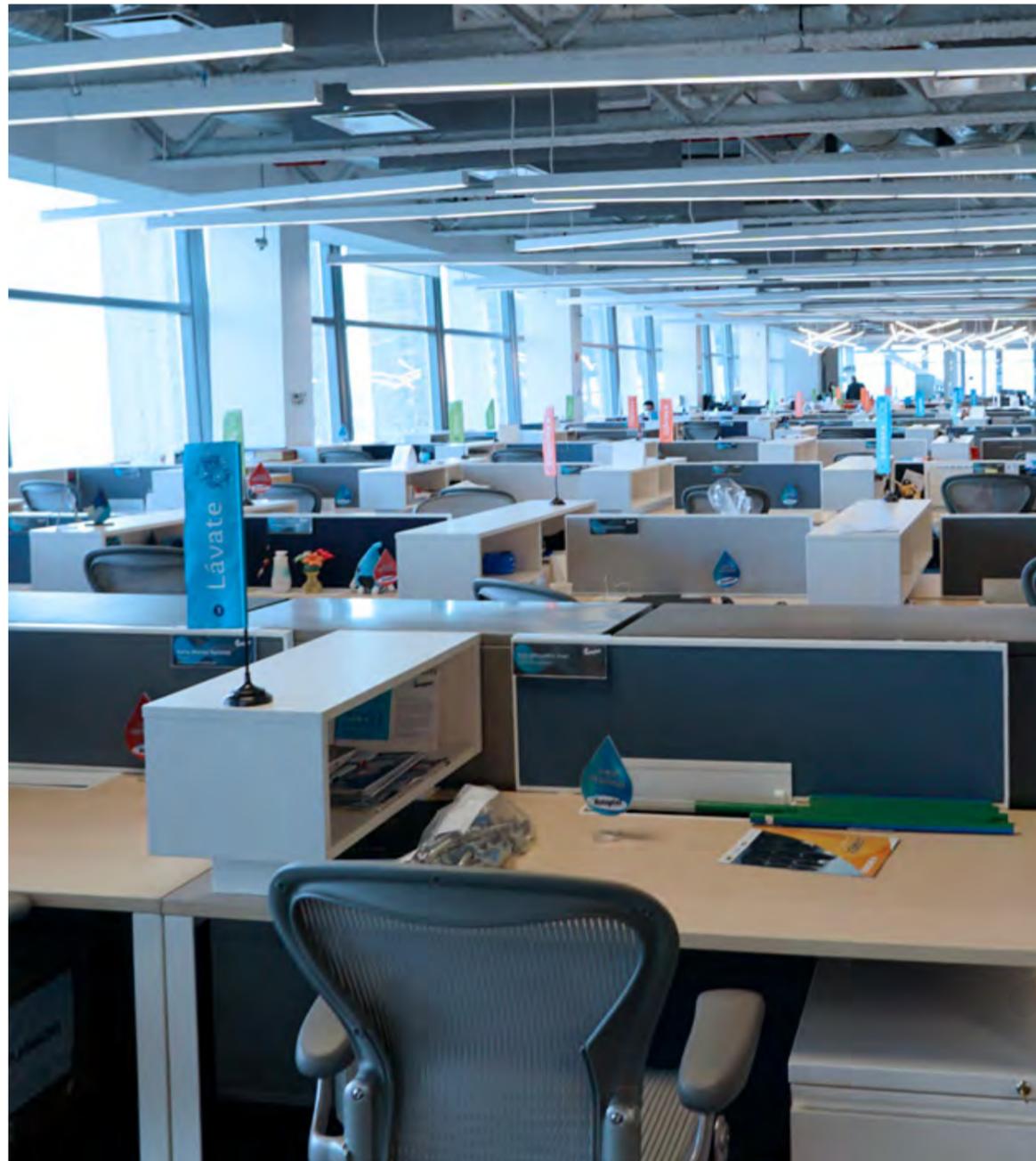
We generated a **list of potentially relevant topics**, which we prioritized through interviews with senior management at the **Group level, Mexico and Argentina**. To define the relevance for our stakeholders, we interviewed a sample of them in each of the two markets indicated above, assigning a specific weight to each one.

4 Validation

The **material topics** identified were **validated by the Sustainability and Investor Relations teams**. Furthermore, the results of the focus groups with employees were specifically analyzed together with the human resources managers.

The topics were classified as material, emerging and non-priority.

Process for financial materiality



In the survey with investors as part of the impact materiality process, as well as in the interviews with directors, we also asked them about the priority of ESG issues on the company's financial results, to be able to determine those with the greatest influence from a prepared list.

Thus, we were able to generate a second matrix. We therefore carried out a specific exercise, considering the concept of financial materiality. With this, the **Sustainability Strategy was built on both materialities.**

In terms of the report, the materiality assessment made easier for us to incorporate the parameters of the Sustainability Accounting Standards Board (SASB).

