



Corporate Practices & Strategy
Committee

Sustainability Recap 2019

1Q19

Sustainability

General	Achievements IT 2019	Next Steps
---------	----------------------	------------

Deployment of the Sustainability Strategy at group level, based on 4 points of focus:

1. Institutionalization and Governance
2. Collaborative innovation with purpose
3. Boosting socio-economic development
4. Safeguarding water as a future resource

Start: Jan 2019 | End: Dec 2019








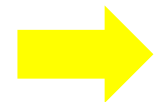
Budget: MXN \$1.6mm

Leader: José Luis Mantecón

- First stage management system: 9 policies (4 new, 5 revised)
- Drafting of 2 groups of Sustainability processes
- Sustainability Strategy Roadmap in Guatemala and Peru
- Water culture activities in universities and with companies
- Integration of sustainability indicators in the performance management process (BSC 2.0)
- Preparing the Integrated Annual Report

- Formalization of processes that result from policies.
- Development of management platform with key indicators.
- Implementation of declared projects (water projects, management system, climate change)
- Sustainability Strategy Roadmap Argentina and Brazil
- Developing a climate change strategy

Focal Point 1 - Main ESG indicators

		Indicator	2017	2018	Trend
	Environmental	Cumulative litres of purified water (sustainable bond)	47.9 million litres	77.5 million litres	
		Number of litres treated (sustainable bond)	9.2 million litres	15.3 million litres	
	Social	Persons benefiting from APB (sustainable bond)	7,000 persons	63,500 persons	
		Personnel turnover	16%	23%	
	Corp. Gov.	Self-assessment Board Members	No	Yes	

2Q19

Sustainability

General	Achievements 2T 2019	Next Steps
---------	----------------------	------------

Deployment of the Sustainability Strategy at group level, based on 4 points of focus:

1. Institutionalization and Governance
2. Collaborative innovation with purpose
3. Boosting socio-economic development
4. Safeguarding water as a future resource

Start: Jan 2019 | End: Dec 2019

Budget: MXN \$1.6mm

Leader: José Luis Mantecón

- Institutional investor - best ESG company in the Capital Goods industry,
- Latin America Vision Awards - Integrated Annual Report won 6 awards.
- Inclusion in the Sustainable Index of the Mexican Stock Exchange
- Subscription to the UN Global Compact's CEO Water Mandate (leading companies for their focus on water)
- Within the company's processes, it declares explicitly the issues that impact sustainability.

- Continue execution of established projects (*sustainability management system, climate change strategy, water plants projects*)
- Launch of management system dashboard
- Analysis of key sustainability indicators
- Project and budget monitoring with impact on sustainability

Focal point 1: governance - Integrated Annual Report, awards



Vision Awards, League of American Communications Professionals (LACP)

2015



- Silver winner



2016



- Silver winner
- Top 80 reports Americas region



2017



- Gold Winner Worldwide
- Top 80 reports Americas (72)
- Top 10 reports Mexico



2018



- Platinum Winner Worldwide
- Top 50 reports Americas (9)
- Top 100 reports worldwide (35)
- Top 10 reports Mexico
- Most creative Report Worldwide
- Most creative Report Americas Region



Focal point 1: governance - Integrated Annual Report, awards



Vision Awards, League of American Communications Professionals (LACP)

Place 1 - 34

DAIMLER



The Coca-Cola Company

StanleyBlack&Decker



Place 35



WE ARE
CLARITY
DYNAMISM
STRENGTH
IMPULSE
REFLECTION
MOTION
ANNUAL INTEGRATED REPORT
2018



Place 36 - 100



Mexicanas:









Only 9 companies quoted on the BMV are listed on both indices

- Alsea SAB de CV
- Cemex SAB de CV
- Coca-Cola Femsa SAB de CV
- Fomento Económico Mexicano SAB de CV
- Grupo Aeroportuario del Centro Norte SAB de CV
- Grupo Mexico SAB de CV
- Grupo Rotoplas SAB de CV
- Grupo Televisa SAB
- Qualitas Controladora SAB de CV

3Q19

Corporate Sustainability Assessment (“CSA”)

- Increase by 18 points 
- Exceeding the industry average 
- Increase in all dimensions 
- AGUA* selection for DJSI MILA Pacific Alliance for 3rd consecutive year 

ROBECOSAM
We are Sustainability Investing.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

