

Message from the Chairman of the Board

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

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

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

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

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

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

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

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

contribute to the growth of our business partners and communities? among others.

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

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

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

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

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

Finally, I would like to invite you to continue to be part of the Rotoplas story and to join our efforts to take care of water, our communities and the planet. And all this, without losing focus on the creation of economic value.

Carlos Rojas Mota Velasco
Chairman of the Board

¹ *Carbon Disclosure Project*

² *Task Force on Climate-Related Financial Disclosures*