In addition to the materiality of this annual report, we conducted a new series of internal interviews with directors at the end of the year to review the validity of this report. With these meetings we validated the defined topics and added the topic of training and teaching, given the relevance acquired during the last period.

financial

GRI CONTENTS' INDEX

Grupo Rotoplas S.A.B. de C.V. has reported in accordance with GRI standards for the period January 1 to December 31, 2021.
GRI 1: Foundations 2021

Below is the GRI table of contents indicating:

The general GRI contents, GRI topic standards, and own indicators, and their location throughout the report.

 **GRI CONTENT**

Omission

Page / link

 **GRI 2: The organization and its reporting practices**

 **GRI 2: Activities and workers**

 **GRI 2: Governance**

2-1		23
2-2		31
2-3		9, 189
2-4		91
2-5		189
2-6		26, 77
2-7		124
2-8		124
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2-13		51, 64
2-14		9, 56
2-15		74
2-16		56, 64
2-17		64
2-18		64
2-19		64
2-20		64
2-21	Classified due to internal policies	

GRI Contents

→ GRI CONTENT

	Omission	Page / link
→ GRI 2: Strategy, policies and practices	2-22	16, 19, 51
	2-23	58, 63, 69, 74, 81, 85, 87, 96, 100, 127, 140, 151
	2-24	74, 81, 84, 87, 96, 100, 127, 140, 151
	2-25	74, 151
	2-26	74, 151
	2-27	74, 87
	2-28	41, 47, 59, 112, 113
→ GRI 2: Stakeholder engagement	2-29	51, 162
	2-30	124

→ DISCLOSURE BY MATERIAL AND EMERGING ISSUE

	GRI standard content title	Omission	Page / link
→ Climate change risks and opportunities	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	33, 36, 60, 96, 51, 142
	GRI 201: Economic performance 2016	201-1	36
		201-2	69, 100
		201-3	142
→ Creating sustainable economic value	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	33, 51, 69, 77
	GRI 204: Procurement Practices 2016	204-1	81
→ Ethics, integrity and anti-corruption	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	74, 76
	GRI 205: Anti corruption 2016	205-1	74
		205-2	74
			74

Material Issue

→ **DISCLOSURE BY MATERIAL AND EMERGING ISSUE**

	GRI standard content title	Omission	Page / link
Strategy, Business model and Brand	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	74, 76
	GRI 206 Anti competitive behaviour 2016	206-1	74
	GRI 3: Material Topics 2021	3-1	162
		3-2	162
3-3		74, 76	
GRI 415: Public policy 2016	415-1	74	
Access to water and sanitation	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	36, 47, 51, 77, 117
	GRI 203: Indirect economic impacts 2016	203-1	36, 117
		203-2	78, 81, 117
Contribution to climate change (energy and GHG emissions)	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 90, 96, 100
	GRI 302: Energy 2016	302-1	94
		302-2	94
		302-3	94
		302-4	94
		302-5	94, 109, 186
	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 90, 96, 100
	GRI 305: Emissions 2016	305-1	105
		305-2	105
		305-3	105
		305-4	105
		305-5	105
		305-6	105
305-7		105	

Material Issue

→ **DISCLOSURE BY MATERIAL AND EMERGING ISSUE**

	GRI standard content title	Omission	Page / link
Waste management and circularity	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 90, 96, 100
	GRI 306: Effluents and waste 2016	306-3	93
		306-4	93
		306-5	93
Health, safety and well-being of employees	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 127, 130, 142
	GRI 401: Employment 2016	401-1	130
		401-2	142
		401-3	127
	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 140, 142
	GRI 403: Occupational health and safety 2018	403-1	140
		403-2	140
		403-3	140
		403-4	140
		403-5	140
		403-6	139, 142
		403-7	140
		403-8	140
		403-9	140
		403-10	140

Material Issue

→ DISCLOSURE BY MATERIAL AND EMERGING ISSUE

	GRI standard content title	Omission	Page / link
Workforce diversity, equal opportunities and inclusion	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 130, 134, 136
	GRI 404: Training and Education 2016	404-1	134
		404-3	136
	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 63, 127, 130
	GRI 405: Diversity and Equal Opportunity 2016	405-1	64, 124
		405-2	129
	GRI 3: Material Topics 2021	3-1	162
		3-2	162
3-3		51, 74, 127	
GRI 406: Non-discrimination 2016	406-1	74	
Sustainable supply chain management	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 77, 151
	GRI 412: Human Rights Assessment 2016	412-1	151
		412-2	151
User focus	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 87
	GRI 416: Customer Health and Safety 2016	416-1	87
		416-2	87

