



SUSTAINABLE PURCHASE POLICY

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Objective

The objective of this policy is to establish the requirements in environmental, social and corporate governance (ESG) matters for the suppliers that shape Grupo Rotoplas' supply chain, in order to promote the best practices and a performance that is aligned with our values, that include social and environmental responsibility.

Scope

This policy applies to all Grupo Rotoplas' employees involved in the processes of acquiring goods and services carried out on behalf of the group, with particular attention to the Purchasing Area. Likewise, it is extended to all of our suppliers, including those newly incorporated and those that are already part of Grupo Rotoplas supply chain.

Description

At Grupo Rotoplas we strive to operate by promoting the value creation for all stakeholders, including a performance in which social and environmental risks are avoided and those impacts that may exist in this respect that result in damage to society are reduced. This is part of our commitment to contribute to sustainable development

We seek that our suppliers have high socio-environmental standards that, added to the ones we apply in the operations under our direct scope, allow us to strengthen the focus to the impact of our solutions throughout their life cycle, added to the efforts we carry out together with distributors, customers and users.

We also promote governance based on ethical and transparency criteria throughout the supply chain, as a guarantee of decision-making processes that seek the creation of multistakeholder value that we promote for our own company.

The guidelines to suppliers described in this document, complement the requirements that the Purchase Area already applies in aspects such as quality, its pricing and the guarantee of supply, among others.

Our commitment to the ESG aspects and its requirement to suppliers is also part of specific policies and codes that we categorize by subject, such as the Code of Ethics and Conduct, Anti-corruption Policy, Sustainability Policy, Human Rights Policy and Climate Change Policy.

Terms and Glossary

Service Provision Contract: document used for the hiring of a service that adheres to the needs of the company, requested by the area that has the current need and previously processed the application, complying with the legal guidelines of Grupo Rotoplas.

Continuous improvement: review and optimization of policies, processes and procedures in order to keep them attached to the needs of the company, integrating the changes that occur in the objectives and needs to meet the different stakeholders, as well as the performance of the collaborators according to the guidelines that integrate them.

Purchase order: document by which the acquisition of goods or services is committed, which includes the terms and conditions, requested quantity, delivery conditions or provision in the case of a service, as well as the price and payment terms.

Supplier: person or legal entity that offers and sells a product or service through a commercial transaction of sale with Grupo Rotoplas.

Reputational risk: that associated with an action, transaction, investment, as well as a behavior of Grupo Rotoplas' employees or third parties acting on behalf of the company, which may reduce confidence and/or affect the integrity or image of the Group towards our stakeholders.

Roles and Responsibilities

Administration and Finance VP: responsible for the implementation of this policy, integrating it into the purchasing process and ensuring the application of the evaluation criteria by the purchasing team, as well as the rest of the guidelines regarding the acquisition of goods and services established by the company.

Director of Innovation: responsible for considering the ESG criteria at the time of proposing the design of products and identifying potential suppliers for them

Purchasing Area: includes the team in charge of evaluating both legal compliance, as well as the operational criteria (price, quality, etc.) and ESG. For the analysis of compliance with the regulations that apply to suppliers based on the location and type of supply, the team shall have the support of the Legal Area; In the case of the evaluation of the ESG criteria, it will have the support of the Sustainability Area. It oversees the relationship with potential suppliers, the request for information and the management of its reception for analysis, as well as the final decision of the acquisition or hiring decision.

Senior Legal Manager: support the Purchasing Area in the analysis of compliance with legal criteria by potential suppliers that are in the evaluation process.



Sustainability Coordinator: support the Purchasing Area in the design of the ESG criteria and in the evaluation of potential suppliers, in accordance with this policy.

Sustainability Committee: sensitize the involved areas and senior management on the importance of compliance and adherence to this policy and the implications in terms of reputational and operational risk management that Grupo Rotoplas assumes to hire suppliers with the best environmental, social practices and corporate governance (ESG).

Scope

We are committed to creating value for all our stakeholders and the contribution of the company to sustainable development, which includes the well-being and quality of life of the population as well as the protection of the environment. This is present as a guideline of our operations, but we also extend it to the members of our value chain, including suppliers.

Guidelines

Compliance with the regulatory framework

The suppliers that integrate Grupo Rotoplas' supply chain must comply with the applicable regulatory framework in the region where they operate, including regulations related to labor practices and environmental performance.

