Rotoplas más y mejor agua	Sustainability Policy

Objective

To institutionalize Sustainability principles and guidelines into Grupo Rotoplas' strategy and business model, in order to ensure operational and climate resilience, ESG risk mitigation, and the creation of shared value, thereby guaranteeing water security solutions that positively impact the well-being of communities and the environment across all our regions of operation.

Scope

This policy applies to all levels of governance within Grupo Rotoplas, including the Board of Directors, executives, and employees across all subsidiaries and business units. Its application extends to the value chain (upstream and downstream), encompassing suppliers, contractors, distributors, and business partners.

Description

Grupo Rotoplas integrates Sustainability as an inseparable strategic pillar within its business model. This policy institutionalizes its management transversally across the entire organizational structure, decision-making processes, and global operations.

The implementation of this policy is articulated through the comprehensive identification, assessment, and management of risks and opportunities, applicable both to our internal culture and our external engagement with Sustainability. Grupo Rotoplas ensures responsible management that mitigates negative impacts and enhances shared value solutions.

Our performance is aligned with international reference frameworks such as the Ten Principles of the United Nations Global Compact, the GRI and SASB Standards, and the ISO 26000 standard. This guarantees ethical performance in human rights, labor practices, decarbonization, corporate integrity, and community development.

Terms and Glossary

Climate Resilience: The organization's capacity to anticipate, prepare for, and adapt to adverse climate events and to the regulatory and market transformations resulting from the transition to a low-carbon economy.

Eco-design: Integration of environmental criteria into the product research and development phase to minimize their impact throughout their entire life cycle.

ESG: Environmental, Social, and Governance.

Physical Risk: Tangible threats derived from climate change that can affect the organization's operations, assets, or supply chain. They are divided into acute risks (extreme weather events such as floods or severe droughts) and chronic risks (long-term changes in climate patterns, such as rising global temperatures or permanent water stress).

Shared Value: A business strategy that seeks to generate economic value for the company in a way that also produces value for society by addressing its needs and challenges.

Stakeholders: Individuals, groups, or entities that may be significantly affected by Rotoplas' activities, or whose participation and perception can influence the company's ability to successfully implement its strategies.

Sustainability: A strategic management model focused on creating long-term shared value. It integrates environmental, social, and governance (ESG) criteria into decision-making to ensure business profitability, social well-being, and the preservation of natural resources for present and future generations.

Transition Risk: Financial, legal, and reputational challenges arising from the transition to a low-carbon economy. These include changes in policies and regulations, technological advancements that displace current solutions, shifts in market preferences, and social stigma toward non-sustainable practices.

Value Chain (Upstream and Downstream): Stages in the life cycle of our solutions; from raw material sourcing and supplier relations (upstream), to distribution, customer use, and final disposal or recycling of products (downstream).

Internal Control Objectives

This policy is an essential component of Grupo Rotoplas' control environment, designed to ensure the achievement of its objectives.

- **Operations (Effectiveness and Efficiency):** It ensures the integration of sustainability criteria into the business model to optimize resource use, mitigate operational risks, and enhance long-term profitability. By systematizing the management of environmental and social impacts, this policy strengthens the organization's resilience and protects its tangible and intangible assets.
- **Reporting:** It guarantees the integrity, consistency, and traceability of non-financial information reported to stakeholders and investors. Through the use of international standards, it establishes a control framework that prevents fraud in performance disclosure and ensures that accountability serves as a faithful basis for strategic decision-making.
- **Compliance:** It establishes the guidelines to ensure adherence to local laws and international treaties regarding environmental, labor, and governance matters. It goes beyond legal compliance by promoting the adoption of global best practices to operate and maintain the Group's reputational prestige.

Policy

Grupo Rotoplas bases its management on the following guidelines, which are of mandatory compliance across all its operations:

- Governance and Leadership: Sustainability is the responsibility of the Board of Directors and Senior Management. The integration of sustainability criteria into strategic planning, decision-making, and the organization's incentive structure is mandated.
- Risk Management and Resilience: It is mandatory to identify and mitigate ESG risks (physical and transition) within the Corporate Risk Management framework. The organization must implement adaptation strategies that ensure business continuity in the face of environmental, climate, water, and social challenges.
- Responsible Sourcing and Value Chain: The selection and retention of suppliers, contractors, and business partners shall seek compliance with sustainability criteria. Due diligence regarding human rights and environmental performance must be ensured throughout the entire value chain.
- Sustainable Innovation: All product and service development must prioritize eco-design, resource efficiency, and the generation of shared value, ensuring that the company's solutions reduce environmental impact and maximize social well-being.
- Stakeholder Engagement: Two-way, transparent dialogue is established as the standard mechanism for defining materiality. Commitments made to employees, customers, and investors must be monitored and reported under international transparency standards.

- Culture and Ethics: The promotion of a corporate ethics culture is mandated. Each business unit must guarantee diverse, inclusive, and safe work environments aligned with the highest standards of human rights and fair labor practices, in alignment with the Code of Ethics. Likewise, there is an ongoing commitment to train employees on the execution of sustainability within the organization and ESG impacts.
- ESG Indicator Management: Key Performance Indicators (KPIs) must be systematically defined, measured, and reported. These indicators will have targets where applicable ensuring the traceability and consistency of information to guarantee institutional transparency.

Sustainability Governance

Sustainability Committee: A central, multidisciplinary executive body for the strategic direction of Sustainability. It approves and updates the Sustainability Strategy, ensuring its alignment with global goals; monitors performance indicator compliance across all geographies; and mitigates reputational risks by overseeing key policies. To guarantee the operationality of these guidelines, the Committee coordinates working groups responsible for translating institutional objectives into tactical actions and measurable results within each pillar.

Corporate Practices and Strategy Committee: A high-level advisory body tasked with ensuring the integrity of corporate governance and the effectiveness of the Group's strategic decisions. Its primary duties include advising the Board of Directors on the definition of operational strategies, assessing business performance against institutional objectives, and supervising compliance with the organization's ethical standards.

Information Sources and References

- Global Reporting Initiative & Sustainability Accounting Standards Board. (2021). GRI and SASB: Reporting on sustainability and climate change. https://www.globalreporting.org/
- IFRS Foundation. (2023). IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. International Sustainability Standards Board (ISSB). https://www.ifrs.org/groups/international-sustainability-standards-board/
- International Organization for Standardization. (2010). ISO 26000:2010 Guidance on social responsibility. https://www.iso.org/standard/42546.html
- United Nations. (2015). Transforming our world: the 2030 Agenda for Sustainable Development (Sustainable Development Goals). https://sdgs.un.org/goals
- Office of the United Nations High Commissioner for Human Rights. (2011). Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework. https://www.ohchr.org/publications/guiding-principles-business-and-human-rights

Rotoplas Policies and Guidelines

- Code of Ethics and Conduct
- Climate Change
- Human Rights
- Health, Safety, and Environment (HSE)
- Diversity