



is our goal by 2025: to double sales in 5 years









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2023 Milestones

We operate in 14

countries

27 Product Lines

Innovation and Development Plants Center

+110,000 Points of Service

+32,000 Points of Sale

+3,400



MXN 12,146 mm

MXN 2,131 mm

2020-2025 SUSTAINABLE **GROWTH PLAN**

> 2x sales vs. 2020

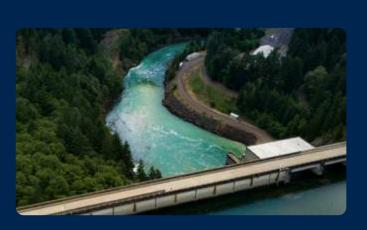
~20%

EBITDA Margin

≥20%

Net Debt /EBITDA Leverage

≤2.0x



First sustainable bond issuer in Latin America in 2017 (AGUA 17X and AGUA 17-2X).

Dow Jones Sustainability Indices vered by the S&P Global CSA

Member of the DJSI MILA Pacific Alliance for the seventh consecutive year..

AS PART OF OUR SUSTAINABILITY GOALS, WE ARE COMMITTED TO:

Reduce greenhouse gas emissions.

Promote greater diversity and inclusion within our workspaces.

2023 Overview

IANUARY

Rotoplas is included, for the second time in a row, in The Sustainability Yearbook of S&P for demonstrating Environmental, Social, and Governance (ESG) leadership in the building products industry.



MARCH

• To celebrate World Water Day, the United Nations Development Program (UNDP) in Mexico and Rotoplas launched the call to "A Fluir" 2023 initiative to drive access to water for human use in urban and rural areas suffering from water vulnerability through rainwater harvesting projects coordinated by Civil Society Organizations (SCOs).



APRIL

- foundation that focuses on promoting universal access to clean energy, water and sanitation – we signed an agreement to expand access to drinking water in three Zapotec communities in Oaxaca through the installation of 50 rainwater harvesting systems using 5,000-liter cisterns. This project benefit over 200 people who obtain water from nearby streams and springs with no guarantee of its quality.
- Rotoplas was awarded the "Company committed to the inclusion of people with disabilities in the workplace" distinction by Éntrale.

MAY

Rotoplas paid its investors a capital reimbursement of \$0.50 in cash for each outstanding share.

JUNE



• For the 13th consecutive time in Mexico and the 5th in Peru, the Company obtained the "Socially Responsible Company" badge.



• S&P Global Ratings maintains Grupo Rotoplas' 'mx AA-' rating with stable outlook.

2023 Overview

JULY



We have once again been included on the S&P/BMV Total Mexico ESG Index (Environmental, Social, and Governance) of the Mexican Stock Exchange (BMV). This index comprises 24 issuers recognized for their best practices in sustainability.

AUGUST

As part of our Diversity and Inclusion initiatives, we signed with **PrideConnection** and the Council to Prevent Discrimination in Mexico City a public commitment to an inclusive workplace.



SEPTEMBER

- Rotoplas is recognized by HSBC for the second time in a row with the "Leading Companies in Sustainable Innovation" Award in the social category.
- We participated in the first Summit for Sustainability of the UN Global Compact, where we publicly reaffirmed our commitment to setting ambitious emission reduction targets.
- We announced the signing of a five-year agreement with **Google Cloud**, a platform offering enterprise-level products on the cloud that leverage Google's cutting-edge technology, to help drive the company's digital transformation by harnessing Artificial Intelligence and accelerating the creation of water management tools.



OCTOBER

- We carried out volunteering activities in Mexico, Peru, and Argentina.
- Fitch Ratings ratifies 'AA(mex)' rating for Grupo Rotoplas with stable outlook.

NOVEMBER

- In response to the crisis in the state of Guerrero caused by Hurricane Otis, we rolled out our Water Program for Affected Areas (PAZA)¹, through which we have provided both material and financial support. We contributed by donating thirty 10,000-liter water tanks to the affected regions. Additionally, the company coordinated several financial measures to benefit both the local population and its commercial partners in the months following the emergency.
- Rotoplas paid its investors a capital reimbursement in kind, delivering to each holder 1 AGUA share for every 30 AGUA shares in their possession.

DECEMBER

- AGUA Day 2023 took place.
- Our operation in Argentina was awarded the "Best Economic Performance" distinction in the Sustainability Index 2023 of Gerencia Ambiental.

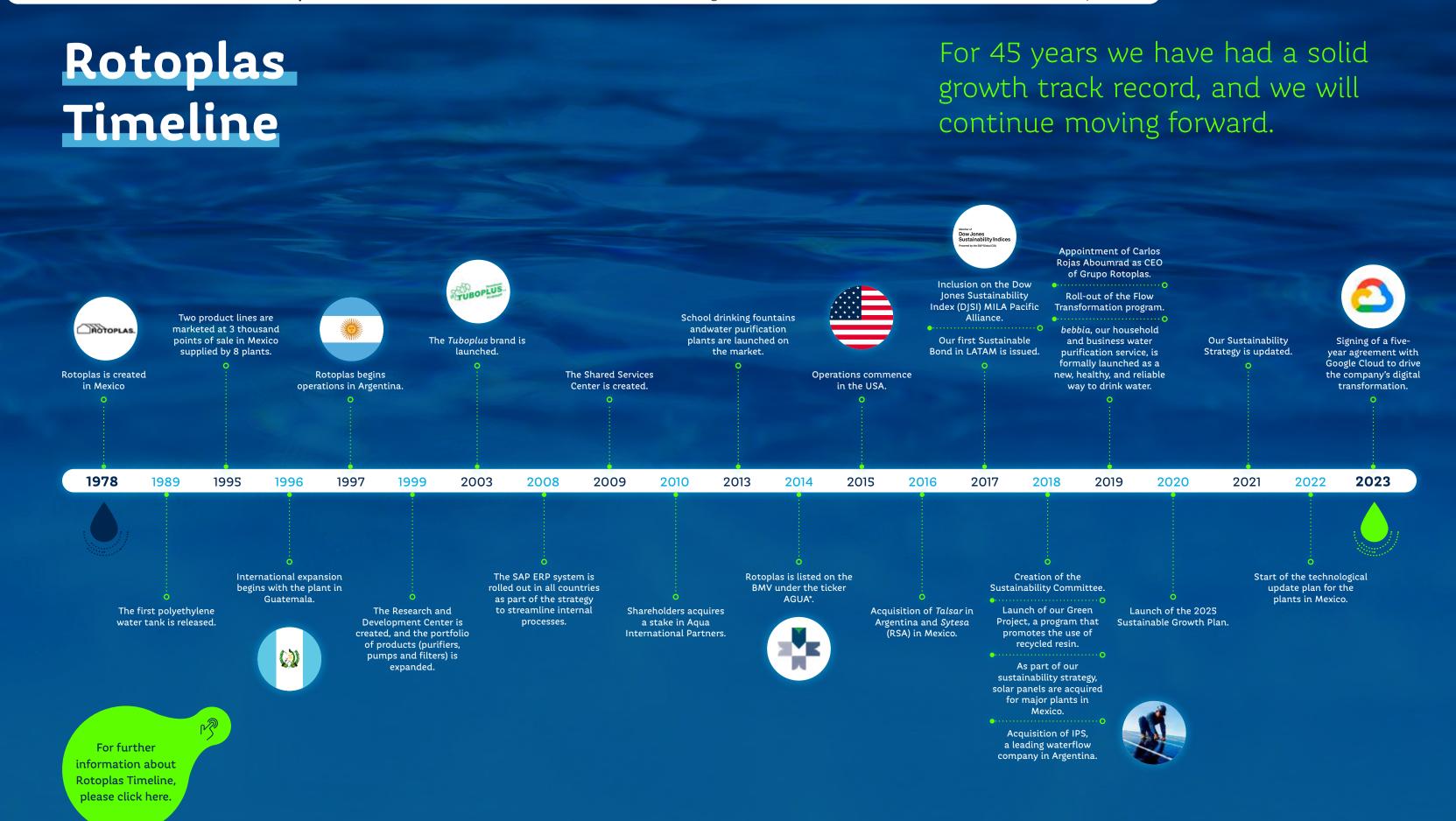


rieggo, our business unit that focuses on agricultural water requirements, has officially acquired HiTech Irrigation de México, a specialist brand that offers services and systems encompassing a number of irrigation methods. This strategic acquisition reaffirms our dedication to advancing efficient water use within the agricultural sector.



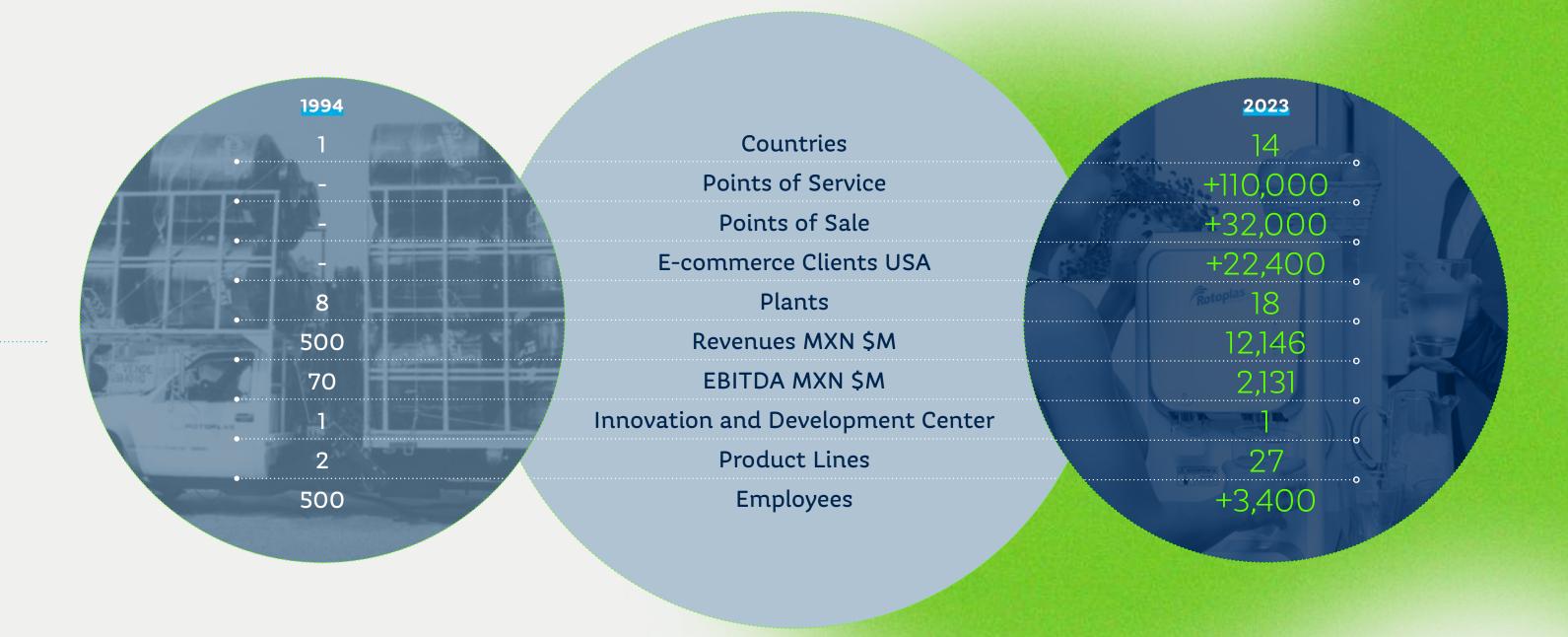
 Rotoplas remains for the seventh consecutive year in the DJSI MILA Pacific Alliance.

1 Programa de Agua para Zonas Afectadas (PAZA).



Our Services, Products and Channels

GRI 2-6

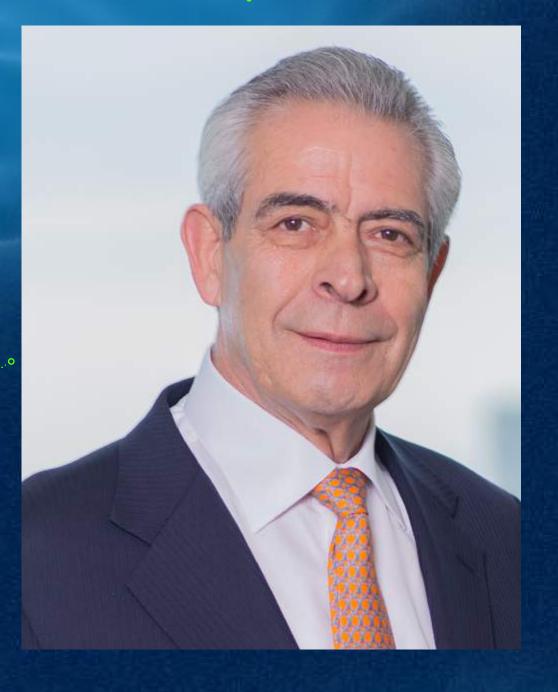


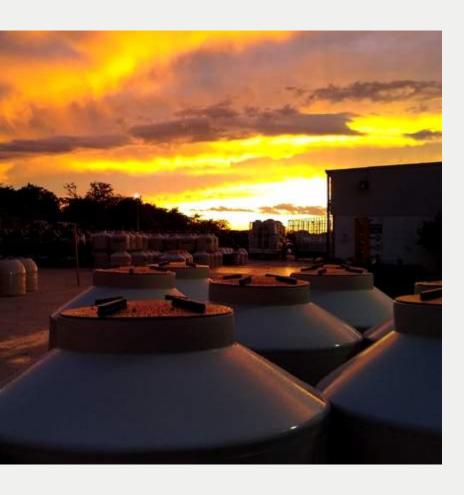
Message from the Chairman of the board

DEAR INVESTORS:

As the Executive Chairman of the Board and a member of the Rotoplas family for over 30 years, I am pleased to address you this year as we celebrate the 45th Anniversary of our company. This milestone invites us to acknowledge the journey we have embarked upon.

In its early years, Rotoplas dedicated itself to manufacturing and marketing an extensive range of products, boasting a catalog of more than 120 items.





A year after I joined, we decided to develop a new plastic product that offered undeniable advantages to the consumer over those made from traditional materials. It was then we decided to break all the molds and dedicate ourselves to manufacturing only water tanks, ensuring they were the best alternative on the market and investing in innovation, talent development, information technology, and brand development.

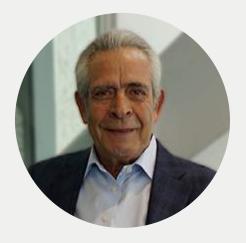
This decision defined our path as a company that offers disruptive water solutions. Furthermore, 20 years ago, we decided to redefine our mission to "ensure people have more and better water"; since then, we have been offering decentralized, sustainable, and innovative water solutions in the market, aiming to improve our customers' quality of life. Following this direction, we have successfully developed new products, including cisterns, biodigesters, tanks for industry and agriculture, hydraulic piping, filters, and, in some Latin American countries, water heaters. Later, we continued working on transforming our business, developing a new division of

services, also innovative and disruptive, aligned with our mission and purpose: drinking water through bebbia; water treatment and reuse through Sytesa (now RSA), and the technification of water use in agriculture, improving the utilization of this vital liquid through rieggo.

Today, with a presence in 14 countries, 9 brands, 18 manufacturing plants, and a team of more than 3,400 employees, we are determined to stay at the forefront, working towards a future where access to clean and safe water becomes a reality for everyone.

I want to thank you for being part of our journey. Your support will be essential in continuing to develop our story into the future, always with a firm commitment to sustainability. I hope that, upon concluding the reading of this report, you can appreciate the legacy of value creation and the focus on human wellbeing of Grupo Rotoplas.

Like me, I hope you feel inspired to continue being part of this adventure, committed to achieving "more and better water for people."



Sincerely,

Carlos Rojas Mota Velasco **Executive Chairman of the Board**

Interview with Rotoplas' CEO

WITHOUT A DOUBT, 2023 HAS BEEN A CHALLENGING YEAR FOR ROTOPLAS. HOW DID YOU PERSONALLY EXPERIENCE IT AS CEO, AND HOW DID THE COMPANY REACT TO THESE CHALLENGES?

Indeed, 2023 was a year full of surprises and unexpected challenges, but it allowed us to demonstrate that we are an agile and resilient company. I feel excited and optimistic and, above all, deeply proud of the team and to belong to this company.

Being part of Rotoplas during these times has reaffirmed my confidence in our collective ability to overcome obstacles and achieve our goals.



FROM YOUR PERSPECTIVE, WHAT WERE THE MOST CHALLENGING ASPECTS **ROTOPLAS FACED IN 2023?**

One of the most significant challenges was the volatility of the exchange rate, which affected our operations in various countries and required constant adjustments in our pricing and market strategies. In the United States, adverse weather conditions – such as an increase in rainfall – impacted our growth, and in Argentina and Peru, political events had a significant effect on economic stability.

Our strategy in the face of these challenges focused on strengthening our value proposition in both products and services, clearly differentiating ourselves in the market. Ultimately, thanks to our commercial solidity and the quality of our water management solutions, we managed to maintain healthy margins and achieve growth in EBITDA.

WHAT WERE THE MOST ENRICHING **LEARNINGS DURING 2023?**

The last four years have taught us a lot about the importance of quickly adapting to changing circumstances and validating our decisions in real-time. The strategic investments and innovations we implemented, such as updating our manufacturing processes, proved to be the right decisions and were very well received in the market. For example, the transition from rotational molding to a more efficient new technology was excellently received in the market, as was our water purification service, bebbia, which continues to grow rapidly.

Focusing on the growth of emerging businesses, in addition to adopting digital technologies, has been crucial in maintaining our market position and ensuring our long-term sustainability.

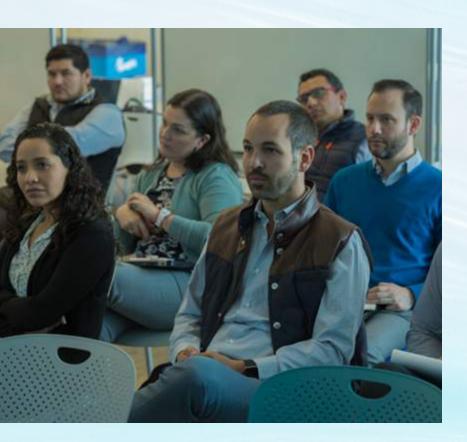
IN TERMS OF RESULTS, WHAT WOULD **YOU HIGHLIGHT FROM 2023?**

I would highlight the growth in services, as well as the success of our new star product, the Tinaco Plus. Additionally, the investment in the digitalization of the company marked a before and after in how we improve interaction with our customers and their satisfaction. Achieving a **record NPS** (Net Promoter Score) this year is a reflection of our ongoing commitment to excellence in customer service.

Furthermore, we have made significant strides towards developing more sustainable solutions, focusing on reducing energy consumption and increasing the use of recyclable materials. This translates into a significant improvement in our environmental impact.



Although 2023 was a complicated year in terms of growth, we managed to maintain good profitability, which is a solid indicator of our financial management.





GRI 2-22

WHAT MESSAGE WOULD YOU LIKE TO CONVEY TO YOUR EMPLOYEES, **COMMUNITIES, AND THE MARKET?**

I want to convey a message of deep gratitude to our employees for their tireless effort and dedication, especially in the face of the challenges we faced together during the year. To our valuable communities, I reiterate our commitment to improving their well-being through access to water, with products and services that make a difference. To our customers, I want to thank you for your trust and loyalty; you are the cornerstone of our success and the inspiration to continue offering innovative products and services.

WHAT WOULD YOU SAY TO YOUR INVESTORS ABOUT THE FUTURE OF **ROTOPLAS?**

There is no doubt that we have great potential to generate value both in Mexico and in other markets. Despite the challenges, our company has shown great resilience and the ability to grow profitably.

We are committed to promoting a sustainable future and continue to actively explore new opportunities to expand and diversify our presence. I fully trust that our strategic focus and commitment to innovation and sustainability will place us in a privileged position to seize future opportunities and deliver sustained value to all our investors.

AS WE LOOK TO THE IMMEDIATE **FUTURE, WHAT PROSPECTS DO YOU SEE FOR THE COMING YEARS?**

We anticipate facing significant challenges regarding water availability, especially in Mexico, where a severe shortage is expected in the coming years, unfortunately for our society. In the United States, centralized² water infrastructure is not meeting market needs, leading us to believe there will be a greater demand for decentralized³ solutions to ensure water availability and quality.

Additionally, in Central and South America, the outlook in terms of water resources, politics, and macroeconomics could show volatility, leading to various challenges but also numerous opportunities.

We cannot underestimate the complexity of these challenges; however, we are prepared to continue being the key ally that allows customers and users to face these challenges.

Despite the difficulties, I am convinced that the foundations we have strengthened this year will position us for better growth in 2024.

² Water solutions provided by government agencies.

³ Water solutions provided by private companies.

We will continue focusing on addressing the emerging water needs and mitigating the impact of the water crisis in the communities we operate in, relying on technology, our extensive portfolio of products and services, strategic market positioning, and our ability to offer accessible, high-quality solutions at competitive prices.

WHAT ARE THE MAIN STRATEGIC **AXES YOU WOULD HIGHLIGHT FOR ROTOPLAS?**

Our strategy focuses on four fundamental axes designed to guide our growth and strengthening in the market. The first is the Sustainable Growth of our Traditional Business, where we are employing different technologies to innovate and continuously differentiate our products.

The second strategic axis focuses on the Growth and Development of New Businesses. The relatively new and still underserved service sector represents a great opportunity for us. We firmly believe that this sector will be key in building Rotoplas' future.

These first two axes offer a significant opportunity for the growth and diversification of our company, contributing to reducing the risk profile and strengthening our market position.

The third axis is the Digitalization of the Water Ecosystem. We are integrating advanced technologies in both internal processes, for example, with the collaboration with Google Cloud, and external processes, including the use of artificial intelligence to improve our relationship with our customers and the development of new digital products and services.

Finally, our fourth and last axis focuses on our Commitment to All Our Stakeholders. Our goal is to create sustainable value, promote societal well-being, and protect our planet. This comprehensive approach is fundamental to our long-term mission and vision, ensuring that Rotoplas continues to be a leader in innovative water management solutions.

IN TERMS OF ESG (ENVIRONMENTAL, **SOCIAL, AND GOVERNANCE) ACHIEVEMENTS AND GOALS, WHAT ASPECTS WOULD YOU HIGHLIGHT?**

It's essential to highlight our commitment to sustainability (ESG), as we firmly believe it's possible to generate substantial value for our investors and consumers, as well as for the planet.

Whenever we deliver a product or service, we seek to optimize the environmental impact. For example, our bebbia service produces a lower environmental impact compared to the waste generated by the use of plastic bottles.

In terms of governance, we pride ourselves on having the best practices in our sector. We are convinced that transparency, effective communication, and accountability are essential for our success and for maintaining the trust of our diverse stakeholders.

But, perhaps most importantly, is the motivation that unites us at Rotoplas: our purpose. We are convinced that the only way to achieve our objectives and generate a positive impact in the world is through actions that faithfully reflect our mission. This gives us the opportunity not only to achieve our goals but also to significantly contribute to the well-being of the population.



Carlos Rojas Aboumrad

GRI

ODS

WE ARE ROTOPLAS

Grupo Rotoplas¹ is the Mexican leader and irrigation, among other areas.

2023 was a year of challenges, where external factors such as climate phenomena, wet seasons, and management practices, and a lack of

awareness regarding water culture and conservation. Despite these adversities, we, as a resilient and forward-thinking company, responded swiftly to the changing environment.

To adapt to these changes, we have developed a diverse range of innovative products and services that address the needs of our clients. Our commitment to adaptability and sustainable growth, as well as the development of our digital platform and the on-going digitalization of our company, has enabled us to introduce new products and services tailored to the specific geographies in which we operate.

This strategic approach has allowed us to tackle these challenges head on, bringing us to the forefront of the industry and establishing our role as a leader in the development and distribution of water and sanitation solutions in Latin America and the United States.

economic fluctuations impacted on our business and the well-being of the communities we serve. Moreover, we faced a crisis induced by the impacts of climate change, inadequate water

in the development and sale of water solutions, with a strong commitment to innovation and sustainability. Our journey started in 1978, and for 45 years we have strived to improve people's relationship with water. We understand the essential role water plays in our lives, which is why we are active participants in every stage of the water cycle, leveraging our expertise in storage, waterflow, improvement, purification, treatment, recycling,

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

Our Corporate Culture

Our mission, vision and values are embedded within the company's DNA and are the pillars that guide our decision-making and actions to comply with our fundamental purpose: to provide sustainable water solutions that meet the needs of our clients throughout the entire water cycle.

MISSION

more and better water

VISION

Our vision is to offer decentralized and sustainable water solutions, with relevant benefits for our customers, within the Rotoplas Way

OUR VALUES

Collaboration

We embody an attitude to

Service-oriented attitude

internal and external customers and focus our efforts on meeting service.

Social and Environmental Responsibility

We are committed to driving conservation in all the communities

Humility

Passion for Business

Integrity

Rotoplas' Presence throughout the Water Cycle



According to the United Nations (UN), one of biggest global challenges is closely linked to water. It is expected that, by 2030, water use will increase by 40%, driven by a combination of factors such as climate change, human activity, and demographic growth².

Households, industry and agriculture demand efficient, prompt, high-quality water services that are easily available to meet their rising needs. Addressing these significant challenges requires products and services provided by both the government, i.e., centralized solutions, and by companies, i.e., decentralized solutions.

We recognize the complexity of these challenges and as a company equipped with technology, products, services, international presence, strategic positioning, time efficiency, availability, quality, and competitive pricing, we are prepared to meet these requirements and mitigate any associated impacts.

Our aim is to be part of the solution, ensuring a sustainable water future for the communities in which we operate.

2 https://onuhabitat.org.mx/index.php/comprender-las-dimensiones-del-problema-del-agua



Operating Model: Our Services, Products and Channels

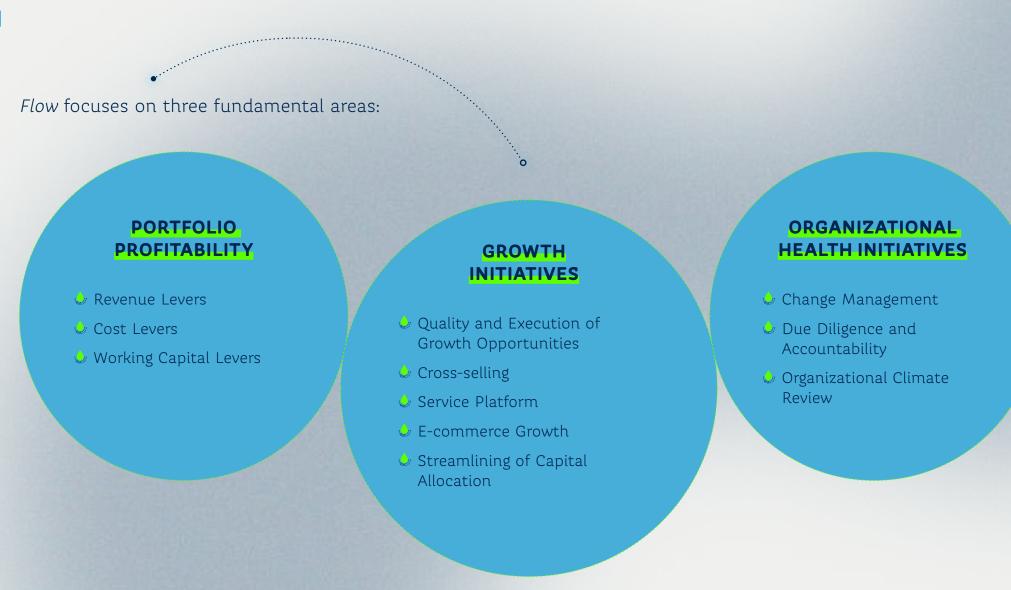
Operating Model



2-6, 3-3

Flow, our organizational transformation program, has played an essential part in ensuring the fulfilment of our goals. It focuses on creating value and ensuring a positive environmental and social impact, reshaping how we operate and becoming an integral part of our corporate culture.

Implemented across all areas within our organization, the Flow methodology is now embedded in our processes, serving as a guiding force in our day-to-day operations and allowing us to prioritize key initiatives that support business growth through a digital platform, thereby ensuring the sustainability of our operations over time.



In 2023, despite being a year of atypical challenges, we remained focused on service levels and the expansion of our service portfolio.

Our Operating Model has proven its resilience, allowing us to ensure continued success in the dynamic environment of water services.

2020-2025 SUSTAINABLE **GROWTH PLAN**

Revenue (vs. 2020)

Adj. EBITDA Margin

≥20%

Net Debt / Adj. EBITDA

≤2x

Double-digit ROIC

2023-2025

CapEx (% over sales)

~1.5% maintenance

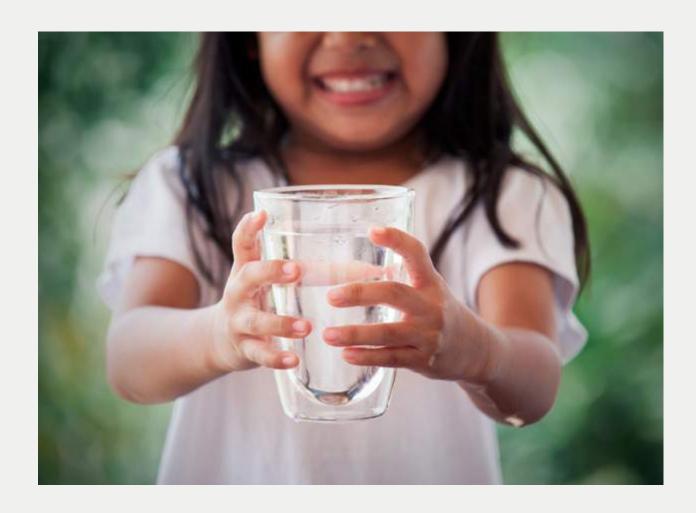
~3%

Government Sales

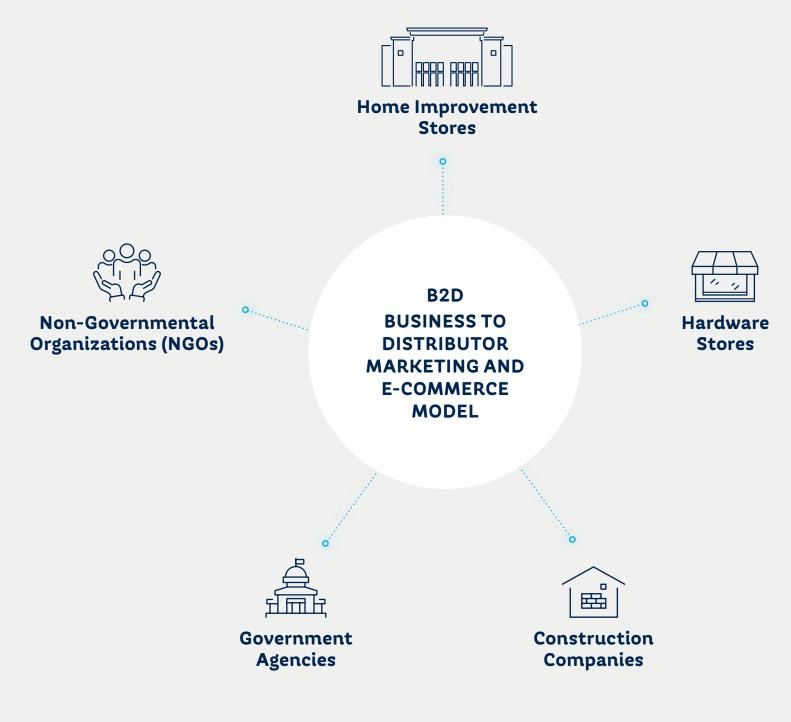
total revenue

Our Services, Products and Channels

At Rotoplas, we offer a diverse range of solutions aimed at enhancing water management, tailormade for both urban and rural areas.



OUR PRODUCTS' DISTRIBUTION NETWORK



BUSINESS MODEL / DECENTRALIZED WATER SOLUTIONS



PRODUCTS

+32,000Points of Sale

B2D³ / e-commerce

- Storage
- Improvement: Primary treatment &



SERVICE AND MAINTENANCE

+110,000

Service points

B2C⁴

- 🎍 Water

B2B⁵ / B2C⁴

- Water Treatment

- 3 B2D: Business to Distributor
- 4 B2C: Business to Consumer
- 5 B2B: Business to Business

Services

Our services cater to the most complex needs in water and sanitation across the entire water cycle. We aim to foster long-term relationships with our clients by offering comprehensive support, from custom design and solution installation to ongoing operations, maintenance, and training for those involved.

By using direct service sales, B2B (Business to Business) and B2C (Business to Consumer) marketing models, we work alongside private, industrial, and commercial clients, as well NGO's focusing on water and sanitation projects.

We also provide End-to-End Solutions

that encompass installation, operations, maintenance, and training that are tailored to the specific requirements of rural and urban areas.

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

GRI

2-6



WATER TREATMENT AND RECYCLING

Water treatment and recycling plants designed for diverse industries, both for pre-consumer - through purification and desalination - and for post-consumer

- Water Treatment Plants; Post-industrial Water, and
- Water Purification Plants
- Water Desalination Plants
- Rainwater Harvesting Systems for Industry (in





AGRICULTURAL WATER MANAGEMENT

agriculture and tailor-made projects

rieggo



PRIMARY WATER TREATMENT **THROUGH SEPTIC TANKS**

- Site and soil evaluation
- System design
- Maintenance
- Installation
- Replacement and repairs
 - Acuantia.



RESIDENTIAL AND INSTITUTIONAL DRINKING WATER PURIFICATION



bebbia®

For further information, please click here.

THE TANK DEPOT

Products

WATER STORAGE Designed to meet water storage and supply needs.



- Water tanks
- b Tanks
- **Cisterns**
- Industrial and agricultural storage: water and chemical tanks, horizontal tanks, feeders
- Accessories
- Industrial accessories

WATER FLOW

Covers the piping requirements for singlefamily homes, affordable entry-level residences, high-rise buildings, industries, and more, with a guarantee of zero leakage.





- Pipes: water, high pressure, Ultraflex PEX-a, air conditioning, firefighting, agricultural.
- Flexible hoses
- Plastic bolts and connectors
- Heavy duty tools
- Valves: check valve, corner valve, ball valve, globe valve
- Pumps: hydro-pneumatic system, pressurized pump, centrifugal pump, peripheral pump, submersible pump
- Inspection chambers

WATER IMPROVEMENT

Purification: Provides purified, crystalline

Primary treatment: Promotes hygiene in

Heating: Provides solutions for water





- **♦ Filters:** standard, jumbo, washable
- **♦ Purifiers:** on-sink, below-sink, reverse
- **♦** Family-orchard-type agricultural irrigation system
- **b** Biodigester
- Domestic wastewater treatment
- **♦ Water Heaters**: gas heater, electric

WATER SELF-SUSTAINABILITY

the water storage, water flow and water improvement products to meet specific needs in rural and urban environments.

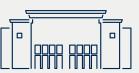


- b Rural rainwater harvesting
- Urban rainwater harvesting
- Outdoor toilet with biodigester

Our brands offer a broad spectrum of innovative solutions, improving quality of life in rural and urban communities alike.

Channels

Our distribution channels and sales points, both physical and digital, allow us to increase our scope and drive access to our solutions.



ORGANIZED SALES

- ♦ Self-service and department Stores
- Price Clubs
- ♠ Convenience Stores
- Hypermarkets



RETAIL

- Retailers
- Hardware
- Plumbing
- Finishes
- Materials
- ♠ Retail Stores



DIRECT

Rotoplas Direct Sales Teams



DISTRIBUTORS

◆ Points of Sale used to market products for construction in general (government and construction company sales)



E-COMMERCE

Online platforms (proprietary, distributors or third-party marketplaces)



Our Markets

GRI

We offer a wide range of products and services that meet the specific needs identified in each market in which we operate.

Portfolio by Country



^{*} Central America includes: Guatemala, El Salvador, Costa Rica, Honduras and Nicaragua.

Strategic Approach by **Market**

As part of our approach, we tailor our strategy based on the market, emphasizing the strengths, brands, products, and services unique to each region.

We focus on driving synergies among these elements. Despite the unusual year, we either maintained or increased our market share, showcasing our company's resilience and adaptability.

Milestones by Country

2023 Key Initiatives or milestones

2023 Background

MEXICO

PRODUCTS

- Agile pricing strategy
- Continuation of the technological replacement plan for manufacturing storage solutions, completing adoption in 6 of 8 plants
- Domestic rollout of Tinaco Plus+ and promotion of recently launched products

SERVICES

bebbia_®

- Automating processes
- Developing digital platform
- Streamlining field services
- Growing the institutional B2B segment

rieggo®

- Creating success stories and track record
- Strengthening strategic partnerships with farmers and other key stakeholders
- Acquisition of Hi-Tech assets

rsa Rotoplas servicios de agua

- Driving bookings
- Focusing on water-intensive industries, such as textiles, food and beverages, and paper, among others

Despite the challenging comparison base caused by droughts in the northwest of the country and water stress during 2022 impacting sales growth, we achieved record high monthly figures in EBITDA margin



Increase in capacities and generation of scale



Milestones by Country

ARGENTINA

PRODUCTS

- Responsive and agile pricing strategies
- Maintaining sustainable cash flow and market leadership



Constant fluctuations in prices and inflation due to political instability resulted in slow economic growth; however, we managed to gain market share and maintain double-digit EBITDA margin

USA

ACUANTIA (PRODUCTS + SERVICES)

- Streamlining online platforms
- Forging strategic partnerships
- Developing field service capacity
- Launching advanced septic solutions
- Improving customer service through designdriven delivery model
- Utilizing stores as hubs for replacement parts and local services

Substantial increases in rainfall and snowfall had an impact on sales



2023 Key Initiatives or milestones

2023 Background

PERU

PRODUCTS

- Strategy to expand our footprint in the pipes and water heaters markets
- Maintaining profitability by aligning costs and expenses with demand

Slow economic growth and the "El Niño" phenomenon have affected demand

CENTRAL AMERICA6

PRODUCTS

- Developing synergies between countries and leveraging the plant in Nicaragua
- Continuing to penetrate the market with recent solutions launches

The strength of the Mexican peso affected sales growth

BRAZIL

ACUANTIA (SERVICES)

- Building capacity
- Driving bookings
- Focusing on water-intensive industries, such as commercial, food and beverages, chemicals, and automotive

Strengthening of the operating model for wastewater treatment plants

⁶ Central America includes: Guatemala, El Salvador, Costa Rica, Honduras and Nicaragua.

AWARENESS

of Our Strategic Vision: Forging a Sustainable Future

Our objective is to foster responsible water usage through effective solutions, educational campaigns highlighting its critical importance, and our active participation in the public agenda.

We are committed to creating solutions that directly meet the needs of the community.

GRI

SASB

TCFD

SDG







Sustainability Strategy

Sustainability is embedded in our operating model, corporate culture, and DNA.



GRI 2-13, 2-23,

SASB RT-CH-210a.1 Our comprehensive 360° strategy considers all stakeholders across the water cycle, facilitating strategic alliances with key partners. Central to our mission, our sustainability strategy fortifies our dedication to Environmental, Social, and Governance (ESG) principles, guiding our development of innovative products and services. This includes a commitment to digitalizing our operations and devising solutions that promote growth and community well-being.

At the beginning of 2021, we initiated a double materiality study to identify the significant impacts on our diverse stakeholder groups, a crucial step in understanding their concerns and expectations. During 2023, we revised our materiality analysis to reflect the constantly evolving environment. This thorough process allows us to ensure that our business objectives are in harmony with the values and expectations of our stakeholders.



RELATIONSHIP BETWEEN MATERIAL ISSUES AND **OUR SUSTAINABILITY STRATEGY**

- **Corporate Governance and Ethics**
 - Corporate Governance
 - ♠ Ehics, integrity and anti-corruption
 - ◆ Transparent ESG communication
 - ◆ Culture and risk management
- **Access to Solutions**
 - ◆ E-commerce and omnichannel strategy
 - Relationship with distributors, plumbers and other partners
 - ◆ Technological transformation of processes and solutions
- **Circularity and Climate Change**
 - Contribution to climate change (energy and emissions)
 - management
 - Waste management and circularity
 - ◆ Climate change risks and opportunities

360° STAKEHOLDER IMPACT

• Investors and financial community

◆ Technological transformation of processes and solutions

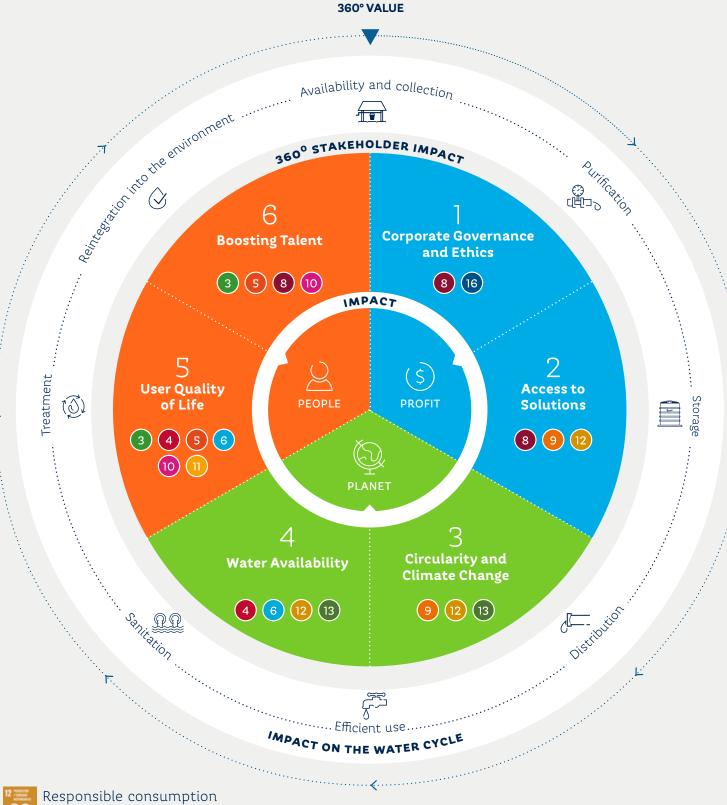
- Water Availability
 - Water culture
 - Innovation with socio-environmental criteria
- **User Quality of Life**
 - User focus
 - Quality and safety of water solutions
 - Access to water and sanitation
 - Innovation with socio-environmental criteria
 - Investment in the community
- **Boosting Talent**
 - ♦ Health, safety and well-being of employees
 - Attraction and retention of talent
 - ◆ Purpose, environment and organizational culture
 - Workforce diversity, equal opportunities and inclusion

CONTRIBUTION TO SUSTAINABLE **DEVELOPMENT GOALS (SDG)**

- - Good health and well-being
- Quality education
- Gender equality
- - Clean water and sanitation

- Decent work and economic growth
- Industry, innovation, and infrastructure
- - Reduced inequalities

Sustainable cities and communities



- and production
- - Climate action
- Peace, justice, and strong institutions

• Academia

• Employees

Suppliers

• Communities

Authorities

• Clients and users

ESG Relationship of our Material Issues

SOCIAL

Social Development

- Access to water and sanitation
- Quality and safety of water solutions
- Water awareness
- Community investment
- User focus
- Relationship with distributors, plumbers, and other partners

Human Capital

- Employee safety, health, and wellbeing
- Diversity in the workplace, equal opportunities, and inclusion
- Training and talent development
- Talent attraction and retention
- Organizational purpose, climate, and culture



GOVERNANCE

Corporate Governance

- Corporate governance
- ◆ Ethics, integrity, and anti-corruption
- ♦ Culture and risk management
- Cybersecurity and data privacy

\geq PEOPLE





PROFIT

ENVIRONMENT

Environment and Circularity

- Contribution to climate change
- Risks and opportunities of climate
- Waste management and circularity
- Integrated water management within operations
- Sustainable supply chain
- environmental criteria
- Sustainable materials and raw materials





ECONOMIC

Economic

- Strategy, business model, and brand
- Technological transformation of processes and solutions
- Creation of sustainable economic value
- ◆ E-commerce and omnichannel strategy



^{1 %} of suppliers classified as critical.