Regarding labor standards, we consider the rules and legislations related to hiring schemes, workdays, freedom of association, non-discrimination, child labor, forced labor, human rights and disciplinary measures, as well as other significant issues of the product and / or service that is provided.

Regarding the environmental performance, it includes the norms and legislations related to inputs such as materials, water and energy, as well as emissions, discharges and waste, or any other significant environmental aspect that may be related depending on the product and/or service that is provided.

For the sale of goods or contracting of services by Grupo Rotoplas, compliance with the applicable legislation is a minimum requirement. The Purchasing team will request the relevant information, which will be evaluated together with the legal team.

Promotion of excellence practices in ESG aspects



At Grupo Rotoplas we require that suppliers assume the commitment to comply with the guidelines of our Code of Ethics and Conduct, including values, including social and environmental responsibility. For this reason, the Purchasing team gives every supplier the Code and requires, in turn, to sign in agreement.

Additionally, we seek to promote the best practices in environmental, social and corporate governance (ESG) aspects, which go beyond the level of legal compliance. For this, we have established a series of assessment criteria, which complement with additional elements to the exclusion criteria for the hiring or rejection of the Purchasing team already has, in aspects such as quality, pricing and the guarantee of supply, among others. The ESG criteria are applied according to the size and sector of the supplier; they are accompanied by weightings between them to integrate the evaluation and obtain a degree of sustainability performance from the supplier.

Starting from the design phase of our products and services, in the selection of materials, we consider the socio-environmental impact. By doing so, the design team already has the ESG criteria in perspective from that stage, applying them in addition to raising potential suppliers to inform the Purchasing Area.

Supplier Evaluation

The purchasing process begins with the order request by the area that requires the product or service, which in turn is responsible for selecting a set of potential suppliers and request the corresponding quotes.

The Purchasing Area can also request quotes; in any case, it is the one who carries out the evaluation of the quotes and the choice of the final supplier, prior to the issuance of the purchase order or the signing of the contract for the provision of services. In the case of legal compliance, it is evaluated once the decision has been made regarding the provider, and it is a reason for rejecting the contract in case the analysis is not satisfactory

For the ESG criteria, the request for information and the analysis are given in the evaluation of potential suppliers prior to the election, together with the analysis of the operational criteria (quality, value for money, security of supply, etc.). The analysis of the information provided by the potential suppliers regarding the ESG criteria is evaluated by the Purchasing team with the support of the Sustainability team.

The evaluation is prior to the hiring of the supplier; the decision on which supplier to hire is based on hiring or rejection criteria already available to the Purchasing team, in aspects such as quality, pricing and the guarantee of supply, among others. The ESG criteria serves to obtain additional score, rewarding in the evaluation process those suppliers with best practices and greater commitment in those aspects. By doing so, we integrate the focus of operational risks associated with provisioning with the prevention of reputational risks linked to supplier praxis, through criteria that we ourselves apply to a coherent action that is commensurate with our values.

Likewise, the evaluation is made in the supplier renewal processes or the hiring of those that are already part of our registration, but in advance of the application of this policy.

Joint development

At Grupo Rotoplas we seek to build sustainability in a joint way, inviting suppliers to adopt environmental, social and corporate governance initiatives. The inclusion of criteria in the evaluation processes seeks to promote good practices and commitment in this regard.

In addition, in particular regarding the environmental aspects of Greenhouse Gases (GHG) and greenhouse gas emissions, we work on the carbon footprint and water footprint of our products portfolio, by analyzing the set of stages of its cycle of life, which includes those developed by third parties in our value chain, we identify job opportunities for the reduction of environmental impact, to be developed jointly. It is a new field of relationship with



suppliers, also with distributors, customers and users, which will be gaining relevance and in which we hope to move forward.

The extension of the application of our solutions for the suppliers to use themselves can constitute a working formula for the reduction of the environmental impact in the life cycles of the products of our portfolio, which we promote in the cases that are identified, in addition to other joint initiatives that we can develop in the framework of alliances.

Good governance practices

With adherence to this policy, as well as the guidelines of the Anti-Corruption Policy and the Code of Ethics and Conduct, we guarantee the objective selection of suppliers based on defined criteria and available to both Grupo Rotoplas' employees who participate in the process of purchases as from potential suppliers.