Material Issue

→ **DISCLOSURE BY MATERIAL AND EMERGING ISSUE**

	GRI standard content title	Omission	Page / link
Quality and safety of water solutions	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	26, 51
	GRI 417: Marketing and Labeling 2016	417-1	 The technical data sheets of the products, which include their technical specifications, benefits, installation suggestions, and recommendations for use, among other information, are available on the website. (Only available in Spanish)
		417-2	87
417-3	87		
E-commerce and omnichannel strategy	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 45, 47, 84
	GRI 418: Customer Privacy 2016	418-1	85

→ **DISCLOSURE BY MATERIAL AND EMERGING ISSUE**

	GRI standard content title	Omission	Page / link
Water culture	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 112
	Campaigns and collaborative projects to promote high levels of awareness and proper management of water resources..	IP 1	118, 120

Material Issue

→ **DISCLOSURE BY MATERIAL AND EMERGING ISSUE**

	GRI standard content title	Omission	Page / link
Technological transformation of processes and solutions	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	45, 47, 51, 84
	Development of digital tools, customized products and services	IP 2	47
	Customers satisfaction evaluations	IP 3	116
Relationship with distributors, plumbers and other partners	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 80
	Strategies to ensure that direct customers have a memorable experience, are empowered and engaged.	IP 4	80
Innovation with socio-environmental criteria	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	42, 47, 51
	Mechanisms and processes to generate innovative solutions to satisfy emerging market and social needs	IP 5	42, 47

Material Issue

→ **DISCLOSURE BY MATERIAL AND EMERGING ISSUE**

	GRI standard content title	Omission	Page / link
Attraction and retention of talent	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 130
	Mechanisms and processes to generate innovative solutions that satisfy emerging needs of the market and society	IP 6	130
	Work climate assessment	IP 7	121, 133
Investment in the community	GRI 3: Material Topics 2021	3-1	162
		3-2	162
		3-3	51, 117, 118, 120, 121
	Community donations related to water access	IP 8	117, 118, 120, 121

Material Issue

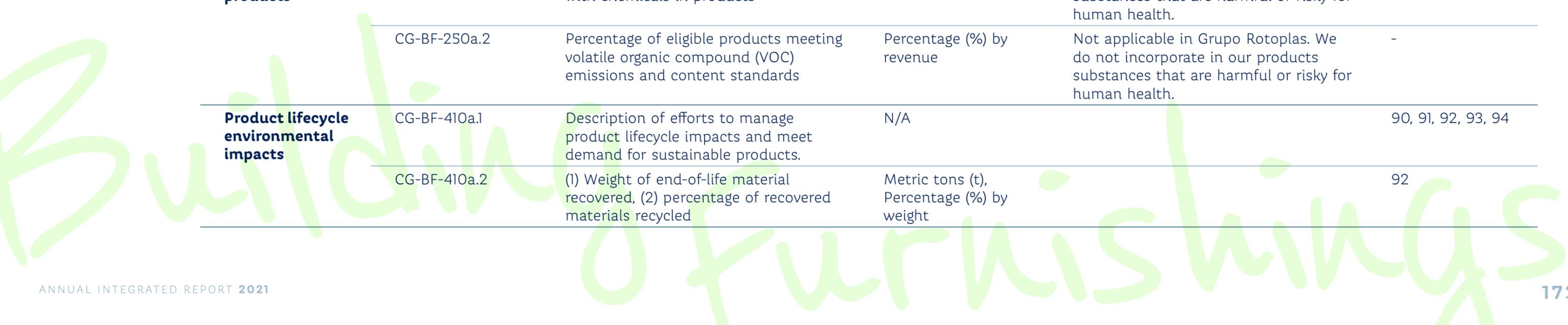
SASB METRICS

Below are

The 3 indices of the SASB standards related to the activities of Grupo Rotoplas and the location of topics throughout the report.

→ **BUILDING PRODUCTS & FURNISHINGS STANDARD - 2018 VERSION**

SASB Topic	Code	Description	Unit of measure	Omissions	Page/s
ACTIVITY METRIC					
Activity metric	CG-BF-000.A	Annual production	Production shall be disclosed in typical units tracked by the entity such as number of units, weight, and/or square feet	The unit of measurement is tons of processed resin, which is also used to calculate the intensities of energy consumption and GHG emissions generation	91
Activity metric	CG-BF-000.B	Area of manufacturing facilities	Square meters (m ²)	Not available. The number of plants and distribution centers (other than plants acting as such) is reported.	-
ACCOUNTING METRICS					
Energy management in manufacturing	CG-BF-130a.1	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)		94
Management of chemicals in products	CG-BF-250a.1	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	N/A	Not applicable in Grupo Rotoplas. We do not incorporate in our products substances that are harmful or risky for human health.	-
	CG-BF-250a.2	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Percentage (%) by revenue	Not applicable in Grupo Rotoplas. We do not incorporate in our products substances that are harmful or risky for human health.	-
Product lifecycle environmental impacts	CG-BF-410a.1	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products.	N/A		90, 91, 92, 93, 94
	CG-BF-410a.2	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	Metric tons (t), Percentage (%) by weight		92