Sustainability at Rotoplas

In 2022, we made a strategic decision to bolster the implementation and execution of a robust sustainability strategy by assigning joint responsibility for oversight to the Vice-President of Sustainability and Human Capital and the Vice-President of Administration and Finance (CFO).

This multidisciplinary team closely collaborates with the Sustainability Committee, which is responsible for identifying and reporting on the most critical sustainability issues and initiatives to the Corporate Practices and Strategy Committee. The latter committee plays a vital role as a key communication conduit to the Board of Directors, facilitating comprehensive monitoring and reporting on our progress towards the 2025 objectives in the areas of People, Planet, and Profit.

Throughout 2023, we focused on four strategic priorities:

- Ensuring the sustainable growth of our traditional business.
- Fostering the growth and development of new businesses.
- Driving the digital transformation of the water ecosystem.
- Strengthening our commitment to all stakeholders.

Sustainability Committee

The Sustainability Committee is the body tasked with approving and updating the company's Sustainability Strategy. It also monitors our progress in implementation

It is an executive and multidisciplinary body comprising a number of areas, including Strategy, Human Capital, Institutional Relations, Government Relations, Legal, Investor Relations, Quality, Marketing, Communication, and Innovation, among others.

and in meeting our Environmental, Social, and Governance (ESG) targets.

THE SUSTAINABILITY COMMITTEE IS TASKED WITH:

Raising awareness among

Driving and monitoring the company's ESG initiatives as part of its Sustainability Strategy, including established targets.

Updating the Sustainability

Driving the implementation of initiatives outlined in the Sustainability Strategy across the various countries in which we operate, in addition to coordinating with established representatives for this purpose.

Selecting and authorizing

Proposing any necessary adjustments to our commitments regarding climate change, including those relating to Energy Use Intensity and Greenhouse Gas emission intensity.





Vision

GRI 2-12, 2-13, 2-14, 2-24

TCFD GOB-A

In 2022, the working groups supporting the Sustainability Committee were increased to nine:







Environmental

- ♠ Circularity and Climate Change
- Clean Energy
- ♠ Environment, Health, and Safety



Social

- Diversity and Inclusion (Gender, LGBTIQ+, People with Disabilities)
- ◆ Talent Promotion
- Employee Wellness



Governance

- Corporate Governance
- Internal and External Communication
- ◆ Operational Efficiency

CORE POLICIES TO INTEGRATE ESG CRITERIA INTO OUR **OPERATING MODEL**

GRI 2-23, 3-3

For further nformation about our Corporate ESG Policies, please click here.

Institutional Relations Policy

We strive to forge a solid relationship with key agents from our stakeholders to drive the development of the businesses, ensure the proactive management of risks and opportunities, contribute to the sustainable development of the environment, and consolidate the company's reputation.



Hygiene, Workplace Safety and **Environment Policy**

We are aware of the environment in which we operate, including water, soil, and natural resources. This is why our policy aims to propose comprehensive guidelines in these areas.



Sustainability Policy

operations of the Sustainability Committee.



Human Rights Policy

This policy outlines the principles necessary to promote the human rights of the stakeholder groups impacted by our operations, regardless of their professional relationship. This policy also stipulates a non-discrimination approach in our hiring processes, in order to collaborate in the creation and distribution of economic, social and environmental value.



Sustainable Procurement Policy



Anti-corruption Policy

employees and third parties



Climate Change Policy

This policy defines Grupo Rotoplas' position on climate change, including guidelines to reduce impacts from its operations and value chain, as well as maximizing the positive contribution of the solutions it offers to different users in order to better adapt to the effects of climate change on water supply and quality.



Diversity Policy

of new employees, internal and perspectives.



This policy outlines the guidelines for creating a culture of innovation within Rotoplas, as well as the strategies needed to systematically implement a process of innovation within the organization.



Strategic Partnerships

We are actively involved in industry initiatives and associations, both within Mexico and internationally, to enhance our vision and work together to roll out sustainable water solutions across the communities in which we operate.

We have also been of global indices and have received recognition for our good ESG practices.

included on a number

Our Strategic Vision

GRI 2-28

- 2 Cámara Nacional de la Industria de la Transformación (CANACINTRA).
- 3 Cámara Argentino Mexicana (CAMEX).
- 4 Consejo Consultivo del Agua (CCA).
- 5 Consejo Consultivo de Finanzas Verdes.
- 6 Associação Brasileira dos Fabricantes de Materiais para Saneamento (ASFAMAS).
- 7 Instituto Trata Brasil (ITB).
- 8 Cámara Guatemalteca de la Construcción (CGC).
- 9 Cámara Argentina de la Industria Plástica (CAIP).
- 10 Cámara Argentina de fabricantes de artefactos a gas (CAFAGAS).
- 11 Asociación de Importadores y Exportadores Argentinos (AIERA).
- 12 Cámara de pequeña y mediana industria metalúrgica argentina (CAMIMA).
- 13 Instituto para el Desarrollo Empresarial de la Argentina (IDEA).
- 14 Foro Argentino del Agua (FAdA).
- 15 Asociación Argentina de Ingeniería Sanitaria y Ciencias del Ambiente.
- 16 Cámara Peruana de la Construcción.
- 17 Cámara Peruana Mexicana.

ASSOCIATIONS

MEXICO

- Mexican Business Council
- Mexican Chamber of the Manufacturing Industry² (CANACINTRA)
- Argentina-Mexico Chamber of Commerce³ (CAMEX)
- Water Advisory Council⁴ (CCA)
- ♠ Green Finance Advisory Committee⁵, Mexican Stock Exchange
- Network of Technology Transfer Offices (TTO)
- Water.org

BRAZIL

- Brazilian Association of Manufacturers of Water and Sanitation Materials⁶ (ASFAMAS)
- ◆ Trata Brazil Institute⁷ (ITB)

CENTRAL AMERICA

• Guatemalan Chamber of Construction⁸ (CGC)

ARGENTINA

- ♠ Argentine Chamber of the Plastics Industry⁹ (CAIP)
- ♠ Argentine Chamber of Gas Appliance Manufacturers¹o (CAFAGAS)
- Association of Argentine Importers and Exporters¹¹ (AIERA)
- Argentine Chamber of SME's in the Metal Industry¹² (CAMIMA)
- ♠ Argentina Institute for Business Development¹³ (IDEA) **FUNDECE**
- ♠ Argentine Water Forum¹⁴ (FAdA)
- Argentine Association of Sanitary Engineering and Environmental Sciences¹⁵

PERU

- *♣ Aquafondo -* Water fund for Lima and Callao
- ◆ Peruvian Chamber of the Construction Industry¹⁶
- ◆ Peru-Mexico Chamber of Commerce¹⁷

INTERNATIONAL INITIATIVES



UNITED NATIONS GLOBAL COMPACT CEO WATER MANDATE

Since the adoption of the mandate in May 2019, we have joined a diverse global community of over 150 companies dedicated to addressing challenges relating to water and recognizing the crucial role it plays in human life, industrial activities, and ecological balance. On an annual basis, we compile a Communication on Progress (COP) in this report, outlining our commitments. This initiative aims to advance the Sustainable Development Goals (SDG's) through collaborative working groups involving academia, civil society, and the federal government.



DUKE UNIVERSITY'S EDGE ADVISORY COUNCIL

We focus on promoting close working relations between the private sector and academia to foster innovation in sustainable solutions.

AWARDS AND CERTIFICATIONS



For the seventh consecutive year, AGUA* was part of the **DJSI MILA Pacific Alliance.**



We were included in the S&P Global Sustainability Yearbook in the Building Products industry for the second time.



AGUA* was included, for the fifth consecutive year, on the Mexican Stock Exchange's ESG benchmark index.



Rotoplas was awarded the "Company committed to the inclusion of people with disabilities in the workplace" distinction by Éntrale.



For the 13th consecutive time in Mexico and the 5th in Peru, the Company obtained the "Socially Responsible Company" badge.

INDICES AND RATINGS AGENCIES				
		2021	2022	2023
S&P Global Sustainability Yearbook				
DJSI MILA Pacific Alliance				
Índice S&P/BMV Total Mexico ESG				
CDP Climate Change Questionnaire	0	В	В	A -
S&P Global Ratings	0	'mxAA-'	'mxAA-'	'mxAA-'
Fitch Ratings	o	AA(mex)	AA(mex)	AA(mex)

Innovation and Development

As pioneers and leaders in the water solutions industry, our success is embedded in our cutting-edge products, services, and the prevalent culture of innovation ingrained in our organization. We actively listen to all departments, cultivating a broad perspective that aligns seamlessly with the company's value proposition.

Vision

GRI

Our culture of innovation is actively embodied by every member of Rotoplas, all of whom encourage, generate, and assess original ideas for solutions, services, new business ventures, and improvements to our internal processes. Our aim is to position ourselves as a benchmark in the innovation in sustainable water management, leveraging emerging technologies and disruptive practices.

We aim to drive innovation by identifying the needs of our customers and proposing products and services that are centered around the user experience. Supported by our **Innovation Policy**, we drive transcendental innovation through the creation, capture, and exchange of value.

At the core of our innovation strategy lies the Innovation Committee, a dedicated body chaired by the CEO that meets monthly to analyze internal and external innovation opportunities and indicators. It includes representatives from Finance, Products, Services, R&D, and Marketing, and receives support from the Sustainability, Digital, and Supply Chain teams.

Its responsibilities include approving assigned initiatives and budgets and making decisions using a scorecard of indicators. This scorecard includes the percentage of revenue and EBITDA generated by new solutions, the potential value in revenue and profitability of projects under review, the proportion of innovations with interdepartmental collaboration, and the conversion rate of opportunities to launches.

It is imperative for the Innovation Committee to encourage the active participation of all employees in processes of innovation, especially in terms of identifying opportunities and generating ideas through internal challenges and competitions. This inclusive approach extends to the evaluation and feedback of emerging initiatives. As a company, we remain committed to pioneering change, shaping the future of water services, and contributing to a sustainable and innovative industry.





GRI 2-28

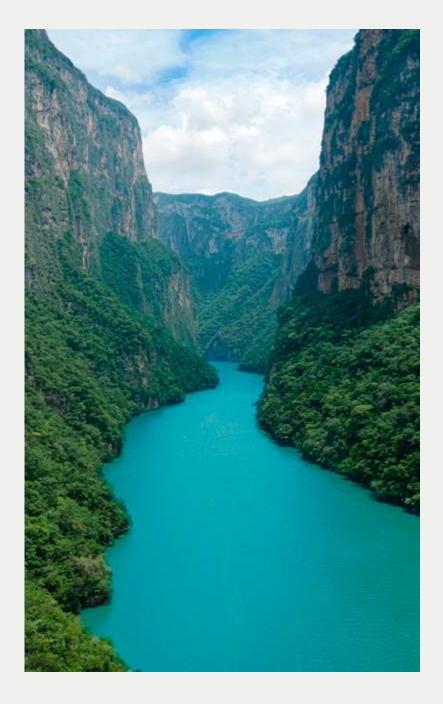
Throughout our innovation process, we combine our proprietary advancements with existing market technologies and collaborate with specialized research centers. By integrating risk criteria into our product and service development, we ensure a balanced approach to innovation.

MEXICO RESEARCH CENTER

- ◆ Technology Transfer Office Network (Red OTT México) to bolster the innovation ecosystem.
- Yucatan Center for Scientific Research¹⁸ (CICY) and the Research Center pertaining to the National Council of Human Studies. Science and Technology¹⁹ (CONAHCYT).
- Innovation.
- Research and Advanced Studies Center of the National Polytechnic Institute²⁰ (CINVESTAV) to create an advanced electrochemical oxidation system for the treatment of polluted waters.
- Mexican Institute of Water Technology²¹ (IMTA) to develop a desalination system.
- ♦ CONAHCYT's Center for Applied Chemistry Research²² (CIQA) to develop formulas and test protocols for Rotoplas products with postconsumer materials.

- Tecnológico de Monterrey, through the Rotoplas - Tec de Monterrey Challenge for Industrial Design undergraduate students, to develop, within the scope of their academic activities, and design a filter for a rainwater harvesting system.
- National Autonomous University of Mexico²³ (UNAM), through a collaboration agreement, to produce technological services for different initiatives and review UNAM patents.
- Autonomous University of Sinaloa²⁴, through the Innwai Open Innovation Hub, to develop filtration membranes manufactured from fish waste to replace traditional components in purification systems.
- 18 Centro de Investigación Científica de Yucatán
- 19 Consejo Nacional de Humanidades, Ciencias y Tecnologías (CONAHCYT).
- 20 Centro de Investigación y de Estudios Avanzados
- 21 Instituto Mexicano de Tecnología del Agua (IMTA) 22 Centro de Investigación en Química Aplicada
- 23 Universidad Nacional Autónoma de México
- 24 Universidad Autónoma de Sinaloa

Water Advisory Council México



The Water Advisory Council is the only civil society organization recognized in the National Water Law as a space where citizens, experts, scientists, academics, NGOs, and users analyze, evaluate, and ignite solutions so that decision-makers have information to create public policies that ensure water security for future generations of Mexicans. At Rotoplas, we are active members of the WAC, as through this representative body we can add to those voices that seek the common good and promote comprehensive solutions to contribute to Mexico's water policy.





Innwai is Rotoplas' platform for sharing ideas and information and addressing global water challenges that encompass issues such as availability, management, access, purification, and sanitation. As a hub for open innovation, it enables collaboration with a wide range of stakeholders in the global water innovation ecosystem. By fostering innovation through Innwai, we actively contribute to fulfilling the following United Nations Sustainable Development Goals (SDG's): 6. Clean water and sanitation and 9. Industry, innovation, and infrastructure.

Our mission at Rotoplas is to promote open innovation to tackle the technological challenges facing our industry. We firmly believe that collaboration is paramount in overcoming the complexities of the water cycle. With open innovation as our catalyst, we can not only generate value but also drive sustainable water management into the future.







For 2024, our goal is to invest 3% of EBITDA in R&D and thus continue to offer relevant solutions to tackle water stress and climate change.

\$73 million invested in innovation and development, representing 3.4% of EBITDA in 2023

NEW SOLUTIONS INTRODUCED TO THE MARKET BETWEEN 2020-2023:

Country	Launched Solution		
MEXICO	Plumbing fittings: flexible connector hoses Fire protection pipes Air-conditioning pipes Plastic pipe supports Hermetic silo for grain storage Tank installation kit Filter 2.0 Tinaco Plus+		
ARGENTINA	New capacity cistern Automatic heater Stormwater pipe (various diameters) Line of mid-range water heaters		
CENTRAL AMERICA	Tuboplus (various diameters) Plumbing accessories: flexible hoses Corner valve Expansion of the electric showerhead portfolio Larger capacity tanks		
PERU	Strengthening of instant water heaters Flexible connector hoses Tank installation kit Industrial line tank - 15,000 liters		

Digital Transformation

Our commitment to leveraging digital advances helps us remain at the cutting edge of innovation, enhancing not only our operational efficiency but also our commitment to our clients.

We actively embrace technological trends, focusing on digitalizing the water ecosystem and evolving the products and services we offer into smart solutions that incorporate data and analytics to drive the greater efficiency in the use of this vital resource. Bolstering our online and e-commerce channels is a core part of our strategy, allowing us to drive greater engagement with our customers.







Our Strategic Vision

GRI

1 F 2

Digitalization of the Water Ecosystem

In 2023, as part of our focus on ESG, we made important advances in the digitization of the water ecosystem.



Internal Processes

We began integrating AI tools through a formal five-year agreement with Google Cloud, a platform offering enterprise-level cloud products that harness Google's cutting-edge technology. Moreover, the Google Cloud platform will be combined with the RISE with SAP solution. This partnership will accelerate our digital transformation by utilizing the capabilities of Artificial Intelligence (AI) and fast-tracking the creation of water management tools.

The primary objectives of this agreement focus on:

Facilitating the digitalization and streamlining of our processes and operations in areas such as logistics, marketing and finance.

Implementing Al-driven for stakeholders, enabling data-

Fostering advanced and continuous education **Enhancing** access to tools and solutions that strengthen and expedite our climate and sustainability strategy, reducing our carbon footprint through more effective data management and the use of new technological platforms for indicator control.

Digitalization of Customer Services

To enhance our customer experience through our AI solutions, we focus our efforts on three strategic pillars:

MONITORING SYSTEMS

Implementing non-invasive water consumption tracking

Providing data for compliance and reporting

WATER MANAGEMENT DATABASE

Developing a strategy for reducing water footprints

Implementing data-driven measures for cost saving

CLIENT ENGAGEMENT & EFFICIENCY

Installing real-time monitoring systems

Providing direct client reports and alerts

Achieving significant reductions in water consumption

E-commerce

We are actively driving our own digital transformation to improve operations in the water services sector. Our focus includes bolstering innovation, enhancing the user experience on our websites and e-commerce platforms, and digitally optimize the operations of bebbia in Mexico and Acuantia in the United States. These initiatives underscore our commitment to delivering exceptional water solutions through adaptability, innovation, and improved online experiences

During 2023, sales from digital or e-commerce channels at a Group level amounted to more than 10% of total revenues.



GRI 3-3

SASB IF-WU-000.A

bebbia

bebbia is our water purification service designed for households and workplaces in Mexico. It introduces a unique approach to water consumption, leveraging innovation and technology to ensure that every home or organization has access to the highest quality of purified water. Our omnichannel strategy encompasses various customer engagement methods to enhance accessibility and provide a flawless experience.

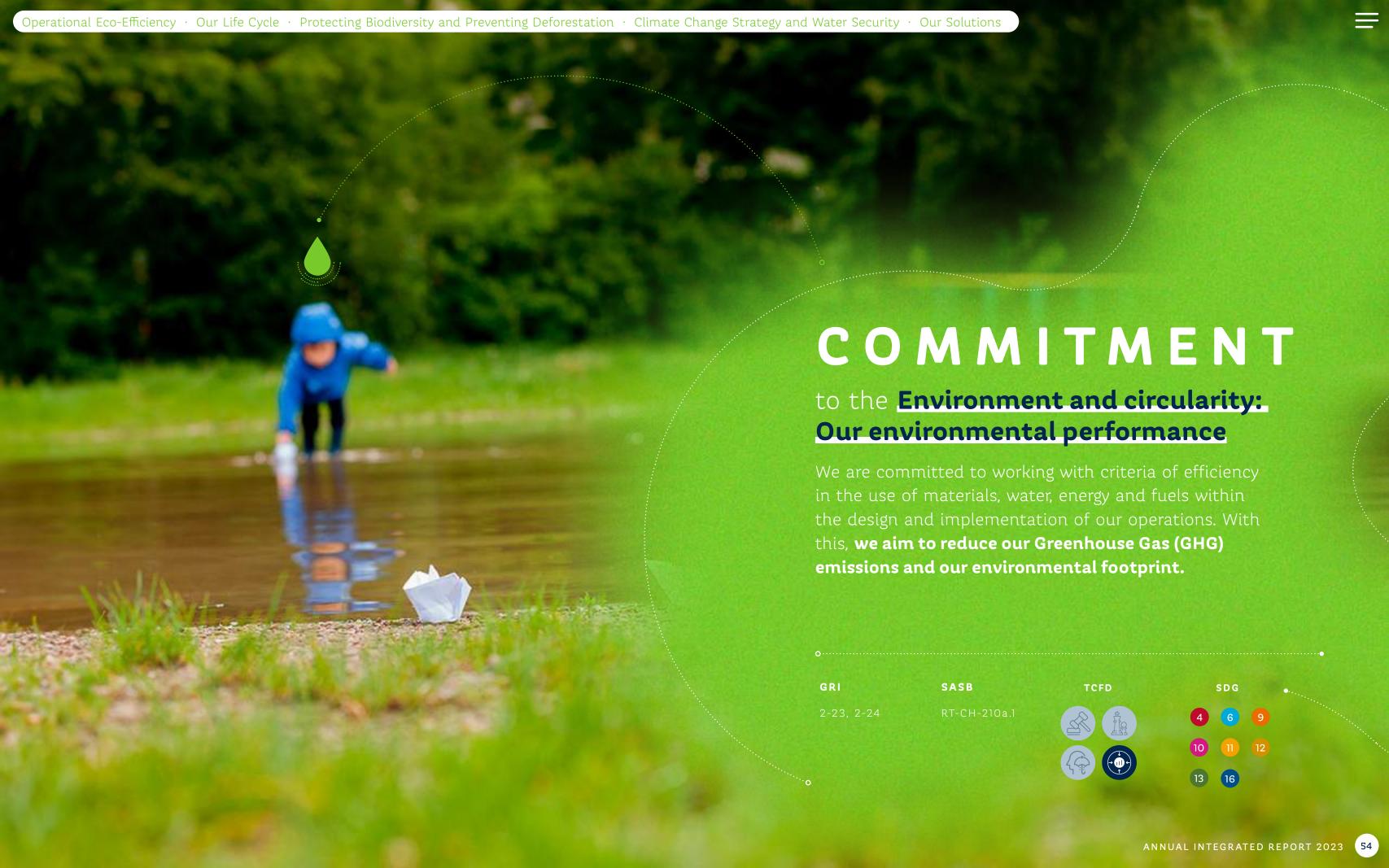
In 2023, our latest innovations in B2B purification were:

- ♦ The implementation of touchless equipment
- ♠ Reverse osmosis and Ultra-Filtration technology
- ◆ Digital display with temperature control and a child safety lock









Operational **Eco-Efficiency**

We are a company wholeheartedly dedicated to environmental responsibility. Our commitment encompasses sustainable practices, resource optimization, and continuous improvement. We fully recognize the vital importance of using resources responsibly, including energy and water. Our dedication extends to the conscientious management of materials and waste. By adopting responsible practices, we aim to minimize our environmental footprint and contribute to a healthier planet by progressively reducing emissions resulting from our activities.

Water

Water is at the core of our existence. driving our purpose and guiding our actions. Although our industry is not classified as having a high-water demand, around 70% of our operations are located in areas experiencing high or extremely high-water stress. This reality emphasizes the urgent necessity for us to diligently reduce and strategically optimize our water consumption.

At our various plants, including our Anáhuac, Golfo, Guadalajara, Lerma, Monterrey, León, Guatemala, and Peru facilities, we have implemented water recirculation systems to ensure we responsibly reuse water from our processes. Furthermore, our commitment to sustainability extends to our Pilar plant in Argentina, where we have successfully implemented a Rainwater Harvesting System.



In our operations, we require an average of 1.27 m³ of water to process or manufacture every ton of material. In 2023, 17,757 m³ of water were recovered thanks to the recirculation systems in place at our plants



Environment & Circularity

> 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

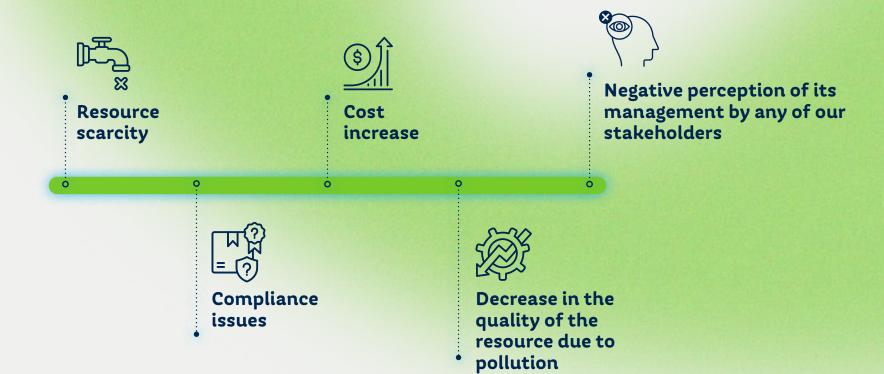
SASB RT-CH-140a.1. RT-CH-140a.3. IF-WU-000.D. IF-WU-450a.1, IF-WU-140b.1

> **TCFD** MYO-A

Likewise, we have rolled out Wastewater Treatment Plants (WWTP) at key locations, specifically at our Guadalajara, Mérida, León and Pacífico plants in Mexico, and our Pilar plant in Argentina. This treated water is made available for reuse, ensuring compliance with local legislation, environmental standards, and a circular water management approach.

Our dedication to reducing and streamlining water consumption aligns with our mission and highlights the pivotal role water plays in our operations and in the communities we serve.

THE MAIN RISKS RELATING TO WATER MANAGEMENT ARE ADDRESSED WITHIN OUR RISK MATRIX:





GRI GRI 2-27

& Circularity



In 2023, a penalty was recorded associated with water management at the Guadalajara Plant. It is important to highlight that the facilities operated by Rotoplas Water Services (RSA) in Mexico and Acuantia in Brazil continued to operate without incidents related to the quality of treated water.

We consumed 109,152 m³ of water during 2023, 2% less than in 2022.

This reduction is equivalent to the same amount of water consumed by 5 households in Mexico for a year¹

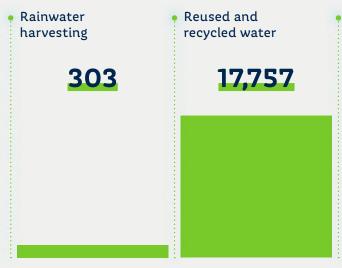
16% of the water we use has been reused and/or recycled



WATER EXTRACTED (m³)



OTHER SOURCES OF WATER CONSUMPTION (m³)



We consumed 303 m³ from rainwater harvesting and 17,757 m³ from reused and recycled water

¹ https://www.congresocdmx.gob.mx/archivos/finanzas/infografiamanejosustentabledelagua2022.pdf https://appsl.semarnat.gob.mx:8443/dgeia/compendio_2021/dgeiawf.semarnat.gob.mx_8080/ibi_apps/WFServletlal0.html

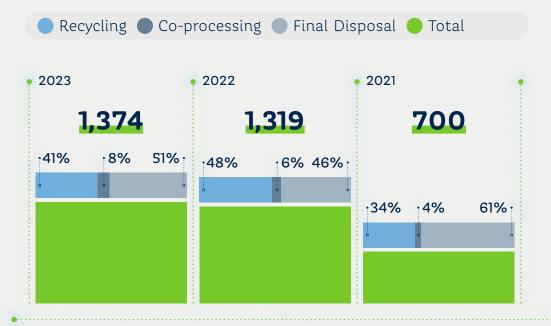
Waste Management

We aim to minimize and optimize waste generation throughout our operations, aligning with the principles of a circular economy and ensuring proper final disposal. The implementation of effective waste management strategies is crucial for reducing our environmental footprint, ensuring compliance, and enhancing operational efficiency.

By recycling specific waste categories such as wood, cardboard, and plastic, we can significantly decrease both our environmental and economic impacts. Recycling can also provide a supply of secondary raw materials for manufacturing new products, thereby reducing the demand for virgin resources.

We guarantee comprehensive waste management with the assistance of external suppliers, in addition to ensuring compliance and transparency in their disposal. This commitment is aligned with our internal policies and procedures.

DESTINATION OF WASTE GENERATED BY GRUPO ROTOPLAS (t)



41% of the waste we generated was recycled

2.9 tons of electronic waste were recycled





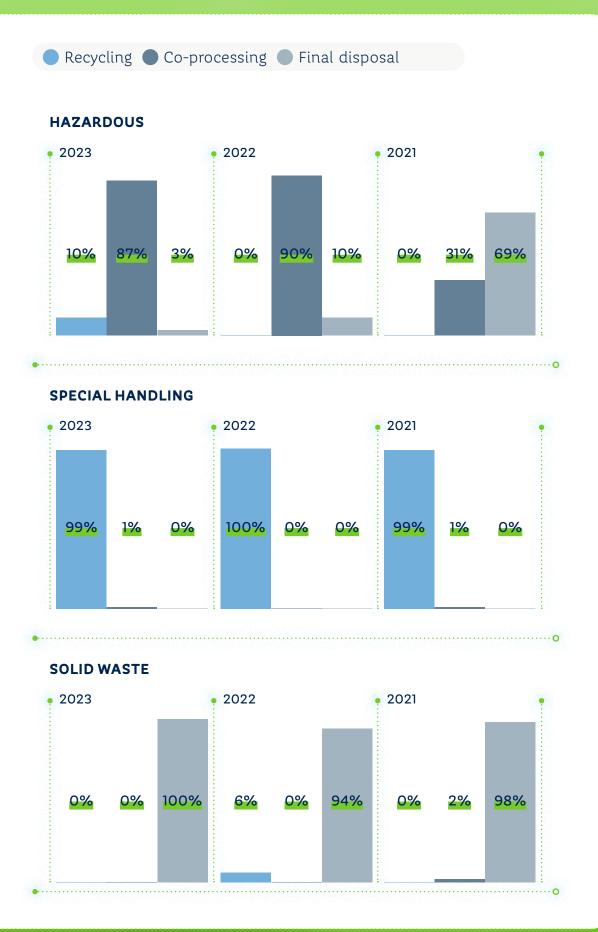
Environment & Circularity

3-3, 306-1, 306-2, 306-3, 306-4, 306-5

SASB RT-CH-150a.1. CG-BF-410a.2

> **TCFD** MZO-A

DESTINATION OF WASTE GENERATED BY GRUPO ROTOPLAS





The Rotoplas Technology **Automated Manufacturing** System (SMART) drives energy efficiency and waste reduction initiatives through the manufacturing processes of storage solutions and water heaters

Materials

Our commitment to sustainability is ingrained in every aspect of our operations. Across the Group, our manufacturing processes rely on resins primarily composed of polyethylene and polypropylene, in addition to the use of metal for manufacturing heaters. We continually strive to enhance our environmental management through initiatives like the Green Project.

The core goal of the **Green Project** is to promote the use of recycled resins within our manufacturing processes; however, despite being recycled materials, they are

continually monitored so that they meet the highest quality standards and market requirements.

This initiative underscores our dedication to offering sustainable solutions and mitigating the impact our operations have on the environment. By embracing recycled resins, we are contributing to the circular economy and fostering the development of a more resilient and sustainable supply chain.

Furthermore, our Innovation and Development Center in Leon (Mexico) has thoroughly examined and assessed the use of recycled materials to ensure we meet product quality and safety standards.

During 2023, 52,288 tons of resins were processed, of which 23.8% were recycled resins







3-3

SASB CG-BF-000.A. RT-CH-000.A

> TCFD MYO-A



GREEN PROJECT RESULTS: INCORPORATION OF RECYCLED RESINS

A total of 12,428 tons of recycled resins were incorporated into the total amount of processed material, reaching 23.8%, exceeding our 20% target set for 2023



IN 2023, VARIOUS INITIATIVES WERE ROLLED **OUT AS PART OF THE GREEN PROJECT:**

Initiative

- Use of post-industrial material in the external layer of the blow-molded water tank
- ♦ 100% post-consumer resin in the black layer of some tanks (external resin supplier)
- ♠ Ring optimization using PCR resin

Description

measures to increase the

Chemicals and **Hazardous Substances**

Our manufacturing process for water tanks, pipes and heaters generates minimal hazardous waste, eliminating the need for a public commitment to phase out hazardous substances. This is due to a number of factors: firstly, the materials used in the manufacturing process (such as high-density polyethylene - HDPE) are highly recyclable and do not generate any hazardous waste during their production; secondly, we have efficient waste management practices in place throughout the process, such as the waste from our processes.

Furthermore, the polyethylene resin we use complies with the U.S. Food and Drug Administration (FDA), the Canadian Health Products and Food Branch (HPFB) Letter of No Objection, and the National

Sanitation Foundation International (NFS International) NSF/ANSI 61 Standard, all of which ensures that our products meet the appropriate health and safety measures.

Our technology allows for tighter control over production processes, significantly reducing the risk of generating any form of waste. Polypropylene and polyethylene are the basic materials found in our products, accounting for 98% of the components of our water tanks.





880,469 kWh less to 2022 This is equivalent to the same amount of electrical energy consumed by 465 households in Mexico for a year³

2% kWh less energy consumed compared to 2022

17% of the electricity used was from renewable or cogeneration energy sources





Environment & Circularity

3-3, 302-1, 302-2, 302-3, 302-4. 302-5

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

> **TCFD** MYO-A

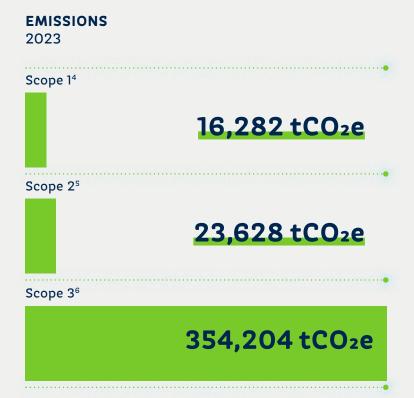
² In 2023, the contract with our clean energy supplier concluded, initiating the transition process to renewable energy sources. However, due to government permit restrictions, we experienced delays in the implementation, resulting in a reduction in renewable energy consumption during this year.

³ https://appsl.semarnat.gob.mx:8443/dgeia/compendio_2021/dgeiawf.semarnat.gob.mx_8080/ibi_apps/WFServletlal0.html



Emissions

We seek to mitigate the impact of our emissions through strategic initiatives and innovation in energy efficiency, as well as through the adoption of cleaner energy sources. Through these concerted efforts, we aim to meet the expectations of our clients while contributing to a more sustainable and resilient water services ecosystem.





26% reduction in Scope 1 emissions compared to 2022

4 Direct emissions from fuel combustion (Natural gas, LP gas, Diesel, and Gasoline).

5 Indirect emissions from the generation of electricity being

6 Indirect emissions emanate from the Group's entire value chain, spanning from the production of raw materials to the final disposal of products.

3-3, 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

Total Scope 1 and Scope 2 emissions stood at 39,910 tCO₂e

11% less than in 2022

As part of our commitment to continuous improvement, we have updated our Scope 3 screening, resulting in an increase in emissions. This enhancement is due to adherence to best practices outlined in the GHG protocol regarding the life cycle of our sold products. This represents a significant step forward in our efforts to maintain a more robust and comprehensive inventory of indirect emissions associated with our operations. We will continue working in this direction to ensure that our analysis accurately and thoroughly reflects the environmental impact of our activities.

Our fuel and electricity consumption are verified by a third party that corroborates that Grupo Rotoplas has considered all the information relating to said consumption and has ensured the transparency of the information reported.

Moreover, the combustion of LP gas and natural gas from the processes generated 15.78 tons of nitrous oxides (NOx) and 5.39 tons of sulfur oxide (SO₂).

For further information about our emissions at a Group level, please click here.



Environment & Circularity

305-7

0.43 tCO₂e/t intensity of resin and metal processed, positively surpassing the 0.45 target set for 2023



Our Life Cycle



As a key player in the water services sector, our commitment to sustainability is evident through our increased use of renewable energies, effective waste management processes, circular economy practices, and overall operational efficiency. Our focus extends to effective water solutions that have been developed through the efficient use of materials and inputs.

OUR INITIATIVES INCLUDE:

Renewable energy supplied by solar panels

Use of **post**consumer and postindustrial recycled resins (proprietary and third-party resins).

Enhanced product manufacturing efficiency and improved maintenance services contribute to extending product lifespans, as well as to water reuse through treatment and recycling solutions.

Environment & Circularity

GRI

416-1

SASB CG-BF-410a.1, RT-CH-410a.1

Quality and Durability

The constant monitoring of the quality and durability of our products is crucial in ensuring best-in-class customer service and proper operation, all while prioritizing health and safety. We evaluate our product portfolio in accordance with the technical standards of each country, driving compliance through independent certifications, such as Mexican Official Standards (NOM). In Mexico and Argentina, we are ISO 15874 certified, validating the quality of the pipe manufacturing processes, while in Argentina, our heaters are certified by the Argentine Gas Institute (IGA).

As an integral part of our quality standards, focusing on product safety and environmental conservation, we rigorously adhere to our **Hygiene**, **Safety**, **and Environment Policy**, as well as our **Climate Change Policy**. The strict quality processes we apply, both internally and externally, throughout the life cycle of our products, have ensured we have received

no fines as a result of compliance issues relating to user health and safety, as well as the labeling and marketing of our solutions. We also execute internal audit processes, conducted by the Quality department, and external audits to certify our processes and products under prestigious international benchmark rules and standards.

A number of our plants are ISO 9001, ISO 14001, and ISO 45001 certified, and each year the Peruvian and Mexican plants are audited by *Certificación Mexicana*, *S. C.*, an external auditor who verifies compliance with these standards for the recertification process.





Medio ambiente y circularidad

GRI

3-3, 416-1, 416-2

Protecting Biodiversity and Preventing Deforestation



Mexico is recognized as a megadiverse country, being part of a select group that has the highest diversity of animals and plants in the world. It is home to nearly 70% of the world's⁷ species diversity. Given the essential role water plays in preserving this biodiversity, we promote a culture of water conservation within our operations to encourage the awareness, responsible use, good practices, and information regarding the importance of water.

Identifying challenges relating to biodiversity is one of Grupo Rotoplas' priorities, which is why decisions affecting biodiversity within the value chain are currently being considered. Risks associated with deforestation and the pollution of bodies of water have been identified as part of our ESG Supplier Assessment. We initiate our assessment by analyzing the initial criteria used to gauge potential risks.

Rotoplas is aware of the urgency of addressing issues relating to deforestation and the negative impact it has on ecosystems, biodiversity and climate change. As part of our commitment to responsible and sustainable actions, we pledge to implement measures to prevent deforestation and promote biodiversity. This commitment extends to both our internal operations and our supply chain,

and we fully recognize the crucial role it plays in the areas in which we operate — a foundation for the creation of life and conservation, providing balance within natural ecosystems. A balanced and healthy ecosystem is fundamental for resource conservation.

Our global commitment encompasses our entire operations, across all our locations, with constant monitoring to ensure compliance. In addition to forging alliances and promoting collaboration, we foster a culture of sustainability and environmental responsibility at all levels within our organization and throughout our supply chain.

⁷ https://www.un.org/es/observances/biological-diversity-day https://www.biodiversidad.gob.mx/pais/quees.html

Climate Change Strategy and **Water Security**

We are committed to sustainability initiatives, focusing particularly on reducing energy use and emissions. To track our progress and the effectiveness of these efforts, we utilize a set of annual goals. These goals are outlined in our scorecard, an integral part of our sustainability strategy. This scorecard enables us to precisely monitor environmental impacts and implement preventive measures. It also helps us set clear targets for continuous improvement in these critical areas.

Annual objectives are thoroughly reviewed during the quarterly meetings of the Sustainability Committee, which reports to the Corporate Practices and Strategy Committee. This committee, in turn,

reports to the Board of Directors every three months, ensuring transparency and accountability in our sustainability efforts.

Our sustainability strategy includes a comprehensive analysis of climate change risks and opportunities, enabling us to implement preventive measures to mitigate risks and reduce the likelihood of their occurrence. Adapting to the shifting market and production environment induced by the climate crisis is integral to our approach.

The risk management team is thoroughly examining the analysis with assistance from external experts to ensure its integration into strategic roadmaps and

corporate work plans. All progress must be reported to the Audit Committee on a quarterly basis and, subsequently, to the Board of Directors.

By proactively assessing risks, setting objectives, and adapting to market changes, we are committed to driving positive environmental outcomes while providing water solutions throughout the entire water cycle.

In this report, we address governance and management, following the Task Force on Climate-related Financial Disclosures, TCFD guidelines. We provide investors with details on the measures taken to mitigate climate change risks and their governance.



TCFD GOB-A, GOB-B

Core Areas based on Major Risks and Opportunities, by Stakeholders

CUSTOMERS

Distributors with the ability to create climate value for their

Governments and NGO's that achieve their climate objectives.

resilience.

CORE **AREAS**

Distributors. Develop commercial strategies focusing on the impacts of climate change by zone (adaptation and mitigation solutions). Train distributors and retailers regarding how our solutions help

drive the resilience of the population.

Governments and Non-Governmental Organizations.

Accompany the development of of the population to the effects of

End Users. Raise awareness regarding

PARTNERS (EMPLOYEES)

Resilient employees who are the climate in order to strengthen

Processes and Operations

Develop measures to reduce GHG efficiency.

Incorporate climate change as a variable in innovation to accelerate

Employee Teams

Raise awareness among employees of the impact of water solutions on the

Link workplace activities with the climate impact generated by Rotoplas products and services.

Address the risks of occupational with climate change (e.g., due to temperature imbalances).

SUPPLIERS

Suppliers who are aware of and

Assess and monitor suppliers based on their environmental performance as part of the life cycle of Grupo Rotoplas' products and services.

Support the development of climate impact and risk.

Foster efficiency and the reduction of GHG emissions throughout the logistics network.

COMMUNITY **BOARD OF DIRECTORS AND** FINANCIAL COMMUNITY **AUTHORITIES AND REGULATORY BODIES INTERNAL COMMITTEES** for investors. CORE Consider performance relating Provide relevant information on AREAS Participate in collective initiatives Encourage public participation and Bolster metrics and monitoring to Promote and/or participate in comply with data requirements and to water. transparency. partnerships. Use green financing schemes and compliance within the company. Develop indicators linked to climate markets.

Climate Change Strategy

We recognize the urgent need to tackle present-day issues, notably the climate change crisis. One of our primary objectives is to transition towards a low-carbon economy by reducing our carbon footprint across all facets of our operations.

We are currently rolling out measures to spearhead a low-carbon economy, by adopting targets such as:



Our Decarbonization Roadmap

We are also adopting further measures throughout our operations and processes, not to mention along our value chain, to achieve the goals embodied in our strategy: increasing energy efficiency, adopting renewable energy sources, and optimizing our transportation and logistics to minimize emissions, among others.

SCOPE 2

Adopting renewable energy across all operations.

Implementing energy efficiency and conservation measures.

SCOPE 1

Reducing fuel consumption.

Transitioning to more efficient production technologies.

> **DECABONIZATION ROAD MAP**

SCOPE 3

Conducting life-cycle analysis and certification for key products and services.

Applying ESG assessment criteria for suppliers.

Driving materials and product innovation.

Optimizing distribution routes and fleet.

We recognize the crucial role we can play in minimizing the risk climate change poses to the future of our planet, which is why, in accordance with our decarbonization roadmap to achieving a low-carbon economy, we continue working on the development and implementation of science-based emissions reduction targets based on the Science Based Targets initiative (SBTi) criteria and recommendations. As such, we will disclose our emissions annually to monitor the progress we are making in achieving these targets.

Environment & Circularity

We are committed to reducing value chain emissions to limit global warming to 1.5°C.