	Rotoplas				Var. %	Industry Best (per Company)		Rotoplas Vs Best
	2015	2016	2017	2018	Y-o-Y	2018	Nombre	Rotoplas
Economic (44%)	22	36	41	58	41%	87	Black&Decker	67%
Environmental (28%)	15	20	39	61	56%	97	Komatsu	63%
Social (28%)	20	40	40	54	35%	90	CNH Industrial	60%
Total (100%)	19	33	40	58	45%	88		66%

+ Top Rated

Economic

- Innovation Management 
- Code of Ethics

Environmental

- Environmental Report 
- Operational Effectiveness

Social

- Labour indicators 
- Social reporting

— Opportunity Areas

Economic

- Supply chain mgmt. 
- Customer Relations

Environmental

- Product Management 
- Environmental Management System

Social

- Human rights 
- Human capital development

Focal point 1: governance – *Benchmarks and next steps*

Benchmark

Company	ESG
<i>Coca-Cola FEMSA</i>	70
<i>Fibra UNO</i>	61
Rotoplas	58
<i>Kimberly-Clark de México</i>	56
<i>Orbia (Mexichem)</i>	55
<i>Grupo México</i>	52
<i>Nemak</i>	51
<i>Televisa</i>	46
<i>Alsea</i>	46
<i>America Móvil</i>	44
<i>G Aeropuerto Centro Norte</i>	41

Source: RobecoSAM

Next Steps

Projects to be kept

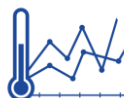


- Environmental and Social Indicators Report
- Innovation Management

Projects to be reinforced



- Code of ethics and conduct, anti-corruption and anti-bribery
- Risk and crisis management, prevention culture
- Customer relationship, satisfaction
- Climate Change Strategy
- Attracting, retaining talent



Projects to be implemented



- Corporate governance
- Supply Chain Management
- Product impact management (end-of-life)
- Development of the employees
- human rights



According to the information available, Rotoplas is in 3rd place in the ranking of Mexican companies

Projects with allocated resources 2019 | Sustainability

Millions MXN

General Status



Achievements



Next steps



General

Deployment of the Sustainability Strategy at group level, based on 4 points of focus:

1. Institutionalization and Governance
2. Collaborative innovation with purpose
3. Boosting socio-economic development
4. Safeguarding water as a future resource

Start: Jan 2019 | End: Dec 2019

Budget: MXN \$1.6mm

Leader: José Luis Mantecón

Achievements 3T 2019

- Consolidation in RobecoSAM's Corporate Sustainability Assessment
- DJSI MILA Pacific Alliance - selected to join the index of companies from Mexico, Chile, Peru and Colombia.

Siguientes pasos

- Conclude Climate Change Strategy (December 2019)
- Detection and alignment of FLOW initiatives with impact on Sustainability.

4Q19

Climate Change Strategy

Understanding the risks and business opportunities posed by climate change for the Rotoplas Group

Three approaches:

- Mitigation – reduction of emissions
- Adaptation – reducing vulnerability
- Opportunities – products and services



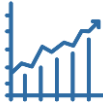
Risks

- Legal
- Regulatory
- Market
- Reputation
- Physical



Opportunities

- Use of resources
- Energy Sources
- Products and Services
- Market
- Resilience













**Result:
Multi-stakeholder
strategy**

*Creating value from a
climate perspective*



CC Strategy - Relevant issues stakeholders groups

Stakeholder	Relevant climate issues (summary)
 End User	• <i>Environmental impact of products and purchasing decisions</i>
 Employees	• <i>“Employer branding” attraction and retention</i>
 Distributors	• <i>Transporter resilience (emissions)</i>
 Board of Directors	• <i>Company Performance and Strategy</i>
 Regulatory Bodies	• <i>Progressive legislation (Paris agreement goals)</i>
 SCO	• <i>Attention to projects and communities</i>
 Academy	• <i>Research and partnerships</i>
 Suppliers	• <i>Supplier Resilience to CC</i>
 Clientes	• <i>End-user sales and business partnerships</i>
 Investors	• <i>Resilient, low-risk investments</i>

Multi-year impact

- Short
- Medium
- Long Term



Next Steps:

- Integration - of quick wins into existing projects
- Development - of initiatives for 2020
- Report - Annual ReportSAM (Robeco), Bloomberg and Corporate Practices & Strategy Committee