SASB Topic	Code	Description	Unit of measure	Omissions	Page/s
Wood supply chain management	CG-BF-430a.1	(1) Total weight of wood fiber materials purchased, (2) percentage from third party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard	Metric tons (t), Percentage (%) by weight	Not applicable in Grupo Rotoplas. We do not use wood in our products.	-

→ **WATER UTILITIES & SERVICES STANDARD - 2018 VERSION**

ACTIVITY METRIC

Activity metric	IF-WU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served, by service provided	Number	We point out different metrics for products and services.	31, 84, 117
Activity metric	IF-WU-000.B	Total water sourced, percentage by source type	Cubic meters (m ³), Percentage (%)	It does not apply to Grupo Rotoplas' business model and activity; Rotoplas facilitates water access solutions but not water itself	-
Activity metric	IF-WU-000.C	Total water delivered to: (1) residential, (2) commercial, (3) industrial, and (4) all other customers	Thousand cubic meters (m ³)	Not applicable to Grupo Rotoplas' business model and activity. Rotoplas facilitates water access solutions but not the water itself. Drinking water generated by Rotoplas Group solutions is reported as part of the sustainable bond KPIs.	144
Activity metric	IF-WU-000.D	Average volume of wastewater treated per day, by (1) sanitary sewer, (2) stormwater, and (3) combined sewer	Cubic meters (m ³) per day	We do not have a breakdown by source for treated water, but we do have a breakdown of the average volume treated.	93
Activity metric	IF-WU-000.	Length of (1) water mains and (2) sewer pipe	Kilometers (km)	Not significant. Grupo Rotoplas only provides, installs and operates the treatment plants which are included in the customer's own facilities.	-

Water utilities



SASB Topic	Code	Description	Unit of measure	Omissions	Page/s
ACCOUNTING METRICS					
Energy management	IF-WU-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)		94
Distribution network efficiency	IF-WU-140a.1c	Water main replacement rate ²	Rate	It does not apply to Grupo Rotoplas. Rotoplas does not distribute water. In water flow it only markets the products (pipes and complementary devices).	-
	IF-WU-140a.2	Volume of non-revenue real water losses	Thousand cubic meters (m ³)	Not applicable to Grupo Rotoplas. Rotoplas does not offer water distribution services.	-
Effluent quality management	IF-WU-140b.1	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations	Number		93
	IF-WU-140b.2	Discussion of strategies to manage effluents of emerging concern	N/A	Not available	-
Water affordability & access	IF-WU-240a.1 - a.4	Various	Various	The topic does not apply to Grupo Rotoplas as it does not provide the water, it provides the service of purification (<i>bebbia</i>).	-
Drinking water quality	IF-WU-250a.1 - a.2	Various	Various	The topic does not apply to Grupo Rotoplas as it does not provide the water, it provides the service of purification (<i>bebbia</i>).	-
End-use efficiency	IF-WU-420a.1 - a.2	Various	Various	The topic does not apply to Grupo Rotoplas as it does not provide the water, it provides the service of purification (<i>bebbia</i>).	-
Water supply resilience	IF-WU-440a.1 -a.3	Various	Various	The topic does not apply to Grupo Rotoplas as it does not provide the water, it provides the service of purification (<i>bebbia</i>).	-

Water utilities



SASB Topic	Code	Description	Unit of measure	Omissions	Page/s
Network resiliency & impacts of climate change	IF-WU-450a.1	Wastewater treatment capacity located in 100-year flood zones	Cubic meters (m ³) per day		100
	IF-WU-450a.2	(1) Number and (2) volume of sanitary sewer overflows (SSO), (3) percentage of volume recovered	Number, Cubic meters (m ³), Percentage (%)	Does not apply to Grupo Rotoplas since it is not responsible for the network.	-
	IF-WU-450a.3 (1)	(1) Number of unplanned service disruptions, and (2) customers affected, each by duration category	Number	Does not apply to Grupo Rotoplas since it is not responsible for the network.	-
	IF-WU-450a.4	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	N/A		100

→ CHEMICALS STANDARD - 2018 VERSION

ACTIVITY METRIC

Activity metric	RT-CH-000.A	Production by reportable segment	Cubic meters (m ³) and/or metric tons (t)	The amount of resin processed is indicated. Grupo Rotoplas prepares the compositions depending on the resins purchased in the market.	91
Greenhouse gas emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	Toneladas métricas (t) de CO ₂ -e, 2 porcentaje (%)		105
	RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A		105
Air quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NOX (excluding N ₂ O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Metric tons (t)		105
Energy management	RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Gigajoules (GJ), Percentage (%)		94