TCFD EST-C

For further information about our SBTi Commitment Letter, please click here.

Climate Change Risks and Opportunities

Through a wide-ranging survey that has been being conducted since 2019, we have identified the risks and opportunities associated with climate change to which we are exposed. This survey is regularly reviewed and updated with prevention and mitigation measures by our Risk Management, Commercial, Operations, and Sustainability departments. These measures are monitored through our internal control system, which is supported by third-party expertise.

Aligned with our Sustainability Strategy and Climate Change Policy 1999, which establishes the guidelines for reducing impacts from our operations, processes, and value chain, we have also developed operational procedures and driven innovation within our product and service portfolio to mitigate effects that are accelerating climate change.

Additionally, we have initiated a comprehensive assessment of physical and transition risks, identifying vulnerabilities in our operations to the effects and risks associated with climate change and water security. The goal is to adapt effectively to various scenarios, aiming to achieve a resilient transition that not only mitigates identified risks but also allows us to capitalize on emerging opportunities in this evolving context.

We focus on:



For further information about our Analysis of climate risks and opportunities and water security scenarios, please click here.

As part of this shared responsibility, we have specific lines of action for our stakeholders regarding their relationship with climate change.

STAKEHOLDER **LINES OF ACTION**

- Fostering a leadership culture to address climate change.
- Addressing climate change within the supply chain.
- Enhancing Rotoplas' resilience through technology and innovation.
- Integrating climate change criteria into distribution strategies.
- Promoting awareness of climate change mitigation and adaptation.



2-23, 3-3, 201-2

SASB RT-CH-530a.1, IF-WU-450a.4

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

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

Short term (2025)	Medium term (2030)	• Long term (2050)
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Type of risk ⁸	Description	Time horizon and probability of occurrence	Financial impact	Possible impact to our operations
Physical – chronic Extreme temperatures and heatwaves	Changes in the maximum annual average temperature and in the prevalence of heatwaves in Mexico and Central America operations	ModerateModerateHigh	2030: 0 - \$5,392,635 MXN 2050: 0 - \$6,862,381 MXN	 Extreme high temperatures can cause: Interruption of plant operations. Heat stroke in workers. Physical damage to tanks and Rotoplas' products and therefore increases in replacement costs. Damage to the company's reputation due to the perception of poor product design.
Physical – chronic Droughts	Assessment of the maximum consecutive days in a year where precipitation is less than 1 mm per day in South America operations	ModerateLowLow	N.A. – Due to the low probability of occurrence, this risk was not quantified	 The increase in the duration of droughts may cause: Increased risk of social conflict due to water shortages. Increases in operating expenses due to disruptions in the production of products and services in high exposure regions. Impacts on the availability of water resources, increasing prices.
Physical – chronic Droughts	Assessment of the maximum consecutive days in a year where precipitation is less than 1 mm per day in Mexico's operations	HighHighHigh	N.A. – Impacts associated to this risk are quantified in the "Extreme temperatures" and "Water availability" risks	 The increase in the duration of droughts may cause: Increased risk of social conflict due to water shortages. Increases in operating expenses due to disruptions in the manufacture of products and services in high exposure regions. Impacts on the availability of water resources, increasing prices.

⁸ 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.

Type of risk	Description	Time horizon and probability of occurrence	Financial impact	Possible impact to our operations
Physical – acute Intense precipitations	Intense precipitation measured in a period of five consecutive days within a year in the US operations	HighModerateModerate	2030: 317,212 - 1,906,045 MXN 2050: 326,500 - 2,014,004 MXN	Intense precipitation events can cause: River flooding disrupting supply chains, damaging key assets and causing operational disruptions at stores.
Physical – chronic Water availability	Water stress and scarcity in the Mexico and Central America operations	Very HighVery HighVery High	2030: 1,424,598 - 2,653,122 MXN 2050: 1,459,077 - 2,649,563 MXN	 A decrease in water availability can cause: Increases the risk of social conflicts. Increases in operating costs. Interruptions in the manufacture of products and services in high exposure regions, compromising their availability and increasing prices. Shortages of key raw materials, such as resins due to interruptions in water supply.
Transition – market Changes in the demand and availability of recycled resins	Access to post-recycled resin suppliers for the manufacturing of Rotoplas' products	ModerateHighModerate	2030: An opportunity of MXN 68 million in terms of resin cost reduction 2050: An opportunity of MXN 149 million in terms of resin cost reduction	 Changes in the key raw materials used by Grupo Rotoplas may cause: Difficulty in meeting its own goal of using sustainable materials. Limits to the group's ability to decrease its carbon footprint in its products. Reduced market and revenues.

Type of risk	Description	Time horizon and probability of occurrence	Financial impact	Possible impact to our operations
Transition – policy Increase in the exigence and expansion of regulations and policies related to water use and water quality	Increase in regulations related to water use in the markets where Rotoplas operates	Low Low Low	N.A. – Due to the low probability of occurrence, this risk was not quantified	 Increased enforcement or expansion of regulations and policies related to water use and quality may cause: Increased operating costs due to stricter water-related disclosure. Reduction in revenue due to a loss of market share if Rotoplas' product offering does not meet climate or environmental label standards and falls behind its competitors.
Transition – policy Increase in the exigence and expansion of regulations and policies related to climate change and carbon pricing	Increase in regulations related to climate change and carbon pricing in Mexico	 Low Moderate Moderate 	N.A. – The risk has not been quantified at this moment.	Increased policies related to climate change and carbon pricing may cause: Increased costs within the value chain. Increased operating costs due to increased implementation of measures to achieve more stringent climate targets, derived from an increase in Mexico's climate ambition.

MAIN IDENTIFIED OPPORTUNITIES, REFERENCING THE NOMENCLATURE **ESTABLISHED IN THE TCFD RECOMMENDATIONS.**

● Short term (**2025**) ● Medium term (**2030**) ● Long term (**2050**)

Type of opportunity	o Description	Time horizon and probability of occurrence	Financial impact	Climate change strategy initiatives
Technology New technologies in the water sector	Technological innovations for water management, including improvements in efficiency, automation, machine learning, AI and complimentary technologies	LowModerateVery High	Water leakage and evaporation 2030: ~0.23-0.79 million MXN 2050: ~0.3 - 1.06 million MXN Improved water management 2030: ~1.54 - 5.3 million MXN 2050: ~2.07 - 7.1 million MXN Improved wastewater treatment 2030: ~11 - 40,000 MXN 2050: ~15 - 54,000 MXN	New techniques or technologies that increase water and energy optimization can cause: Improvements in operational efficiency. Reduced leakage. Utilization of low-carbon energy. Water quality improvements.
Policy Increase in the number of policies related to water use and water security	Greater number of policies related to the improvement of water infrastructure and access to water and sanitation	Very HighVery High	2030: ~MXN 399 million plus an impact of over 2.8 million people with access to water and sanitation services thanks to Rotoplas' products 2050: ~MXN 533 million plus an impact of over 10.7 million people with access to water and sanitation services thanks to Rotoplas' products	 Increased enforcement and expansion of existing regulations, or creation of new policies related to water quality use can cause: Reduced capital and operating costs for water access and drinking water services. Access to a greater number of consumers through expanded access to water and the creation of new water infrastructure. Access to funding for the implementation of water management and water infrastructure projects.

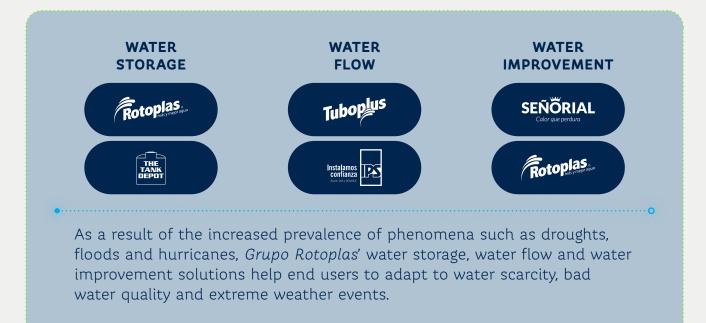
Solutions to Mitigate and Adapt to Climate Change

For over four decades, we have focused on creating solutions that make access easier to more and higher quality water. Our passion is to innovate and develop new technologies that allow us to provide individual water solutions, high-quality service, and maximum guarantee, all tailored to the water needs of each country, industry, and customer.

Unfortunately, in recent years, we have witnessed a global water crisis, with climate change being one of the triggering factors. This has led to an increase in natural disasters such as droughts, floods, hurricanes, and extreme storms.

In response to these challenges, we are developing solutions to adapt and mitigate the effects of climate change and water stress. Our value proposition emphasizes providing storage, water flow, and improvement products, along with purification, treatment and recycling, as well as irrigation services. This strategy aims to equip individuals for extreme weather events and help reduce their environmental footprint.

ADAPTING TO CLIMATE CHANGE



MITIGATING CLIMATE CHANGE



We strive to improve the energy efficiency of electric heaters, gas heaters, water purifiers that require electricity, institutional water dispensers, domestic purifiers and water treatment and recycling plants.

Through bebbia's water purification service, we contribute to reducing the consumption of single-use plastic bottles and raise awareness among our customers about the importance of mitigating their environmental footprint through the use of more sustainable solutions. Similarly, through our water treatment and recycling plants, we reuse water instead of disposing of it, helping to prevent groundwater contamination. rieggo also promotes sustainable agricultural practices with the goal of mitigating water-related issues in this industry.

To drive collaborative efforts to find solutions to the climate change crisis and to better understand our products, we are committed to keep our customers informed, raising awareness of the water and carbon footprints of our main products. As such, we undertook a water and carbon footprint analysis for our core solutions using ISO 14046 and ISO 14067 certification guidelines, respectively.

Through this study, we assessed the impacts our water footprint has on eutrophication, ecotoxicity and water scarcity, evaluating the input of harmful compounds that lower oxygen availability in water (eutrophication), that increase toxicity within the environment (ecotoxicity), and that drive the scarcity of water supplies (water scarcity). The results obtained suggest that a broad portion of the impact of our products is in the use and end of life stages, so as the production of raw materials.

As a result, we have developed environmental product cards that can be reviewed to better understand the water and carbon footprints of our products throughout their lifecycles, from the extraction of raw materials to end disposal and product recycling.

> For further information about our water and carbon footprint, please click here.



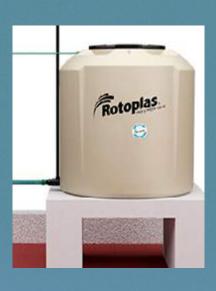
Our Low-Carbon Products

CONVENTIONAL 1,100 L WATER TANK



- Up to **5%** reduction in fuel consumption
- Up to 17% recycled material

1,100 L TINACO PLUS+ (WATER TANK)



- Up to 40% recycled material
- Up to 90% savings in water consumption during the manufacturing process
- **100%** of rejected products are reintegrated into production process
- 70% less manufacturing time vs. a traditional process
- Reduction of CO₂ emissions through use of recycled materials
- Manufacturing process allows greater participation of women

BIODIGESTER



- Sanitation system for houses not
- Domestic wastewater undergoes **primary** water treatment, protecting the environment and preventing groundwater
- Reduced methane emissions into the
- Increased **soil productivity** through increasing porosity and water retention capacity
- **Reduced contamination** of surface
- Up to **35%** recycled material



Environment & Circularity

> GRI 303-1

ELECTRIC SHOWER



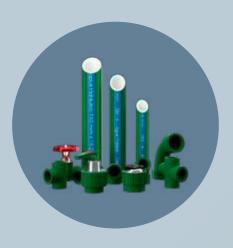
- 95% energy efficiency
- Substitution of fossil fuels for electricity
- Immediate hot water preventing water wastage during waiting time

BEBBIA - DRINKING WATER PURIFICATION



- **High-quality water** in offices
- **Reduction** of single-use plastic waste
- Reduction of CO₂ by eliminating the need buy bottled water

PIPES



- Water conservation through zero-leak technology
- Improved water quality through antibacterial coating
- Environmental certification of some SKUs (waterand energy-efficient manufacturing)

For further information about our low carbon products, please click here.



ROTOPLAS SERVICIOS DE AGUA (RSA) -**WASTEWATER TREATMENT PLANTS**



- Up to **90%** reduction of water use from local
- No contamination of rivers, lakes, and seas
- Water recycling for

RIEGGO - IRRIGATION SYSTEMS



- **Efficient** water use
- Reduced consumption of fertilizers and pesticides
- productivity

Our Solutions



In order to make our products and services easily accessible, we use a number of channels to engage with our clients. We work closely with distributors and plumbers, offering them the support and resources they need to ensure our offerings reach the end-users efficiently. We are also committed to enhancing the overall buying experience for our customers, making it seamless and enjoyable from start to finish.

Installation and Maintenance

We take pride in our robust platform, which covers the installation and maintenance of our solutions, delivered by our employees and specialized third parties. Our goal is simple: to better engage with our customers. We prioritize delivering a superior experience for our customers by fostering close relationships with plumbers and offering continuous training to ensure they have in-depth knowledge of our product and service portfolio.

Moreover, through our **Conocer** program, we have created a network of highly skilled plumbers by providing curriculumbased training and certifications accredited by federal authorities in Mexico. This ensures the proper installation and maintenance of our solutions, ultimately enhancing customer satisfaction and trust in our brand.

DURING 2023:

5,106 plumbers from Mexico and Central America were offered training, with a total of 10,212 attendances

4,434 hours of training for plumbers and installers in Mexico and Central America



& Circularity

GRI 3-3, 203-2

"

Since 2019, we have been coordinating our **Gana más con Rotoplas** program, aimed at rewarding the loyalty of our most valued partners: plumbers, retailers and distributors. They can earn Rotopoints and exchange them for a wide range of prizes and rewards. In Argentina, this program is called Club A, and it works in the same way: earning points for Rotoplas, Señorial, or IPS sales.

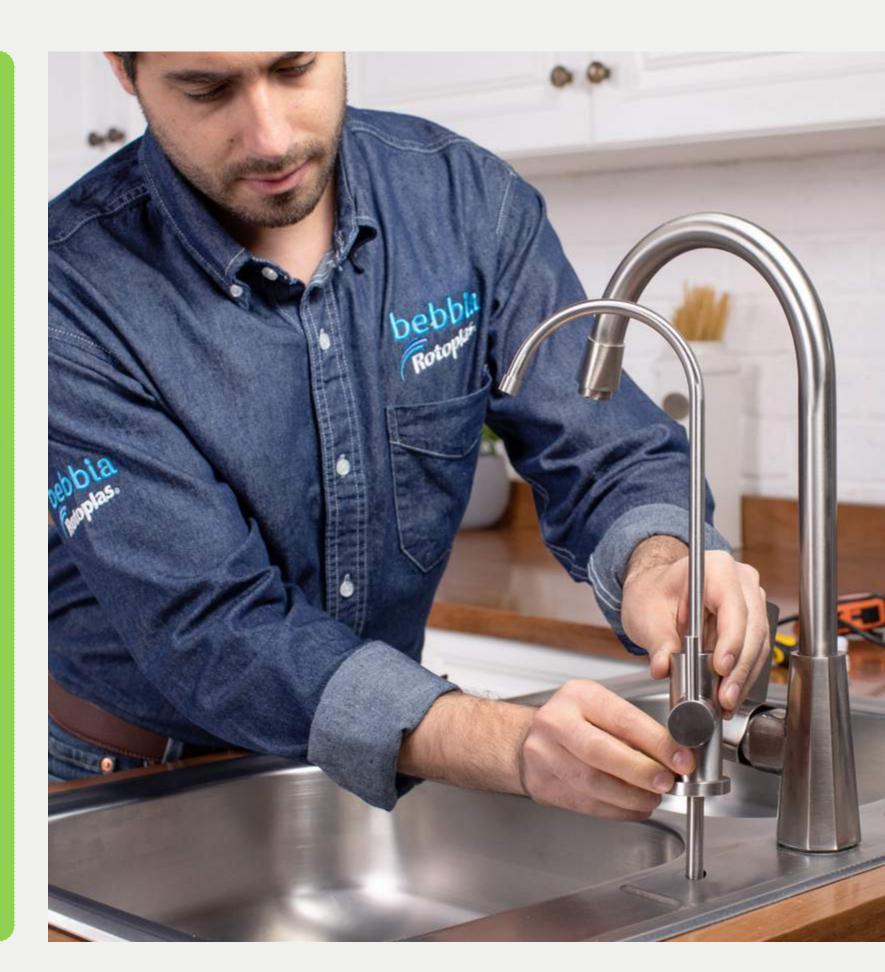
At Rotoplas, we understand the importance of recognizing and incentivizing the dedication of our partners. These programs not only foster loyalty but also strengthen our collaborative efforts within the water services sector.

21,914 plumbers are enrolled in Gana más con Rotoplas program: 8% more than in 2022.

500 plumbers in Mexico became ECO 079 "Water Solutions Advisor" certified by Mexican Ministry of Public Education (SEP).

In 2023. **373 installers** from Club A exchanged points for prizes, and **6,675 installers** were trained through 257 technical talks on water cycle solutions.

Likewise, in **Peru**, there is a training program for technicians and plumbers, successfully training 3,159 individuals.



Our Supply Chain and Distribution

All our stakeholders play a crucial role in our Sustainability Model, including our distributors, plumbers, and suppliers. Their collaboration has enabled us to deliver high-quality products and services.

We are committed to developing products of the highest quality through innovation in the raw materials we use. By continuously improving the products and services we offer, our goal is to meet

the evolving needs of our customers while prioritizing sustainability.

Furthermore, we are dedicated to diversifying our supplier base as we recognize the importance of resilience and flexibility in our supply chain. This approach strengthens our partnerships and ensures continuity in delivering excellence to our customers throughout the entire water cycle.

We have **3,800 suppliers** in our supply chain, and they were paid **MXN \$6.35**⁹ billion in 2023

All our suppliers are identified as **Tier-1 suppliers**

Supply Chain Figures

3,800 Tier-1 Suppliers

111 Critical Suppliers (46% of Annual Supplier Spending)

Environment & Circularity

2-6, 3-3, 204-1, 308-1, 308-2, 414-1, 414-2



⁹ The total amount spent in 2023 decreased significantly (~18%) compared to the previous year due to the drop in raw material costs and products' demand in some countries.

Critical Supplier Identification

As part of our Comprehensive Risk Management Strategy, we conduct an annual assessment to pinpoint essential suppliers, focusing on factors such as:

- The volume of raw materials they provide for the manufacturing of key products (whether they are unique, indispensable, or nonreplaceable due to the specific nature of the material/service they provide).
- The required production capacity and whether they possess exclusive technology essential for developing our solutions.

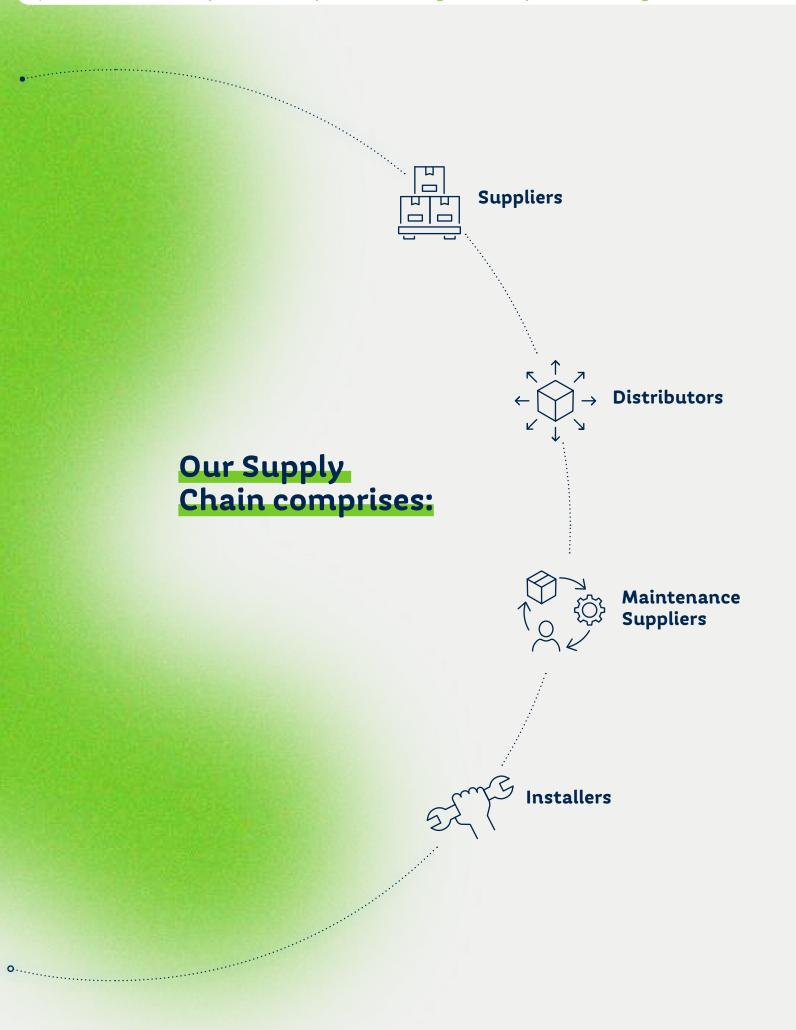
Responsible Performance

Every stakeholder is integral to our value chain, which is why we foster responsible Environmental, Social and Governance practices. We work closely with our upstream suppliers, who provide us with the necessary quality raw materials for production. We also work alongside our downstream suppliers, including our distributors, installers, and maintenance solution providers for bebbia, treatment plants and septic tanks.



Our Sustainable Procurement Policy

outlines the Environmental, Social and Corporate Governance (ESG) requirements for suppliers that are part of Grupo Rotoplas' supply chain, with the goal of promoting best practices and performance that aligns with our values, including include social and environmental responsibility. Sustainability criteria serve as a guiding framework for our efforts to mitigate or eliminate negative impacts that stem directly or from within our value chain. This includes initiatives such as promoting the use of recycled resins, creating products using less energy, and conducting assessments on human rights practices. Likewise, our Code of Ethics and Conduct, which also refers to Human Rights, applies to our entire value chain, including our suppliers and distributors.





The supplier of the material used in our fire protection pipe is EPD¹⁰ certified

For further information about our fire protection pipes from Tuboplus, please click here.

10 Environmental Product Declarations.

Suppliers ESG Assessment

By 2023, we have assessed 50% of our critical suppliers with ESG criteria, surpassing the 45% target we had set for this year. This assessment included a questionnaire focusing on best practices across ESG areas, laying the groundwork for developing an engagement strategy with these suppliers. Looking ahead to 2025, we aspire to encompass all 100% of suppliers that are classified as critical.

Additionally, we held 2 training sessions for our buyers in Mexico, Central America, and South America where we presented the ESG Assessment and guided them through the objectives and FAQs about the questionnaire. Follow-up sessions with buyers were held monthly where we updated the progress toward the year target.

Thanks to collaboration between our Quality and Procurement departments, we continued our audit program to certify suppliers and ensure quality in both our manufacturing processes and

the shipment of purchased parts. In 2023, in partnership with an external entity and through several site visits, we successfully certified 47 suppliers. Looking forward to 2024, we have scheduled over 31 audits as part of our ongoing commitment to quality assurance.

In addition, through our Procurement department, we are using a platform developed by a company affiliated with the World Compliance Association.

This platform utilizes data science and machine-learning technologies to review and identify risks within our supply chains. Our aim is to ensure that our suppliers become VP360 certified via this platform given that it covers various ESG topics, including money laundering, the financing of terrorism, drug-trafficking, anti-corruption measures, human rights violations, arms control, terrorism, child labor, and environmental violations. among others.

In 2023, three of our suppliers were part of the Mexican Stock Exchange's (BMV) Sustainability Support Program (PAS)

CRITICAL¹¹ SUPPLIERS ASSESSED USING ESG CRITERIA:



92% of our active suppliers at a Group level became VP360 certified Reliable Suppliers throughout 2023

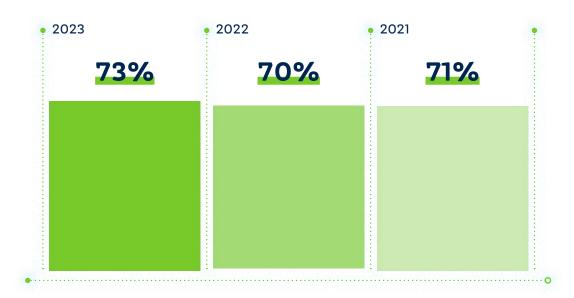
¹¹ The selection or screening process of critical suppliers is carried out according to the relevance they represent for the company and taking into account the factors mentioned in the 'Identification of critical suppliers' within this chapter." 12 45% of our suppliers classified as critical.

2023 2022 2021

Our Commitment to **Local Suppliers**

At Rotoplas, we are committed to developing the local supplier ecosystem in each of the countries in which we operate, earmarking 70% of our budget to domestic suppliers.

EXPENDITURES ON LOCAL SUPPLIERS



PERCENTAGE OF EXPENDITURE **ON SUPPLIERS BY CATEGORY**





Distribution

We are rolling out our Financial Forecasting tool, enabling us to streamline planning for raw material inventory, products, and transportation. Furthermore, we use Oracle Transportation Management (OTM) for transportation, allowing us to optimize routes and loads, thereby enhancing delivery efficiency and reducing costs per route. It also provides real-time

information on the location of units, which can be promptly communicated to our customers. This system has been successfully implemented across all units within the Group. In Mexico, we also have the Rotoplas Transportation Management System (RTMS), which allows our customers to allocate orders and monitor their deliveries.

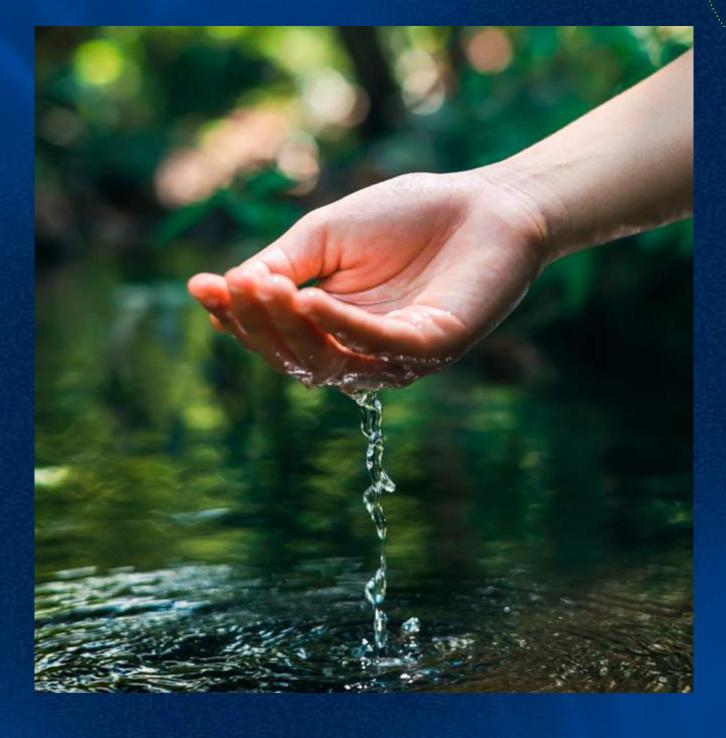
Water Conservation and Awareness



Social Development

GRI 3-3

IP



We are fully aware of the paramount importance of water conservation; water is not just a vital resource for life, it is the cornerstone of sustainable development and social well-being. We are committed to fostering a culture of water conservation among communities, leveraging strategic partnerships to amplify our impact. Understanding that meeting the demand for clean water is essential for economic and social advancement, during 2023 we rolled out a series of initiatives throughout Mexico, Argentina and Peru to raise awareness regarding water conservation.

Together, we want to ensure that every drop counts to create a more sustainable future for all.

MEXICO

The Rotoplas-FUNAM Award was created in 2021 to recognize the crucial role that innovation plays in developing new technologies to address water-related challenges. This award is coordinated in collaboration with the National Autonomous University of Mexico (UNAM) in its role as a prominent public educational institution, not to mention its crucial contributions to knowledge development. For the third edition of this project, in 2023 the Rotoplas-FUNAM Award considered a gender perspective, as the bestowed projects were fully led by women.

2023 awards

Project 1

MXN \$96,666

Project 2

MXN \$96,666

Project 3

MXN \$96,666

ARGENTINA

We rolled out our Water Debate program, a public-private initiative aimed at creating a space for research and critical thinking on water management and conservation. This program was specifically designed for middleschool students, empowering them to act within their communities. By involving young people in these discussions and actions, we are helping to build a more sustainable future and encouraging them to take responsibility for protecting our valuable water resources. Over 1,300 students and 52 schools in 5 municipalities participated in the program. Additionally, efforts were made in terms of external communication, and in partnership with *Instituto* Argentino de Responsabilidad Social y Sustentabilidad (IARSE), networking and training sessions were implemented in subjects related to water and community.



PERU

As partners of SUNASS, the national entity in charge of water and sanitation, we were involved in the 10th edition of the National School Contest "Best practices in water conservation" where over 811 schools across the country participated in a series of events dedicated to awareness in terms of water supply.





OUR WEBSITES

In collaboration with other organizations, we offer three online platforms that are publicly available to help promote water conservation. These platforms serve as valuable resources for individuals looking to enhance their understanding of water conservation practices and sustainable water management efforts.

Agua.org.mx

An interactive portal from the Fund for Environmental Communication and Education¹ aimed at improving water management in Mexico by involving everyone.

Fan del agua

A proprietary web community to raise awareness about proper water use.



A portal for individuals to calculate their water footprint, based on their water consumption. individual habits, and consumption patterns.

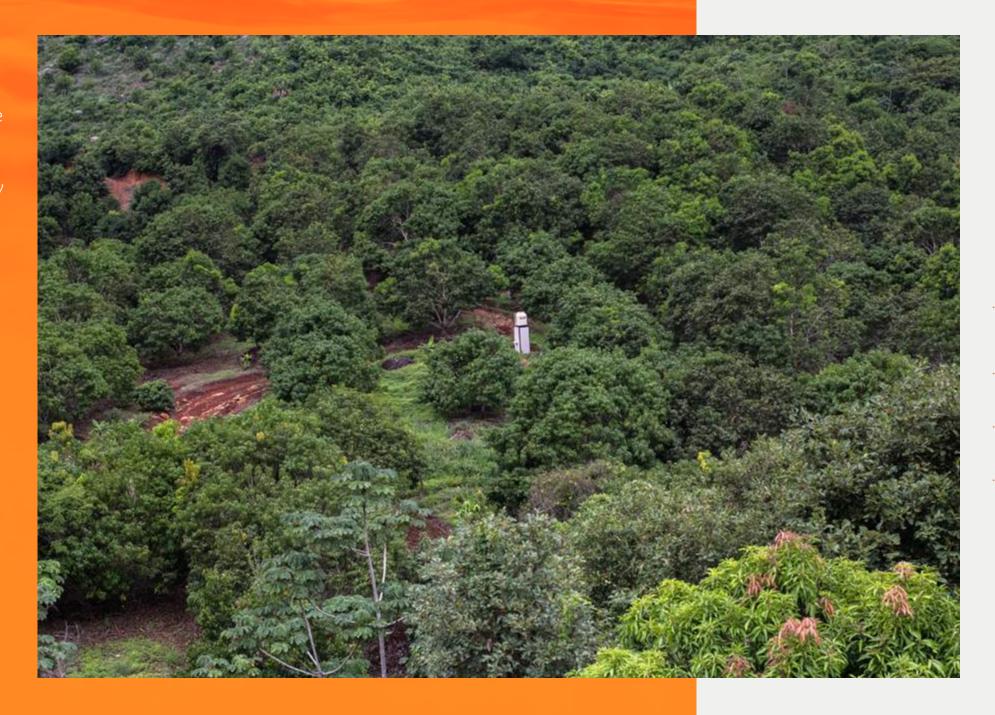






Our Social Initiatives

Through our solutions, we help businesses and the agricultural sector develop more sustainable practices, particularly in terms of how they mitigate their environmental impact and water footprint. Additionally, we empower communities to become more resilient by providing access to water, aligning with our goal of bringing access to sanitation to a cumulative total of one million people, taking into consideration primary treatment solutions or biodigesters sold since 2021.



Social Development

GRI 3-3, 203-1, 203-2

SASB IF-WU-000.A

800,000
people benefited with access to sanitation by the end of 2023

Community Support and Sanitation programs

Our Social Investment Strategy focuses on projects aimed at fostering community development throughout Mexico, Peru and Argentina. These initiatives focused on enhancing quality of life through efforts that promote access to clean water and its conservation.

Social

GRI

1, 8

Development

3-3, 203-1, 203-2

SOCIAL INVESTMENT²

MXN \$16M social investment during 2023

491,159 people benefited

71,746 children benefited

For further information about social investment by country, please click here.



² Includes contributions to NGOs, in-kind and cash donations to initiatives during 2023, as well as the cultural and waterawareness activities described in this chapter.

MAJOR SOCIAL INITIATIVES IN 2023:

Country	Initiative	Description	
MEXICO	Alliance with Fundación Acciona	Rotoplas and Fundación Acciona have partnered to provide clean water access to three Zapotec communities in Oaxaca, installing 50 Rainwater Harvesting Systems (SCALL) that use 5,000-liter cisterns. This project aims to benefit around 200 people currently relying on unsafe water sources. These communities facing water scarcity will receive support for long-term maintenance, empowering them to become self-sufficient in utilizing renewable technologies and improving resilience against water stress and climate change.	
	Call to "A Fluir"	Partnership with the United Nations Development Programme (UNDP) aimed at benefiting municipalities with high levels of social deprivation and water stress through donations of Rotoplas products and additional support, such as training and guidance. It was rolled out in the states of Michoacán, Oaxaca, Querétaro, Chiapas, Mexico, Hidalgo, Tlaxcala, Puebla, Veracruz, Yucatán and Chihuahua.	
	Water Program for Affected Areas (PAZA) ³	In response to the damage caused by Hurricane Otis in Guerrero, Mexico, the Water Program for Affected Areas (PAZA) was reactivated, providing in-kind donations to the community and supporting employees, distributors, customers and allies in meeting basic needs, as well as in the subsequent reconstruction of homes. This initiative benefited areas in the state of Guerrero, including Acapulco, Coyuca, Chilpancingo and San Marcos.	
	Volunteering program	Two volunteering activities developed in Mexico City and Mérida in collaboration with "Rios Limpios A.C.", where over 60 administrative and operative workers from the Mérida and Anahuac plants, as well as the headquarters, participated in the clean-up of a river in Mexico City and a beach in Yucatán, collecting over 2.5 tons of waste.	
*			

³ Programa de Agua para Zonas Afectadas (PAZA).

MAJOR SOCIAL INITIATIVES IN 2023:

Initiative	Description	
Volunteering program	In collaboration with the local NGO <i>Módulo Sanitario,</i> 38 Rotoplas Argentina employees attended a full day activity where 8 sanitary modules (complete bathrooms) were installed for families in the Agustoni neighborhood, close to the Pilar Plant.	
Water Debate program	In collaboration with <i>Asociación Conciencia</i> , it is a public-private initiative that seeks to create a space for research and reflection on water management and care, aimed at 1,300 high school students from 52 schools to become agents of change in their communities.	
"My first sanitation facility" program	In collaboration with Habitat for Humanity Argentina ⁴ (HPHA), 250 families were provided with storage and sanitation solutions, along with support for a community kitchen serving 200 children. Sanitation training sessions were conducted for families in various neighborhoods from Buenos Aires, such as San Martín, San Fernando, Merlo, Tigre, 3 de Febrero, Pilar, Campana and La Matanza.	
Volunteering program	Rotoplas' plant in Peru participated in the annual volunteering program organized by the Municipality of Lima with a clean-up of the margins of the Lurin River.	
Lomas Verdes project	Rotoplas donated water tanks to contribute to the recovery of a park in the Comas neighborhood.	
Program in response to Yaku hurricane	In collaboration with the NGO "Techo", water tanks were donated to communities affected by Yaku hurricane in San Juan de Lurigancho.	
Program in response to water shortages in Lurin	12 water tanks donated to the Lurin municipality in response to the water shortages that affected this municipality.	
ASEO and Independencia Sostenible programs	Support in the construction of sanitation facilities for 5 schools located in municipalities across the country. This project included the donation of water tanks and pipes, pumps, and sanitation equipments.	
	Volunteering program Water Debate program "My first sanitation facility" program Volunteering program Lomas Verdes project Program in response to Yaku hurricane Program in response to water shortages in Lurin	

⁴ Hábitat para la humanidad argentina (HPHA).

User Experience and Quality of Life

We recognize that our users and clients are the cornerstone of our business. Our commitment lies in providing them with the finest products and services available, ensuring that we remain the top choice for water solutions that are accessible to all. We are dedicated to

meeting and surpassing the needs and expectations of our customers, offering them a comprehensive experience characterized by empathetic, simple, agile, and memorable service.





Social Development

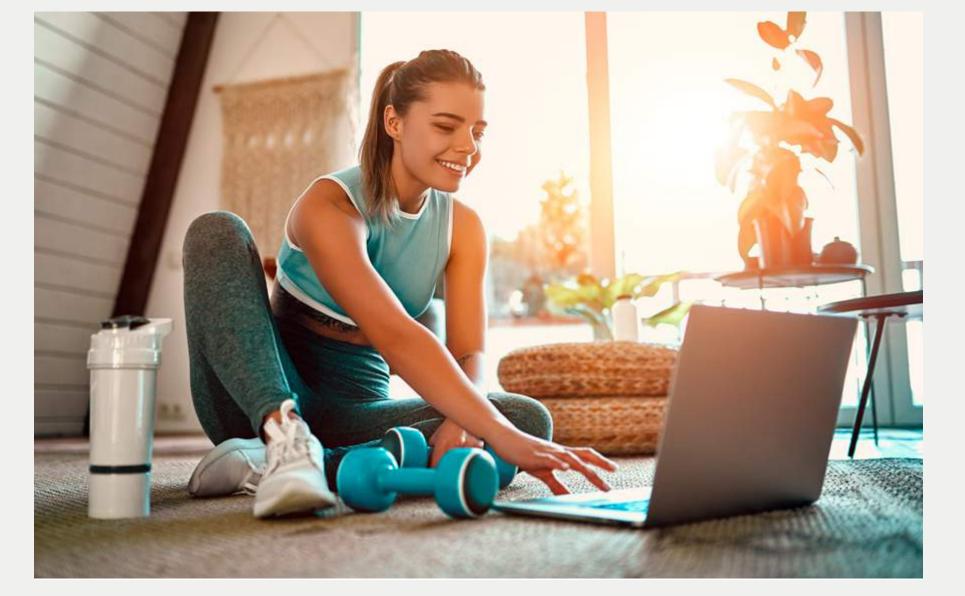
3-3, 417-2,

User Experience Center of Excellence (CoE)

The CoE is responsible for analyzing various areas within the company to review the advances being made in our customer-centric approach and to goal, we leverage our Insights Center, a digital platform that distributes information about the needs and

During the year, we received no fines related to either the information and labeling of our products or for our marketing campaigns.

develop new capabilities. To achieve this expectations of our customers and users.



Development



The CoE comprises three areas responsible for implementing our user experience strategy to help identify and address any areas of opportunity:

VOICE OF THE CUSTOMER (VOC)

Monitoring of VoC indicators across all business units.

Launch of satisfaction surveys for our services and products, enabling us to identify areas of opportunity throughout the customer journey.

Surveys to better understand bebbia's customer profile.

Lean and after-sales validations.

STRATEGIC DESIGN

Customer-focused methodologies that combine different areas for their execution.

Value proposition analysis through visits and interviews.

Product and service design and innovation, transition to the digital era (app improvement).

Data analysis.

CUSTOMER-CENTRIC CULTURE

Customer-focused culture that empowers areas that have a direct relationship with

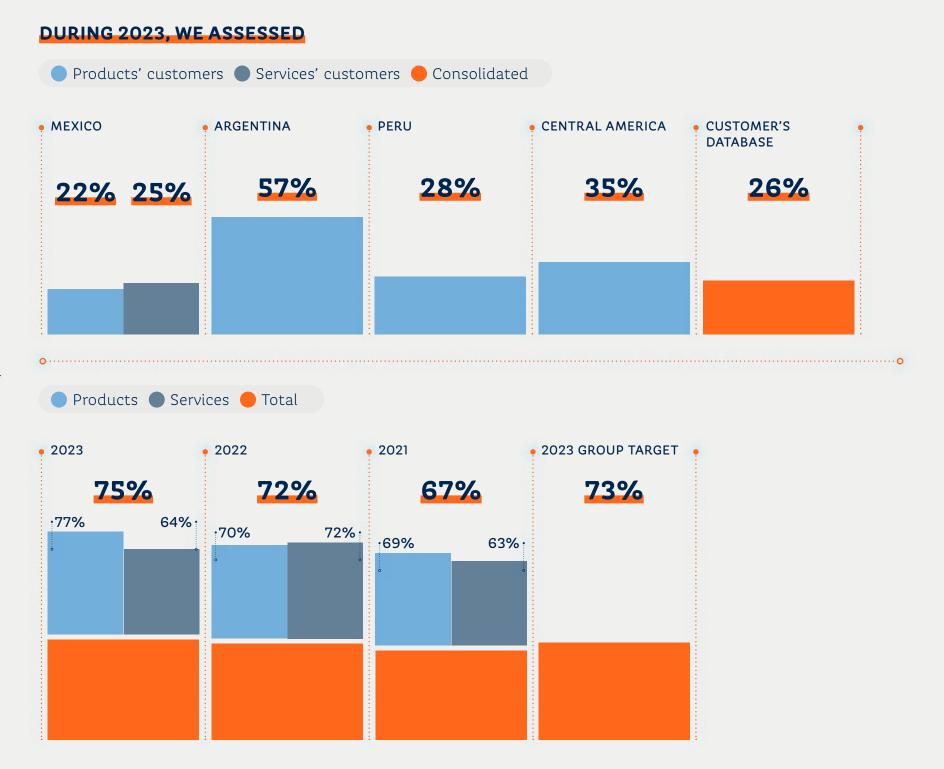
Redesign of the Net Satisfaction Score (NSS).

Implementation of Customer Experience committees: Mexico, Peru, Argentina, Central America, bebbia (residential), bebbia (institutional) and RSA. These committees, that work on a weekly basis, allow to increase action in terms of customer experience.

Net Promoter Score (NPS)

As part of our sustainability strategy and our goal of reaching an 80% Customer Satisfaction (NPS) score by 2025, in addition to being a component of our company's digitalization efforts, we are currently rolling out a series of initiatives to enhance customer service. With the support of AI, we are working to optimize our understanding of our customers' needs and enhance how they engage with us.

To measure our customer experience, we conduct a comprehensive assessment that focuses on both product quality and the service and experience we deliver.



⁵ The consolidated figure for Grupo Rotoplas is 26%.

HUMAN CAPITAL

Our employees play a fundamental role in meeting customer needs and ensuring the sustainability of our business.

To guarantee that our company is a great place to work for all our team programs, practices, and initiatives aimed at attracting and retaining top talent. By prioritizing the well-being and professional development of our employees, we strengthen our ability to

members, we have implemented policies, deliver exceptional service and drive longterm success.



Capital

GRI

ODS





Our Team

We take immense pride in our team as they are the driving force behind our achievements and the innovation in our water solutions. As part of our Flow program, we provide our employees with safe, diverse, and inclusive workspaces, as well as promoting health and wellness habits and offering ongoing training to foster their personal growth and development within the company, all while enhancing their motivation.

Aligned with the four pillars of the Rotoplas Way, we promote a responsible organizational culture where our employees actively contribute to generating positive impacts for society and the environment, participating in the creation of innovative solutions throughout the water cycle.



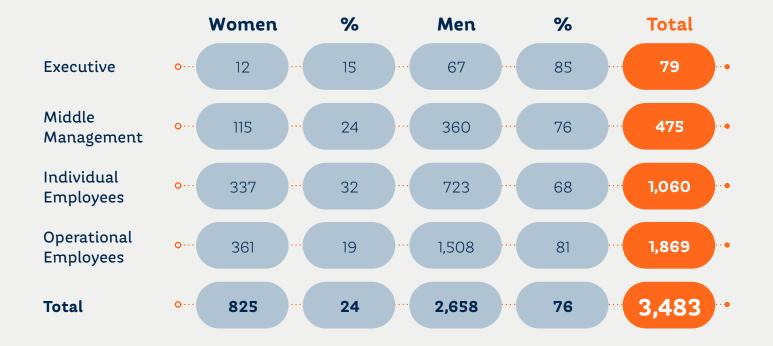


Human Capital

GRI 2-7, 405-1

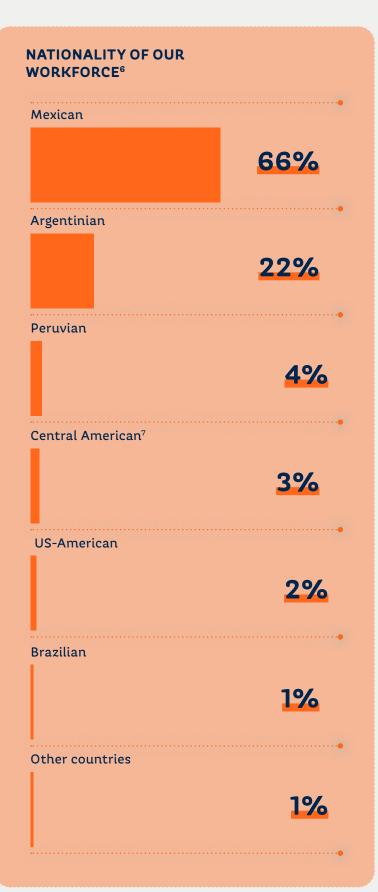
In 2023, our workforce was comprised of 3,483 employees:

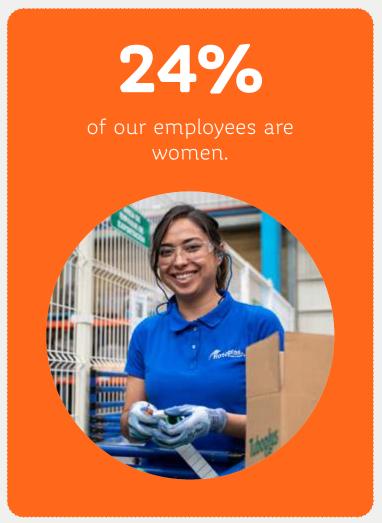
825 women and 2,658 men, covering a range of countries and nationalities. The total number of employees includes Rotoplas employees who were actively employed as of December 31, 2023, and encompasses the following categories: Executive, Middle Management, Individual Employees, and Operational Employees.





⁷ Corresponds to employees with Guatemalan, Nicaraguan, Honduran, Salvadoran and Costa Rican nationality. 8 We respect our employees' right to free association, with 54% forming part of one of the 14 Grupo Rotoplas unions in Mexico or Argentina. We should note that, over the past 5 years, we have had no strikes in any of our locations.











New Hires and Turnover





Human Capital

GRI 3-3, 401-1, 404-2

As a company deeply embedded in the geographies we serve, our commitment to attracting and retaining top talent has led us to invest in innovative recruitment strategies, ensuring that we continue to thrive and contribute to both local economies and social progress as a significant generator of employment opportunities.

Leveraging Artificial Intelligence (AI) through our eightfold.ai program, we have revolutionized our approach to talent acquisition by enhancing our ability to identify and assess skills across diverse talent pools and networks. This proactive approach helps us eliminate gender and other biases and allows us to effectively analyze the capabilities of our talent pool to fill new vacancies.

1,110 new hires in 2023, 83% of whom were under indefinite contracts

104 vacancies were filled by internal personnel, 28% of whom in 2023 were women

Talent Attraction and Retention

ROTOPLAS LEADERSHIP ACADEMY

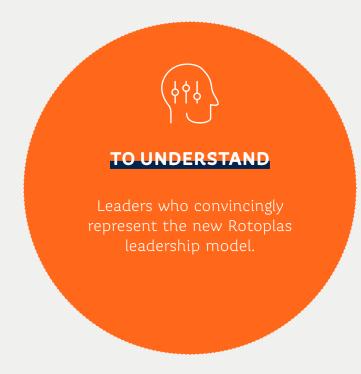
Target: Leadership positions, middle management, and individual employees who have no employees working under them.

Description: A course that seeks to bolster the knowledge and skills of administrative employees to drive their resilience and adaptability.

2023 Results

59% of administrative employees have completed this course, 27% of our total workforce

Our *Flow* strategy makes the implementation of this program more meaningful for the evolution of work teams:







We adhere to the Rotoplas Leadership Model, which focuses on the four pillars that embody who we are: Passion about Customers, People Development, Innovation Catalyst, and Performance Multiplier.

ROTOPLAS **LEADERSHIP** MODEL

PASSIONATE ABOUT CUSTOMERS

Treats the customer empathy throughout the Listens, understands,

Anticipates customer and metrics.

Demonstrates consistency throughout the customer experience.

PEOPLE DEVELOPMENT

Incorporates coaching and feedback into day-to-day activities.

Demonstrates confidence and empowers his or her employees.

Acts as a role model (e.g., acts humbly, accepts mistakes, etc.).

Integrates diverse, highperforming teams.

INNOVATION **CATALYST**

PERFORMANCE MULTIPLIER

Demonstrates responsibility for achieving ambitious results.

Inspires others to aim higher.

Creates clear, challenging, and achievable goals.

Publicly and individually recognizes others for their achievements and progress.

middle-management participants with 18 hours of e-learning training during 2023



Human Capital

GRI 404-2

PROFESSIONALS IN DEVELOPMENT PROGRAM⁹ (PRODES)

Target: Young talent in the final years of their undergraduate studies.

Description: Our program provides parttime engagement in four projects over a two-year period, allowing participants to acquire invaluable insights into the operations of different areas within Rotoplas. Serving as a talent seedbed for the company, at the program's conclusion attendees actively participate in the selection process for full-time positions within the organization.

2023 Results

3 participants.

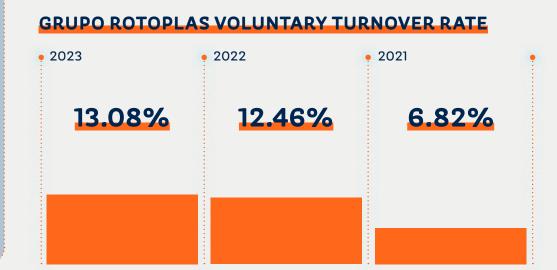
LEADERSHIP SUCCESSION PLANS

Target: Key positions held by individuals who are close to retirement or who, in the event of leaving the company, could cause disruptions in the execution of the strategy.

Description: Ensure the continuity of the position by identifying internal candidates with the potential to be successors, aligning the succession plan with their career plans

2023 Results

143 employees have been mapped for



IN 2023, WE HAD A TOTAL OF:

892 indefinite contract departures at a Group level, 50.2% of which were voluntary.

Voluntary turnover rate of 13.08%¹⁰.

Note: Turnover rate does not include departures due to transfer, retirement, death, or temporary positions.

⁹ Profesionistas en Desarrollo (PRODES).

¹⁰ Calculated by considering the voluntary departures of indefinite contracts during the year divided by average monthly employees.

Diversity, Equality and Inclusion

Diversity, inclusion and gender equity are core values within our company. We cherish the unique differences of our team members as they fuel innovation and enable us to provide fresh solutions, in addition to enhancing our competitiveness and offering superior service to our customers and consumers. We foster diverse and inclusive workspaces to enrich our work environment and facilitate optimal talent development.

Our Diversity Policy underscores our commitment to upholding human rights and respecting the dignity of individuals. Discrimination, harassment, or any form of intolerance is strictly prohibited both inside and outside of Rotoplas. This policy applies across all aspects of the company, from talent selection processes to internal promotions, compensation, benefits, and our day-to-day conduct.

We continue to develop action plans focusing on diversity and inclusion through our Diversity and Inclusion Committee, which, in turn, comprises of three subcommittees: Gender, LGBTIQ+, and Disability. These subcommittees are part of the nine working groups that underpin the work being done by the Sustainability Committee. Each of the subcommittees comprises members from the human resources department and other areas tasked with driving the achievement of set goals, along with volunteers from various departments.



Human Capital

GRI 3-3, 2-23, 406-1

women (24%) are part of our workforce

of women within our workforce hold STEM positions

We publicly adhered to the PrideConnection and the Mexican Council to Prevent Discrimination principles to promote equality and diversity in the workplace



CORE AREAS OF ACTION AND INITIATIVES BY SUBCOMMITTEE:

GENDER

- ♦ #MujeresRotoplas campaign in March.
- Monitoring of pay gap and female turnover indicators.
- ◆ Publication of 2 internal podcasts: "Rotoplas Women" and "We are in this together".
- Creation of initiatives aligned with Bloomberg GEI.
- Development of a Diversity & Inclusion strategy aligned to the (Mexican Norm) NMX-025 in labor equality and non-discrimination.
- Gender bias workshops.
- ♦ Launching of the FUNAM-Rotoplas award with a gender perspective, i.e., exclusively for women in STEM careers.
- ♦ Group level commitment to our Zero Tolerance Against Gender Violence policy through the update of the Code of Ethics, which has consolidated:
 - Our position and guidelines regarding for this type of conduct.
 - Use of the Confia Rotoplas reporting channel, legal advice and psychological care for violations of the Zero Tolerance Against Gender Violence policy.
 - Monitoring of cases by the Ethics Committee and the right to file a complaint before the authorities.
- ♦ Women's circle: over 150 participants from Mexico, Central America, Peru and Argentina where they interact with different activities, such as a reading circle, life experiences from Rotoplas coworkers, and conferences.
- ♠ Participation in the March 8 demonstration in Mexico City.

LGBTIQ+

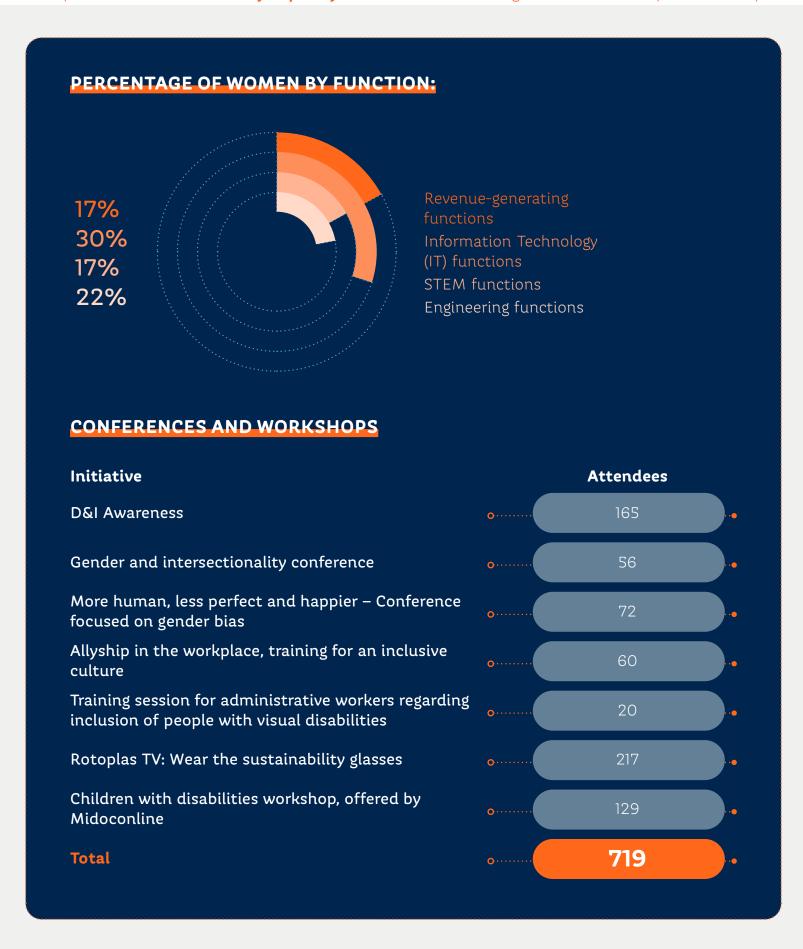
- #AtréveteASerTú (#BeYourself) and #OrgullosamenteRotoplas (#ProudlyRotoplas) campaigns launched in June.
- ◆ 2 podcasts developed by employees and distributed across the organization: "My LGBTIQ+ story" and "Coming out of the closet at work".
- 3 internal communication materials distributed to all Group employees regarding inclusion and diversity.
- ♠ Affiliation to PrideConnection, an association that provides information, training and events related to diversity, equality and inclusion for people in the LGBTIQ+ community in Mexico.
- Participation in the Pride demonstration in Mexico City.
- ◆ Adherence to the "Principles to Promote Equality and Diversity" of the Mexican Council to Prevent Discrimination.
- For the first time in Rotoplas history, an external positioning was released during Pride Month.



PEOPLE WITH DISABILITIES

- ♠ An assessment of operations in Mexico was undertaken across 4 core areas: People with Disabilities in the Workplace, Culture, Business Practices, and Adaptations for Safety. We were presented with the IILPCD 2023 Results Report (Index on the Inclusion of People with Disabilities in the Workplace) by Éntrale.
- ♦ Identification of individuals with disabilities who are part of the current workforce.
- ◆ Investment in the adaptation of our main offices to be inclusive to people with visual disabilities.
- Participation in the "People with disabilities" demonstration in Mexico City, where bebbia sponsored hydration services to all attendants.
- ♦ A format for job compatibility analysis was created and the assessment processes were rolled out at some work centers.
- Communication campaigns in December: "International Day of People with Disabilities" and "Basic concepts about disabilities"
- ◆ Certification with standard NOM-034-STPS-2016 (Safety Conditions for Access and Development of Activities of Workers with Disabilities in Workplaces).
- Disability training to raise awareness regarding types of disabilities and how individuals with disabilities can be incorporated into the workforce.

employees participated in various diversity and inclusion training sessions and webinars during 2023.



Our Ethics Committee comprises 4 female members and 4 male members, achieving a greater gender balance

Given the nature of both the industry and the sector, there is a higher representation of men in the workforce, which is why we are committed to promoting equity. To do so, we have aligned our company with the Women's Empowerment Principles, and we continue working on diverse initiatives to achieve our goal of having 30% women in the workforce by 2025.

Likewise, to ensure a work-life balance, we offer our employees a range of allowances and benefits. We encourage future mothers and fathers to use their maternity/paternity leave.

MATERNITY AND PATERNITY LEAVE DURING 2023:

79 employees in total: 21 women and 58 men

100% rate of return



401-3





Human Capital



Remuneration

In line with our Diversity policy, we offer equal opportunities to all our employees regardless of identity and characteristics. As such, we ensure that the remuneration received by our workforce is aligned with the activities each employee performs within the organization, free from any gender bias or any other biases unrelated to the skills and competencies required to successfully carry out said tasks.

In Mexico, we conduct a salary assessment on a yearly basis in accordance with the Federal Labor Law. Furthermore, every two years, we review allowances and benefits, aligning them with market, industry, and social context standards, striving to maintain a high level of competitiveness through fair and optimal compensation and benefits that drive the well-being of our employees. Likewise, in Argentina, salary negotiations take place nationally between unions and industrial chambers.

26% of our employees are part of a variable compensation scheme that is linked to performance goals. Furthermore, executives receive bonuses depending on the annual results within their area

Training and Talent Development



Training

To foster the personal and professional development of our employees within the company, we offer training initiatives aimed at ensuring their continuous growth. This includes conducting talent review assessments, which enable us to identify areas for improvement and development. We subsequently tailor soft skills programs to address these needs, integrating them into customized development plans.

MXN \$18 million invested in the training of our workforce



AprendeR Platform

We have a cutting-edge e-learning platform called *AprendeR*, which greatly facilitates the training of our employees. *AprendeR* enables remote learning and offers flexible scheduling options, making it easier for our team to enhance their skills and knowledge at their own pace.

3,932
online hours delivered in 2023

18,983 training hours delivered in 2023

3,999 to administrative employees

14,984 to operational employees

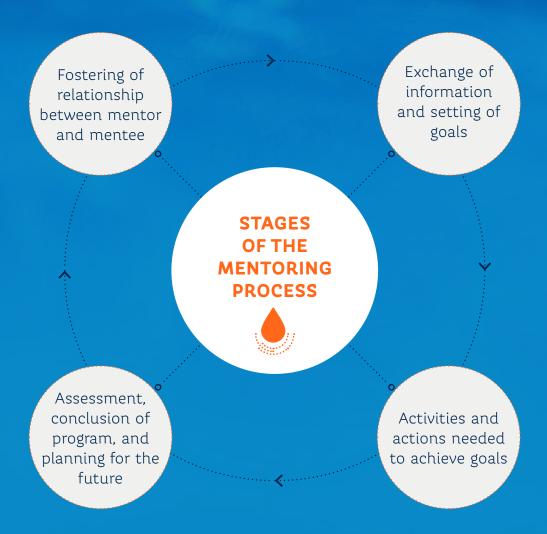
1,696
participants were trained through *AprendeR* courses during 2023.

Other Development Programs

MENTORING PROGRAM

We rolled out a mentorship program in July 2022 aimed at enriching the organization's intellectual capital by fostering talent through exchanging knowledge, experiences and vision among our leadership team. This 10-month-long process has yielded significant results.

19 mentors along with 16 mentees are currently part of this program



Performance Evaluations

We conduct annual performance evaluations to identify strengths and areas of opportunity for our administrative employees; however, these performance evaluations are not applicable for employees in operational roles or those on temporary contracts.



Performance Measurement Dashboard: Aligned with Grupo Rotoplas' strategy and OKR's (Objectives and Key Results).

88% of administrative employees were evaluated during 2023 using the Performance Measurement Dashboard

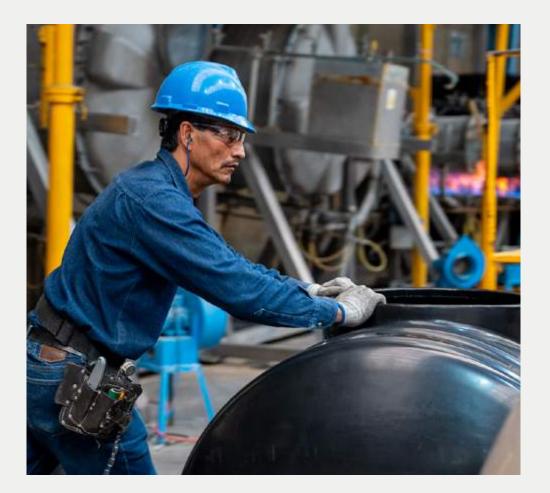
2 360-Degree Evaluation:
Targeted towards individuals in leadership positions within the organization, this assessment is based on the Rotoplas Leadership Model.

100% of our administrative employees were assessed through the 360-Degree Evaluation



Human Capital

GRI 3-3, 404-3



Within our assessments, we ensure that employees align with our ethical principles and culture of compliance, thereby reaffirming their commitment to Grupo Rotoplas' growth

Performance Evaluation Processes

EXECUTIVES

Group's OKR's.

PERFORMANCE MEASUREMENT DASHBOARD INDICATORS

360° Evaluation and OHI (Organizational Health Index). This is an annual process as the final score forms part of the talent indicators for the final

performance evaluation.

Strategic objectives based on the

MIDDLE MANAGEMENT

Strategic objectives based on the Group's OKR's.

360° Evaluation and OHI (Organizational Health Index).

INDIVIDUAL EMPLOYEES

Strategic objectives based on the Group's OKR's.

360° Evaluation and OHI (Organizational Health Index).

Mandatory courses for our administrative employees cover Compliance, Gender Violence, Personal Data Protection, and the Leadership Academy, underscoring our dedication to fostering a responsible and compliant workforce.

In 2023, the plan for Referenced Value Units (UVR) was extended not only to certain officers and key executives of the Company but also to senior managers. The Referenced Value Units plan consists of a variable compensation scheme awarded based on achievements and

results obtained during the year. This compensation comprises virtual units assigned to the plan's participants, known as "Referenced Value Units" (UVR). The value of these units is linked to the value and economic rights of the Company's outstanding shares.

ReConoce **Program**

We created our ReConoce program 2 years ago, and it is aimed at providing constructive feedback for our administrative staff and encouraging them to express appreciation based on Rotoplas values. Employees are recognized in categories such as training, behavior, healthy lifestyle, workplace climate, and culture, and they are rewarded with points that can be redeemed for different prizes.

77% of participation, with the following recognitions being issued:

Thank You (Values)

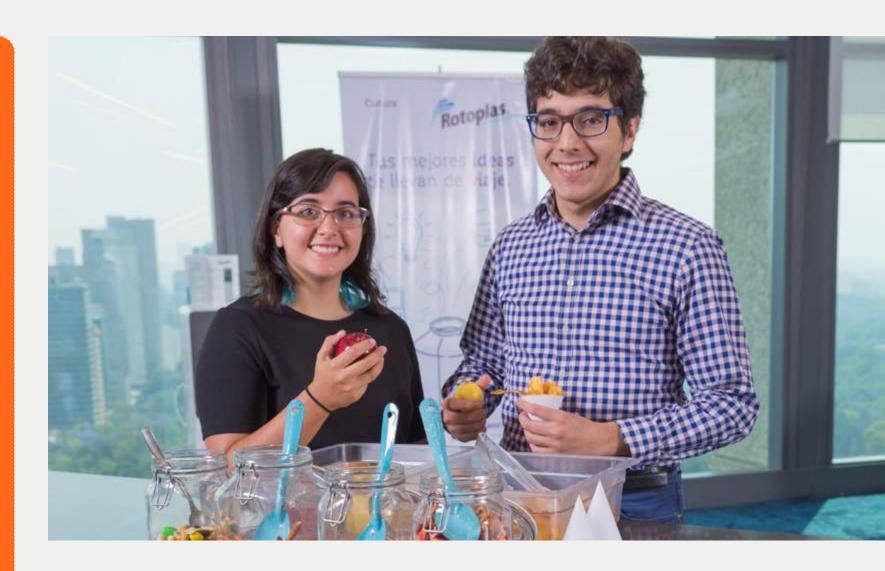
16

Proudly Rotoplas

RotoFriends

Thanksgiving and Thank You for One More Year

181



5,231 points were accumulated and transformed into grouplevel redeemable prizes during 2023



Occupational Health & Safety

associated risks, and reducing potential

accidents and illnesses that could impact the health and mental well-being of our

employees. We prioritize healthy lifestyles

and foster a climate and culture that are

We have the HSE (Health, Safety, and

Environment) Management Model

to ensure the physical integrity of our

employees in the workplace, as well

as that of our contractors, suppliers,

facilities and plants. This model is underpinned by the **HSA Policy** and

logistics operators, and visitors to our

conducive to wellness.

three committees:

HYGIENE, WORKPLACE At Rotoplas, employee health and safety **SECURITY AND ENVIRONMENT** are our top priority. We foster a culture **POLICY** of prevention in all our activities and operations, ensuring safe and healthy **HSE Central Committee** working environments, mitigating

comprising the Group's management team and country managers, who report directly to senior top management.

Regional Committees

Comprising country managers and regional coordinators.

HSE Plant Committees

comprising managers, coordinators and department heads of each operating unit, as well as representatives from the supply chain and the workforce.

For further information about our Hygiene, Workplace Security and Environment Policy, please click





Human Capital

3-3, 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

Our plants in Lerma and León

(Mexico) and Lurin (Peru) are ISO 45001:2018 certified

During 2023, we conducted a range of health and safety training sessions for employees across all our plants and corporate offices to prevent accidents.



Starting in 2024, our accident rate indicators will be reported directly to the Corporate Practices Committee as part of people and talent indicators. This committee, in turn, reports to the Board of Directors.

DURING 2023:

100% of incidents were investigated

100% of leaders participated in HSE tours

80% participation in the annual training plan

100% compliance with legal obligations

Standardization of accident classification (recordable and non-recordable):

5% reduction in recordable accidents

NB:

LTIR (Lost Time Incident Rate) is calculated since 2023 using the SASB formula (number of lost time injuries/total worked hours) *200,000.

The total amount of worked hours in 2023 was 9,416,393.

NA: Not Available

Organizational Wellness

Cultivating a culture of well-being and a healthy working environment is a top priority for us. We recognize the critical importance of team performance and the overall well-being of our teams within the organization. As such, we have rolled out various initiatives aimed at ensuring the physical and emotional health of our employees.

- ◆ "Be Well" program: a program that focuses on the nutritional, psychological, physical, and financial health of our employees.
- Annual Health Fair: a platform for our workforce to participate in different workshops designed to advocate for a well-balanced lifestyle. ""

450 people attended the Annual Health Fair activities during 2023

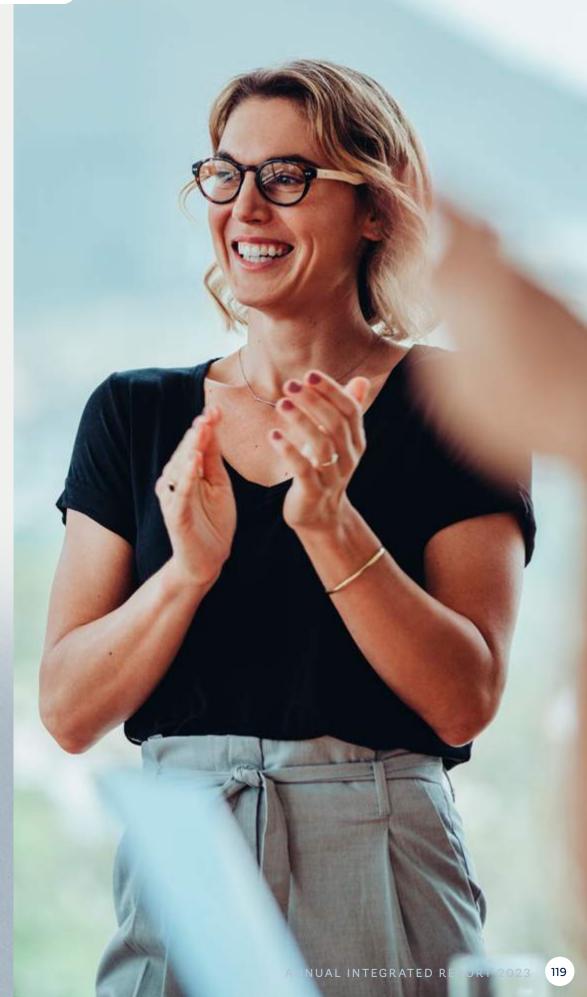
902 people responded to our 2023 Health Risk and Wellness assessment



Human Capital

GRI3-3, 201-3,
403-2, 403-6,

IP



2023 WELLNESS PROGRAMS AND BENEFITS

Initiative	Benefits	2023 Results			
	Benefit launched in 2022				
	Promotion of new gyms	165 Rotoplas employees subscriptions + 43 family members			
	Gympass virtual stand				
	Launch of \$0 plan				
GYMPASS (EXTENDED TO FAMILY MEMBERS)	30 days free promotion				
	2 Webinars for Rotoplas Users	+50,000 available gyms through the Gympass network			
	3 active breaks organized for Rotoplas users				
	Participation in the annual health fair				
	Seasonal campaigns				
	Exclusive physical, mental and nutritional health webinars	350 registered users in the app			
MIDOCONLINE	Participation in the annual health fair				
	Consolidation of telehealth benefit				
	User manual				
	21-day Fit&Zen Challenge				



Human Capital

GRI 401-2

2023 WELLNESS PROGRAMS AND BENEFITS



2023 WELLNESS PROGRAMS AND BENEFITS

Initiative	Benefits	2023 Results				
	3 meditation breaks scheduled for all employees					
	On-site activities					
	2 mindfulness sessions for all employees	210 registered users in the Avam ann				
	Meditation capsules via the app					
AYAM – STRESS	Mental, physical and nutritional health webinars					
MANAGEMENT AT WORK	Ayam4life:	210 registered users in the Ayam app and 224 sessions in the Ayam Studio				
	Invitation for family members					
	Targeted sessions for team members of different areas of the company					
	Construction of the Ayam Studio in Rotoplas' headquarters, a dedicated space for mindfulness and mind training					
	Savings and loans campaigns					
	Launch of temporary loan for <i>El Buen Fin</i>					
SAVINGS PROGRAM	Consolidation of savings program benefits	1,164 participants in the savings				
	Deposits to SURA investment account	program, 48% of the total workforce.				
	Change in investment rate strategy	585 participants in the loans program.				
	Home remodeling loan					

Work Environment

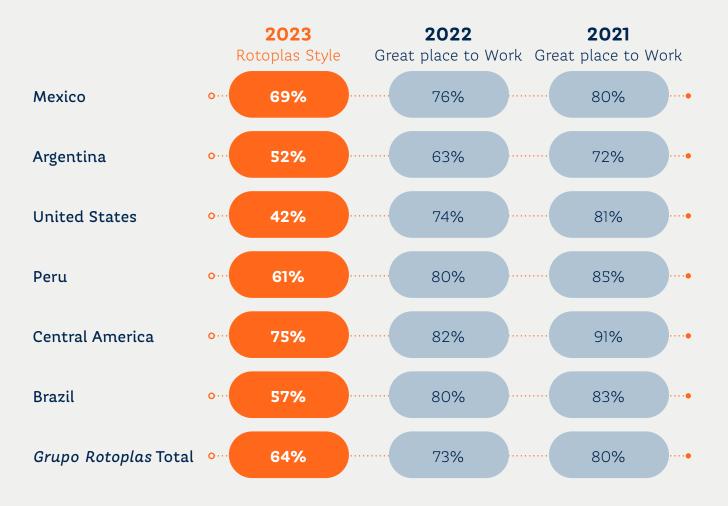
Trends on **Employee** Wellbeing

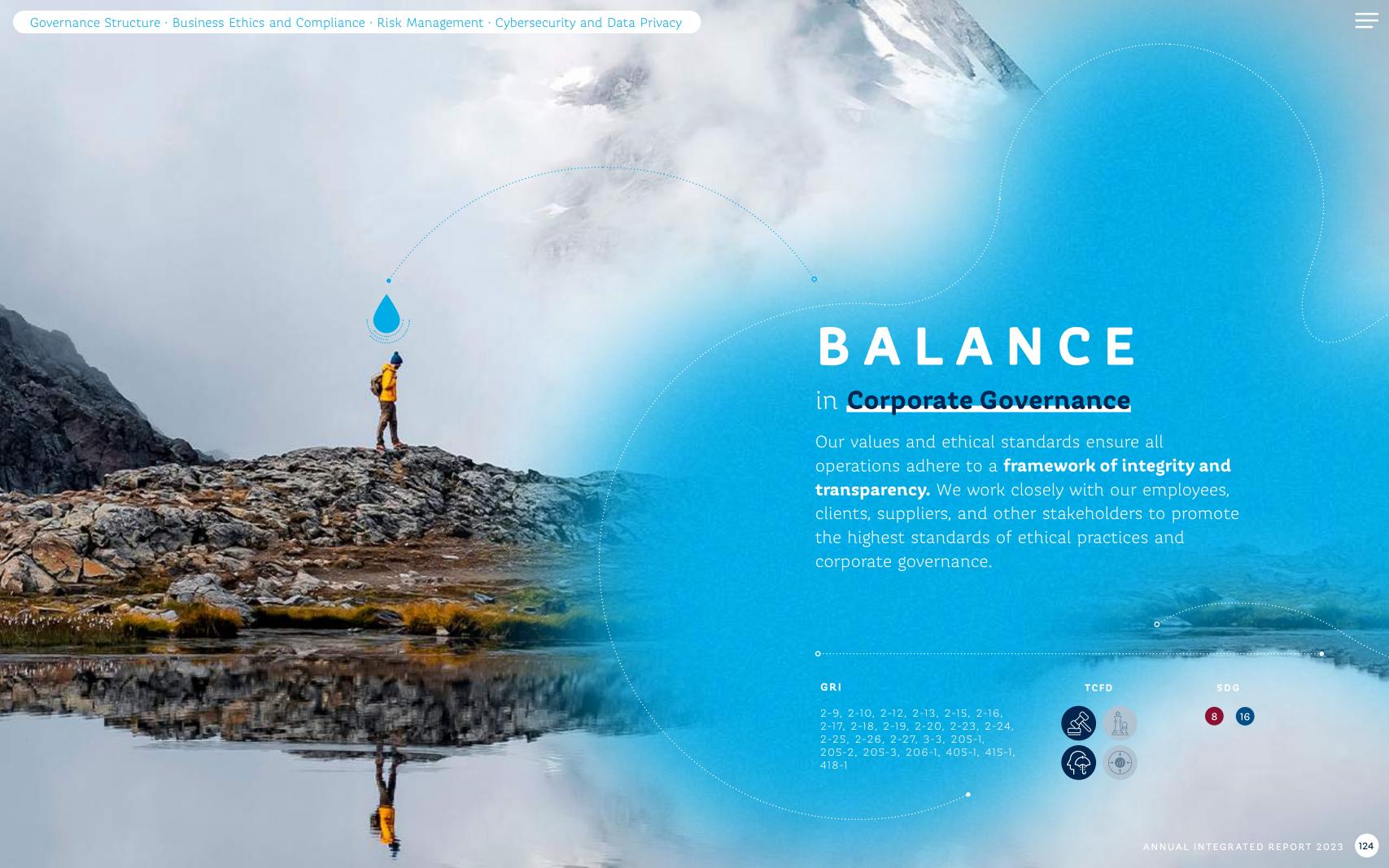
In 2023, our team conducted an annual employee survey named Rotoplas Style, aiming to measure the level of trust, engagement and satisfaction they have in the company, with a remarkable 93% participation rate from our workforce. This in-house survey assesses key dimensions such as talent development, diversity and inclusion, leadership and wellness. When tracking employee metrics, we addressed the following aspects:

- Satisfaction within the workplace
- Motivation and happiness
- Leadership

Through this initiative, we drive a culture of collaboration, respect, and growth that contributes to fostering a positive work environment within the company







Governance Structure

Corporate

2-9, 2-10,

2-23, 3-3

GRI

Governance

Our priority is to ensure a solid and robust corporate governance framework to achieve our sustainable objectives. This framework is the cornerstone of our ethical principles and guides us in complying with regulatory requirements and international best practices.

Adhering to the Mexican Securities
Market Act (LMV') is fundamental
to our operations as it underscores
our dedication to transparency
and accountability, in addition to
guaranteeing compliance with regulatory
requirements and international best
practices. Our Corporate Governance
Policy highlights our commitment to
exercising fiduciary duty in the interests
of our investors and other stakeholders,
as well as due diligence in decisionmaking processes.

1 Ley de Mercado de Valores (Securities Market Act)

Within our governance structure, the General Shareholders' Meeting approves and ratifies relevant Company's actions and operations. Once a year, the General Shareholders' Meeting appoints the Board of Directors by a majority vote and determines directors' remuneration based on their experience and alignment with the business.

Moreover, we assess the capabilities and suitability of our Board Members and our medium-term strategy when selecting and/or confirming directors.² This list of skills is embedded within a matrix that is reviewed annually. We fully comply with current regulations, ensuring that our decision-making structure never harms the interests of our minority shareholders.



For further information about our shareholding, please click here

For further information about our bylaws³, please click here

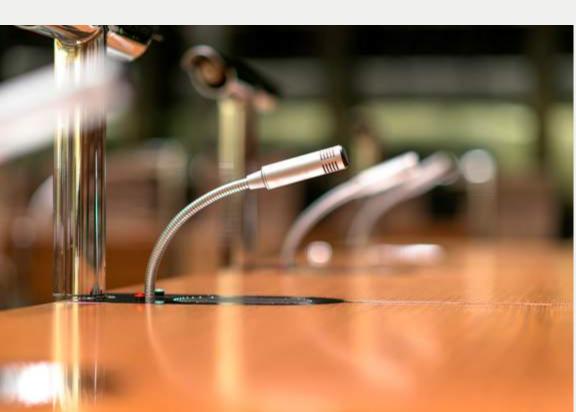
² Our process for selecting and ratifying members of the Board of Directors is based on objective criteria that are aligned with future business expectations. The candidate selection process is carried out by members of the Board of Directors, as well as those who make up the leadership team (C-suite).

³ Available only in Spanish.

Board of Directors

The Board of Directors is responsible for defining the company's strategy, monitoring the execution of said strategy by management, and approving the running of the business. It also establishes internal control and auditing guidelines, appoints the CEO, and approves the compensation policies for top executives.

Board members are elected or ratified annually, with voting conducted on an individual basis.



The one-tier board of directors is meticulously designed to ensure representation from the countries in which we operate, a deep understanding of our target audience, and the inclusion of individuals with the necessary skills and experience to strengthen our core business and promote the development of new growth avenues. This allows us to boast diversity in nationalities, genders, generations, races, and expertise. We are actively working towards integrating more female directors into the Board to enhance gender parity.

The independent Board members, who bring a wealth of experience and an external perspective to our decisionmaking processes, are pivotal in keeping the organization in tune with industry trends through their external experiences. Despite having independent members who have been with our team for over seven years, surpassing the typical tenure, their deep knowledge, strategic contributions, and roles in committees deem them indispensable. To ensure they

remain on the Board, their attendance, contributions to the business, and adherence to the independence requirements as outlined by the Securities Market Act and Corporate Governance Policy are rigorously assessed, justifying the decision to maintain their positions due to their invaluable input.

For independent members serving on more than three boards, a comprehensive skills matrix assessment is conducted. This evaluation covers their availability, attendance, and the quality of their participation, ensuring they are actively engaged and effectively contributing to their roles.

In 2024, the proposal will be made to integrate two new independent members, Regina García-Cuéllar and Marcos Westphalen, aiming to increase the number of independent members, enhance gender diversity, and incorporate experts in customer experience and digital capabilities.



Corporate Governance

GRI 2-9, 2-12, 2-13, 2-17, 2-18, 405-1

> TCFD GOB-A

BOARD OF DIRECTORS

Corporate Governance

GRI 2-9

Executive Non-Executive	Other Non-Executive	Non-Indep	endent O Ind	lependent		
		Age	Sex (F/M)	Years of Service	Role and Specialization	Governance Body and Committees
Carlos Rojas Mota Velasco	0	71	M	35	Founding Partner / Expert in Trade	Chairman of the Board
Carlos Rojas Aboumrad	o	41	M	12	Services and Innovation	CEO
Mario Antonio Romero Orozco	o	52	M	20	··· Finance and Sustainability	CFO
Gonzalo Uribe Lebrija	0	51	M	11	···· Operations / Water-related Products	Mexico and Central America Operations VP
Alfredo Elías Ayub	o	72	М	10	···· Energy	
Pablo Iturbe Fernández	o	35	M	9	Marketing / Water Technology	
Leo Rastogi	o	42	M	1	D&A, e-commerce, employees and stakeholders' wellbeing	Corporate Practices and Strategy
John G. Sylvia	o	66	M	21	Energy and Materials, U.S. Representative Risks and cybersecurity	Audit Corporate Practices and Strategy
Francisco Amaury Olsen	o	73	M	11	Expert in Waterflow and Water-related Products, Brazilian Representative	Compensations
José María Tomás González Lorda	· · · · · · · · · · · · · · · · · · ·	77	M	20	Appliances	Audit Compensations
Marina Diaz Ibarra	0	42	F	5	E-commerce, Argentine and U.S. Representative	Audit
Alberto Esteban Arizu	0	57	M	5	Exports, Argentine Representative	
Jerónimo Marcos Gerard Rivero	0	55	M	5	Real Estate and Capital Allocation	Corporate Practices and Strategy
Xavier García de Quevedo Topete	t • • •	76	M	3	··· Finance and Operations in the US	
N.B. † Xavier García de Quevedo Topete passec	d away in October 2023.					

COMMITTEE MEMBERS WHO ARE NOT BOARD MEMBERS

Secretary of the Board of Directors Mauricio Romero

The independent members meet the definition of independence as outlined in our Corporate Governance Policy, and annually sign or renew their independence statement.

4 of our Board Members (29%) are aged between 30 and 50 years old, while the remainder (71%) are over 50 years of age. **?** :29% 71%

Corporate GRI

405-1

The average age of our Board Members is **57.8** years.





Our Board comprises three different generations: Baby Boomers, Gen X and Millennials.

Board Members do not receive variable compensation.

OF THE 14 MEMBERS OF OUR BOARD OF DIRECTORS:

4 of our Board members are Executive (29%) and 10 are Non-Executive (71%).



1 of our Board members is a woman (7%). Our female Board member is Independent and Non-Executive.

5 of our Board Members **are** not Mexican.

The **board average** tenure is 11.8

7 of our Board members are Independent (50%), a figure that exceeds the minimum target of 30% established in our Corporate Governance Policy, while the other 7 are nonindependent (50%)



The compensation received by Board Members is set by the Compensations Committee and approved by the General Shareholders' Meeting, taking into consideration economic situation, responsibilities of the position, and market standards for comparable companies.

For further nformation about the experience of our Board Members, please click here.

Skills Matrix

We are committed to continuously enhancing the composition and capabilities of our Board to ensure effective leadership and decision-making.



To this end, we have developed a list of various skills necessary to achieve our set objectives, categorizing them into three groups based on their application. This matrix has been essential for the current composition and future development of our Board.

SKILLS **CLASSIFICATION**

Those relating to risks and opportunities that impact the economic and financial performance of the business.

- Macroeconomics
- Innovation
- Risks and Compliance
- Manufacturing
- Finance

Those relating to current business operations.