SASB Topic	Code	Description	Unit of measure	Omissions	Page/s
Water management	RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Gigajoules (GJ), Percentage (%)		93
	RT-CH-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)		93
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number		93
Hazardous waste management	RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Metric tons (t), Percentage (%)		92
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	N/A		51
Workforce health & safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate		140
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	N/A		140
Product design for use-phase efficiency	RT-CH-410a.1	Revenue from products designed for use phase resource efficiency	Reporting currency		90
Safety & environmental stewardship of chemicals	RT-CH-410b.1 -b2	Various	Various	Not applicable. In Grupo Rotoplas we do not work with chemical substances that are especially harmful to the environment.	-

Chemical standard



SASB Topic	Code	Description	Unit of measure	Omissions	Page/s
Genetically modified organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Percentage (%) by revenue	Not applicable in Grupo Rotoplas, as it is not part of the solutions portfolio.	-
Management of the legal & regulatory environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	N/A	Aún no existen conclusiones a este respecto. Actualmente se está trabajando.	-
Operational safety, emergency preparedness & response	RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Number, Rate		140
	RT-CH-540a.2	Number of transport incidents	Number	Not significant in Grupo Rotoplas, most of the transportation of products corresponds to third parties.	-

Chemical standard

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

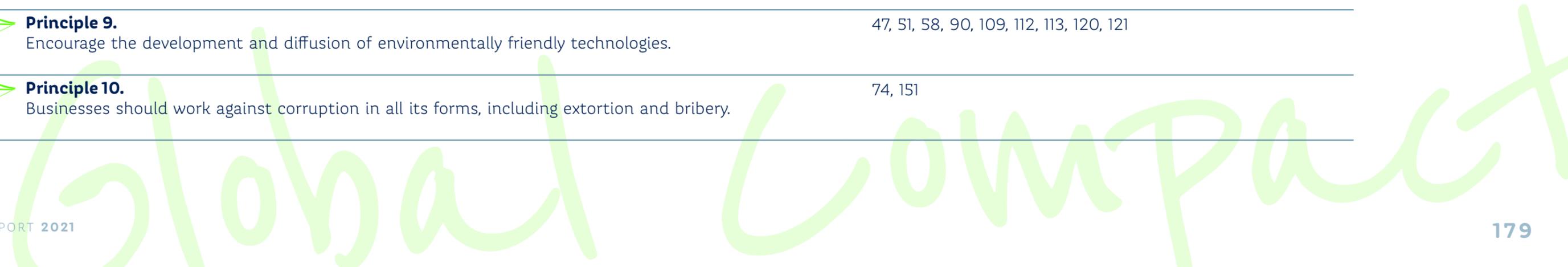
As part of our commitment to the Ten Universally Accepted Principles of the Global Compact, to promote sustainable development in the areas of human rights, labor standards, environmental standards, and the fight against corruption, through this annual report,

we communicate our progress on each of our commitments.

The following is an index to offer a deeper look throughout this report

at the program's approach and progress on each of the principles.

Principle	Page/s
→ Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	58, 74, 77, 81, 151
→ Principle 2. make sure that they are not complicit in human rights abuses.	58, 74, 77, 81, 151
→ Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	124
→ Principle 4. The elimination of all forms of forced and compulsory labor.	58, 155, 151
→ Principle 5. The effective abolition of child labor.	58, 155, 151
→ Principle 6. The elimination of discrimination in respect of employment and occupation.	51, 58, 64, 127, 151
→ Principle 7. Businesses should support a precautionary approach to environmental challenges.	51, 58, 87, 90, 96, 100
→ Principle 8. Undertake initiatives to promote greater environmental responsibility.	47, 51, 58, 59, 90, 96, 109, 112, 113, 118, 120, 121
→ Principle 9. Encourage the development and diffusion of environmentally friendly technologies.	47, 51, 58, 90, 109, 112, 113, 120, 121
→ Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	74, 151



STAKEHOLDER CAPITALISM

The World Economic Forum Stakeholder Capitalism metrics are a set of universal and comparable disclosures focused on the principles of governance, planet, people, and prosperity, considered central to business, society, and the environment, regardless of region or industry.

The following is a table of the main metrics and disclosures and their correlation with the topics covered throughout the report.