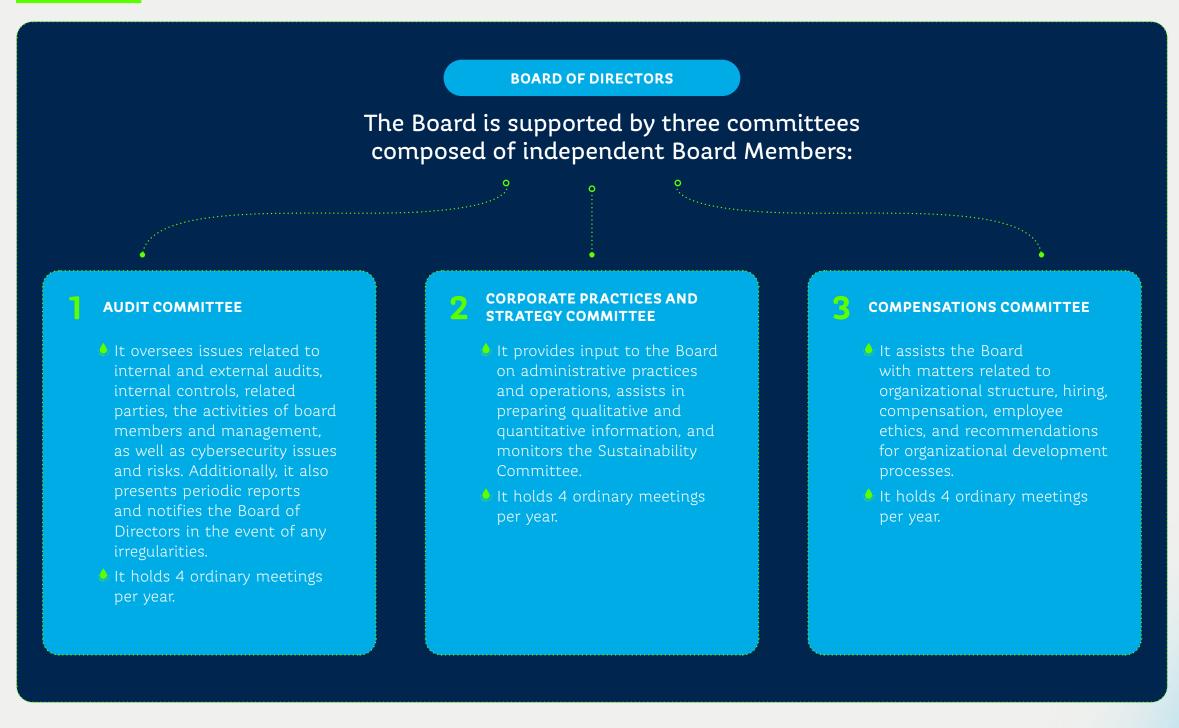
- Wellness in the Workplace
- Industry Experience
- 🎐 Retail
- Commercial
- Processes and Capabilities

AAA

Those directly relating to the company's future vision and the implementation of its business strategy for the coming years.

- Digital | E-commerce
- Digital | Analytics
- Sustainability
- Digital Marketing
- Social Media
- Programmatic M&A
- Field Services

COMMITTEES



3 centenarios (gold bullion coins) were paid to each Board member per Board meeting, and;

* 1 centenario for each Committee meeting.

Corporate Governance

GRI 2-9

Attendance at the four sessions held in 2023 was 93%, a figure that surpasses the minimum of 50% established in the internal policy.

Annual Board Assessment 2023

During 2023, we assessed 12 out of our 13 Board Members, resulting in an overall rating of 4.6 out of 5.



Corporate Governance

GRI 2-17, 2-18





Some of the key points considered during the annual self-assessment process included seeking a greater balance by including the perspectives of diverse stakeholders and investors, monitoring the risks involved in the Board's decisionmaking processes, and enhancing the expertise within the Board on topics relating to the water services business, among others. These assessments provided valuable insights into areas where we can further strengthen our governance practices and ensure alignment with our strategic objectives.



Management Team

GRI 2-13. 2-19. 2-20

Our management team boasts extensive experience and comprises the Chief Executive Officer (CEO), 7 male Vice Presidents, and 18 Directors, of which 3 are women. The CEO is responsible for managing, steering and executing the Company's core business, in alignment with the strategy and guidelines approved by the Board. Effective collaboration with the Vice Presidents and Directors is facilitated through periodic (weekly or monthly) strategic alignment meetings, and an annual offsite where ongoing projects, the sustainability strategy, and the status of the organizational transformation program, Flow, are reviewed and monitored regularly.

Compensation, in general terms, is determined by carefully considering risk management, business strategy, and company values, as well as benchmarking against other companies within the industry or of a similar size. Compensation for the leadership team, including the CEO, is set by the Compensation Committee in accordance with policies approved by the Shareholders' Meeting.

The CEO's compensation is calculated on financial metrics that condition its variable element: Revenues 40%. EBITDA 40%, ROIC 20%, and the weight that these metrics have on the OKR variable element. Below are the parameters for calculating this compensation:



Percentage	Compensation type	OKR's (Objectives and Key Results)	Format	Vesting period
(40 – 45%)	Fixed		Cash	
(20 - 35%)	Short-term Variable	Talent and CultureSustainabilityProduct and ServicePerformance	Cash	
(40 – 20%)	Long-term Variable	ROIC spread over the cost of capital	Stock and Referenced Value Units (UVR)	4 years

The variable compensation for Vice Presidents follows the same structure as for the CEO but with adjustments to the short-term variable elements regarding the achievement of key objectives specific to their roles, and it is based on their level of responsibility within each pillar. Furthermore. some Vice Presidents also have a Referenced Value Unit (UVR) Allocation Plan and/or a Stock Option Plan (SOP) that are associated with the evolution of indicators such as ROIC and shareholder value created.





Business Ethics and Compliance

Corporate

2-15, 2-23,

2-24, 2-25, 2-26, 3-3

GRI

Governance



These principles are embodied in our Code of Ethics and Conduct, which applies to all employees across all levels of the company, including Board Members, every subsidiary within the Group, and our entire value chain.

We operate in strict compliance with all

laws, regulations, and best practices. We

adhere to the standards and regulations

and we uphold ethical, transparent, and

operations within the social environment.

of the markets in which we operate,

honest principles to ensure optimal

To drive our sustainability strategy and promote an ethical environment, every supplier is required to sign the Code of Ethics and Conduct to ensure their operations align with the principles we promote as the company. Additionally, each new employee undergoes training on ethics and conduct standards as part of their induction process, as well as being instructed on how to use the whistleblowing channel. They are required to reaffirm their commitment to these standards on an annual basis. and whenever any aspect of the Code is updated, training sessions are reactivated for all employees.

In 2023, the Code of Ethics was updated, placing greater emphasis on anticorruption, diversity and inclusion, and the use of whistleblowing channels, among other topics. The entire workforce underwent training and reaffirmed their commitment by signing in agreement.

WHISTLEBLOWER CHANNEL - CONFÍA ROTOPLAS

Confía Rotoplas serves as our whistleblowing platform, enabling our employees and stakeholders to report any instances or concerns that may breach our Code of Ethics and Conduct. It is managed by an independent third party as part of a protected and fair process.

2-16, 2-25

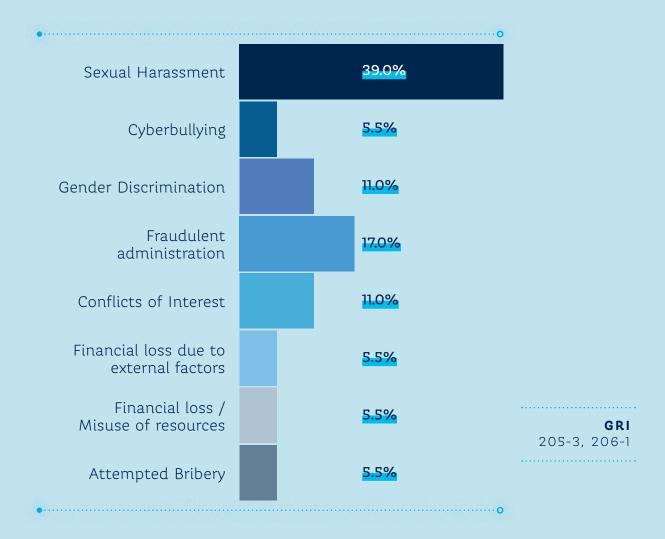


Ethics Committee



Our Ethics Committee comprises one chairperson (male), four female members, and four male members.

During 2023, a total of 18 complaints were received, and the Ethics Committee intervened in 7 of them:



The Company did not incur significant fines, sanctions, or legal actions related to corruption or economic, social, or governance issues, including unfair competition, antitrust practices, or violations of free competition regulations.

Corporate Governance

GRI 2-16, 2-25

2023 COMPLAINTS BREAKDOWN

GRI 406-1

Non-compliance	Type Case	Source	Number of Cases	Addressed by the Ethics Committee	Resolution
	Sexual harassment	Ethics Point		No	Addressed by Human Capital
		Ethics Point		Yes	Termination of employment relationship
DISCRIMINATION OR HARASSMENT		Internal scaling		No	Addressed by Human Capital
GENDER-BASED VIOLENCE / IMPACT ON THE WORK		Ethics Point	7	No	Internal correction
ENVIRONMENT		Internal scaling		Yes	Termination of employment relationship
		Internal scaling		Yes	Termination of employment relationship
		External whistleblower		No	Termination of employment relationship
DISCRIMINATION OR HARASSMENT. GENDER-BASED VIOLENCE / IMPACT ON THE WORK ENVIRONMENT	Cyberbullying	Ethics Point	1	Yes	Termination of employment relationship
DISCRIMINATION OR HARASSMENT. GENDER-BASED		Ethics Point		No	Addressed by Human Capital
VIOLENCE / IMPACT ON THE WORK ENVIRONMENT	Gender discrimination	Internal scaling	2	Yes	Official report
		Internal scaling		No	Internal correction
CORRUPTION RELATED ACTS	Fraudulent administration	Ethics Point	3	No	Inadmissible / unfounded complaint
		Ethics Point		No	Internal correction
CONFLICTE OF INTEREST		Ethics Point		No	Inadmissible / unfounded complaint
CONFLICTS OF INTEREST	Conflicts of interest	Ethics Point	2	No	Addressed by Human Capital
CORRUPTION RELATED ACTS	Financial loss due to external factors	Legitimate suspicion	1	No	Staff veto and sanction
CORRUPTION RELATED ACTS	Financial loss due to external factors	Ethics Point	1	Yes	Termination of employment relationship
CORRUPTION RELATED ACTS	Attempted bribery	Internal scaling	1	Yes	Termination of employment relationship
		TOTAL	18		

Note: In 2023, 18 internal investigation processes were carried out, of which, in 7 cases, the intervention of the Ethics Committee was required. The origin of the complaints handled shows that 10 of them came through the institutional Whistleblower Channel - Confía Rotoplas; 6 resulted from internal escalations within our functional areas; 1 due to legitimate suspicion of the Corporate Security Department; and 1 more came through a direct report from a supplier.

2 complaints received through the Whistleblower Channel – *Confía* Rotoplas that were referred to Corporate Security did not find support as they lacked minimum elements to be investigated.

Compliance

In 2022, we established an internal compliance system and a risk governance framework through our Corporate Governance that focuses on identifying the most relevant risks.

RISK GOVERNANCE FRAMEWORK



Corporate Governance

GRI 3-3

FIRST LINE: Compliance Champions They are responsible for reporting progress sessions to the

Compliance team.

Committee.

reports to the Audit

SECOND LINE:

Compliance Leader, and a Licensing, Permitting and Compliance Manager

Together with the Comptroller's Office, they are responsible for the implementation of control standards and compliance with them.

THIRD LINE: Internal audit

Reports directly to the CEO on

In 2023, we successfully expanded our compliance system to include our plants, monitoring the acquisition of permits and ensuring compliance with the support of a member of our Legal team.

We have a series of policies and procedures in place that guide ethical, transparent, and compliant behavior throughout our organization and among our stakeholders, starting with our highest governing body.

The prevention model, our Confía Rotoplas whistleblower channel, our investigation and auditing processes, and our Ethics Committee are the pillars that drive compliance within Rotoplas.

INTEGRITY POLICY

Aims to elaborate on and consolidate the topics described in the Code of Ethics and Conduct.

CRIME PREVENTION MANUAL

Outlines the framework for the corporate system that manages, monitors, and assesses the prevention and mitigation of the major crime risks to which the company is exposed.

ANTI-CORRUPTION POLICY 🚱



Ensures adherence to the principles and guidelines of global anti-corruption laws and regulations to promote legality, honesty and transparency.



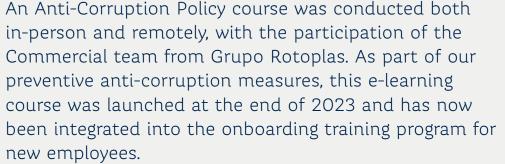
Anti-corruption Practices in 2023

Board Members

An Anti-Corruption Policy course was conducted both in-person and remotely, with the participation of the Commercial team from Grupo Rotoplas. As part of our preventive anti-corruption measures, this e-learning course was launched at the end of 2023 and has now been integrated into the onboarding training program for

The Code of Ethics and Conduct course was delivered in both e-learning and in-person formats, implemented across the Group in three languages (Spanish, English, and Portuguese). The rollout was tailored from the Executive to the Operational level, and the course features a module focused on identifying and preventing acts of corruption.

In 2024, we will maintain our commitment to prioritize and broaden the deployment of courses on the Code of Ethics and Conduct, Gender Violence, Personal Data Protection, and the Integrity Policy, with the goal of reaching at least 95% of our employees.





Corporate Governance GRI 205-1, 205-2



ANTI-CORRUPTION TRAINING BREAKDOWN BY EMPLOYMENT CATEGORY AND COUNTRY

2023 Executive		Middle Management		Individual Employees		Operational Employees		
MEXICO	•·····	60		311	(665		1,037
BRAZIL	•·····	1		10		11		0
ARGENTINA	•·····	5		70		143		487
CENTRAL AMERICA	•·····	0		14		47		21
PERU	•·····	1		20		53		54
USA	•·····	3		21		54		0
TOTAL	•	70		446		973)(1,599
%	•	2%)	14%		32%)(52%

Lobbying Activities

We made zero monetary contributions to political parties, government officials, or candidates; however, regarding representation and lobbying activities, we are members of industry organizations such as the Mexican Business Council, CANACINTRA, the Water Advisory Council, COPARMEX delegations, and CAINTRA in the state of Nuevo Leon, and we provide financial support to them. Our total contribution to these organizations in 2023 was \$6.2 million MXN.



Corporate Governance

> GRI 3-3, 415-1

Grupo Rotoplas total contributions:	2023 (in MXN)	Issue or topic					
LOBBYING, INTEREST REPRESENTATION:							
Water Advisory Council	\$250,000	The Water Advisory Council is the only association recognized in the Mexican Water Act as a space where citizens, academia, NGO's, and businesses analyze, evaluate and create solutions for decision makers to generate public policies that guarantee water security for Mexico. Rotoplas is an active member and through this organization we seek to add into the conversation the use of integral solutions that can support Mexican water laws.					
TRADE ASSOCIATIONS:							
Mexican Business Council	\$5,000,000	Business group that leads in dialogues between civil society, government, academia and other entities to promote better conditions for Mexico.					
CANACINTRA	\$230,985	Trade association that represents the industrial business in Mexico. It has the objective of promoting competitiveness and productivity of Mexican companies.					
COPARMEX	\$52,950	Trade association with the goal of promoting entrepreneurship and prosperity for Mexico.					
CAINTRA	\$42,303	Local trade association of the state of Nuevo León that functions as a counterweight to public policy regarding industrial competitiveness.					
OTHERS:							
United Nations Global Compact	\$200,000	UN's pact that reaffirms our commitment to global targets in sustainability, ESG and SDGs.					
Duke University	\$416,961	Alliance in academia and innovation.					
TOTAL	\$6,193,199						

Sexual Harassment **Complaint Protocol**

In the event of a sexual harassment complaint, we act quickly, providing specialized legal guidance and protecting the rights of the victim, avoiding revictimization, and guaranteeing respect for the dignity of all parties involved.

As a preventative measure and as part of our continuous commitment to fostering a safe work environment free from gender-based violence, it is mandatory for all employees to undertake a course titled "How to Deal with Gender-based Violence." This course is accessible via our AprendeR digital platform. In 2023, 424 employees successfully completed the course, achieving an overall progress rate of 43%. We plan to continue this initiative into 2024, with the goal of reaching a minimum completion rate of 95% among all employees.

Corporate Governance

GRI 415-1

Risk Management

We recognize the importance of operational efficiency and the quality of our solutions play in water conservation and management. In recent years, we have integrated factors relating to climate change and human rights due diligence into our risk analysis. Identifying and mitigating business and environmental risks is essential for assessing and reducing impacts and is also a fundamental part of our **Strategic Planning process at Rotoplas.**

Corporate Governance

GRI 3-3



Comprehensive Risk Management

Comprehensive risk strategies and management are a responsibility that is shared among different areas of the organization:

OFFICE OF THE VICE PRESIDENT, ADMINISTRATION AND FINANCE (CFO)

- Responsible for risk management⁴, including risk identification, monitoring, mitigation, and reporting plans.
- Supported by areas that report directly to it: Risk Management, Compliance, Comptrollership, and Corporate Security.

CIO (CHIEF INFORMATION OFFICER)

Reports to the Office of the Vice President, Transformation and Technology, and oversees cybersecurity issues and the business continuity plan.

AUDIT COMMITTEE:

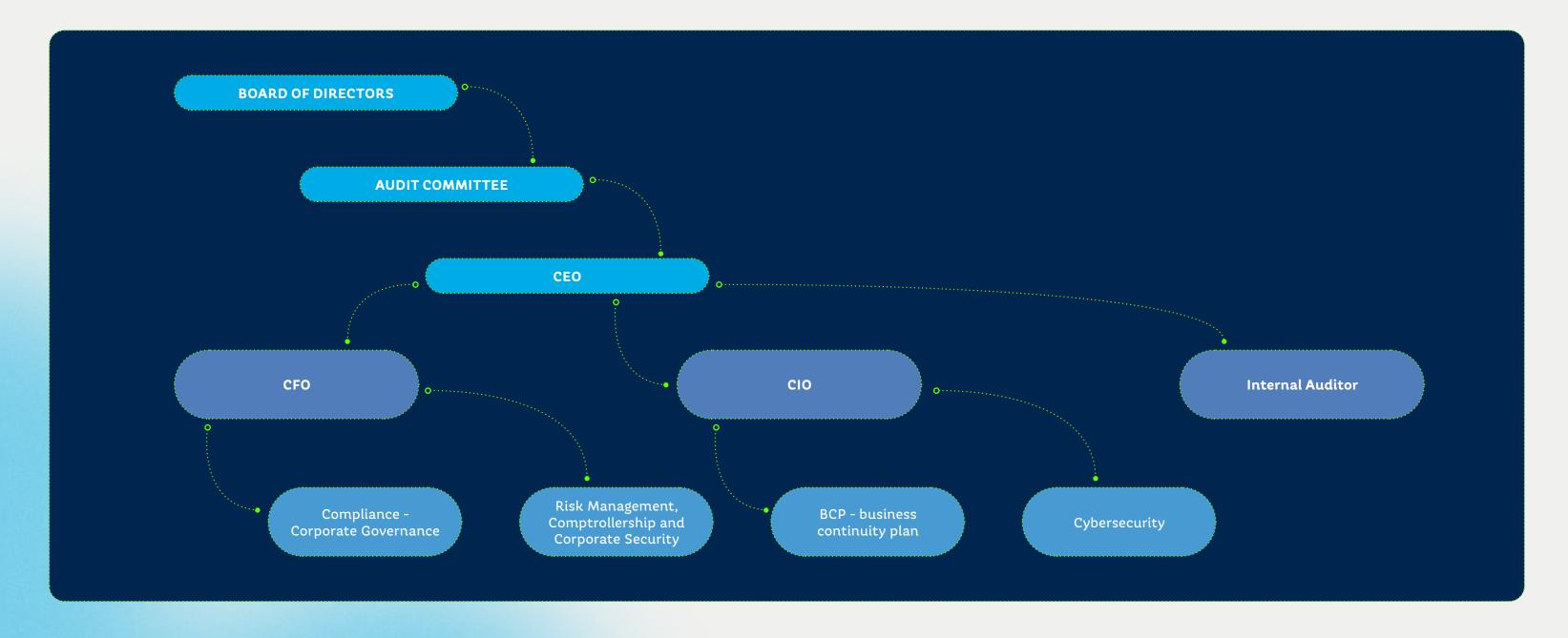
- Supervises and monitors Risk Management.
- Responsible for informing the Board of Directors whose experienced members can ensure the early identification and implementation of preventive and corrective measures to protect the interests of the company and its stakeholders.

INTERNAL AUDITOR:

- Responsible for supervising and auditing risk management, including operational risks.
- Reports directly to the Chief Executive Officer (CEO).

RISK MANAGEMENT AND COMPLIANCE:

Responsible for determining risk appetite and tolerance at aGroup level.



Each year, we update our risk map thanks to the collaboration of different areas within the company, which provide risk identification and proposed solutions and prevention measures. Similarly, our financial and socio-environmental risk specialists validate and assess risks using our internal control system, receiving additional support from independent external advisors as needed.

Likewise, we perform sensitivity and stress testing for numerous risks, with particular focus on financial risks. This includes assessing the possible impacts of changes in interest rates, inflation, and exchange rates.

ESG Risks

Through the climate change risk analysis, in line with TCFD recommendations. we have developed a risk matrix that enables us to analyze environmental risks and opportunities relating to climate change, as well as the most relevant environmental, social and governance aspects for our business. This framework allows us to assess the impact these issues might have on our operations and on our stakeholders, further enabling us to take the corresponding preventive and corrective measures to ensure the sustainability and success of our business.

In 2023, we completed our Human Rights Due Diligence exercise, which identifies operational processes that could potentially involve any type of human rights violation.

KEY RISK PROCESSES:

Manage Business Risk

Manage and Report Compliance

Manage Business Continuity

Build Investor Relations

Manage Institutional Relations

Manage Relations with the Board of Directors

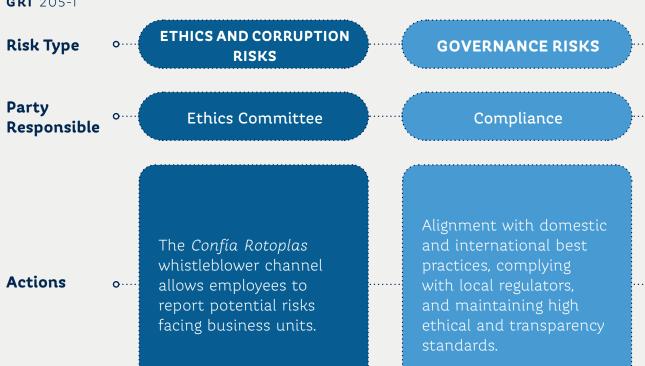
Manage Ethical Issues

Manage Public Relations Program

Manage Legal and Compliance Issues Manage Ownership Security

RISKS BY TYPE

GRI 205-1





ROTOPLAS RI	SK MATRIX		
Categories	Risks	Description	Details
	Increase in raw material prices	♦ Increase in raw material prices	
	Supply chain limitations	 Supply problems, delays, and cost increases in raw Materials under local and global external condition 	Relevant financial data
MARKET	Variations in consumers' income and changes in their preferences	We are exposed to customers' disposable income and the economic conditions of each country in a changing environment, consumer confidence can become affected, and they may modify their preferences for one type of solution or other, particularly faced with an increasingly more global competition	User experience
, , , , , , , , , , , , , , , , , , ,	Macroeconomic conditions that affect the sectors comprising 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 destinated to increase and improve production capacity, given the changes in the macroeconomic environment and in the cost of capital	 The water solutions business requires a significant capital investment to design and build plants near the points of sale and distribution Increased exposure to local sales, and thus, to the economic conditions of the country where we are operating, makes it difficult to sell that production in markets with better trends 	
REGULATORY	Changes in the rules of foreign trade operations	We are exposed to disruptive measures on matters of imports and exports in the countries where we operate, as well as those from where we import and/ or to which we export	
REGULATORT	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 penalties for noncompliance	Relevant financial data
	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
OPERATIONAL	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, such as weather phenomena, pandemics or geopolitical situations	Risks and opportunities of climate change
	Inability to develop sustainable, high quality and innovative products and solutions	The strength of our brand could face difficulties if we are unable to provide sustainable innovative and quality solutions	Innovation
FINANCIAL	Inability to manage the Company's growth effectively	 We could be subject to a lack of own resources, sources of financing, processes, controls, and adequate systems to manage the company's growth Increases in the interest rate would increase the cost of money for investments in future growth Volatility in exchange rates and inflation in the countries where we operate could impact financial results 	Relevant financial data

EMERGING RISKS

Surface and groundwater depletion, increasingly stringent regulations, social pressures, and rising treatment costs represent some of the realities currently facing the water industry. Considering industry trends, we have identified emerging risks that may affect our operations in the medium and long

Emerging Risk	Description	Mitigation		
WATER AVAILABILITY AND QUALITY FOR	Certain technologies that we use require water for their processes. Depending on the region where our operations are located, the availability, supply, and quality of water may vary as a result of weather phenomena, pollution, and other external factors, be they environmental, social, or political-legislative in nature.	 Technological replacement of machinery for the manufacturing of more water-efficient storage products. Water recirculation and recycling initiatives in manufacturing processes. 		
OUR OPERATIONS	Estimated impact 2030: 1,424,598 - 2,653,122 MXN 2050: 1,459,077 - 2,649,563 MXN	 Installation of rainwater harvesting systems. Construction of water treatment and recycling plants. 		
CYBER VULNERABILITY	We are exposed to cyberattacks and data leaks. This risk also applies to our internet and phone sales businesses.	 Acquisition of insurance policies. Training of employees at group level on cybersecurity issues. New security schemes where two-factor authentication is required. Penetration testing and vulnerability assessment. Contingency plan update. 		
POLITICAL INSTABILITY	Political and social movements happen in every country in which we operate, and these could lead to unstable situations, affecting several of our processes, from operations to the sale of our products and services.	 Monitoring of macroeconomic situations. Monthly follow-up between business unit managers and leadership team with specialized economists. Contingency and business continuity plans. 		
TRANSITION TO LOW-CARBON ECONOMIES	The risks and opportunities of climate change, as well as the effects that it is already having on companies and the population, have triggered new measures by both governments and companies, changing the scenarios of production costs, sales, logistics, etc. Estimated impact: 2030: Cost reduction of 68 million MXN in terms of recycled resins supply. 2050: Cost reduction of 149 million MXN in terms of recycled resins supply.	 Inventory calculation of Scope 1, 2 and 3 greenhouse gas emissions for the preparation of mitigation plans. Awareness to help create a sustainable supply chain. Renewable energy transition plan and energy efficiency initiatives (gas and electricity) at plants. Life cycle analysis of core products. Creation of process to calculate pay taxes relating to carbon emissions into the atmosphere. 		

Cybersecurity and Data Privacy

Corporate

3-3, 418-1

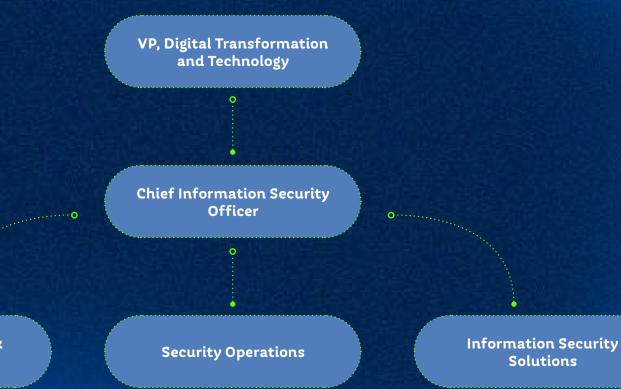
GRI

Governance

Our strategy encompasses a range of risks associated with the digital landscape, which is why we have rolled out proactive cybersecurity measures to safeguard both our e-commerce channels and the data security of our customers and other stakeholders. Our objective is to prevent information leaks, thereby protecting our systems and ensuring business continuity through our internal self-regulation system, which comprises a Crisis Committee, a secure cloud network structure, and support and monitoring activities performed by cybersecurity consultants.

The Audit Committee is responsible for the quarterly monitoring of the Information Security Strategy and risk assessments relating to our digital systems and platforms.

VP. DIGITAL TRANSFORMATION AND TECHNOLOGY



GRC (Governance Risk Compliance)

Solutions

Cybersecurity **Policies**

We have been working on the development of policies and procedures to consolidate our digital management as well as our security systems to ensure transparency regarding the proper treatment of our customers' data. We are now ISO 38500:2015 certified in Information Technology (IT) Governance, ensuring the effective and efficient use of IT resources across Grupo Rotoplas. Likewise, on an annual basis, a thirdparty conducts vulnerability analyses, which encompass simulated hacker attacks aimed at preventing breaches of information security.

The following policies enable the properly management of cyber risks:

- Information Technologies Risk **Policy:** We set the guidelines for identifying and mitigating IT risks, prioritizing digital security, and ensuring data protection through a comprehensive risk management framework. The purpose of identifying Risk Management in IT processes is to avoid those risks that could compromise the effectiveness of ITsupported services and supporting infrastructure.
- Information Security Policy:

We address issues such as information confidentiality, integrity, and availability, based on security best practices applicable for both the Group and our customers.

Access Control Policy:

We apply this policy to our employees and suppliers to ensure we protect our customers' data.

▶ Data Privacy Policy: Maintain administrative, technical, and physical security measures to protect personal data against damage, loss, alteration, destruction, or unauthorized use. access, or processing.

The training course includes a section designed to acquaint employees with the escalation process, which can be followed if an employee notices something suspicious through Confia Rotoplas. This ensures they understand that an information security incident management procedure is in place.

Our Information Security Strategy is based ISO/ IEC 27001:2022 International Information Security Standard and on the NIST (National Institute of Standards and Technology).

2023 Cybersecurity **Initiatives**

During 2023-2024, we implemented the following cybersecurity initiatives and security measures in our systems:

- ◆ Preparation the PAM (Privileged Access Management) tool manages privileged access on critical servers and prevents unauthorized access.
- ♦ Next generation SOC, this service allows visibility and monitoring of all technological components.
- ♠ Preparation the automation the ISMS (Information Security Management System) Design and implementation of the set of processes to manage the accessibility of information, minimizing information security risks.

87% of administrative employees were certified in cybersecurity through the Information Security e-learning program.



Disaster Recovery Plan

Throughout the year, we prioritized the security of customer data by updating our security controls based on ISO 27001:2022 and NIST frameworks, in addition to compliance with personal data regulations. We also focused on Business Impact Analysis to ensure the resilience of our operations by regularly assessing our Disaster Recovery Plan (at least once a year). These measures and our robust management systems are replicated across our multi-cloud infrastructure. Notably, during 2023 we did not incur any significant penalties relating to customer data security and privacy nor we didn't have any security breaches.

Strategy **IDENTIFY** RECOVER Government Business Environment Asset Management **DETECT** System Event and Record Monitoring SOC (Security Operations Center) Board meetings to RESPOND ensure the transparency PROTECT of our operations. Awareness and Training Access Control Incident Analysis and Mitigation Information Protection



ECONOMIC

Financial Results 2023

In 2023, we faced several challenges, including the strength of the Mexican peso, increased consumer spending caution and various macroeconomic and climatic events.

In light of this situation, we adopted a strategy focusing on variables that were within our control, including:

- Ensuring operational excellence.
- Maintaining brand leadership.
- Expanding the new businesses (services).

This approach led to an improvement in our financial health, increasing our EBITDA margin by 200 basis points. We were also able to maintain or even increase our market share in the countries where we have operations. Moreover, our services platform has expanded, and our Return on Invested Capital (ROIC) ended the year 130 basis points higher than last year.

As part of our Programmatic M&A Strategy, we acquired the assets from HiTech Irrigation in Mexico, a company known for its expertise in irrigation services and systems. The purpose of this acquisition is to bolster our irrigation capabilities, fitting seamlessly with our overarching strategy for growth in *rieggo* business unit.



GRI 3-3

INCOME STATEMENT

(Figures in millions of Mexican pesos)

		2022	2023		% Δ
Net Sales	o	12,774	 12,146)((4.9%)
Cost of Goods Sold (COGS)	o	7,331	 6,593		(10.1%)
Gross Profit	o	5,444	 5,554		2.0%
% Margin	o	42.6%	 45.7%)	310 pb
Operating Expenses	o	3,859	 3,962)(2.7%
Operating Income	o	1,584	 1,592)	0.4%
% Margin	o	12.4%	 13.1%)	70 pb
Comprehensive Financial Result	o	(768)	 (1,251))	62.9%
Taxes	o	26	 27)(2.0%
Net Result	o	791	 312)((60.5%)
% Margin	o	6.2%	 2.6%)((360) pb
EBITDA ¹	0	1,982	 2,131		7.5%•
% Margin	o	15.5%	 17.5%		200 pb

Net sales ended the year at \$12.1 billion, 4.9% less than in 2022 due to a high comparison base for products as a result of severe droughts the previous year, in addition to the strong performance of the Mexican peso, which affected sales from subsidiaries outside Mexico.

• Product sales decreased by 6.6%, while **service sales,** comprising 5.1% of total sales, increased by 42.6%, reaching \$625 million. This growth was driven by bebbia's expansion, strong traction in the water treatment and recycling plant business in Mexico, and the development of rieggo.

The gross margin closed at 45.7%, a 310 basis points increase. This improvement is attributable to a commercial strategy aimed at safeguarding profitability and benefiting from lower raw material costs.

Operating income increased by 0.4%, reaching \$1.6 billion, while the operating margin rose by 70 basis points to close 2023 at 13.1%.

EBITDA grew by 7.5%, reaching \$2.1 billion, a record figure resulting in a 200 basis point expansion of the EBITDA margin, which reached 17.5%, in line with results guidance.

Net income closed at \$312 million, 60.5% below 2022 levels. This decline was primarily due to a rise in financial expenses, which were influenced by the effects of hedging the MXN/USD exchange rate, inflationary pressures in Argentina, and losses from exchange rate fluctuations.

Net Debt/EBITDA leverage closed the year at 1.6x, while the Cash **Conversion Cycle** was optimized by 29 days as a result of improvements in working capital management and the restatement of the balance sheet in Argentina. Interest coverage also increased by 7.8%; however, macroeconomic effects relating to exchange rates and inflation have impacted cash flow generation.

The EBITDA considers donations of \$19.2 million in 2023. There were no donations in 2022.

During 2023, \$609 million was invested in CapEx, primarily to update the production of storage solutions and keep the legacy product portfolio competitive and relevant.

CapEx represented 5.0% of 2023 sales, marking a 7.6% reduction compared to the amount allocated over the same period during the previous year. These capital investments included:

- \$470 million in new technology for the production of storage solutions and machinery to increase production capacity in Mexico and Argentina, as well as bebbia equipment. These investments are part of the plan to sustain the long-term viability of the business.
- \$122 million allocated to treatment plants in Mexico and \$3 million in Brazil, accounting for 21% of total Capex.

ROIC¹ increased to 15.4%, reflecting a rise of 130 basis points compared to the same period in 2022.



¹ NOPAT LTM/ Invested Capital LTM, monthly average. Invested Capital: Total Assets - Cash and Cash Equivalents - Short-term

E

Distribution of Economic Value

The economic value generated by the business is redistributed in line with our 360° Sustainable Value Generation approach, which takes all our stakeholders into consideration to contribute to the economic growth and development of the societies in which we operate.

For example, service payments are made to suppliers and taxes are contributed to the government, employees receive remuneration for their work, and investments are made in research and development, among other areas, as shown in the table below.



GRI 3-3, 201-1

ECONOMIC VALUE GENERATED AND DISTRIBUTED (EVG AND EVD)

(Figures in millions of Mexican pesos)

		2021	2022		2023	١	/ariation 2023 vs 2022
Revenues (Economic Value Generated - EVG)	o	10,915	12,774		12,146		(4.9%)
Costs and Expenses (Economic Value Distributed - EVD)	o	11,473	12,623	(11,936	((5.4%)
Operating Costs and Expenses	o	8,551	9,303		8,763		(5.8%)•
Salaries and Benefits (Employees, COGS + G&A)	o	1,299	1,887		1,791	((5.0%)
Payments to Finance Suppliers (not considering purchase and/or sale of own shares)	o	831	613		654		6.6%
Payments to Government (taxes and contributions)	0	122	61		27		(56.2%)
Investment in Research and Development	0	71	99		73		(26.1%)
Acquisitions	0	65			-		NA NA
Infrastructure Investment	o	515	659		609		(7.6%)
Donations (community)	o	19			19		NA ··•
Retained (EVG-EVD)	0	(558)	152		210		38.3%

NA: Not available

Key Results by Country

(Figures in millions of Mexican pesos)

SALES

MEXICO

Net sales contracted 5.9% due to an unusually high comparative baseline for product sales, largely due to the extensive drought across the country in 2022, particularly in the northeastern region during the second and third quarters. Despite this downturn in sales, EBITDA witnessed a significant increase of 18.1%, with the margin widening by 520 basis points to reach 25.6% driven by record margins in products and a reduction in negative EBITDA for services.

18.1% increase of EBITDA

ARGENTINA

This increase in net sales of 5.6% is attributable to both a rise in sales volumes in certain categories and to price adjustments made to mitigate inflationary pressures on costs. The company's strategy continues to prioritize sustaining profitability, enhancing plants productivity, and capturing a larger market share.

Consequently, the EBITDA margin rose to 16.1%, marking a 70 basis point expansion driven mainly by the overall growth and rigorous control over expenses throughout the year.

5.6% increase in net sales

USA

Sales decreased 21.5%. The demand for water storage solutions was impacted by an unusually wet season in states like Texas and California, which, together, constitute a third of total sales in the country. There was also normalization in the demand for storage solutions following the years of the pandemic and the surge experienced for certain crops within the agricultural sector. EBITDA for the year was negatively impacted, amounting to (\$191) million, primarily due to the decreased demand and costs associated with expanding the septic business and launching a new e-commerce platform.

(\$191) million

OTHER

Net sales in other countries (Peru, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, and Brazil) decreased 12.3% in the year.

In Peru, the market contracted due to decreased construction activity, government spending cuts, and the climate impacts associated with the El Niño phenomenon, resulting in an unusually warm winter season and reduced demand for water heaters.

In Central America, while annual sales appeared to decline when measured in Mexican pesos, due to the impact of currency exchange fluctuations, they experienced growth when evaluated in the respective local currencies.

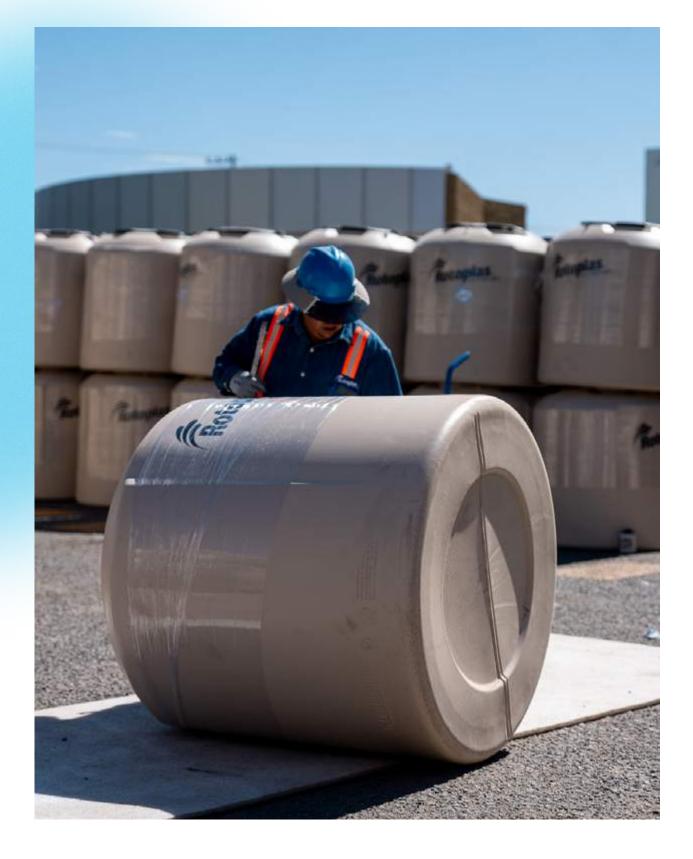
In Brazil, progress continues in terms of the development of our water treatment and recycling plant business.

12.3%

net sales in other countries decreased (Peru, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua y Brazil)

AGUA 17-2X Sustainable Bond

Our sustainable bond aims to finance and refinance sustainable initiatives that improve access to water and sanitation, developing solutions that contribute to social development, health, and environmental conservation. The bond framework aligns with the Green and Social Bond Principles, as well as the Sustainable Bond Guidelines of the ICMA, and it has been validated by Sustainalytics, an independent third party. In 2017, we issued the first sustainable bond in Latin America, consisting of two issuances AGUA 17-X and AGUA 17-2X. The first was for \$600 million over a 3-year term (maturing in June 2020) and was prepaid in February 2020. The second, AGUA 17-2X, was for \$1.4 billion over a 10-year term (maturing in June 2027). This issuance has been subsequently reopened, once in 2018 for \$1 billion and again in 2020 for \$1.6 billion, reaching a total of \$4 billion.









OUR PERFORMANCE in numbers

Environmental

WATER CONSUMPTION BY SOURCE (m³)

		Water e	xtracted		Oth		
0	Municipal	Wells	Surface water	Others (tankers)	Rainwater harvesting	Reused and/ or recycled water	Total water consumption
2023	34,558	29,697	3,694	23,142	303	17,757	109,152
2022	34,755	27,985	5,458	29,030	ND	14,424	111,652
2021	76,450	14,690	NA	3,230	4,600	6,230	105,200

NA: Not available

Water

WATER CONSUMPTION BY SOURCE AND COUNTRY (m³)

		Water	extracted	Oth			
2023	Municipal	Wells	Surface water	Others (tankers)	Rainwater harvesting	Reused and/ or recycled water	Total water consumption
Mexico	14,213	28,374	3,694	15,610	0	14,791	76,682
Central America	1,054	419	0	829	0	1,090	3,391
Peru	0	0	0	6,703	0	1,165	7,868
Argentina	19,291	905	0	0	303	712	21,211
Total	34,558	29,697	3,694	23,142	303	17,757	109,152

Waste management





Our performance in numbers

GRI 306-3, 306-4, 306-5

WASTE GENERATED BY GRUPO ROTOPLAS (tons)

Total	700	1,319	1,374
Hazardous waste (HW)	75	59	123
Special handling waste (SHW)	242	591	553
Urban solid waste (USW)	389	669	697
0	2021	2022	2023

WASTE GENERATED BY COUNTRY (tons)

2023	Mexico and Central America	Peru	Argentina	Total
Urban solid waste (USW)	450	8	239	697
Special handling waste (SHW)	494	59	0	553
Hazardous waste (HW)	39	3	81	123
Total	983	70	320	1,374

DESTINATION OF WASTE GENERATED BY COUNTRY (tons)

2023		Mexico and Central America	Peru	Argentina	Total
Recycling	Tons	504	59	0	563
	%	51	84	0	41
Coprocessing	Tons	29	0	81	110
	%	3	0	25	8
Final disposal	Tons	450	11	239	700
	%	46	16	75	51
Total	Tons	983	70	320	1,374

GENERATION BY TYPE OF WASTE BY COUNTRY (tons)

2023	Mexico and Central America	Peru	Argentina	Total
Hazardous waste (HV	V)			123
Recycling	12	0	0	12
Coprocessing	27	0	81	108
Final disposal	0	3	0	3
Special handling was	te (SHW)			553
Recycling	492	59	0	551
Coprocessing	2	0	0	2
Final disposal	0	0	0	0
Urban solid waste (U	SW)			697
Recycling	0	0	0	0
Coprocessing	0	0	0	0
Final disposal	450	8	239	697
Total	983	70	320	1,374



ELECTRIC ENERGY

	2022			2023		
	kWh	MWh	GJ	kWh	MWh	GJ
Energy Power grid	23,468,709	23,470	23,470	46,846,403	46,846	168,647
Cogeneration energy	32,570,580	32,570	117,254	8,285,547	8,286	29,828
Renewable energy	1,045,918	1,045	3,765	1,072,788	1,073	3,862
Total energy	57,085,207	57,085	205,506	56,204,738	56,205	202,337

ELECTRIC ENERGY CONSUMPTION BY COUNTRY

2023	Energy Power grid (kWh)	Cogeneration energy (kWh)	Renewable energy (kWh)
Mexico	34,977,392	8,285,547	940,060
Central America	98,465	0	132,729
Peru	404,634	0	0
Argentina	11,137,800	0	0
Distribution centers, offices and USA Stores	228,112	0	0



Our performance in numbers

GRI 302-1,302-3, 304-4

ELECTRIC ENERGY/PROCESS

		20	021	20)22	202	23
Process	Source	kWh	GJ	kWh	GJ	kWh	GJ
	Energy Power grid	19,065	68,632	16,724	60,206	34,660,577	124,778
Injection, extrusion, and milling	Cogeneration	30,185	8,666	30,646	110,324	7,770,816	27,975
	Renewable	0	0	0	0	0	0
	Energy Power grid	3,411	12,278	6,348	22,855	10,275,627	36,992
Rotomolding- blowmolding	Cogeneration	2,598	9,353	1,925	6,930	514,730	1,853
	Renewable	1,080	3,890	1,046	3,765	1,072,789	3,862
Manufacture of heaters	Energy Power grid	NA	NA	NA	NA	1,448,851	5,216
Distribution centers, offices, and USA stores	Energy Power grid	NA	NA	396	1,427	461,349	1,661
Total		56,339	102,819	57,085	205,507	56,204,738	202,337

NA: Not available

Grand total	361,618	426,555	280,776
Total	NA	NA	29,697
Gasoline	NA	NA	0
Diesel	NA	NA	230
P Gas	NA	NA	0
Natural Gas	NA	NA	29,467
	Manufacture of	heaters	
otal	6,226	12,750	4,928
Gasoline	NA	0	0
Diesel	455	89	51
.P Gas	5,156	12,105	4,516
Natural Gas	615	556	361
	Injection, extrusion,	and milling	
otal	355,392	413,805	246,151
Gasoline	NA	756	667
Diesel	95	575	295
.P Gas	46,616	84,677	66,047
Natural Gas	308,681	327,797	179,142
	Rotomolding-blo	wmolding	
	GJ	GJ	GJ
	2021	2022	2023

TOTAL ENERGY CONSUMPTION							
	2021	2022	20231				
Total consumption (GJ) (energy + fuel)	585,813	632,062	483,112				
Intensity (GJ/t of resin processed metal)	5.27	6.50	5.60				



¹ The reduction in total energy consumption (GJ) (energy + fuel) was a result of fuel conversion factors being adjusted internally from m3 to GJ in 2023.