Principles of Governance

Theme	Governance: Core metrics and disclosures	Page/s
Governing purpose	Setting purpose	23
Quality of governing body	Governance body composition	63, 64
Stakeholder engagement	Material issues impacting stakeholders	51, 162
Ethical behavior	Anti-corruption	74
	Protected ethics advice and reporting mechanisms	74, 151
Risk and opportunity oversight	Integrating risk and opportunity into business process	69, 93, 96, 100
Climate change	Greenhouse gas (GHG) emissions	105
	TCFD implementation	186
Nature loss	Land use and ecological sensitivity	No material
Freshwater availability	Water consumption and withdrawal in water-stressed areas	93

Planet

Stakeholder

Theme	Governance: Core metrics and disclosures	Page/s
Dignity and equality	Diversity and inclusion (%)	64, 124
	Pay equality (%)	129
	Wage level (%)	By decision of the company, the requested ratios are not made public. More information on compensation per position: 64, 68, 129
	Risk for incidents of child, forced or compulsory labor	58, 155, 151
Health and well being	Health and safety (%)	140
Skills for the future	Training provided (#, \$) A	134
Employment and wealth generation	Absolute number and rate of employment 1. T	130
	Economic contribution	36
	Financial investment contribution	36
Innovation of better products and services	Total R&D expenses (\$)	47
Community and social vitality	Total tax paid	36

People

Prosperity

Stakeholder Capitalism

CEO WATER MANDATE INDEX

As part of our commitment to the CEO Water Mandate initiative of the United Nations Global Compact, we present our communication of progress on the six basic elements of managing our water-related risks.

The following is an index to offer a deeper look throughout this report at the program’s approach and progress on each of the areas

committed

Commitment areas	Page/s
 Direct operations	93
 Supply chain & watershed management	81
 Collective action	41, 47, 112
 Public policy	112
 Community engagement	47, 51, 112, 113, 118, 120, 121
 Transparency	9, 93, 108, 113

Water Mandate

TCFD RECOMMENDATIONS

Governance

Recommendations	Recommended disclosures	Code	Page/s	Detail
	a. Describe the board's oversight of climate related risks and opportunities.	GOB-A	56, 64, 96	<p>The Sustainability Strategy is monitored by the Sustainability Committee. This body meets at least on a quarterly basis and is headed by the Vice President of Sustainability and Human Capital. This committee is part of the Corporate Practices Committee, which meets every three months; the main progress of the strategy is analyzed by this Committee. Additionally, the Board of Directors receives the analysis performed by the Corporate Practices Committee. At the same time, on a regional basis, relevant topics are reported to the group's Regional Councils, which are held prior to the meetings of the Corporate Practices Committee and the Board of Directors. In relation to the Climate Change Strategy, such strategy is based on the specific policy (Climate Change Policy), approved by the Board of Directors, and based on the climate change risks identified and prioritized by the different managers of the company. Its review process is similar as the Sustainability Strategy, in which it is integrated. In addition, the Board actively monitors <i>Flow's</i> organizational transformation program, which includes the management and monitoring of initiatives with an environmental angle. Finally, the monitoring of environmental criteria-oriented CAPEX has been integrated into the governing control tower that is in charge of authorizing and allocating capital expenditures.</p> <p>Climate related issues are considered in the decision-making process of the Corporate Practices Committee and the Board of Directors. The topics overseen were determined through the monitoring and reporting process outlined above. In the new Strategic Plan 2025, five Corporate Objectives have been established along with their own indicators through an OKRs, Objectives and Key Results methodology. One of the five objectives is "Sustainable Business", which considers sustainability. This objective integrates climate change key results, such as, renewable energy targets, and carbon footprint reduction. These OKRs and their KPIs are monitored by the Board of Directors, the Corporate and Strategy Practices Committee and the company's internal governance bodies.</p> <p>The annual objectives in energy consumption, GHG emissions and risk assessments are set by the departments of sustainability, strategy, risk management and other different areas involved; they are also publicly available. These objectives are monitored at the Sustainability Committee, the monthly Management Team Meetings, and its reporting encompasses the Board of Directors as an ultimate governing body. OKRs, including those related to climate change, are monitored by the Board of Directors.</p>
	b. Describe management's role in assessing and managing climate related risks and opportunities.	GOB-B	96	<p>The Sustainability Committee; Corporate Practices Committee and Board of Directors take part on this assessment (the process is described above). The <i>Flow</i> initiatives cadent review and follow-up, is carried out in the Workstreams and control towers where the initiative is allocated, including the implementation status of the initiatives that have environmental components (e.g. those that are part of the CAPEX with sustainability criteria): All initiatives are evaluated with sustainability criteria, in which environmental and social risks, energy efficiency and GHG emissions, as well as the establishment of indicators, are aspects that determine the approval and continuity of the initiatives.</p> <p>Follow-up of OKRs (including those related to climate change): OKRs and their indicators is managed in detail by the functional areas, which land specific actions to meet the objectives in risks, energy and GHG emissions.</p>