Emissions

SCOPE 1, SCOPE 2, AND SCOPE 3 GHG EMISSIONS (tCO2e)

0	2022	2023	Variation
Scope 1	22,098	16,282	-26%
Scope 2 – Market based	22,856	23,628	2%
Scope 2 – Location based	24,195	24,113	-0.3%
Total (S1+S2) - Market method	44,955	39,910	-11%
Intensity (tCO ₂ e/t of resin and metal processed)	0.48	0.43	-12%
Scope 3	369,168	354,204	-4%

Scope 1: direct emissions from fuel combustion (Natural gas, LP gas, Diesel, and Gasoline).

Scope 2: indirect emissions from the generation of electricity consumed. We use the market-based method for measuring, reporting, and setting goals related to emissions.

Scope 3: indirect emissions emanate from the Group's entire value chain, spanning from the production of raw materials to the final disposal of products.

Note: During 2023, category 11 of scope 3 (Use of sold products) was recalculated, restating our result for 2022 from 202,084 to

SCOPE 1 AND 2 GHG EMISSIONS BY COUNTRY 2023 (tCO2e)

2023	Scope 1 emissions	Scope 2 emissions	Intensity (tCO2e/t of resin and metal processed)
Mexico	9,652	18,359	0.41
Central America	1,702	24	0.64
Argentina	3,118	4,769	0.48
Peru	1,824	183	0.47
Total	16,297	23,335	0.43

Note: For the calculation of Intensity, only manufacturing plants are considered.



Our performance in numbers

GRI 305-1, 305-2,

305-3, 305-4, 305-5

SCOPE 3 GHG EMISSIONS 2023

2023	Description	Methodology	Total emissions tCO₂e	S3 contribution [%]
Category 1	Purchased goods and services	Quantis tool/Carbon Intensity Estimation	53,277	15.04%
Category 2	Capital goods and services	Quantis tool	12,452	3.52%
Category 3	Fuel and energy related activities (not included in scopes 1 and 2)	Quantis tool	9,977	2.82%
Category 4	Upstream transportation and distribution	Emission factors	26,892	7.59%
Category 5	Waste generated in operations	Emission factors	157	0.04%
Category 6	Business travel	Quantis tool	1,554	0.44%
Category 7	Employee commuting	Quantis tool	4,853	1.37%
Category 8	Upstream leased assets	Emissions considered within scopes 1 and 2	N/A	0%
Category 9	Downstream transportation and distribution	Emission factors	N/A	0%
Category 10	Processing of sold products	Not applicable to Grupo Rotoplas operations	N/A	0%
Category 11	Use of sold products	Estimation by products' carbon footprint and energy consumption	230,619	65.11%
Category 12	End-of-life treatment of sold products	Estimation with product carbon footprint	14,422	4.07%
Category 13	Downstream leased assets	Not applicable to Grupo Rotoplas operations	N/A	0%
Category 14	Franchises	Not applicable to Grupo Rotoplas operations	N/A	0%
Category 15	Investments	No investments reported in 2023	N/A	0%
Total Scope 3 GH	G omissions		354,204	

N/A: Not applicable



Social

Communities



performance in numbers

GRI

SOCIAL INVESTMENT¹

0	Contributions in MXN	People Impacted	Children Impacted
Mexico	15,127,945	347,813	NA
Argentina	739,518	124,183	55,746
Peru	138,475	19,163	16,000
Total	16,005,938	491,159	71,746



NA: Not available

awareness activities described in the "Our social initiatives" chapter.

Our team

Labor demographics and diversity

EMPLOYEES BREAKDOWN BY GENDER AND AGE GROUP (HISTORICAL)

		2021	2022	2023	Variation (2022 vs 2023) (%)
	< 30	652	567	583	3%
Men 30-50 > 50	30-50	1,681	1,630	1,734	6%
	> 50	272	291	341	17%
	< 30	178	171	170	-1%
Women 30-50	30-50	539	556	584	5%
	> 50	58	69	71	3%
	Men	2,605	2,488	2,658	7%
	Women	775	796	825	4%
Total	<30	830	738	753	2%
	30-50	2,220	2,186	2,318	6%
	> 50	330	360	412	14%
Grupo Rotor	olas Total	3,380	3,284	3,483	6%

performance in numbers

> GRI 2-7, 405-1

EMPLOYEES BREAKDOWN BY EMPLOYMENT CATEGORY AND AGE GROUP (2023)

^	< 30		30-50 > 50		Total						
	W	М	W	М	W	M	W	%	M	%	Total
Executive	0	0	10	46	2	21	12	1	67	2	79
Middle Management	5	20	103	294	7	46	115	3	360	10	475
Individual Employees	74	127	247	515	16	81	337	10	723	21	1,060
Operational Employees	91	436	224	879	46	193	361	10	1,508	43	1,869
Total	170	583	584	1,734	71	341	825	24	2,658	76	3,483

EMPLOYEES BREAKDOWN BY EMPLOYMENT CATEGORY AND AGE GROUP (HISTORICAL)

Executive					
		2021	2022	2023	Variation (2022 vs 2023) (%)
	Total	69	70	79	13%
Total	< 30	0	0	0	-
Total	30-50	57	55	56	2%
	> 50	12	15	23	53%
0	Total	61	59	67	14%
A.A.	< 30	0	0	0	-
Men	30-50	50	46	46	0%
	> 50	11	13	21	62%
0	Total	8	11	12	9%
NA / 2	< 30	0	0	0	-
Women	30-50	7	9	10	11%
	>50	1	2	2	0%

		2021	2022	2023	Variation (2022 vs 2023) (%)
	Total	338	434	475	9%
Total	< 30	12	25	25	0%
	30-50	291	363	397	9%
	> 50	35	46	53	15%
	Total	237	306	360	18%
M	< 30	7	19	20	5%
Men	30-50	201	251	294	17%
	> 50	29	36	46	28%
	Total	101	128	115	-10%
Women	< 30	5	6	5	-17%
	30-50	90	112	103	-8%
	>50	6	10	7	-30%

··· Individual E	Employees "			••••	
0		2021	2022	2023	Variation (2022 vs 2023) (%)
	Total	1,123	1,021	1,060	4%
Total	< 30	238	194	201	4%
Total	30-50	798	739	762	3%
	> 50	87	88	97	10%
0	Total	804	717	723	1%
A4 a.m	< 30	159	128	127	-1%
Men	30-50	573	513	515	0%
	> 50	72	76	81	7%
0	Total	319	304	337	11%
14/2	< 30	79	66	74	12%
Women	30-50	225	226	247	9%
	>50	15	12	16	33%

		2021	2022	2023	Variation (2022 vs 2023) (%)
	Total	1,850	1,759	1,869	6%
Total	< 30	580	519	527	2%
Total	30-50	1,074	1,029	1,103	7%
	> 50	196	211	239	13%
0	Total	1,503	1,406	1,508	7%
Men	< 30	486	420	436	4%
men	30-50	857	820	879	7%
	> 50	160	166	193	16%
)	Total	347	353	361	2%
\\/a======	< 30	94	99	91	-8%
Women	30-50	217	209	224	7%
	>50	36	45	46	2%

EMPLOYEES BREAKDOWN BY COUNTRY (HISTORICAL)

Total	3,380	3,284	3,483	6%
Other	24	36	33	-8%
JSA	96	103	84	-18%
Peru	161	141	148	5%
Central America²	94	82	97	18%
Argentina	714	703	773	10%
3razil	46	48	45	-6%
Mexico	2,245	2,171	2,303	6%
	2021	2022	2023	Variation (2022 vs 2023) (%)



EMPLOYEES BREAKDOWN BY NATIONALITY³ (%)

0	Mexican	Brazilian	Argentinian	Central American⁴	Peruvian	American	Others
2023	66.1%	1.3%	22.2%	2.8%	4.2%	2.4%	1.0%
2022	66.1%	1.5%	21.4%	2.5%	4.3%	3.1%	1.1%

EMPLOYEES BREAKDOWN BY COUNTRY (%)

0	Mexico	Brazil	Argentina	Central America ⁵	Peru	USA
2023	66.1%	1.2%	23.0%	2.7%	4.0%	2.6%
2022	66.1%	1.4%	22.3%	2.5%	4.0%	3.4%
2021	66.5%	1.3%	22.0%	2.8%	4.5%	2.8%

- 2 Corresponds to employees with Guatemalan, Nicaraguan, Honduran, Salvadoran and Costa Rican nationality.
 3 The breakdown of our workforce by nationality is directly related to the number of Employees employed in each country.
 4 Corresponds to employees with Guatemalan, Nicaraguan, Honduran, Salvadoran and Costa Rican nationality.
 5 Corresponds to employees with Guatemalan, Nicaraguan, Honduran, Salvadoran and Costa Rican nationality.

EMPLOYEES BREAKDOWN BY TYPE OF CONTRACTS

•	# employees	% indefinite contracts	% of women
2023	3,483	96.3%	23.6%
2022	3,284	95.8%	24.2%
2021	3,380	94.6%	22.9%

EMPLOYEES BREAKDOWN BY GENDER (FEMALE)

	2022	2023
Share of women in the workforce	24%	24%
Share of women in all Management positions	28%	30%
Share of women in junior Management positions	29%	24%
Share of women in top Management positions	16%	14%
Share of women in Management positions and revenue-generating functions	29%	17%
Share of women in STEM positions	16%	17%



Remuneration

SALARIES RATIO BY GEN			Wor	en			
			Annual average salary (MXN)				
Management level	Fixed	Fixed + variable	Fixed	Fixed + variable	Fixed	Fixed + variable	
Executive	75%	74%	301,620	301,620	404,654	407,906	
Middle Management	89%	89%	84,611	108,705	95,184	122,406	
Individual Employees	111%	105%	28,712	38,331	25,786	36,355	
Operators	106%	103%	8,845	12,136	8,383	11,743	
Average Whole workforce	111%	103%	27,233	33,876	24,497	33,992	

Turnover



performance in numbers

GRI 405-2

VOLUNTARY TURNOVER RATE BY COUNTRY (HISTORICAL)

	2021	2022	2023
Mexico	3.82%	9.45%	11.56%
Brazil	0.0%	4.55%	6.59%
Argentina Pilar	5.05%	13.46%	10.46%
Argentina San Martin-Loma Hermosa	5.84%	7.28%	5.61%
Argentina Olivos Pilarica	0.0%	3.64%	2.82%
Central America	4.21%	12.36%	14.73%
Peru	1.45%	11.35%	7.56%
US	30.34%	20.00%	26.00%
RSA (Mexico)	-	30.11%	32.41%
Grupo Rotoplas Turnover	6.82%	12.46%	13.08%

EMPLOYEE TURNOVER RATE BY COUNTRY 2023

		New	hires			Dism	nissals				Turno	er rate
)	Temporary	y contract	contract Indefinite		Voluntary	departures	Involuntary	nvoluntary departures Total headcount with indeterminate contract				
	W	М	W	Μ	W	М	W	М	W	М	Total	Voluntary departures
Mexico	37	139	176	559	94	261	78	242	632	1,568	30.7%	16.1%
< 30	13	77	60	186	23	82	23	67	128	339	48.0%	25.5%
30-50	22	56	110	313	62	148	53	154	446	994	27.4%	13.8%
> 50	2	6	6	60	9	31	2	21	58	235	19.1%	12.6%
Brazil	0	0	1	10	0	3	3	11	4	39	39.5%	7.0%
< 30	0	0	0	1	0	0	0	2	0	2	100%	0.0%
30-50	0	0	1	7	0	3	3	9	4	32	41.7%	8.3%
> 50	0	0	0	2	0	0	0	0	0	5	0.0%	0.0%
Argentina	0	4	19	53	10	31	4	47	88	705	11.6%	5.2%
< 30	0	2	4	11	2	6	1	12	15	135	16.0%	6.0%
30-50	0	2	14	35	8	22	2	29	67	493	10.4%	5.2%
> 50	0	0	1	7	0	3	1	6	6	77	12.0%	3.6%
Central America	0	3	4	36	0	13	4	10	17	77	28.7%	13.8%
< 30	0	1	1	14	0	3	0	2	2	20	31.8%	18.2%
30-50	0	2	3	21	0	10	4	6	15	53	27.9%	13.2%
> 50	0	0	0	1	0	0	0	2	0	4	25.0%	0.0%
Peru	2	1	8	21	3	7	2	13	28	106	18.7%	7.5%
< 30	0	0	5	1	1	2	1	0	7	12	21.1%	15.8%
30-50	2	1	3	20	2	5	0	11	18	83	18.8%	6.9%
> 50	0	0	0	0	0	0	1	2	3	11	14.3%	0.0%
USA	0	0	5	32	7	19	10	20	28	63	61.5%	28.6%
< 30	0	0	0	9	0	4	1	6	3	13	81.3%	31.3%
30-50	0	0	5	17	6	12	8	8	21	42	50.8%	27.0%
> 50	0	0	0	6	1	3	1	6	4	8	91.7%	33.3%
Total	39	147	213	711	114	334	101	343	797	2,558	26.6%	13.1%
< 30	13	80	70	222	26	97	26	89	155	521	40.5%	20.7%
30-50	24	61	136	413	78	200	71	217	571	1,697	23.7%	11.6%
> 50	2	6	7	76	10	37	4	37	71	340	19.5%	10.7%

performance in numbers

GRI 401-1



AVERAGE HIRING COST (HISTORICAL)

	2021	2022	2023
Average hiring cost (MXN)	\$1,751	\$2,509	\$2,813

PAY RATIO BETWEEN WOMEN AND MEN (OPERATIONAL EMPLOYEES)

	Fixed salary	Fixed + variable salary
Argentina	1.62	NA
Central America	1.08	0.62
Mexico	0.94	1.00

NB:

Fixed and variable salaries are influenced by the seniority of the employees in the position.

Argentina does not have variable salaries for operational Employees.

In Central America, there are two women in operational positions and do not have variable salaries.

There are no women in operational positions in Peru.

NA: Not Available

performance in numbers

GRI 405-2

Training and Talent Development



	Courses	Attendees
Mexico	519	8,391
Peru	24	602
Argentina	48	2,649
Central America	77	638
Brazil	14	78
United States	16	71
Total	698	12,429



performance in numbers

GRI 404-1

TRAINING HOURS BREAKDOWN BY EMPLOYMENT CATEGORY

0		2021	2022	2023	Variation (2022 vs 2023)
	Training hours	13,529	23,312	7, 319	-69%
Administrative staff	Average training hours per employee	2.8	1.8	1.83	0%
Operational staff	Training hours	3,080	4,358	15,595	258%
	Average training hours per employee	1.5	1.6	1.04	-35%
Total	Training hours	16,609	27,670	22,915	-17%
	Average training hours per employee	4.3	3.4	1.21	-64%

TRAINING HOURS BY GENDER AND COUNTRY

	On-site training			Remote training		
	Total	W	M	Total	W	М
Mexico	11,430	3,187	8,243	2,335	731	1,606
Peru	670	9	661	188	104	84
Central America	1,593	128	1,465	112	36	76
Argentina	4,949	365	4,584	444	128	316
Brazil	248	0	248	662	8	654
US	92	20	72	190	66	124
Total	18,982	3,709	15,273	3,931	1,072	2,859





Our performance in numbers

GRI 404-1, 404-3

NUMBER OF EMPLOYEES WHOSE PERFORMANCE HAS BEEN EVALUATED BY EMPLOYMENT CATEGORY (HISTORICAL)

	2021	2022	2023	%
Executive	65	65	67	3%
Middle Management	353	395	434	10%
Individual Employees	900	866	908	5%
Total	1,318	1,326	1,409	6%



Occupational **Health & Safety**

In 2022 and 2023, we did not have any health and safety reports for contractors. We had 179 contracted individuals during the year.

GRUPO ROTOPLAS HEALTH AND SAFETY INDICATORS: EMPLOYEES **AND CONTRACTORS (HISTORICAL)**

	2021	2022	2023
N° of Minor Injuries	73	NA	72
N° of Lost Time Injuries	71	63	42
N° of Occupational Diseases	3	1	1
N° of Casualties	0	0	0
N° of Days Lost Due to Injury	1,804	1,804	705
Lost Time Incident Rate	2.01	1.87	0.89
Index of Occupational Diseases	0.08	NA	0.03
Absenteeism Rate	51.10	27.43	20.24

LTIR (Lost Time Incident Rate) is calculated since 2023 using the SASB formula (number of lost time injuries/total worked hours) *200,000.

The total amount of worked hours in 2023 was 9,416,393.

NA: Not Available.



performance in numbers

> GRI 403-9, 403-10

SASB RT-CH-320a.1, RT-CH-540a.1



ABOUT THIS REPORT

At Grupo Rotoplas S.A.B. de C.V¹, we publish our sustainability report annually, which encompasses the performance of our activities and the most relevant economic, social, environmental and corporate governance results. The information contained herein corresponds to the period from January 1st to December 31st, 2023, and it addresses the most relevant issues for our various stakeholders.



GRI2-2, 2-3,
2-4, 2-5,
2-14, 3-3

- This report was prepared in accordance with the Global Reporting Initiative (GRI) standards and Sustainability Accounting Standards Board (SASB) guidelines for the construction product, chemical, and water-service industries.
- It addresses critical issues that emerged from our double materiality assessment, which has served as the basis for our 2021- 2025 Sustainability Strategy.
- It constitutes our Communication of Progress (COP) through reporting on the progress made in the implementation of the 10 Principles of the Global Compact, as well as managing our commitments relating to global water challenges from the CEO Water Mandate.
- It also includes details of our contributions to the United Nations Sustainable Development Goals (SDG's).

The information contained in this report has been compiled and reviewed internally by those responsible for this area in each department, and subsequently validated by the Sustainability Committee and the Corporate Practices and Strategy Committee, which in turn reports to the Board of Directors.

The Integrated Annual Report 2023 has been externally verified by Redes Sociales, a third party engaged by Rotoplas for this express purpose to provide trust and transparency to the information reported within the scope of content verification. Please click here to read the **Letter of Verification**.

There has been no re-expression of information or changes in the preparation of the report compared to last year.

¹ Information is included for all the entities pertaining to Grupo Rotoplas, i.e., those considered for the audited Consolidated Financial Statements.

Materiality

At the beginning of 2021, we undertook a double materiality assessment to identify significant impacts on our diverse stakeholder groups, which is a crucial step in better understanding their concerns and expectations, including in terms of impact materiality (socioenvironmental) under the GRI (Global Reporting Initiative) methodology and financial materiality corresponding to SASB (Sustainability Accounting Standards Board) standards.

Throughout 2023, we reviewed the most relevant aspects of our materiality analysis to reflect the constantly evolving environment. This comprehensive process enables us to ensure that our business objectives are aligned with the values and expectations of our stakeholders.

IMPACT MATERIALITY

This considers Grupo Rotoplas' activities that have the greatest impact on its stakeholders (in a through:

- Stakeholder perspectives (through) stakeholder consultation).

FINANCIAL MATERIALITY

This considers those ESG issues that have the greatest impact on the company's financial results, stability, and balance sheet.

Marked by investors' concerns about ESG issues

We conducted a double materiality assessment at both Group and market levels, focusing on Mexico and Argentina, in addition to considering input from various stakeholders, including investors, employees, civil society organizations, suppliers, distributors, plumbers, and end-users. This analysis is undertaken periodically to shape annual strategy initiatives and remain abreast of shifting stakeholder expectations. Materiality is fully reviewed every five years and aligns with organizational risks, which govern both our Sustainability Strategy and corporate outlook.



2-29, 3-1, 3-2,

Double Materiality Process

IDENTIFICATION / REVIEW

Identification of the set of potentially relevant issues based on documentary evidence and a comparable frame of reference from similar companies.

- ♠ Business Context: trends in business management, risks, and opportunities. Analysis of documents in response to the COVID-19 pandemic and its aftermath.
- Investor Perspectives: references regarding investment trends and ESG criteria most important to the investing public, both in general and by sector.
- Other Stakeholder Perspectives: analysis of pre-existing consultations conducted by Rotoplas.
- **Sectoral Priorities:** references regarding priority topics for the water sector.

2

PRIORITIZATION

Prioritization of issues based on the opinion of Rotoplas' stakeholders and the company's strategic outlook.

0.....

- Stakeholder Priority: analysis through focus groups, interviews and surveys with employees, investors, clients, users, suppliers, and civil society organizations.
- Company's Strategic Priority: interviews with senior management.

3

VALIDATION OF MATERIAL ISSUES

Creation of materiality matrix and validation of relevant issues.

Preparation of materiality matrices

O.....

- Determination of material issues
- Validation session with Grupo Rotoplas

The topics were classified as material, emerging, and non-priority across two matrices. The Global Materiality Matrix encompasses stakeholder all perspectives, while the Investor Perspective Matrix specifically addresses investor concerns. For the purposes of the Sustainability Strategy and the Annual Report, we focus on aspects classified as material and emerging in both matrices.



The materiality analysis is first presented internally to the Sustainability Committee, and subsequently to the Corporate Practices and Strategy Committee, before reaching the Board of Directors. It is worth noting that both the process and the outcome of the analysis are verified by an independent third party.



For further information about our

third-party verification, please click

here.



Material Issues for Rotoplas and External Stakeholder Value

In 2023, through interviews, we engaged with executives from strategic areas within the company who directly engage with each stakeholder group, for a partial revision of materiality. This process has allowed us to prioritize three material issues based on their significance and impact on both Rotoplas' value creation and its external stakeholders.

As a water solutions company, we have identified three material issues that significantly impact our business and our long-term value creation. We continue to pivot around User Focus, Diversity in the Workplace, Equal Opportunities, and inclusion, and Contribution to Climate Change (Energy and Emissions).

For our external stakeholders, we have identified key concerns regarding their impact on our business operations, products, services, and the supply chain. These material issues are Access to Water and Sanitation, and Sustainable Supply Chain Management.



Building Rotoplas Value

USER FOCUS

DESCRIPTION

It represents a competitive advantage in retaining and attracting more clients and it is the optimal way of fostering growth. It yields real positive impacts, including increased customer satisfaction, enhanced product innovation, and improved service experience. Furthermore, there is the potential for positive impacts such as increased customer loyalty, greater market share, and enhanced brand reputation. However, there are also negative impacts to consider, such as increased complexity, implementation challenges, and conflicting impacts, may arise, such as increased costs, resources limitations, and over-reliance on user feedback. Balancing these factors is crucial in optimizing outcomes and ensuring the overall success of our user focus.

The sustainability of our company relies on customer revenue, which is based around their experience with us, in addition to serving as the cornerstone for profitability and expansion.



CATEGORY Customer Relations



TARGET

Customer Satisfaction (NPS): 80 by 2025



2023 PROGRESS →→→ 75 NPS

(vs. 73 score target for 2023)

EXECUTIVE COMPENSATION

Variable compensation (annual bonus) for the following roles and their teams is tied to the NPS score:

- South American Operations VP
- Mexico and Central America Sales Director
- Peru Country Manager
- Services Director
- Supply Chain Director
- 🍑 Field Experience Director
- 🎍 bebbia Unit Director

ROTOPLAS' STRATEGY

We concentrate on placing the customer at the core to provide products and services that genuinely satisfy their requirements. In 2023, we completed the implementation of Product UX Committees in all countries where we offer products, more frequently reviewing pain points and executing action plans to amend or enhance the experience.

We also have our Center of Excellence (CoE), whose primary function is to analyze different areas of the company to diagnose the maturity of customer focus, in addition to developing new capabilities. The Insight Center is used to this purpose: it is a digital platform that spreads information about customer and user needs and expectations to the different areas of the company.

Three areas have been added to our CoE to roll out the user experience strategy, as well as monitoring and managing all areas of opportunity identified:

- Customer Voice
- Strategic Design
- Customer-centric Culture

We also have a Customer Service Center, (SAC, for its Spanish acronym), which is a call center that is available for warranty claims, complaints or questions related to our solutions.

The strategy for the coming years is focused on enhancing our customer experience through AI solutions and Client Engagement & Efficiency, prioritizing the installation of realtime monitoring systems and the provision of direct reports and alerts.

Building Rotoplas Value

DIVERSITY IN THE WORKPLACE, EQUAL **OPPORTUNITIES. AND INCLUSION**

DESCRIPTION

Diversity, inclusion and gender equity are core values within our company. We value the unique differences of our team enable us to provide new solutions, improve our competitiveness, and better serve our customers and consumers. We foster diverse and inclusive workplaces to enrich our work environment and facilitate the optimal



CATEGORY

Human Capital Development and Talent / Human Rights



TARGET

30% of women in the workforce by 2025



2023 PROGRESS

24% of women in the workforce in 2023

Lack of diversity, inclusion and equality in the workplace can pose a **significant risk** in terms of regulatory compliance. focused on promoting equal opportunity and non-discrimination in the workplace. Discrimination on the basis of gender, ethnicity, sexual orientation or other characteristics protected by law can lead to fines, legal sanctions and damage to a company's reputation. Therefore, failure to adequately address these issues can expose the company to legal, financial and reputational risks, as well as increased oversight by regulatory authorities.

EXECUTIVE COMPENSATION

Variable compensation (annual bonus) for the following roles and their teams is tied to the percentage of women in the workforce:

- Human Capital Director
- Talent Acquisition Senior Manager
- Sustainability and Investors Relation Senior Manager
- Group's Sustainability Manager

ROTOPLAS' STRATEGY

We continue to develop action plans regarding diversity and inclusion through our Diversity and Inclusion Committee, which in turn consists of three subgroups: Gender, LGBTIQ+, and Disability. In terms of gender initiatives, we adhere to the UN's Women's Empowerment Principles and our Gender subcommittee carries out different actions in line with this initiative to strengthen gender equality within our workforce:

- 🖢 Use of the Confía Rotoplas reporting channel, legal advice and psychological tools for violations of the Zero Tolerance Against Gender Violence policy.
- Training on Gender Violence for leaders, addressing issues of awareness and the definition of harassment, abuse, and sexual harassment.
- 719 employees participated in various diversity and inclusion training sessions during 2023.

Strategic partnership with allies such as PrideConnection (LGBTIQ+), AdditionRH (Gender) or Éntrale (people with disabilities) to increase sensibilization and communication efforts across the company

Building Rotoplas Value

CONTRIBUTION TO CLIMATE **CHANGE (ENERGY AND EMISSIONS)**

DESCRIPTION

We are committed to mitigate the impact of our greenhouse gas emissions have by implementing strategic initiatives and driving innovation focusing on energy efficiency and

This can positively impact energy savings and emission reduction, while also achieving financial savings and contributing positively to tackling climate change.



CATEGORY

Sustainable Raw Materials / Energy



TARGET

CO2 intensity (Scopes 1 and 2) per ton of processed resin and metal - 0.41 by 2025



2023 PROGRESS 0.43 CO₂

(vs. 0.45 target for 2023)

Our sustainability strategy encompasses a comprehensive analysis of climate change risks and opportunities, allowing us to implement preventive measures to reduce the likelihood of occurrence and to mitigate risks.

EXECUTIVE COMPENSATION

Variable compensation (annual bonus) for the following roles and their teams is tied to CO₂e intensity:

- Chief Sustainability Officer
- Supply Chain Director
- Operation Managers at each manufacturing facility
- Group's Sustainability Manager
- Environmental Manager

ROTOPLAS' STRATEGY

One of our primary objectives is to transition towards a lowcarbon economy by reducing our carbon footprint across all areas of our operations:

- Scope 1: Reducing fuel consumption and transitioning to more efficient production technology.
- Scope 2: Adopting renewable energy across all operations and implementing energy efficiency and heat conservation measures.
- Scope 3: Conducting life cycle analysis for products and services, applying ESG assessment criteria to suppliers, and optimizing distribution routes and fleet.



External Stakeholders Value Creation

ACCESS TO **WATER AND** SANITATION

DESCRIPTION AND IMPACTS

By addressing this critical social need, we not only align with our company's impact and help differentiate our brand. The real **positive impacts** are evident in improving the quality of life of people and communities, fulfilling our mission and contributing to the United Nations Sustainable Development Goals. In addition, there is a potential **positive impact** in terms of market opportunities, improved brand reputation and positive environmental such as reaching remote areas, logistical complexities, economic constraints, conflicts competitive pressures and scaling solutions to meet growing demand. In addition, this material issue contributes to the overall well-being and health of communities by improving their quality of life. From an investor perspective, demonstrating a commitment to sustainable development goals, including access to clean water, can attract socially responsible investors and improve a company's long-term financial performance.



CATEGORY

Water / Society and **Community Relations**



TARGET

People with access to sanitation (cumulative total from 2021): 1 M by 2025

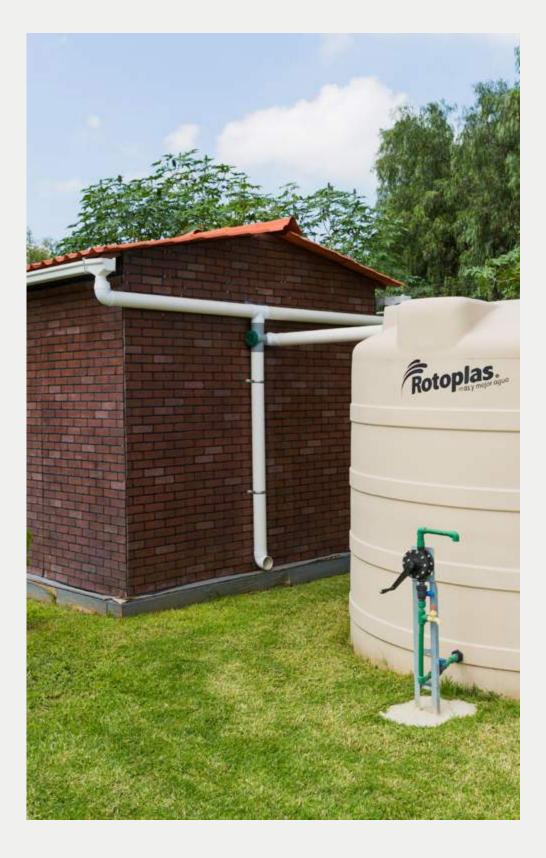


IMPACT METRIC AND 2023 PROGRESS 800 thousand people (vs. 788 thousand target for 2023)

IMPACT QUANTIFICATION

We have taken several specific measures to reduce water consumption and analyze solutions to improve primary water treatment.

We have improved our sanitation solutions in recent years through, for example, our 2023 partnership with acciona.org to install rainwater harvesting systems in three Zapotec communities in Oaxaca, providing clean water to 200 people and promoting self-sufficiency and resilience against water stress and climate change.



External Stakeholders Value Creation

SUSTAINABLE SUPPLY CHAIN **MANAGEMENT**

DESCRIPTION AND IMPACTS

Our Procurement and Sustainability teams work together to mitigate the environmental and social impacts of our operations, leading to benefits for a wide range of stakeholders.

- Customers and users enjoy access to services that are not only more sustainable but also have a lower environmental footprint, enhancing the value we offer.
- Investors and shareholders see the company's commitment to sustainability as an enhancement to its long-term value, through reduced operational risks and a stronger, more resilient business model.
- Suppliers and distributors can experience growth in sales by aligning with more sustainable practices, which also reduces their exposure to regulatory risks.
- **Authorities** appreciate the positive effects on environmental, economic, and social stability, while the community at large benefits from the decreased environmental impact.
- The academic sector gains valuable insights into sustainable supply chain management best practices.

By adopting a sustainable approach to supply chain impact but also uphold human rights, contributing to a more sustainable and resilient business. Our comprehensive evaluation process considers economic, technical, ethical, and supply reliability factors - alongside environmental, social, and governance aspects - to identify risks and promote best practices.

IMPACT METRIC AND 2023 PROGRESS



As of 2023, 50% critical suppliers were evaluated using ESG criteria (vs. 45% target for 2023)



CATEGORY

Supply Chain Management



TARGET

Critical suppliers assessed using ESG criteria - 100% by 2025

EXECUTIVE COMPENSATION

The variable compensation (annual bonus) for the procurement director, procurement team managers, and the sustainability manager includes this target.

IMPACT QUANTIFICATION

In 2023, we evaluated 56 critical suppliers on Environmental, Social, and Governance (ESG) matters, achieving a 50% assessment rate. This exceeded our initial target of assessing 45% of the Group's total suppliers. Our approach to ESG assessment begins early in the supplier selection process, where we request information on ESG alongside operational factors such as quality, cost-effectiveness, and supply reliability. The Procurement team, with support from the Sustainability team, analyzes potential suppliers' responses to a comprehensive questionnaire focused on ESG best practices. This analysis is crucial for developing a strategic relationship with our suppliers.

The ESG criteria are essential for gathering additional insights, favoring suppliers who demonstrate leading practices and a stronger commitment to these areas. This approach allows us to balance operational provisioning risks with the mitigation of reputational risks linked to our suppliers' practices.



Human Rights Due Diligence



Our Human Rights Policy outlines our commitment to human rights and provides principles and guidelines for the treatment of employees and interactions within our value chain. It applies to all employees and external stakeholders, including potential employees, suppliers, customers, and solution users, and is closely tied to our Code of Ethics and Conduct, as well as other policies.

For further information about our Human Rights Policy, please click here. We also undertake our activities in strict compliance with applicable legislation. We also consider recommendations and guidelines from the:

- 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
- Organization for Economic Cooperation and Development (OECD)
 Guidelines for Multinational
 Enterprises
- OECD and G20 Principles on Corporate Governance
- Principles of the UN Global Compact



As part of our Due Diligence, we focus on both our direct operations and those within our value chain, including the production and transportation of raw materials or other inputs, the distribution of finished products, the provision of services, and the use and disposal of products and services by end consumers.

We consider all the countries in which we operate, regardless of whether we have production plants and/or distribution centers, as well as whether we cater to distributors or consumer markets. The analysis delves into relationships with our own employees, third-party workers, and local communities, among others. We also assess any potential risks associated to new business relations, such as mergers, acquisitions or joint ventures through an ESG due diligence process.

Emphasizing diversity, our assessment specifically targets the potential impacts on various groups including our employees, women, children, indigenous populations, migrant workers, third-party staff, and local communities, with a particular focus on the following areas:

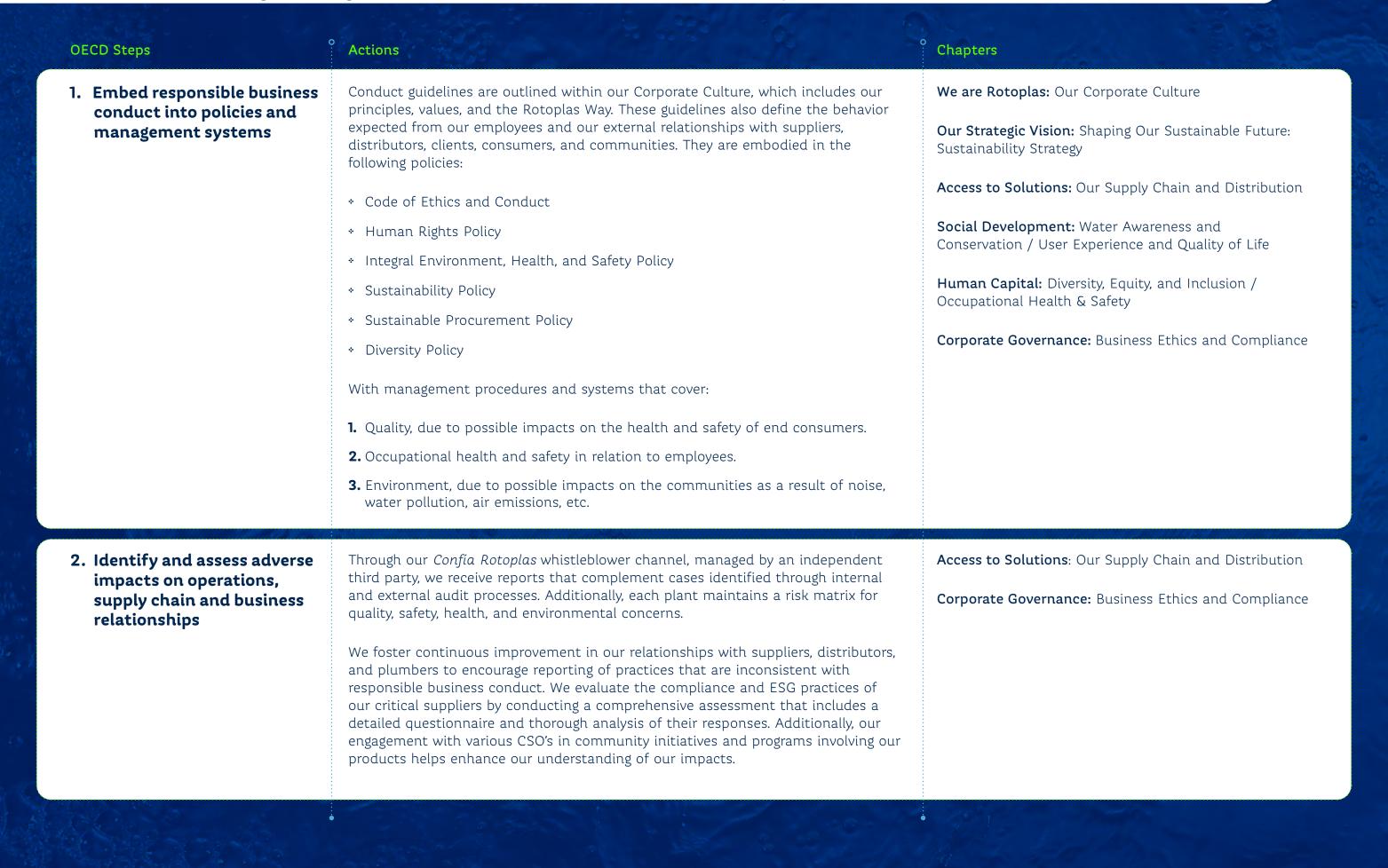
- Forced labor
- Child labor
- Human trafficking
- Freedom of association
- Discrimination
- ◆ The right to collective bargain
- Equal remuneration

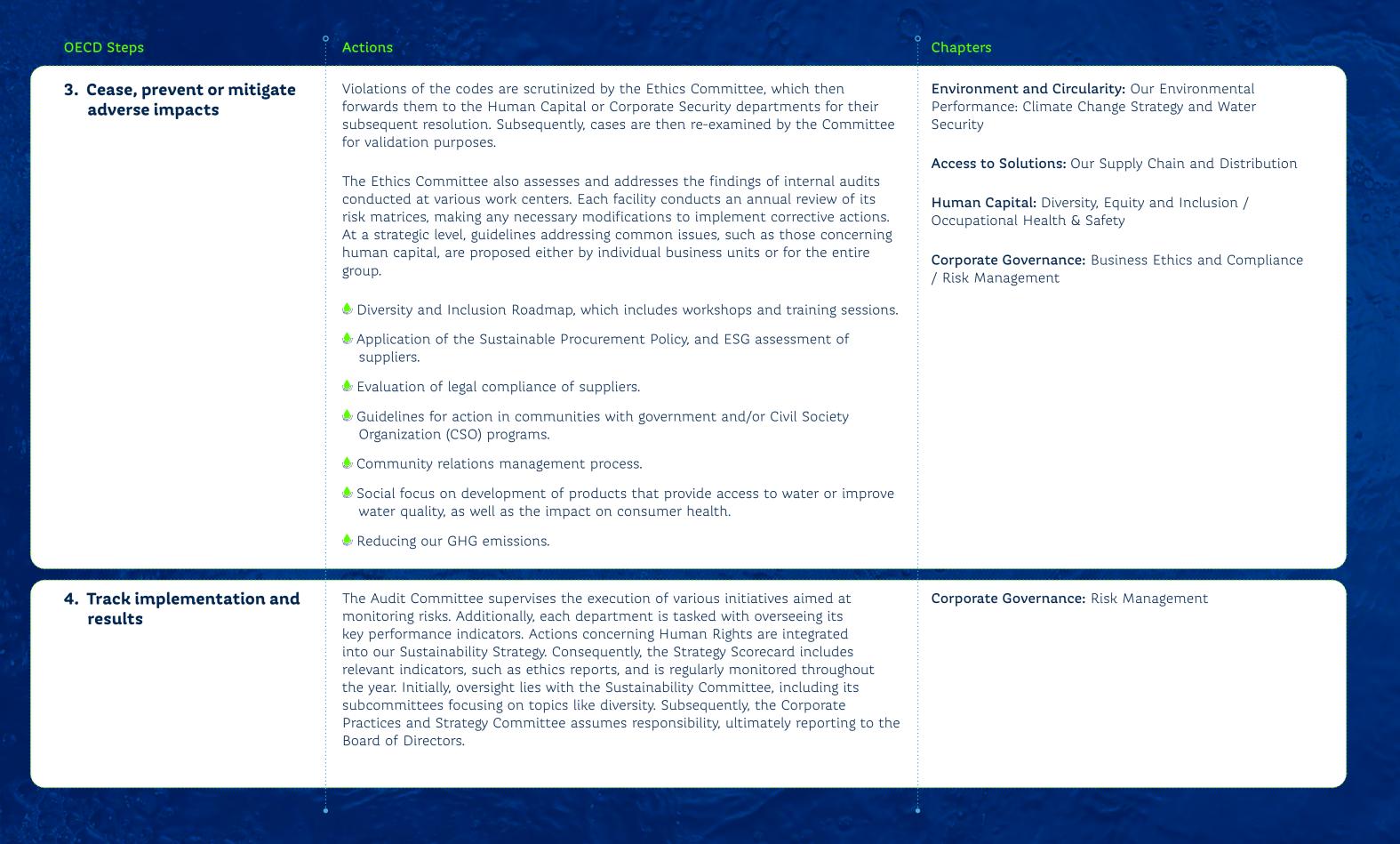
Our process is structured in accordance with OECD recommendations and will be conducted regularly every five years, with additional assessments in exceptional cases of critical situations. Furthermore, this process is institutionalized within Grupo Rotoplas to facilitate its application in potential inorganic growth operations.

All risks classified as high and mediumhigh significance are covered by risk management plans for:

- **Prevention:** to reduce the probability of occurrence.
- 2 Mitigation: to reduce the impact in case of occurrence.
 - Remediation, to address and counteract the impact.

For further information about our Human Rights
Due Diligence
Process, please click here.





publications. Our commitment to compliance with legislation and proactive

rights infringements.

management practices has effectively prevented any significant instances of human

Chapters **OECD Steps** Actions 5. Communicate how impacts The integrated annual report publicly discloses annual management activities, Integrated report including the identification of human rights violations or infringements. It provides a are addressed detailed overview of identified risks, along with assessment and plans for prevention, Specific report on the Human Rights Due Diligence mitigation, and remediation. Additionally, our engagement with stakeholders is ongoing, with mechanisms in place to address their specific concerns effectively. The approach to addressing identified human rights violations is meticulously Corporate Governance: Business Ethics and Compliance 6. Provide for or cooperate in evaluated by senior management and subsequently endorsed by the Board of remediation, if and when / Risk Management Directors. Remediation strategies for primary risks are detailed in dedicated appropriate



Specific report on Human Rights Due Diligence



Contribution to the Sustainable Development Goals (SDG's)

Our business model and Sustainability Strategy is closely linked to the 2030 Agenda and the Sustainable Development Goals (SDG's) set by the United Nations (UN).

Through our initiatives and company actions we have identified on which SDG's - aligned with our strategy, commitments and targets - we can have the greatest impact to continue generating value for a wide range of stakeholders, especially in terms of addressing water and sanitation needs.

SDG GOALS CONTRIBUTIONS



- 3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases.
- **3.4:** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.
- 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

- ♦ Through our products, we facilitate hygiene and healthcare.
- ♦ In our operations, we safeguard occupational **safety measures** and promote employee diligence.
- Our comprehensive "Be Well" employee wellness program.



2023 INDICATORS

We provide **800,000** people access to sanitation.

450 attendees at the employee health fair

Accident rate of 0.89. 5% reduction in recordable accidents.

210

participants in the wellness program, which offers tailormade plans.



- 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
- **4.7:** By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including education for sustainable development, sustainable lifestyles, human rights, gender equality, the promotion of a culture of peace and nonviolence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- We have training and development programs for our employees to promote talent.
- We participate in the **Leaders in Motion** initiative (LeM, for its Spanish acronym), aimed at our employees' children and young relatives.
- ♦ We support and work together with our plumbers, installers, professionals and/or retail vendors to train them in technical and soft skills.
- ♦ We work alongside other associations to raise awareness among schoolchildren of the importance of sustainability and water conservation.
- ♦ We have collaboration agreements with universities.

19

Rotoplas mentors supported 16 university students.

27%

of our total workforce participated in the Leadership Academy.

Training was offered to 5,106 plumbers from Mexico and Central America. with a total of 10.212 attendances.

500

plumbers in Mexico obtained the ECO 079 "Water Solutions Advisor" certification by the Secretariat of Public Education (SEP).

6,675 installers were trained in Argentina through 257 technical talks.

In Peru, there is a training program for technicians and plumbers, which has successfully trained 3,159 people.



- **5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- **5.c:** Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.



- ♦ 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.
- ♦ In terms of self-regulation, our policies and codes are stringent in terms of antidiscrimination requirements and guidelines.
- We have **specialized facilities** to meet the needs of our female employees (nursing rooms).
- We foster diverse and inclusive workspaces to enrich our work environment and facilitate optimal talent development through our Diversity Policy.

Confía Rotoplas

serves as our whistleblowing platform, enabling our employees to report any instances or concerns that may breach our Code of Ethics and Conduct, including discrimination of any type

Nursing rooms at the Guadalajara and Lurin plants, as well as at our corporate offices

24% of women on the workforce.

23% of women in executive and middlemanagement positions.

17% of women within our workforce hold STEM positions

719 employees participated in various diversity and inclusion training sessions during 2023



- **6.1:** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- **6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping, minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing global recycling and safe reuse.
- **6.4:** By 2030, substantially increase wateruse efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
- **6.a:** By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programs, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.
- **6.b:** Support and strengthen the participation of local communities in improving water and sanitation management.

- We offer solutions to improve water management for urban and rural environments, with products for water storage, flow, and improvement.
- We work to **streamline** requirements in our different processes.
- We work to **treat the wastewater** from our operations to reuse it or return it to the environment in good condition through WWTP's in the Guadalajara, Mérida, León and Pacífico plants in Mexico, and our Pilar plant in Argentina.
- b In the Anáhuac, Golfo, Guadalajara, Lerma, Monterrey, León, Guatemala, and Peru plants, we have systems that provide water treatment and recirculation services.
- ♦ As part of our social responsibility efforts, we collaborate with different non-profit organizations, donating some of our solutions and products to communities at risk of or suffering from water scarcity.
- We work together with associations specializing in water and sanitation to enhance our experience and knowledge to provide more and better solutions to the population.

We launched, in conjunction with the UNDP², Call to Call to Flow³ 2023 to drive access to water for human use in urban and rural areas suffering from water vulnerability through rainwater harvesting projects coordinated by CSO's

rieggo acquired HiTech Irrigation to enhance innovation and sustainability in the agricultural sector

Tinaco Plus+ offers more than 90% water savings

Water Debate Program in Argentina; 1,300 middleschool students were trained

765 thousand m³

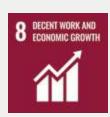
of water purified through our solutions

Alongside ACCIONA, we installed **50 rainwater** harvesting systems using 5.000-liter cisterns to benefit 200 people from Oaxaca

In collaboration with Habitat for Humanity Argentina (HPHA), 250 families were provided with storage and sanitation solutions. along with support for a dining facility serving 200 children. Additionally, sanitation training sessions were conducted for families in various neighborhoods from Buenos Aires

² United Nations Development Program (UNDP).

³ A fluir.



- **8.2:** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.
- **8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and mediumsized enterprises, including through access to financial services.
- **8.4:** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programs on Sustainable Consumption and Production, with developed countries taking the lead.
- **8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- **8.8:** Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

- ◆ Through the Flow program, we boost leadership, operating discipline, talent development, accountability, and organizational climate.
- We continue to develop action plans focusing on diversity and inclusion through our **Diversity** and Inclusion Committee, which, in turn, comprises three sub-committees: Gender. LGBTIQ+, and Disability.
- We offer a safe working environment that promotes the capabilities of our employees.
- We continue to create job opportunities.
- ♦ We enhance our own talent through our Leaders **Program**, and we seek young talent through our Professionals in Development Program (PRODES) program, offering young people workplace training through agreements with universities.



We signed a public commitment to an inclusive workplace with **PrideConnection** and the Council to Prevent Discrimination in Mexico City

We were recognized as a Company committed to the inclusion of people with disabilities in the workplace by **Éntrale**

We have a Hygiene, Workplace Safety and **Environment (HSE) Policy and the HSE Management** Model to ensure the physical integrity of our employees in the workplace

64% satisfaction rate in work climate survey.

22,915 training hours delivered in 2023

1,110 new hires in 2023

participants in the PRODES program



- **9.2:** Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.
- **9.5:** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, particularly in developing ones by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

- ♦ We deliver sustainable growth in the countries in which we operate.
- ♦ 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 proprietary developments.
- Our solutions, especially wastewater treatment plants, help industrial clients evolve towards activities with a lower environmental impact.
- ★ Through bebbia, we reduce plastic while increasing access to quality water.
- We are investing to incorporate data analytics into our solutions to improve customer experience.
- We are active in different business and industry organizations.

MXN \$470 million invested in new technology to produce storage solutions and in machinery to increase production capacity for the water flow category in Mexico and Argentina, as well as in bebbia.

Capital expenditures accounted for 5% of sales for the year

+110,000 users in 28 states throughout Mexico in 2023 We signed a five-year agreement with Google **Cloud** to help drive the company's digital transformation by harnessing Artificial Intelligence and accelerating the creation of water management tools and enhance the online shopping experience for our customers

We were recognized by HSBC for the second time in a row as one of the Leading Companies in Sustainable Innovation in the social category



- 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.
- 10.6: Ensure enhanced representation and voice for developing countries in decisionmaking in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions.
- Our **solutions** address the issue of difficulties and backlog in access to water and sanitation. This helps families to focus on work and hygiene.
- Our chain of distributors, installers, and plumbers generates employment opportunities and drives development through training programs.
- We create formal and direct jobs in the countries in which we operate.

491,159

people benefitted through our social impact initiatives

800,000

people with access to sanitation between 2021 and 2023

6,675 installers trained through technical talks in 2023

3,483

employees to the end of December 2023

719

employees participated in various Diversity and Inclusion training sessions during 2023

13.08% turnover rate

SDG

GOALS

CONTRIBUTIONS

2023 INDICATORS



11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.

- ♦ Through our product portfolio, we offer solutions to improve water management in urban and rural centers via water storage, flow, and improvement solutions. We contribute to the development of decentralized solutions.
- With wastewater treatment, we provide a **solution for businesses**, especially in populated environments.
- We are also driving improvements to shipping **logistics** to facilitate more efficient distribution.



CONTRIBUTIONS

SDG GOALS

2023 INDICATORS



- 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
- 12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.
- **12.a:** Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

- We use recycled resins for manufacturing our products. We also take advantage of the materials resulting from our processes so that these 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 our *rieggo* operations, we facilitate 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 conservation.
- We are members of different local and **trade associations** that promote sustainable corporate development.
- ♦ We strengthen our sustainable supply chain to align it aligned with our principles and values.

During 2023, 52,288 tons of resins were processed, 23.8% of which were recycled resins, exceeding our 20% target set for 2023.

We successfully incorporated more than 12,000 tons of recycled resins into our processes through the Green Project

Tinaco Plus+ comprises up to 40% recycled material, and 100% of rejected products are reintegrated into its production process

For further information about our Strategic Partnerships, please click here

There are **3,800 suppliers** in our supply chain

GOALS SDG

CONTRIBUTIONS

2023 INDICATORS



- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- **13.b:** Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities.
- ♦ Climate change endangers the availability and quality of water for human consumption. Through our products, we contribute to generate efficient alternatives to respond to this risk.
- ♦ We are currently implementing measures to pursue a carbon-free economy, focusing on achieving a reduction in our GHG emissions.



0.43 tCO₂e/t intensity for processed resin and metal, surpassing the 0.45 target set for 2023

Our bebbia, RSA and rieggo solutions help mitigate the effects of climate change and water stress by providing alternatives with a lower environmental impact

We achieved a 11% reduction in Scope 1 and 2 GHG emissions in 2023, compared to 2022

We participated in the first **Summit for** Sustainability of the UN Global Compact, where we publicly reaffirmed our commitment to setting ambitious emission reduction targets

We present our emission reduction goals to the Science Based Targets initiative (SBTi)

SDG

GOALS



2023 INDICATORS



16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children.

16.5: Substantially reduce corruption and bribery in all their forms.

16.6: Develop effective, accountable and transparent institutions at all levels.



- Our strong corporate governance strives for decision-making focused on the company's wellness 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.
- ♦ As part of Grupo Rotoplas' Human Rights **Policy**, 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.

7% of our board members are women.

We are part of the DJSI MILA Pacific Alliance for the seventh consecutive year.

We were included, for the second year in a row, in the **S&P Sustainability** Yearbook.

S&P Global Ratings maintains **Grupo** Rotoplas' 'mx AA-' rating with stable outlook

We have an **Ethics Committee** that follows up reports of noncompliance

A total of 18 complaints was received during 2023

3,088 of our employees received Anti-corruption Training during 2023

Progress on the Global Compact **Principles**

As part of our commitment to the Ten Principles of the UN Global Compact, we hereby submit our Communication on Progress in response to the commitments we have made.

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	Commitment	Strategic documents	Page
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges.	Climate Change Policy	73
	Principle 8 Pusipossos should undertake initiatives to promote greater environmental	360° Sustainability Strategy Value	78, 91, 92
	Businesses should undertake initiatives to promote greater environmental responsibility.	Sustainability Policy	41
	Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	Sustainability Strategy 360° Value	78
Anti-Corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-corruption Policy	137-139

CEO Water Mandate Application

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 waterrelated risks.

Throughout the report, we have addressed each of the commitments outlined below, providing a summary of the actions undertaken in 2023 in Mexico, Argentina, and Peru.



Commitments	Mexico Initiatives	Argentina Initiatives	Peru Initiatives
DIRECT OPERATIONS			
Conduct an assessment to understand how we use water in our products and services	Water footprintRaising GRI indicators in water capture, use	, and discharge	Measurement of the water and carbon footprint - Collection of information and improvement schedules
Cooperate with governments at all levels, as well as with international institutions, to work on water sustainability and policies that strengthen it	 Collaboration with UNEP and IDB Invest for bebbia Area dedicated to Institutional Relations 	 Area dedicated to Institutional Relations Joint projects with AySA and AIDIS for raising awareness 	Continuous work with Aquafondo, SUNASS taking care of the basins and raising awareness for water sustainability
Encourage and use new technologies related to better water management	● IoT for water storage and purification	 Installation of a rainwater harvesting system at one of the plants Measurement of KPIs and plans to increase water capture 	
Be actively involved in the networks of the Global Compact	Involvement of Institutional Relations area (next payment of dues and filling out the April-May form)	Possible adherence to Argentina Pact in 2023	
Include water sustainability in company decisions	♠ KPIs for water use and efficiency in capex p	rojects (where applicable)	
Support the work of existing initiatives related to water in the private sphere and the international community	Water access and sanitation projects	 Water access and sanitation projects with partners from the public, private, and third sectors Support for the Junior Water Prize in Stockholm 	

Commitments	Mexico Initiatives	Argentina Initiatives	Peru Initiatives				
SUPPLY CHAIN AND WATERSHED MANAGEMENT							
Encourage our suppliers to improve their practices for the sustainable management of water		ent and water included in the ESG supplier questic	nnaire.				
Build capacities to analyze and respond to watershed risks	◆ Vulnerability analysis at the base	sin level in plants.					
Encourage and facilitate suppliers in conducting assessments of water usage and impacts		ent and water included in the ESG supplier questic	nnaire.				
Share water sustainability practices - established and emerging - with suppliers		ers, based on the analysis of the results of the supp	lier questionnaire.	•			
Encourage major suppliers to report regularly on progress achieved related to goals	◆ Soon to be shared with supplie	ers, based on the analysis of the results of the supp	lier questionnaire.	•			

Mexico Initiatives Peru Initiatives Argentina Initiatives Commitments

COLLECTIVE ACTION

Build closer ties with civil society organizations, especially at the regional and local levels

- Rotoplas' involvement with local civil society organizations in supporting institutional strengthening.
- Rotoplas' involvement with local civil society organizations by providing workshops on water culture and gender issues.
- ◆ Donation of Rotoplas products to 46 different local allies (35 of which are civil society organizations). A total of 15,127,944.91 MXN was donated. Approximately 347,813 individuals benefited.
- Partnerships to establish preferential pricing for civil society organizations that work with vulnerable people and communities in the country.
- Rotoplas' involvement with local civil society organizations by providing workshops and training on how to install and maintain the donated technologies and those sold at ally prices, as well as workshops on the importance of water culture.

- ♠ Involvement with strategic allies in activities, promoting water culture in schools with workshops and training for communities and technicians, reaching over 10,600 people and 1,238 hours of training
- ♦ Involving Rotoplas staff through internal communication about events we will participate in, forums, volunteering.
- Newcomers in the induction process are introduced to the group's strategy and how it is implemented in Argentina, the actions we carry out, and how the staff contributes from each area to the results.
- Partnerships to establish preferential prices for civil society organizations in support of social projects for access to water and sanitation (A&S).
- Donation of solutions within the framework of social projects reaching 113,339 people across the country.

- ♠ Engagement with strategic allies in activities promoting the culture of water in schools with workshops and training for communities and technicians.
- ♠ Involvement of Rotoplas staff through internal communication about events we will participate in, such as forums and volunteering opportunities.
- ♦ New hires in the onboarding process are introduced to the group's strategy and how it impacts Peru, the actions we carry out, and how the staff contributes from each area to the results.
- ◆ Partnership project with ESG companies offering them discounted prices on products for social projects.
- Donation of products to strategic allies TECHO and the Municipality of Lima, impacting more than **2,640 people**.

Commitments	Mexico Initiatives	Argentina Initiatives	Peru Initiatives
Work with governments at all levels, as well as with international institutions, to work on water sustainability and policies that strengthen it	 Collaboration of the Institutional Relations to work with governments and institutions. Attendance at various forums, meetings, workshops, and general events where relationships were strengthened, and alliances formed to work on access to water and sanitation for the Mexican population. Participation in various working groups with other stakeholders where projects were created to influence Mexican legislation on water and sanitation. Involvement of project staff with local governments. Alliances were created to provide the population with a greater culture of water and increased access to our water and sanitation products (preferential prices, workshops, training, disaster response). 	 Institutional Relations collaboration to work with governments and institutions. Attendance at various forums, meetings, workshops, and general events where relationships were tightened, and alliances were woven to work on the access to water and sanitation for the Argentine population. Participation in different working groups with other stakeholders where projects were created to influence Argentine legislation on water and sanitation. Involvement of project staff with local governments. Alliances were created so that the population would have a greater culture of water and increased access to our water and sanitation products (preferential prices, workshops, training, disaster response, as in the case of the early 2023 forest fires). 	 Collaboration with Institutional Relations to work with governments and institutions Involvement of project staff with local governments Active participation in forums and events, workshops, where key allies participate, and strategic alliances are formed. Along with the national water authority, we carry out simultaneous volunteering, creating awareness among our collaborators and volunteer individuals.
Encourage and use new technologies related to better water management	Projects from the Innovation and Developm	ent area	

Commitments	Mexico Initiatives	Argentina Initiatives	Peru Initiatives
Be actively involved in the networks of the Global Compact	Involvement of the institutional relations area (attendance at assemblies, questionnaire completion, program participation, progress communication filing).	№ Project for 2025	
Support the work of existing water- related initiatives in the private sphere and the international community	♠ Launch of the "a fluir 2023" initiative, which supported 15 organizations in 11 states of the Republic with products, training, and institutional strengthening in partnership with UNDP, impacting more than 50,000 people.	Leadership for the third consecutive year of the program EL AGUA EN DEBATE, which reached 52 schools in GBA and more than 1,300 students , together with AYSA, AIDIS, and companies from the sector, also supporting the JUNIOR WATER PRIZE program to be held in Stockholm (SIWI).	 Search for alliances and water-related projects with NGOs, private companies for social investment issues Participation in the SUNASS fair (Superintendency of water and sanitation - best practices program).
PUBLIC POLICY			· <u>·</u>
Contribute inputs and recommendations in the formulation of government regulation and in the creation of market mechanisms in ways that drive the water sustainability agenda	Provide information to decision-makers and legislators, meetings, and legislative advocacy actions.		 Provide information to decision-makers and legislators, legislative advocacy meetings, active participation.
Exercise "business statesmanship" by being advocates for water sustainability in global and local policy discussions, clearly presenting the role and responsibility of the private sector in supporting integrated water resource management	◆ Participation of senior management in discussions about water in public forums.		◆ Participation in public and private forums and invitations to debates
Partner with governments, businesses, civil society and other stakeholders to advance the body of knowledge, intelligence and tools	Institutional Relationship Plan active partici	·!·····	
Join and/or support special policy- oriented bodies and associated frameworks	Alliance and active participation with the Gonzalo Río Arronte Foundation, with the Water Advisory Council, with CANACINTRA, COPARMEX, CAINTRA, ANEAS, and others.	Members of IDEA, CAIP, CAFAGAS, CAIF, AIDIS, SAMECO, FUNDECE, among others.	Members of Aquafondo, SUNASS, among others.

Commitments	Mexico Initiatives	Argentina Initiatives	Peru Initiatives
COMMUNITY ENGAGEMENT			
Endeavor to understand the water and sanitation challenges in the communities where we operate and how our businesses impact those challenges	 Survey of needs for access to water and sanitation in localities Water quality tracking with "Ojo de agua" 	Survey of needs for water access and sanitation in localities	Survey of needs for water access and sanitation in localities
Be active members of the local community, and encourage or provide support to local government, groups and initiatives seeking to advance the water and sanitation agendas	◆ Water access and sanitation projects		
Undertake water-resource education and awareness campaigns in partnership with local stakeholders	Activities designed by an anthropologist and the user experience area	Strategic communication plans offline and online focused on awareness. Social investment programs	Active participation with SUNASS and awareness fairs for children, teachers, and the general public in addition to marketing campaigns about water care, visits to schools with water care topics
Work with public authorities and their agents to support – when appropriate – the development of adequate water infrastructure, including water and sanitation delivery systems	◆ Project team contact with the government	to advise on the implementation of projects in co	mmunities

Mexico Initiatives	Argentina Initiatives	Peru Initiatives
Available on page 202, 212 of this Annual Report	Available on page 202, 212 of this Annual Report	Available on page 202, 212 of this Annual Report
We provide visibility on our water strategies throughout the Annual Report.	We provide visibility on our water strategies throughout the Annual Report.	We provide visibility on our water strategies throughout the Annual Report.
Available on page 43, 47 of this Annual Report	Available on page 43, 47 of this Annual Report	Available on page 43, 47 of this Annual Report
	Available on page 202, 212 of this Annual Report We provide visibility on our water strategies throughout the Annual Report. Available on page 43, 47 of this Annual	Available on page 202, 212 of this Annual Report We provide visibility on our water strategies throughout the Annual Report. We provide visibility on our water strategies throughout the Annual Report. Available on page 43, 47 of this Annual Available on page 43, 47 of this Annual Available on page 43, 47 of this Annual

GRI Context Index

Grupo Rotoplas S.A.B de C.V has reported the information cited in this GRI content index for the period from January 1 to December 31, 2023 with reference to the GRI Standards.

GRI 1: Foundation 2021

GRI	Disclosure	Location		Omission	
Standard			Requirement(s) omitted	Reason	Explanation
GRI 2: GEN	ERAL DISCLOSURES 2021				
1. The organ	nization and its reporting practices				
2-1	Organizational details	p. 20 a, b. Grupo Rotoplas S.A.B. de C.V. c. Pedregal 24-Piso 19, Lomas - Virreyes, Molino del Rey, Miguel Hidalgo, O1140, Mexico City. d. Mexico, USA, Peru, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, Argentina and Brazil.			
2-2	Entities included in the organization's sustainability reporting	a, b. For more information about the entities included in this report: https://rotoplas.com/investors/rtp_resources/eng/shareholders/2024/CFS- GRUPO-ROTOPLAS-2023-Final-English.pdf			
2-3	Reporting period, frequency and contact point	p. 176, 250 a. Annually. b. The financial reporting is annual and reports from January 1 to December 31, 2023. d. For further information about the Annual Integrated Report 2023 or about Rotoplas' sustainability actions, please write to us at: Sustainability and Investor Relations Mariana Fernández: mfernandez@rotoplas.com María Fernanda Escobar: mfescobar@rotoplas.com Sustainability Guillermo Punzo Suazo: gpunzo@rotoplas.com Raúl Maganda Méndez: rmaganda@rotoplas.com			
2-4	Restatements of information	p. 176 a. i, ii. No restatements of information from previous reporting periods were presented. If there is any change in the figure reported in previous years, it will be mentioned in the corresponding chapter along with an explanation of the change.			
2-5	External assurance	p. 176			

GRI	Disclosure	Location	LDF-04050 (2005) (0005) (0005) (0005)	Omissio	n
Standard			Requirement(s) omitted	Reason	Explanation
2. Activities	s and workers				
2-6	Activities, value chain and other business relationships	p. 13, 24, 28, 31, 84			
2-7	Employees	p. 102, 166 a. Argentina: 800 employees (88 women and 712 men); Brazil: 44 employees (5 women and 39 men); Costa Rica: 3 employees (1 female and 2 male); United States: 91 employees (28 women and 63 men); El Salvador: 4 employees (1 woman and 3 men); Guatemala: 67 employees (12 women and 55 men); Honduras: 5 employees who are men; Mexico: 2,315 employees (659 women and 1,656 men); Nicaragua: 16 employees (2 women and 14 men); Peru: 138 employees (29 women and 109 men). e. There were no significant fluctuations in the number of employees during the reporting period.	b. iii, v.	Not applicable	At Grupo Rotoplas, we have neither non-guaranteed hours employees nor part- time employees.
2-8	Workers who are not employees		a,b,c	Not applicable	In compliance with the Labor Reform Decree, Grupo Rotoplas doesn't have workers hired by outsourcin
3. Governar	nce				
2-9	Governance structure and composition	 p. 34, 35, 124, 125, 126-127, 131, 240 b. vi. Each members' affiliation with underrepresented social groups can be found in the Profile of the Board of Directors section. b. viii. The Sustainability Committee is tasked with driving and monitoring the company's environmental, social, and corporate governance initiatives that are integral to our Sustainability Strategy. Additionally, the committee will ensure the strategy remains current and aligns with the company's objectives and stakeholder perspectives. We understand the relationship with our stakeholders in a proactive and multidirectional manner, with a listening approach to maximize the value created. The focus in sustainability and value creation falls comprehensively throughout the company. 			

GRI	Disclosure	Location	Omission		
Standard			Requirement(s) omitted	Reason	Explanation
2-10	Nomination and selection of the highest governance body	p. 124, 125 b. i, ii, iii, iv. The Board of Directors will be of a single level and will be composed of a minimum of 5 and a maximum of 21 Directors, of whom at least 30% must be Independent Directors. The General Shareholders' Meeting will appoint the President of said body from among the elected Directors, as well as a secretary, who will not be a member of the Board of Directors. The members of the Board of Directors will be appointed by the Ordinary General Shareholders' Meeting, following the recommendation and nomination of the Board of Directors, taking into consideration elements that strengthen it and give it diversity of perspectives such as: i) experience in the sector, ii) knowledge of the market, iii) nationality, iv) gender, and v) age/generation. The directors, both male and female, will be appointed individually and annually by the General Shareholders' Meeting. In the case of Independent Directors, they cannot remain in their position for more than 10 years, starting from the Initial Public Offering of the issuer or their appointment. For further information, please check our Corporate Governance Policy: https://rotoplas.com/investors/pdf/policies/ENG-Politica-de-Gobierno-Corporativo-de-Grupo-Rotoplas.pdf			
2-11	Chair of the highest governance body	a, b. Carlos Rojas Mota Velasco, Executive Chairman of the Board, only holds this position and does not hold any other executive position within the organization.			
2-12	Role of the highest governance body in overseeing the management of impacts	p. 34, 35, 40, 124, 126			

GRI	Disclosure	Location		Omissio	on
Standard			Requirement(s) omitted	Reason	Explanation
2-13	Delegation of responsibility for managing impacts	p. 34, 35, 40, 124, 126, 133 b. The Sustainability and Institutional Business VP has been responsible for the integral approach to sustainability in the organization while leading the Sustainability Committee and implementing the Sustainability Strategy. He is also in charge of reporting the progress in this regard to the Corporate Practices Committee, from which it is also informed to the Board of Directors. Likewise, the Vice President of Sustainability and Institutional Businesses raises the strategic focus of the relationship with Governments, Civil Society Organizations, Non-Governmental Organizations and International and Intergovernmental Organizations as a vehicle to exercise sustainability in the organization. Furthermore, In addition to complying with the information requirements that correspond to us by law as a listed company, we deepen communication through different publications. Every year we publish an integrated report on financial and non-financial performance, as we understand that our performance generates an integral value proposition in the social, environmental and economic dimensions.			
2-14	Role of the highest governance body in sustainability reporting	p. 40, 176			
2-15	Conflicts of interest	p. 124, 134			
2-16	Communication of critical concerns	p. 124, 134, 135			
2-17	Collective knowledge of the highest governance body	p. 124, 126, 132			
2-18	Evaluation of the performance of the highest governance body	p. 124, 126, 132 b. Board Directors receive at least one training per year on topics of interest related to their functions and the business.			
2-19	Remuneration policies	p. 124, 133			
2-20	Process to determine remuneration	p. 124, 133			
2-21	Annual total compensation ratio		a,b,c	Confidentiality constraints	We do not disclose this information due to internal company guidelines

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
4. Strategy,	policies and practices				
2-22	Statement on sustainable development strategy	p. 14, 16, 18			
2-23	Policy commitments	p. 34, 35, 42, 54, 73, 90, 108, 124, 125, 134 a. ii. Our policies for Hygiene, Workplace Safety and Environment Policy, Sustainability Policy, Human Rights Policy, Sustainable Procurement Policy, Institutional Relations Policy, Anti-corruption Policy, Climate Change Policy and Diversity Policy establish the due diligence process to identify, prevent and mitigate risks and Rotoplas' impacts. c. For further information about our ESG Core Policies, you can find them https://rotoplas.com/sustentabilidad/policies-and-certificates/			
2-24	Embedding policy commitments	p. 34, 35, 40, 54, 90, 124, 134 a. i. The Sustainability Committee is responsible for representing stakeholders in the Grupo Rotoplas and following up on the Sustainability Strategy, which it also participates in defining. Its sessions make it possible to present the points of view of the areas involved in the Strategy, study progress and deal with additional issues related to the operational context and its relationship with the Strategy. Additionally, any director of the company may propose functions to be undertaken by the Sustainability Committee, which will be analyzed in the first instance by the Sustainability and Institutional Business VP, for the subsequent presentation of the proposals to the Committee itself, which will decide collegially if and how to incorporate them into its responsibilities.			
2-25	Processes to remediate negative impacts	p. 124, 134, 135			
2-26	Mechanisms for seeking advice and raising concerns	p. 124, 134			
2-27	Compliance with laws and regulations	p. 56, 124 a, b, c. During the reporting period there was a penalty associated with water management at the Guadalajara Plant that resulted in a fine of \$404,586 MXN. Significant is understood as any fine whose amount is greater than \$10,000 USD.			
2-28	Membership associations	p. 43, 47			

GRI	Disclosure	Location	Omission		
Standard			Requirement(s) omitted	Reason	Explanation
5. Stakehol	lder engagement				
2-29	Approach to stakeholder engagement	p. 177			
2-30	Collective bargaining agreements	p. 103			
GRI 3: MATI	ERIAL TOPICS 2021				
2. Disclosui	res on material topics				
3-1	Process to determine material topics	p. 177			
3-2	List of material topics	p. 177 b. There were no reported changes to the list of material topics compared to the previous reporting period.			
3-3	Management of material topics	p. 177			
GRI TOPIC	STANDARDS				
ENVIRONM	ENTAL				
RISKS AND	OPPORTUNITIES OF CLIMATE CHANGE				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 71			
GRI 201: Eco	onomic Performance 2016				
201-1	Direct economic value generated and distributed	p. 153			
201-2	Financial implications and other risks and opportunities due to climate change	p. 73			
201-3	Defined benefit plan obligations and other retirement plans	p. 119			
CONTRIBUT	TION TO CLIMATE CHANGE (ENERGY AND GH	G EMISSIONS)			
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 38, 42, 62, 63			
GRI 302: En					
302-1	Energy consumption within the organization	p. 62, 160			
302-2	Energy consumption outside of the organization	p. 62			

GRI	Disclosure	Location	2000-1-76-5-76.05-67-6-5-5-10-4-10-5-4-1-57-7-2-60-10-61-10-61-1-61-61-61-61-61-61-61-61-61-61-61-6	Omission	
Standard			Requirement(s) omitted	Reason	Explanation
302-3	Energy intensity	p. 62, 160			
302-4	Reduction of energy consumption	p. 62			
302-5	Reductions in energy requirements of products and services	p. 62			
GRI 305: Em	nissions 2016		•		
305-1	Direct (Scope 1) GHG emissions	p. 63, 163			
305-2	Energy indirect (Scope 2) GHG emissions	p. 63, 163			
305-3	Other indirect (Scope 3) GHG emissions	p. 63, 163			
305-4	GHG emissions intensity	p. 63, 163			
305-5	Reduction of GHG emissions	p. 63, 163			
305-6	Emissions of ozone-depleting substances (ODS)	p. 63			
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 63, 64			
WASTE MAI	NAGEMENT AND CIRCULARITY				
GRI 3: MATE	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 58			
GRI 306: Wa	aste 2020				
306-1	Waste generation and significant waste- related impacts	p. 58			
306-2	Management of significant waste-related impacts	p. 58			
306-3	Waste generated	p. 58, 158			
306-4	Waste diverted from disposal	p. 58, 158			
306-5	Waste directed to disposal	p. 58, 158			
	D WATER MANAGEMENT IN THE OPERATION				
GRI 3: MATE	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 55			

GRI	Disclosure	Location		Omission	
Standard			Requirement(s) omitted	Reason	Explanation
GRI 303: Wa	ater and Effluents 2018				
303-1	Interactions with water as a shared resource	p. 55, 80			
303-2	Management of water dischargerelated impacts	p. 55			
303-3	Water withdrawal	p. 55, 157 a. Total water withdrawal during 2023 was 91.09 megaliters.			
303-4	Water discharge	p. 55, 157 a. Total water discharge during 2023 was 36.67 megaliters.			
303-5	Water consumption	p. 55, 157 a. Total water consumption during 2023 was 109.15 megaliters.			
SUSTAINAB	LE MATERIALS AND RAW MATERIALS				
GRI 3: MATE	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 60			
SUSTAINAB	LE SUPPLY CHAIN MANAGEMENT				
GRI 3: MATE	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 38, 42, 84			
GRI 308: Su	pplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	p. 84			
308-2	Negative environmental impacts in the supply chain and actions taken	p. 84			
GRI 414: Su	oplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	p. 84			
414-2	Negative social impacts in the supply chain and actions taken	p. 84			

GRI	Disclosure	Location		Omission		
Standard			Requirement(s) omitted	Reason	Explanation	
SOCIAL						
ACCESS TO	WATER AND SANITATION					
GRI 3: MATE	RIAL TOPICS 2021					
3-3	Management of material topics	p. 38, 94				
GRI 203: Inc	direct Economic Impacts 2016					
203-1	Infrastructure investments and services supported	p. 93, 94, 165				
203-2	Significant indirect economic impacts	p. 82, 93, 94				
EMPLOYEE	SAFETY, HEALTH, AND WELLBEING					
GRI 3: MATE	RIAL TOPICS 2021					
3-3	Management of material topics	p. 42, 101, 117				
GRI 401: Em	ployment 2016					
401-1	New employee hires and employee turnover	p. 104, 171				
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 120				
401-3	Parental leave	p. 110				
GRI 403: Oc	cupational Health and Safety 2018					
403-1	Occupational health and safety management system	p. 117				
403-2	Hazard identification, risk assessment, and incident investigation	p. 117, 119				
403-3	Occupational health services	p. 117				
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 117				
403-5	Worker training on occupational health and safety	р. 117				
403-6	Promotion of worker health	p. 119				

GRI	Disclosure	Location	4-98.000 H C 5.00 M 1.000 H 192 W 200 C 1.000 C 1.000 H 44-65 C 1.12 H 45-0 M 200 H 40 C 1.00	Omission		
Standard			Requirement(s) omitted	Reason	Explanation	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 117, 119				
403-8	Workers covered by an occupational health and safety management system	p. 117				
403-9	Work-related injuries	p. 117, 175				
403-10	Work-related ill health	p. 117, 175				
DIVERSITY	IN THE WORKPLACE, EQUAL OPPORTUNITIE	S AND INCLUSION				
GRI 3: MAT	ERIAL TOPICS 2021					
3-3	Management of material topics	p. 38, 42, 108				
GRI 405: Di	iversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	p. 102, 124, 126, 128, 166	b. iii	Not applicable	Other diversity indicators do not apply to employees.	
405-2	Ratio of basic salary and remuneration of women to men	p. 111, 170, 172				
GRI 406: N	on-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	p. 108, 136				
TRAINING A	AND TALENT DEVELOPMENT					
GRI 3: MAT	ERIAL TOPICS 2021					
3-3	Management of material topics	p. 112, 114				
GRI 404: Tr	raining and Education 2016					
404-1	Average hours of training per year per employee	p. 173, 174				
404-2	Programs for upgrading employee skills and transition assistance programs	p. 104, 105, 107				
404-3	Percentage of employees receiving regular performance and career development reviews	p. 114, 174				

GRI	Disclosure	Location	Omission		
Standard			Requirement(s) omitted	Reason	Explanation
ORGANIZA	TIONAL PURPOSE, CLIMATE, AND CULTURE				
GRI 3: MATE	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 101, 119			
USER FOCU	S				
GRI 3: MATE	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 38, 97			
GRI 416: Cu	stomer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	p. 65, 66			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 66			
QUALITY A	ND SAFETY OF WATER SOLUTIONS				
GRI 3: MATE	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 38, 82			
GRI 417: Ma	rketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	a. 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.			
417-2	Incidents of non-compliance concerning product and service information and labeling	p. 97, 98 a. During the reporting period, there were no incidents of non-compliance concerning product and service information and labeling.			
417-3	Incidents of non-compliance concerning marketing communications	p. 97, 98 a. During the reporting period, there were no incidents of non-compliance concerning marketing communications.			

GRI	Disclosure	Location		Omission	
Standard			Requirement(s) omitted	Reason	Explanation
WATER AW	ARENESS				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 91			
IP-1	Collaborative campaigns and projects, promoting high levels of awareness and correct management of water resources	p. 43, 45, 91, 94			
RELATIONS	HIP WITH DISTRIBUTORS, PLUMBERS AND O	THER PARTNERS			
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 82			
IP-4	Strategies to ensure that direct customers have a memorable experience, are trained and become loyal	p. 82			
TALENT AT	FRACTION AND RETENTION				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 105			
IP-6	Programs developed to attract internal and external talent	p. 104			
IP-7	Workplace climate assessment	p. 119			
COMMUNIT	YINVESTMENT				
GRI 3: Mate	rial Topics 2021				
3-3	Management of material topics	p. 93, 94			
IP-8	Community grants related to access to water	p. 93, 94			
GOVERNAN	CE				
ETHICS, IN	EGRITY AND ANTI-CORRUPTION				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 42, 134, 137			

GRI Standard	Disclosure	Location		Omission		
			Requirement(s) omitted	Reason	Explanation	
GRI 205: Ar	nti-corruption 2016					
205-1	Operations assessed for risks related to corruption	p. 124, 138, 143				
205-2	Communication and training about anti- corruption policies and procedures	p. 124, 138				
205-3	Confirmed incidents of corruption and actions taken	p. 124, 135				
CORPORAT	E GOVERNANCE					
GRI 3: MAT	ERIAL TOPICS 2021					
3-3	Management of material topics	p. 125				
CULTURE A	ND RISK MANAGEMENT					
GRI 3: MAT	ERIAL TOPICS 2021					
3-3	Management of material topics	p. 141				
CYBERSEC	URITY AND PRIVACY OF INFORMATION					
GRI 3: MAT	ERIAL TOPICS 2021					
3-3	Management of material topics	p. 146				
ECONOMIC						
CREATION	OF SUSTAINABLE ECONOMIC VALUE					
GRI 3: MAT	ERIAL TOPICS 2021					
3-3	Management of material topics	p. 42, 150				
	ocurement Practices 2016					
204-1	Proportion of spending on local suppliers	p. 84				
	BUSINESS MODEL, AND BRAND					
GRI 3: MAT	ERIAL TOPICS 2021					
3-3	Management of material topics	p. 24				
GRI 206: A	nti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 124, 135				

GRI	Disclosure	Location		Omission	
Standard			Requirement(s) omitted	Reason	Explanation
GRI 415: Pu	blic Policy 2016				
415-1	Political contributions	p. 124, 139, 140			
E-COMMER	CE AND OMNICHANNEL STRATEGY				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 52			
GRI 418: Cu	stomer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 124, 146			
TECHNOLO	GICAL TRANSFORMATION OF PROCESSES A	ND SOLUTION			
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 50			
IP-2	Development of digital tools, customized products and services	p. 50			
IP-3	Customer satisfaction evaluations	p. 98			
INNOVATIO	ON WITH SOCIO-ENVIRONMENTAL CRITERIA				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material topics	p. 42, 45			
IP-5	Mechanisms and processes to generate innovative solutions to meet the needs of emerging markets and society	p. 45			
TRANSPAR	ENT ESG COMMUNICATION				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material issues	p. 176			
REGULATO	RY COMPLIANCE				
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material issues	p. 137			
INFLUENCE	ON THE LOCAL WATER AGENDA AND LOBB	/ING			
GRI 3: MATI	ERIAL TOPICS 2021				
3-3	Management of material issues	p. 139			

SASB metrics

Industry	Topic	Accounting Metric	Code	Response
BUILDING PRODUCTS & FURNISHINGS (CG-BF)	Activity Metrics	Annual production	CG-BF-000.A	 p. 60 The measurement unit is considered to be tons of processed resin and metal, which is also used to calculate the intensities of energy consumption and GHG emissions generation. 5,244 tons corresponding to wasted material.
		Area of manufacturing facilities	CG-BF-000.B	Not available. The number of plants and distribution centers (other than plants acting as the latter) is reported.
	Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	CG-BF-130a.1	p. 62
	Management of Chemicals in Products	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	CG-BF-250a.1	Not applicable in Grupo Rotoplas; we do not incorporate in our products substances that are harmful or dangerous for human health.
		Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	CG-BF-250a.2	Not applicable in Grupo Rotoplas; we do not incorporate in our products substances that are harmful or dangerous for human health.
	Product Lifecycle Environmental	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	CG-BF-410a.1	p. 65
	Impacts	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	CG-BF-410a.2	p. 58
	Wood Supply Chain Management	 (1) Total weight of wood fibre materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard and (4) percentage certified to other wood fibre standards, (5) percentage by standard 	CG-BF-430a.1	Not applicable in Grupo Rotoplas; we do not use wood in our products.