Recommendations	Recommended disclosures	Code	Page/s	Detail
Strategy	a. Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.	EST-A	100	Climate related risks and opportunities are presented in its respective subchapter. These serve as the basis for the Climate Change Strategy. On a regular basis, the company reviews them to include any new opportunities that may arise, as the company's business context and strategy evolve. The identification of risks was done collaboratively with the support of external specialists and different areas of the company, which were considered to have special involvement based on an initial mapping of critical potential red flags in our processes.
	b. Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	EST-B	100, 144	We present a first reference to the financial impacts associated with climate-related risks and opportunities. This information is located in the risks subchapter. On the business side, the climate crisis presents as an opportunity given the increased demand for decentralized water solutions. At the same time, it may involve increased competition. On the strategy, it implies adapting the strategy and its numerical components (forecast) based on climate tendencies and future events. On the organization's financial planning, it implies the need to continue to improve assertiveness in the planning, production, and distribution processes.
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	EST-C		A projection of the business and operation based on average temperature variation scenarios has not yet been made. It is intended to be done in the future.
Risk management	a. Describe the organization's processes for identifying and assessing climate related risks.	GDR-A	100	The analysis for the identification of risks was coordinated by the sustainability team. Since the company is structured in processes, the starting point was the mapping of macro processes, groups of processes and specific processes of the company. Secondly, the team identified those processes that could have higher risks due to climate-related issues. The possible effects were discussed in depth with those responsible for the process in question through different sessions and using data for these discussions. The economic and social context associated with changes in the climate in the countries where we operate, as well as the integration of climate analysis tools (temperature and water availability) were also taken into account.
	b. Describe the organization's processes for managing climate related risks	GDR-B	100	To ensure the effective management of the main risks, we structured a series of initiatives and processes which can be consulted in our Climate Change and Sustainability strategies.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	GDR -C	69, 100	Climate-related risks have been presented to the corporate risk team. These results have been integrated into the monitoring performed by this area. Finally, the results and key actionable items are presented to the Strategy and Implementation Committee and the Corporate and Strategy Practices Committee.



Metrics and targets

Recommendations	Recommended disclosures	Code	Page/s	Detail
	a. Disclose the metrics used by the organization to	MYO-A	91, 93, 94, 105	 Annual Reports
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	MYO-B	105	Available in the integrated report; the GHG emissions inventory report is also available to the public.
	c. Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	MYO-C	94, 105	Annual and multi-year targets are set by the Sustainability Committee and senior management in most cases, with the exception of financial profile indicators (e.g. <i>bebbia</i> sales), which correspond to the respective business managers. In the case of sales indicators, products that have a social/environmental impact, have an equivalent target in terms of impact on people or water (e.g. liters treated, liters purified, liters reused). They include: Indicators of number of risk assessments of our operations and Business Continuity Plans performed (these are coordinated by the risk area). Operation indicators (e.g. energy consumption, Scope 1 emissions) are presented publicly on a yearly, biannual and quarterly basis (depending on the KPI). Business indicators (e.g. <i>bebbia</i> sales) are communicated to investors on a regular basis throughout the year, in those cases where confidentiality does not exist for strategic reasons. Impact indicators (e.g. number of liters treated, reused or purified) depending on the product or service in which they are aligned to.

VERIFICATION LETTER

GRI 2-5



Verification Letter of the 2021 Annual Integrated Report "Rotoplas' future is being shaped today"

To the Board of Directors of Rotoplas, S.A.B. de C.V. and Subsidiaries:

We inform you that Redes Sociales en Línea Timberlan performed a limited and independent verification of a sample of disclosures of GRI Standards, strategic Environmental, Social and Governance ("ESG") indicators for Rotoplas and topics of Sustainability Accounting Standards Board ("SASB"), detailed on the second and third page of this letter, contained in the 2021 Annual Integrated Report: "Rotoplas' future is being shaped today" ("2021 Annual Integrated Report").

Responsibilities, criteria and scope:

The scope of our verification covered the results of the subsidiaries that make up the Rotoplas Group: Mexico, Argentina, Brazil, Peru, Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and United States corresponding to the period from January 1st to December 31st, 2021.

Our commitment is to express impartial and objective opinions about the certainty, traceability and reliability of the sample contained in the "2021 Annual Integrated Report". Our work considered as criteria: the GRI Standards in the most recent version, SASB Standards: "Water Utilities & Services", "Chemicals" and "Building Products & Furnishings" and the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

The Direction of Rotoplas it is responsible for preparing the information contained in the "2021 Integrated Annual Report" and for that presented in the verification process, which implies, but is not limited to the selection process of material topics and the GRI disclosures report, SASB Standards topics and ESG indicators of Group Rotoplas, provide documentary and/or visual, true and enough evidence to verify the agreed contents.

Among the activities carried out during the verification process are listed: validation of information presented in previous reports, review of methodological compliance of the standards aforementioned and indicators of Rotoplas, checking qualitative data and quantitative through visual, documentary and public and quantitative data analysis.

Therefore, we can conclude that, during the verification process, we did not identify any factor that would lead us to consider that the data of the selected sample is erroneous and does not comply with the corresponding methodological requirements.

An internal report of recommendations is delivered separately, exclusively for Group Rotoplas, It contains the areas of opportunity detected for a future report.

Alma Paulina Garduño Arellano
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April 26th, 2022

Declaration of independence and competence of Redes Sociales en Línea Timberlan

Employees of Redes Sociales has the level of competence necessary to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on the reports of non-financial information, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report, so no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on 26th April 2022 and is valid as long as no subsequent and substantial modifications are made to the "2021 Annual Integrated Report "Rotoplas' future is being shaped today" of Rotoplas Group.

verification letter

VERIFICATION LETTER

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Sample of verified content

2021 GRI Content	Scope	SASB		Scope	
		CG-BF Building Products and Furnishings Product Standard	IF-WU: Water utility and supply product standard RT-CH: Chemicals product standard		
Environmental					
302-1	Energy consumption within the organization	Rotoplas Group	CG-BF-130a.1 IF-WU-130a.1 RT-CH-130a.1	(1) Energy consumed (GJ), (2) Percentage grid electricity, (3) Percentage renewable	Rotoplas Group
302-3	Energy intensity	Rotoplas Group			
303-3	Water withdrawal	Rotoplas Group	RT-CH-140a.1 IF-WU-140b.1 RT-CH-140a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress (3) Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations	Rotoplas Group
305-1	Direct (Scope 1) GHG emissions	Rotoplas Group	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	Rotoplas Group
305-2	Energy indirect (Scope 2) GHG emissions	Rotoplas Group			
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Rotoplas Group	RT-CH-120a.1 RT-CH-140a.2	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Rotoplas Group
306-3	Waste generated	Rotoplas Group	RT-CH-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Rotoplas Group
306-4	Waste diverted from disposal	Rotoplas Group			
306-5	Waste directed to disposal	Rotoplas Group			
Social					
401-1	New employee hires and employee turnover	Rotoplas Group			
404-1	Average hours of training per year per employee	Rotoplas Group			
405-2	Ratio of basic salary and remuneration of women to men	Rotoplas Group			
403-1	Occupational health and safety management system	Rotoplas Group			
403-5	Worker training on occupational health and safety	Rotoplas Group			
403-9	Work-related injuries	Rotoplas Group	RT-CH-320a.1	Workforce Health & Safety- TRIR and fatality rate.	Rotoplas Group
403-10	Work-related ill health	Rotoplas Group			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Rotoplas Group			
417-2	Incidents of non-compliance concerning product and service information and labeling	Rotoplas Group			
			IF-WU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served, by service provided	Rotoplas Group
			CG-BF-410a.1	Product Lifecycle Environmental Impacts	Rotoplas Group

verification letter

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GRI 2-5



2021 GRI Content		Scope	SASB		Scope
			CG-BF Building Products and Furnishings Product Standard IF-WU: Water utility and supply product standard RT-CH: Chemicals product standard		
Governance					
201-1	Direct economic value generated and distributed	Rotoplas Group			
203-1	Infrastructure investments and services supported	Peru Mexico Argentina			
205-3	Confirmed incidents of corruption and actions taken	Rotoplas Group			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Rotoplas Group			
204-1	Proportion of spending on local suppliers	Mexico LATAM			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Rotoplas Group			
405-1	Diversity of governance bodies and employees	Rotoplas Group			
406-1	Incidents of discrimination and corrective actions taken	Rotoplas Group			
415-1	Political contributions	Rotoplas Group			
			CG-BF-000.A RT-CH-000.A	Annual production	Rotoplas Group

2021 GRI Content		Scope
2-6	Activities, value chain and other business relationships	Rotoplas Group
2-7	Employees	Rotoplas Group
2-9	Governance structure and composition	Rotoplas Group
2-10	Nomination and selection of the highest governance body	Rotoplas Group
2-13	Delegation of responsibility for managing impacts	Rotoplas Group
2-17	Collective knowledge of the highest governance body	Rotoplas Group
2-18	Evaluation of the performance of the highest governance body	Rotoplas Group
2-23	Policy commitments	Rotoplas Group
2-24	Embedding policy commitments	Rotoplas Group
2-26	Mechanisms for seeking advice and raising concerns	Rotoplas Group
2-27	Compliance with laws and regulations	Rotoplas Group
3-1	Process to determine material topics	Rotoplas Group
3-2	List of material topics	Rotoplas Group

		Rotoplas targets	2021	Goal 2025
Profit	Direct suppliers evaluated with ESG criteria (%)		-	100%
	Client Satisfaction (NPS Score)		67	80
Planet	CO2 intensity -Scope 1 and scope 2- per ton of processed resin (ton CO2e/ton processed resin)		0.41 ton CO2e/ton processed resin	0.41 tonCO2e/ton processed resin
	m3 of water purified by our solutions (cumulative)		164,000 m3	1.7 million m3
People	People given access to water and sanitation		330,000 people	1 million people
	Women in the workforce		22.9%	30%

verification letter



CONTACT INFORMATION

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