Industry	Topic	Accounting Metric	Code	Response
WATER UTILITIES & SERVICES (IF-WU)	Activity Metrics	Number of: (1) residential, (2) commercial, and (3) industrial customers served, by service provided	IF-WU-000.A	p. 52, 93 We point out different metrics for products and services.
		Total water sourced, percentage by source type	IF-WU-000.B	Does not apply to Grupo Rotoplas' business model and activity; it facilitates water access solutions but not water itself
		Total water delivered to: (1) residential, (2) commercial, (3) industrial, and (4) all other customers	IF-WU-000.C	Does not apply to Grupo Rotoplas' business model and activity; it facilitates water access solutions but not water itself. Drinking water generated by Grupo Rotoplas' solutions is indeed reported as part of th sustainable bond metrics.
		Average volume of wastewater treated per day, by (1) sanitary sewer, (2) stormwater, and (3) combined sewer	IF-WU-000.D	p. 55 We do not have a breakdown of the origin of the treated water, but we do have a breakdown of the average volume treated.
		Length of (1) water mains and (2) sewer pipe	IF-WU-000.E	Not significant. Grupo Rotoplas only provides, installs and operates the treatment plants for companies, which are included in the customer's own facilities.
	Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	IF-WU-130a.1	p. 62
	Distribution Network Efficiency	Water main replacement rate	IF-WU-140a.1	Does not apply to Grupo Rotoplas; it does not distribute water. In waterflow, it only markets the products (pipes and complementary devices).
		Volume of non-revenue real water losses	IF-WU-140a.2	Not applicable to Grupo Rotoplas, since it does not operate the water distribution service.
	Effluent Quality Management	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations	IF-WU-140b.1	p. 55
		Discussion of strategies to manage effluents of emerging concern	IF-WU-140b.2	Not available.

Industry	Topic	Accounting Metric	Code	Response
WATER UTILITIES & SERVICES (IF-WU)	Water Affordability & Access	Average retail water rate for (1) residential, (2) commercial, and (3) industrial customers	IF-WU-240a.1	The topic does not apply to Grupo Rotoplas; we do not provide water, but rather the service so that it can be obtained from the water network (bebbia).
		Number of residential customer water disconnections for non-payment, (2) percentage reconnected within 30 days	IF-WU-240a.3	
		Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	IF-WU-240a.4	
	Drinking Water Quality	Number of incidents of non-compliance associated with drinking water quality standards and regulations	IF-WU-250a.1	The topic does not apply to Grupo Rotoplas; we do not provide wate but rather the service so that it can be obtained from the water netw (bebbia).
		Discussion of strategies to manage drinking water contaminants of emerging concern	IF-WU-250a.2	
	End-Use Efficiency	Percentage of water utility revenue from rate structures designed to promote conservation and revenue resilience	IF-WU-420a.1	The topic does not apply to Grupo Rotoplas; we do not provide water, but rather the service so that it can be obtained from the water network (bebbia).
		Customer water savings from efficiency measures, by market	IF-WU-420a.2	
	Water Supply Resilience	Total water sourced from regions with High or Extremely High Baseline Water Stress; percentage purchased from a third party	IF-WU-440a.1	The topic does not apply to Grupo Rotoplas; we do not provide water, but rather the service so that it can be obtained from the water network (bebbia).
		Volume of recycled water delivered to customers	IF-WU-440a.2	
		Discussion of strategies to manage risks associated with the quality and availability of water resources	IF-WU-440a.3	

Industry	Topic	Accounting Metric	Code	Response
WATER UTILITIES & SERVICES (IF-WU)	Network Resiliency & Impacts of	Wastewater treatment capacity located in 100-year flood zones	IF-WU-450a.1	p. 55
	Climate Change	(1) Number and (2) volume of sanitary sewer overflows (SSO) and (3) percentage of volume recovered	IF-WU-450a.2	Not applicable to Grupo Rotoplas, since it is not responsible for the network.
		(1) Number of unplanned service disruptions and (2) customers affected, each by duration category	IF-WU-450a.3	Not applicable to Grupo Rotoplas, since it is not responsible for the network.
		Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	IF-WU-450a.4	p. 73
CHEMICALS (RT-CH)	Activity Metrics	Production by reportable segment	RT-CH-000.A	 p. 60 The amount of resin and metal processed is indicated. Grupo Rotoplas prepares the compositions from resins purchased in the market. 5,244 tons corresponding to waste material.
	Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	RT-CH-110a.1	p. 63
		Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	p. 63
	Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	p. 63
	Energy Management	(1) Total energy consumed,(2) percentage grid electricity,(3) percentage renewable and(4) total self-generated energy	RT-CH-130a.1	p. 62

Industry	Topic	Accounting Metric	Code	Response
CHEMICALS (RT-CH)	Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	p. 55
		Number of incidents of non-compliance associated with water quality permits, standards and regulations	RT-CH-140a.2	p. 55
		Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	p. 55
	Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	RT-CH-150a.1	p. 58
	Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	p. 34, 35, 54, 90
	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	p. 117, 175
		Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	p. 117
	Product Design for Use-phase Efficiency	Revenue from products designed for usephase resource efficiency	RT-CH-410a.1	p. 65

Industry Topic		Accounting Metric	Code	Response		
CHEMICALS (RT-CH)	Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	Not applicable At Grupo Rotoplas, we do not work with chemical substances that are particularly harmful to the environment.		
	concern and (2) dev	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	RT-CH-410b.2			
	Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Not applicable in Grupo Rotoplas; is not part of the offer.		
	Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	No conclusions have yet been reached in this regard. Work is currently progress.		
	Operational Safety, Process Safety Incidents Count (PSIC), Process Safety Emergency Total Incident Rate (PSTIR), and Process Safety Preparedness Incident Severity Rate (PSISR)		RT-CH-540a.1	p. 117, 175		
	& Response	Number of transport incidents	RT-CH-540a.2	Not significant in Grupo Rotoplas, most of the transportation of products corresponds to external third parties.		



Stakeholder capitalism

	Theme	Core metrics and disclosures	Response	
GOVERNANCE	Governing purpose	Setting purpose	p. 20	
	Quality of governing body	Governance body composition	p. 126, 127, 131	
	Stakeholder engagement	Material issues impacting stakeholders	p. 177-180	
	Ethical behaviour	Anti-corruption	p. 137-139	
		Protected ethics advice and reporting mechanisms	p. 134-136	
	Risk and opportunity oversight	Integrating risk and opportunity into business process	p. 141	
PLANET	Climate change	Greenhouse gas (GHG) emissions	p. 163	
		TCFD implementation	p. 74, 223	
	Nature loss	Land use and ecological sensitivity	Non material.	
	Freshwater availability	Water consumption and withdrawal in water-stressed areas	p. 157	
PEOPLE	Dignity and equality	Diversity and inclusion (%)	p. 166-168	
		Pay equality (%)	p. 111, 170	
		Wage level (%)	By decision of the company, the requested ratios are not made public.	
		Risk for incidents of child, forced or compulsory labour	p. 136	
	Health and well-being	Health and safety (%)	p. 117	
	Skills for the future	Training provided (#, \$)	p. 173, 174	
PROSPERITY	Employment and wealth	Absolute number and rate of employment	p. 170, 171	
	generation	Economic contribution	p. 153	
		Financial investment contribution	p. 153	
	Innovation of better products and services	Total R&D expenses (\$)	p. 45, 153	
	Community and social vitality	Total tax paid	p. 153	

TCFD Recommendations

Recommendations	Recommended Report	Code	Pages	Details
GOVERNANCE	a. Describe the Board of Director's oversight regarding risks and opportunities related to climate	GOB-A	40	The Sustainability Strategy is overseen by the Sustainability Committee, which meets at least quarterly and is headed by the Vice President of Sustainability and Human Capital. This vice-president is part of the Corporate Practices Committee, which meets quarterly. Key strategy developments are reviewed at these meetings and are also presented to the Board of Directors as part of the Corporate Practices Committee's analysis. In addition, at the regional level, relevant topics are reported at the Group's Regional Councils prior to the meetings of the Corporate Practices Committee and the Board of Directors. Regarding the Climate Change Strategy, it is aligned with the specific policy (Climate Change Policy) approved by the Board of Directors, as well as with the climate change risks identified and prioritized by management. The monitoring of this strategy is similar to that of the Sustainability Strategy, with which it is integrated. In addition, the Board actively monitors Flow's organizational transformation program, which includes the management and monitoring of initiatives with environmental components. Finally, CAPEX monitoring that considers environmental criteria has been incorporated into the governing body responsible for authorizing and allocating capital expenditures.
			126	In the decisions made by the Corporate Practices Committee and the Board, climate-related issues are considered, which were identified through the monitoring and reporting process mentioned above. In the 2025 Strategic Plan, five key expected results have been defined, each with its own indicators (OKR: Objectives and Key Results). One of these objectives is "Sustainable Business", which addresses sustainability by integrating climate change through targets related to the use of renewable energy and carbon footprint reduction, among other key aspects. These OKRs and their indicators are supervised by the Board of Directors, the Corporate and Strategic Practices Committee, as well as the company's internal governance bodies.

Recommendations	Recommended Report	Code	Pages	Details
GOVERNANCE	a. Describe the Board of Director's oversight regarding risks and opportunities related to climate	GOB-A	68	Annual targets related to risk, energy and emissions assessment are established by the Sustainability Team, the strategy and risks, as well as the various areas involved; in addition, these targets are publicly available. Their progress is monitored by the Sustainability Committee, at monthly meetings of the management team, and reported to the Board of Directors. The OKRs, which also include those related to climate change, are overseen by the Board of Directors.
	b. Describe management's role in assessing and managing climate-related risks and opportunities	GOB-B	68	The Sustainability Committee, the Corporate Practices Committee and the Board of Directors (as described in the process above) are involved in the follow-up of the Flow program, in its different workstreams and control towers, where the initiative is managed. This includes monitoring the implementation status of initiatives covering environmental issues, such as those related to CAPEX and sustainability criteria. All initiatives are evaluated against sustainability criteria, which include environmental and social risks, energy efficiency, greenhouse gas emissions, as well as the establishment of indicators that influence the approval and continuation of such initiatives. In addition, OKRs are monitored, including those related to climate change, which are managed in detail by the functional areas, which implement specific actions to meet risk, energy and emissions targets.
STRATEGY	a. Describe the climate-related risks and opportunities identified by the organization in the short, medium and long term	EST-A	73	These are presented in the Climate Change and Water Security Strategy section, and have been fundamental to the formulation of the Climate Change Strategy. We regularly conduct a review of these risks and opportunities to incorporate new ones that may arise as the company's business context and strategy evolves. The identification of these risks was carried out collaboratively, with the support of external specialists and various areas of the company that were identified as the most relevant in an initial analysis of critical points in our processes.

Recommendations	Recommended Report	Code	Pages	Details
STRATEGY	b. Describe the impact of climate- related risks and opportunities on the organization's business, strategy and financial planning	EST-B	73	In the Climate Change and Water Security Strategy section, we have presented a first assessment of the financial impacts linked to the associated risks and opportunities. On the strategy side, the climate crisis presents an opportunity due to increased demand for decentralized water solutions, although it could also lead to increased competition. In terms of strategy, it implies the need to adapt numerical components, such as climate forecasts, to adjust strategic planning. In terms of the company's financial planning, this means continuous improvement in the accuracy of the planning, production and distribution process. In addition, the issuance of sustainable bonds represents a clear financial opportunity related to climate change.
	c. Describe the resilience of the organization's strategy, considering the different climate-related scenarios, such as a scenario with 2°C or less	EST-C	72	We have presented an initial assessment of the impacts on the organization's strategy according to two climate-related scenarios: a 4°C increase for physical risks and a 1.5°C increase for transition risks.
RISK MANAGEMENT	a. Describe the organization's processes for identifying and assessing climate- related risks	GDR-A	73	The analysis to identify risks was led by the Sustainability Team. Since our company is organized in processes, we started with the mapping of macro processes, process groups and company-specific processes. We started by identifying those processes that could be most affected by climate-related issues. We then went deeper by consulting those responsible for each process about the potential impact. This consultation methodology also took into account the economic and social context associated with climate change in the countries where we operate, as well as the integration of climate analysis tools such as temperature and water availability.
	b. Describe the organization's processes for managing climate-related risks	GDR-B	73	To address the management of the main risks, we identified and highlighted the relevant initiatives in our Strategy related to each of them.
	c. Describe how the processes to identify, assess, and manage climate-related risks are integrated into the organization's overall risk management	GDR-C	73	Climate-related risks have been reported to the corporate risk team. These results have been incorporated into the monitoring carried out by this team. Finally, the results and key actions are presented to the Strategy and Implementation Committee and the Corporate and Strategic Practices Committee.

Recommendations	Recommended Report	Code	Pages	Details
METRICS AND OBJECTIVES	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process	MYO-A	55, 60, 62, 63	https://rotoplas.com/sustentabilidad/informes-anuales-ing/
	b. Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks	МҮО-В	63	This information is available in the Emissions section of the Environment and Circularity chapter. It is also available in the GHG emissions inventory report: https://rotoplas.com/sustentabilidad/rtp_resources/pdf/2023/Greenhouse-Gas-Report-2023-ENG.pdf?662801bc#toolbar=0&navpanes=0&scrollbar=0.
	c. Describe the objectives used by the organization to manage climate and performance-related risks and opportunities compared to the targets.	MYO-C	63	Annual and multi-year targets are set by the Sustainability Committee and senior management in most cases, except for specific financial indicators (such as bebbia sales), which are the responsibility of the respective business leaders in the case of sales indicators, for products that have a social or environmental impact, an equivalent target is set in terms of impact on people or water (e.g. liters treated, purified or reused). These targets include:
				*Indicators for the number of risk assessments of our operations and Business Continuity Plans (coordinated by the risk area). *Operations indicators (such as energy consumption, Scope I emissions) that are publicly disclosed at the beginning of the year. *Business indicators (such as bebbia sales) that are regularly communicated to investors throughout the year, except in cases where confidentiality for strateg reasons is necessary.
				*Impact indicators (such as the number of liters treated, reused or purified), which depend on the specific product or service on which they are established

Sustainalytics Annual Review Letter

MORNINGTAR SUSTAINALYTICS

Grupo Rotoplas SAB

Type of Engagement: Annual Review Date: 12 April 2024 Engagement Team:

Akshay Chandrakapure, <u>akshay.chandrakapure@morningstar.com</u> Nachiket Goli, <u>nachiket.goli@morningstar.com</u>

Introduction

In 2017, Grupo Rotoplas SAB ("Rotoplas" or the "Issuer") issued a sustainability bond (the "2017 Sustainability Bond") to finance or refinance projects that improve access to water and sanitation among underserved populations, and increase water use efficiency. In 2024, Rotoplas engaged Sustainalytics to review the projects financed with proceeds from the 2017 Sustainability Bond (the "Nominated Projects") and provide an assessment as to whether the projects meet the use of proceeds criteria and the reporting commitments outlined in the Rotoplas Sustainability Bond Framework (the "Framework").¹ Sustainalytics provided a Second-Party Opinion on the Framework in May 2017² and an update on the revised framework in September 2018.³ This is Sustainalytics' sixth annual review of allocation and reporting of the instruments issued under the Framework, following a previous review in April 2019,⁴ March 2020,⁵ March 2021,⁶ April 2022¹ and March 2023.⁵

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects based on whether they:

- 1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
- 2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Pe	rformance Indicators
		i.	Volume of water purified
Drinking Water Solutions	Provide access to clean water for individuals in areas that lack water supply or where tap water is unsafe to drink	ii.	Number of households and individuals benefited
		iii.	Number of schools, public spaces and other institutions benefited from drinking water fountains
		iv.	Number of children benefited

¹ Rotoplas, "Sustainability Bond Framework", (2018), at: https://rotoplas.com/investors/rtp_resources/eng/related-documents/AGUA17-2018)

²X_Rotoplas_Sustainability_Bond_Framework.pdf

 $^{^2 \,} Sustainalytics, "Second-Party \, Opinion, \, Rotoplas", (2017), \, at: \underline{https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/sustainability-bond-second-opinion_rotoplas_final.pdf?sfvrsn=de42a442_3$

³ Sustainalytics, "Second-Party Opinion, Rotoplas", (2018), at: https://www.bmv.com.mx/docs-dig/inscripcion/AGUA/2020/AGUA_17-2X_21022020_inf-consid-necesaria_1658_19.pdf

⁴ Sustainalytics, "Annual Review", (2019), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/rotoplas-green-bond-annual-review.pdf?sfvrsn=cb2ff0c_3

⁵ Sustainalytics, "Annual Review", (2020), at: https://rotoplas.com/investors/rtp_resources/eng/annual-report/2019/AR_rotoplas_2019_ENG.pdf

⁶ Sustainalytics, "Annual Review", (2021), at: https://rotoplas.com/investors/rtp_resources/eng/annual-report/2020/AR_rotoplas_2020_eng.pdf

⁷ Sustainalytics, "Annual Review", (2022), at: <a href="https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/grupo-rotoplas-sab/rotoplas-sustainability-bond-annual-review-(2022)/rotoplas-sustainability-bond-annual-review-(2022)

S Sustainalytics, "Annual Review", (2023), at: https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/grupo-rotoplas-sab/grupo-rotoplas-sab-annual-review-(2023)/grupo-rotoplas-sab-annual-review-(2023)

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Annual Review Grupo Rotoplas SAB

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		i.	Volume of treated water
Water and	Improve water quality and increase wateruse	ii.	Volume of reused water
Wastewater Treatment	efficiency through water recycling and reuse	iii.	Number of households, industries individuals benefited

Issuer's Responsibility

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

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from the 2017 Sustainability Bond. The work undertaken as part of this engagement included collection of documentation from Rotoplas and review of said documentation to assess conformance with

Sustainalytics relied on the information and the facts presented by Rotoplas. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein 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 of the review.

Conclusion

Based on the limited assurance procedures conducted,9 nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. Rotoplas has disclosed to Sustainalytics that 87.5% of the proceeds from the 2017 Sustainability Bond were allocated to the Nominated Projects as of December 2023, while the remaining proceeds are expected to be allocated by the end of 2026.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Projects to determine alignment with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the Nominated Projects to determine if impact was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

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MORROR SUSTAINALYTICS

Appendix

In 2017, Rotoplas issued the 2017 Sustainability Bond and raised MNX 4,000 million, the proceeds from which were used to finance and refinance the following projects.

Table 3: Allocation and Reported Impact from the 2017 Sustainability Bond

Use of Proceeds	Reported Impact	Net Proceeds Allocated (MNX Thousands)
Water and Wastewater	Water treated: 52,826,657,039 Liters	2,610,034
Treatment	Water reused: 23,523,757,182 Liters	
	Water purified: 1,481,394,147 Liters ¹⁰	
Drinking Water Solutions	Children benefited (school enrollment): 1,153,956 ¹¹	891,507
	People benefited from PoU purification: 1,184,667 ¹²	031,307
	Reduction in CO ₂ emissions vs bottled water PET: 242,903 tonne	
Total Net Proceeds Allo	ocated (MNX Thousands)	3,501,541
Issuance expenses (MNX Thousands)		120,506
Unallocated Proceeds (377,953	

⁹ Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

¹⁰ Sustainalytics notes that the water purification encompasses three methods: i) Water fountains, ii) Dispensers, and ii) Purifiers. However, data for water fountains is available only up to 2020, as the programme was not reactivated by the schools post the COVID-19 pandemic. For dispensers and purifiers, data for 2022 and 2023 were estimated based on the useful life stated in the technical datasheet.

¹¹ Sustainalytics notes that the impact reported for the KPI is based on estimates derived from the population in public schools where dispensers were installed, and no children were benefited post 2020 due to school closures resulting from the COVID-19 pandemic and as the programme was not reactivated by the schools post the COVID-19 pandemic.

¹² Sustainalytics notes that the impact reported for the KPI is based on estimates derived from the population in places where corporate offices, hotels, and dispensers were installed.

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The issuer is fully responsible for certifying and ensuring compliance with its commitments, for their implementation and monitoring.

Annual Review

Grupo Rotoplas SAB

WOMEN SUSTAINALYTICS

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. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics 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. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com















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APPENDIX

Profile of the Board of Directors



GRI 2-9

Carlos

Rojas Mota Velasco

Executive President and Chairman of the Board of Directors of Grupo Rotoplas.

Carlos holds a degree in Business Administration from Universidad Anáhuac in Mexico City. He is also recognized for his entrepreneurial spirit and has participated in various industries as an investor and advisor. Furthermore, he is known for his philanthropic work; he is currently the Executive President and Chairman of the Board of the Mexican Foundation for Education, Science, and Technology (FUNED, AC), a non-profit organization that provides financial support to Mexican students pursuing postgraduate studies abroad.

Carlos

Rojas Aboumrad

He joined Grupo Rotoplas in 2004 in the Development Professionals program. In 2014, he was appointed Vice President of New Business and Advisor. He has been the CEO of the Group since 2019.

Since joining the Group, he has worked in various areas of the organization; he worked on the Water for All program in Brazil, where rainwater harvesting systems were installed to alleviate the region's water shortage, drove the growth of the Innovation and Development area, led the expansion to the United States, and executed the drinking fountains program in Mexico.

He has identified significant value opportunities for the company, including the execution of strategies for the responsible and sustainable development of the organization.

He holds a degree in Industrial Engineering from the *Instituto Tecnológico de Estudios* Superiores de Monterrey, Santa Fe campus in Mexico City, and an MBA from Babson College in MA, USA.

Mario Antonio

Romero Orozco

He joined Grupo Rotoplas in 1995 in the **Development Professionals program** while attending university. In 2004, he was appointed Vice President of Administration and Finance and joined the Board of Directors in 2003.

Mario has made a mark in the industry thanks to his innovative approach and his ability to lead large-scale projects. He played a crucial role in Rotoplas' initial public offering and was instrumental in issuing the first sustainable bond in Latin America.

As a fervent advocate for sustainable investments. Mario has contributed his experience to various boards and directorates. His commitment to environmental, social, and governance (ESG) principles led him to co-lead the sustainability area of Grupo Rotoplas in 2022. His performance has been recognized on several occasions by Institutional Investor, which has awarded him accolades such as Best CFO and Best ESG Practices.

He holds a bachelor's degree in Economics from the Instituto Tecnológico Autónomo de México (ITAM), as well as a graduate certificate in Business Administration from Harvard University.

Gonzalo

Uribe Lebrija

He has been the Vice President of Operations since 2011. He joined Grupo Rotoplas in 2001 and joined the Rotoplas Board of Directors in 2013.

Gonzalo has held various operational positions since joining the Company, and has been involved in the implementation of the Supply Chain and the pipe business growth, positioning it as the market leader. His leadership has been fundamental for the international consolidation and growth of the business in recent years.

Before joining Grupo Rotoplas he was Chief Operation Officer at Comexma SA de CV, a textile business.

He holds a degree in Industrial Engineering form the Universidad Anáhuac, in Mexico City and an MBA from the Instituto Panamericano de Alta Dirección de Empresas (IPADE), Mexico City.

Alfredo

Elías Ayub

He has been member of the Board of Directors since 2014.

He is also part of the Board of Directors of Rassini SAB de CV, Arcos Dorados Holdings, Inc., Grupo Financiero Banorte SAB de CV, Banorem SA de CV, and Avangrid, Inc.

Alfredo was a Director of the Board at Harvard Business School from 1998-2001, CEO of Aeropuertos y Servicios Auxiliares and CEO in the Comisión Federal de Electricidad (CFE).

He holds a Bachelor's degree in Civil Engineering at Universidad Anáhuac in Mexico City, and a Graduate Certificate in Business Administration from Harvard University, MA, USA.

Pablo

Iturbe Fernández

He has been Director of Grupo Rotoplas since 2016. Pablo worked in Grupo Rotoplas since 2007 until he left the Company in 2015. He started through the Company's Development Professionals Program, leading projects in the finance and marketing areas, while still enrolled at university. His participation as full-time collaborator stands out in the industrial project implementation of Water for All in Brazil. He also developed business strategies focused on the traditional channel in Mexico and the launch of school water fountains.

Currently he is developing private equity projects in the fields of water technology, real estate and health care services.

John G.

Sylvia

He has been an Independent Director of Grupo Rotoplas since 2003. John is currently the CEO at HuHonun Bio Energy, and co-founder of Transformative Energy and Materials, Co. He previously served as CFO at CalEnergy, Co. Inc., and as Director of Northern Electric pic, Magma Power Co., CE Indonesia, and CE Filipinas. He was partner of the Texas Pacific Group, where he co-founded and managed the specialized water-related fund, Agua International Partners (Agua).

John acted as associate professor of Applied Economics and Finance at the University of San Francisco, CA, USA, and studied at the Santa Clara University, CA, USA.

Francisco

Amaury Olsen

He has been an Independent Director of Grupo Rotoplas since 2013. For more than 20 years he was the CEO and Director of the Brazilian company Tigre SA, dedicated to the pipe market, and a partner-owner of Olsen Consultoria Empresarial S/S Ltda., Joinville, BR.

He has been member of the Board of Directos of Duratex SA, Associação Brasileira das Administradoreas de Consórcio. Marisol SA. Portobelo SA. Martins Comercio e Servicios de Distribuicao S/A, among others.

He holds a Bachelor's degree in Business Administration at Furj Univelle, Joinville, BR. and a Graduate Certificate in Business Administration from University of Southern California, CA, USA.

José María Tomás

González Lorda

He has been an Independent Advisor for Grupo Rotoplas since 2003. He has been part of the Boards of Directors of HSBC Seguros, Afores, and Fund Operators; Compañía Industrial de Parras SA de CV; Gruma and Maseca SAB de CV; Grupo Viz; MacMa SA de CV.

Previously, he served as the Executive President of Unilever de México and Black and Decker Latin America, Corporate Director of Gruma SAB de CV, General Director of Mennen de México, and representative in Mexico of the Private Investment Fund Darby Overseas Investments. He is currently the president of Dasein S.A. de C.V., a firm dedicated to revitalizing companies (turnaround) as well as providing consultancy services.

He obtained a Bachelor's Degree in Mechanical Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey.

Marina

Diaz Ibarra

Marina is an expert in digital transformation and e-commerce, and a technology enthusiast. She has worked as a Global Director for major brands such as Dove (Unilever), Nike, and Under Armour. Additionally, she held the position of General Manager at Mercadolibre.com.

In 2017, she founded Wolox, a digital disruption company dedicated to creating innovative digital products (sold to Accenture in 2021). She is also a board member of public companies such as Gentera Bank, and Agilethought (Nasdaq), and represents the IFC (World Bank) on the board of several companies. She invests in early-stage startups and conducts research on digital economy.

She holds a bachelor's degree in economics from Universidad Di Tella and an MBA from Wharton School.

Alberto Esteban

Arizu

Alberto currently is the CEO of Bodega Luigi Bosca and fourth generation of the founding family, who played a leading role in the Argentine wine industry since its inception nearly 120 years ago.

He was the president of Wines of Argentina (WofA) for 10 years. Today, in his role as Director, he continues to participate in the development of the sector's export activities, promoting the "Argentine Wine" brand in major markets around the world.

Alberto Arizu has a degree in Business Administration from the Universidad Nacional de Cuyo. He also completed a Postgraduate course in Strategic Marketing at the University of San Diego (USA) and a Management Development Program at IAE, Universidad Austral (Argentina).

Jerónimo Marcos

Gerard Rivero

Jerónimo is currently president of Mexico Retail Properties (MRP), a company dedicated to real estate development, acquisition and administration of commercial properties in Mexico. He is on the board of directors of MRP CKD, Retail Management Services, Mexican Private Equity Association (AMEXCAP), Mexican Association of Real Estate and Infrastructure Funds (AMFII), Acciona, Grupo Ingeniería Arquitectura y Asociados (GIA), Telefónica México (Pegaso PCS), Infraestructura Institucional y Grupo Mexicano de Desarrollo.

He has a degree in Economics from the Instituto Tecnológico Autónomo de México (ITAM) and a Master in Business Administration from Stanford University.

Xavier

García de Quevedo Topete¹ †

He was a Chemical Engineer from UNAM, with studies in Administration and Finance from ITESM. He was the Vice President of the Board and Executive Vice President of Grupo México, which has three business sectors: Mining, Railway/Intermodal Transport, and Infrastructure.

In Grupo México, he held various positions: General Director of Group Development, President and founder of Grupo Ferroviario Mexicano (Ferromex), President of Asarco Inc in the United States, President of Minera México, President of Americas Mining (Mining Division Holding), President and Founder of the Infrastructure Division, and Director of Administration and Finance of Grupo México.

He was a member of the Boards of Directors of Grupo México, Americas Mining Corporation, Southern Copper Corporation, Grupo Mexico Transportes, and Ferromex. Xavier was the President of the Mining Chamber of Mexico from November 2006 to August 2009.

¹ Passed away in October 2023.

Leo

Rastogi

Dr. Leo Rastogi is a successful serial entrepreneur, corporate executive, and board member, with a PhD in Leadership from Harvard Business School.

He is currently the Founder and CEO of Minerva Groupe, a diversified business group with interests in Health and Wellness, Medical Technology, IT, Digital Media, and Real Estate. Previously, he served as the CEO of the Digital Business Group at Happiest Minds Technologies and has over a decade of experience as a board member.

Leo has been recognized for his business achievements and is the author of 2 books. He is also a speaker on mindfulness and meditation topics and has a strong passion for promoting access to healthcare worldwide.

Mauricio

Romero

Mauricio has been the Secretary of the Board of Directors of Grupo Rotoplas since 2003, the same year in which he founded the Romero Solórzano firm.

Mauricio holds a Bachelor's degree in Law from Instituto Tecnológico Autónomo de México (ITAM), CDMX, MX, and a Master's degree in Law and Business from the J.L. Kellogg Graduate School of Management and Northwestern School of Law, IL, USA.

External verification



Verification Letter of the 2023 Integrated Annual Report "AGUA is water, water is ROTOPLAS"

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

We inform you that Redes Sociales en Línea Timberlan was hired to carry out a limited and independent assurance of a sample of GRI Disclosures, Sustainability Accounting Standards Board ("SASB") topics and Rotoplas ESG indicators, contained in the 2023 Integrated Annual Report "AGUA is water, water is ROTOPLAS" of Grupo Rotoplas, S.A.B. of C.V. and Subsidiaries ("Grupo Rotoplas").

The scope of our verification covered the results of the subsidiaries that make up Grupo Rotoplas: Mexico, Argentina, Brazil, Peru, Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and the United States, corresponding to the period of January 1st to December 31st, 2023.

The Sustainability Management of Grupo Rotoplas is responsible for the preparation of the information contained in the "2023 Integrated Annual Report" and that presented in the verification process, which implies, but is not limited to: the process of selecting the material topics and the GRI Disclosures report, SASB standard topics and Grupo Rotoplas ESG indicators and provide true and sufficient documentary and/or visual evidence to verify the selected contents.

Our mission is to issue impartial and objective opinions about the certainty, traceability and reliability of the selected sample to be verified presented in the "2023 Integrated Annual Report". The criteria taken into account to carry out our work are in accordance with: the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", GRI Standards (in accordance) and the standards SASB: Building Products & Furnishings, Water Utilities & Services and Chemicals.

Among the activities carried out during the verification process are listed:

- Interviews with the Sustainability Management to learn about the information collection, management and control processes for the preparation of the 2023 Integrated Annual Report.
- Understanding of internal management systems (policies, processes, tools, source documents, etc.)
- Verification of qualitative and quantitative information through visual, documentary and public evidence of the sample to be verified.
- Comparison of information presented in the previous year's report to validate the reasonableness of the sample.
- Validation of methodological compliance with the aforementioned criteria.

Therefore, we can conclude that, during the assurance process, we did not find any particularity that would lead us to suspect that the data of the selected sample published in the "2023 Integrated Annual Report" contains significant and material errors and that the methodological implementation of GRI Standards does not comply with reporting principles.

An internal report of recommendations is delivered separately, exclusive to Grupo Rotoplas, which contains the areas of opportunity detected for a future report.

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Declaration of independence and competence of Redes Sociales en Línea Timberlan

The collaborators of Redes Sociales en Línea Timberlan have the necessary level of competence to verify compliance with standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on non-financial information reports, complying with the principles of independence, integrity, objectivity, professional competence and 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 April 25th, 2024 and is valid as long as no subsequent and substantial modifications are made to the "2023 Integrated Annual Report" of Grupo Rotoplas, S.A.B. of C.V. and Subsidiaries

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		SASB	
	GRI DISCLOSURES	CG-BF: Building Products & Furnishings IF-WU: Water Utilities & Services RT-CH: Chemicals	VERIFIED DATA 2023
3-1	Process to determine material topics		Based on the 2020 materiality study of Grupo Rotoplas, it is confirmed that the process carried out to determine the
	·		material topics consisted of 3 stages: 1) identification/review, 2) prioritization, 3) Validation of material topics.
3-2	List of material topics		Based on the 2020 materiality study of Grupo Rotoplas, it is confirmed that there have been no changes in the list of
	·		material topics presented in the 2023 Integrated Annual Report.
			Environmental
		RT-CH-140a.1 / IF-WU-140b.1 / RT-CH-140a.2	
		(1) Total water withdrawn,	(1) The water extracted 34,558 m3 comes from the municipality, 29,697 m3 from wells and 23,142 m3 from other sources,
303-3	Water withdrawal	(2) Total water consumed; percentage of each in	including tank trucks.
		regions with High or Extremely High	(3) A penalty associated with water management at the Guadalajara Plant
		BaselineWater Stress	
303-4	Water discharge		The total water discharge during 2023 was 36.67 megaliters.
303-5	Water consumption		109,152 m3 of water consumed
		CG-BF-130a.1 / IF-WU-130a.1 / RT-CH-130a.1:	
	For a superior and the	(1) Total energy consumed,	Total energy consumed (GJ), = 202,337 GJ
302-1	Energy consumption within the	(2) percentage grid electricity and	Percentage of electricity from the Electrical network = 168,647 GJ (83%)
	organization	(3) percentage renewable	Percentage of renewables and cogeneration = 17%
302-3	Energy intensity		5.60 GJ/t processed resin and metal
		RT-CH-110a.1 / RT-CH-110a.2:	
305-1	Direct (Scope 1) GHG emissions	(1) Gross global Scope 1 emissions, percentage	16,282 Ton CO2 e.
303-1		covered under emissionslimiting regulations	10,202 1011 002 6.
	Energy indirect (Scope 2) GHG	covered diffder errissions in fitting regulations	
305-2	emissions		23,628 tCO2e scope 2 emissions
305-3	Other indirect (Scope 3) GHG		354,204 tCO2e scope 3 emissions
705 (emissions		
305-4	GHG emissions intensity	DT CULTON 1/DT CULT/O O A:	Intensity of 0.43 tCO2e/t of resin and processed metal
		RT-CH-120a.1 / RT-CH-140a.2: Air emissions of the	
	Nitrogen oxides (NOx), sulfur oxides	following pollutants:	NOX 5.39 ton
305-7	(SOx), and other significant air emissions	d other significant air emissions (1) NOX (excluding N2O), (2) SOX, (3) Volatile organic compounds (VOCs),	SOX 15.78 ton
	, ,,		
		(4) Hazardous air pollutants (HAPs)	
		RT-CH-150a.1	Waste generated by Grupo Rotoplas: Total 1,374
306-3	Waste generated	(1) Amount of hazardous waste generated,	Urban Solid Waste (USW - ton) = 697
300 3	vvaste generatea	(2) percentage recycled	Special handling waste (RME - ton) = 553
		(2) percentage recycled	Hazardous waste (RP -ton)= 123
			Waste destination:
306-4	Waste diverted from disposal		CoProcessing 8%
			Recycled 41%
306-5	Waste directed to disposal		Final Disposition 51%
			Some actions taken:
			* increased use of renewable energy, Renewable energy supplied by solar panels
		CG-BF-410a.1	* effective waste management processes (Use of post-consumer recycled resins and
		Description of efforts to manage product	post-industrial (own and third party resins)
		lifecycle impacts and meet demand for	* incorporation of a circular economy and general operational efficiency.
		sustainable products	Improving efficiency in product manufacturing and improving maintenance services contribute to extending the life of
			products, as well as reusing water through treatment and recycling solutions.
	<u> </u>	1	produces, as were as reasing water through treatment and recycling solutions.

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GRI DISCLOSURES		VERIFIED DATA 2023							
Social									
2-6	Activities, value chain and other business relationships	Products and services: Mexico: Rotoplas, Tuboplus, Bebbia, Rieggo, RSA. USA: Acuantia. Brazil: Acuantia. Central America: Rotoplas, Tuboplus Argentina: Rotoplas, IPS y Señorial 3,800 suppliers in the supply chain, who were paid MXN \$6.35 billion in 2023. The supply chain comprises: - Suppliers - Distributors - Maintenance Suppliers - Installers							
204-1	Proportion of spending on local suppliers	73% of spending on suppliers corresponds to local suppliers.							
2-7	Employees	Country Women Men Total employees Argentina 88 712 800 Brazil 5 39 44 Costa Rica 1 2 3 USA 28 63 91 El Salvador 1 3 4 Guatemala 12 55 67 Honduras - 5 5 Mexico 659 1,656 2,315 Nicaragua 2 14 16 Peru 29 109 138 Total 3,483							
2-30	Collective bargaining agreements	54% of the workforce is unionized.							
401-1	New employee hires and employee turnover	Hiring: Total number of hires (Temporary contract): 186 Total number of hires (indeterminate contract): 924 Total hirings: 1,110 Indeterminate employee turnover: Number of voluntary departures: 448 Number of involuntary departures: 444 Total departures: 892 % turnover = 26.6% (W: 27.0%, M: 26.5%) % voluntary turnover= 13.08% (W: 14.3%, M:13.1%)							
403-1	Occupational health and safety management system	Existence of the HSA (Hygiene, Health and Environment) Management Model to ensure the physical integrity of employees in the workplace, as well as that of contractors, suppliers, logistics operators and visitors to our facilities and plants.							
403-5	Worker training on occupational health	During 2023, a series of health and safety training sessions were held for employees at the plants							
403-9	and safety Work-related injuries	and corporate offices to prevent accidents. N° of Minor injuries 72 N° of Lost Time Injuries 42 N° of Occupational Diseases 1							
403-10	Work-related ill health	N° of Casualties 0 N° of Casualties 0 N° of Cays Lost Due to Injury 705 Total worked hours 9,416,393							

GRI DISCLOSURES		VERIFIED DATA 2023								
			Socia	ıl						
		Employme	nt category	Concep	ot	2022	2	2023	Variation 2022 Vs 2023)	1
		Administrative staff Total: 3,999		Training hours		23,312	7	,319	-69%	
	Average hours of training per year per			Average trainin per employee	ig nours	1.8		1.8	0%	
404-1	employee	Operational sta	ff	Training hours Average trainin	a houre	4,358	15	5,595	258%	
	employee	Total: 14,984		per employee	ig riours	1.6		1	-35%	
		Total		Training hours Average trainin	ig hours	27,670		2,915	-17%	-
		18,983		per employee	J	3.4		1.2	-64%	
		Diversity	Wo	omen		Men			Age	
405-1	Diversity of governance bodies and	Board Members	% 7%	N° 1	% 93%		N° 13	<30	30-50 29%	> 50 71%
	employees	Employees	23.69%	825	76.31%	5 2	,658	21.61%	66.55%	11.82%
405-2 406-1	Ratio of basic salary and remuneration of women to men Incidents of discrimination and corrective actions taken	violence, aff	vere preser fecting the and four c	e work envi of them co	ironme nclude	ent", o d with	f which	h five w	ere atten	or harassment ded by the Et e labor relatio
			Contributions							
		Country	(MXN)	People In	npacted	Childre	en Impa	cted		
		Mexico	15,127,945	347,8	313		NA			
203-1	Infrastructure investments and services supported	Argentina	739,518	124,1	183		55,746			
		Peru	138,475	19,1	63		16,000			
		Total	16,005,938	491,1	159		71,746			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	O fines as a the labeling					d to th	ne healtl	n and safe	ety of users, as
417-2	Incidents of non-compliance concerning product and service information and labeling	0 fines as a the labeling		•			d to th	ne healtl	n and safe	ety of users, as

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	GRI DISCLOSURES	SASB CG-BF: Building Products & Furnishings IF-WU: Water Utilities & Services RT-CH: Chemicals	VERIFIED DATA 2023				
		Gove	rnance				
2-12	Role of the highest governance body in overseeing the management of impacts		The Board of Directors is responsible for execution of said strategy by manageme also establishes internal control and aud approves the remuneration policies for s	ent and approving the management lit guidelines, appoints the General D	of the busir	ness. It	
2-17	Collective knowledge of the highest governance body		For Grupo Rotoplas, it is a strategic piece the service business.		in issues re	elated to	
2-18	Evaluation of the performance of the highest governance body		Based on the Corporate Governance Policy, it is confirmed that Directors receive at least one training per year regarding topics of interest related to their functions and the business.				
2-24	Embedding policy commitments		The Sustainability Committee is respons Rotoplas and for monitoring the Sustain Its sessions allow presenting the points of progress and discussing additional topic with it. The tasks of the Sustainability Co ESG initiatives as part of its Sustainability raising awareness among participating importance of compliance and adheren implications in terms of reputation and	nability Strategy, in whose definition it of view of the areas involved in the Stross related to the operational context of mmittee include: Driving and monitory Strategy, including the established of departments and senior managements to the Sustainable Purchasing Pol	also partice ategy, studend its related the coording the coording the coordinate about the coording and its	cipates. dying tionship ompany's and e	
2-27	Compliance with laws and regulations		In 2023, a significant penalty was record Guadalajara Plant.	ed associated with water manageme	nt at the		
201-1	Direct economic value generated and distributed		Currency: MDP Revenues (Economic Value Generated- E Costs and Expenses (Economic Value Di Operating Costs and Expenses Salaries and Benefits (Employees, COGS + 0 Payments to Finance Suppliers (not consider Payments to Government (taxes and contribut Investment in Research and Development Acquisitions Infrastructure Investment Donations (community) Retained: (EVG-EVD)	G&A) ing purchase and/or sale of own shares) tions)	12,146 11,936 8,763 1,791 654 27 73 - 609 19 210		
205-3	Confirmed incidents of corruption and actions taken		The Company did not incur any significant fines, sanctions or legal actions related to corruption or economic, social or governance issues, including unfair competition, antitrust practices or violations of free competition regulations.				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		violations of free competition regulations. The Company did not incur any significant fines, sanctions or legal actions related to corruption or economic, social or governance issues, including unfair competition, antitrust practices or violations of free competition regulations.				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		O occurrences of significant sanctions re without any information security breach		ıstomer da	ta and	
		CG-BF-000.A RT-CH-000.A Annual production	Processed resin for manufacturing (grinding) (t) Manufactured resins (t) Processed metal (heaters) (t) Decrease Total:	26,964 52,288 6,984 5,244 91,480			

	Rotoplas target	Unit	2021	2022	2023	Goal 2025
Profit Planet	Direct suppliers evaluated with ESG criteria	%	-	20%	50%	100%
	Client Satisfaction (NPS Score)	NPS Score	67	72	75	80
	CO2 intensity -Scope 1 and scope 2- per ton of processed resin (ton CO2e/ton processed resin)	ton CO2e/ton processed resin	0.41	0.48	0.43	0.41
	m3 of water purified by our solutions (annual)	m3	164,000	404,000	765,000	1.7 million
People	People given access to water and sanitation (cumulative)	people	330,000	553,000	800,000	1 million
	Women in the workforce	%	22.9%	24%	24%	30%

Contact information

GRI 2-3

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