



INTEGRATED
ANNUAL REPORT
2025

I M P U L S E



2025
A YEAR IN WHICH
STRATEGIC DECISIONS
AND ENVIRONMENTAL CONDITIONS
CAME TOGETHER TO AMPLIFY
THE MOMENTUM THAT ALLOWED
US, ONCE AGAIN, TO CONSOLIDATE
OUR LEADERSHIP.

IMPULSE

To reaffirm
our regionalization
strategy

01

By strengthening
our presence
in key regions
and adapting
our capabilities
to respond
to the dynamics
of the industries
we serve.





IMPULSE

To accelerate
the innovation
of our offering

02

By providing
higher value-added
solutions that
better meet
market needs.

IMPULSE

To embrace
our sustainability
vision

03

By incorporating
sustainability
criteria into
the way we
make decisions
and manage
our business.



HOW TO READ THIS REPORT

We present our ninth Integrated Annual Report, in which we reaffirm our ongoing commitment to sustainable management and transparent disclosure, in line with the strategic priorities that shape our Sustainability Model. In this document, we report on our progress in managing Environmental, Social and Corporate Governance impacts, as well as the most relevant financial and operational results for the year.

The Report details our sustainability performance during 2025, with a focus on continuous improvement and innovation in our business practices, aimed at generating long-term value for both our shareholders and all our stakeholders.

The printed version of this Report serves as an executive summary of the most relevant messages, results, and milestones of the year. To access the extended and detailed version—including expanded content and technical appendices—we invite readers to visit our website, where the complete Report is available

- Below the title of each chapter, we indicate the applicable GRI Standards and SASB metrics, as appropriate.
- The Download section of the digital version includes the appendices corresponding to the main sustainability indicators, the GRI and SASB content indexes and relevant financial information.

For any additional information related to the content of this Report, please visit our website www.kuo.com.mx or direct further inquiries to:

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AT KUO, WE ARE COMMITTED TO
GENERATING SUSTAINABLE, LONG-TERM
VALUE FOR ALL OUR STAKEHOLDERS.

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KUO
INTEGRATED
ANNUAL
REPORT
2025

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**MESSAGE FROM THE
CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE
OFFICER**



**DEAR SHAREHOLDERS, PARTNERS,
CUSTOMERS, AND COLLABORATORS:**

On behalf of KUU's Board of Directors and management team, we are pleased to share with you the results and strategic decisions that shaped our performance in 2025.

In a year marked by continued challenges, the Group consolidated its operational and financial structure. This process strengthened our foundations and reaffirmed disciplined execution, with a clear focus on creating sustainable long-term value.

25

CONTEXT AND ENVIRONMENT

The global environment remained marked by heightened economic volatility, persistent geopolitical tensions, and a more demanding trade framework. In this context, regionalization assumed a central role in decision-making, reshaping supply chains, trade flows, and investment priorities.

For KUO, these conditions required a selective portfolio management approach focused on regions where we have operating capabilities, scale, and structural conditions that support our competitiveness. North America remained the Group's strategic core, complemented by a targeted presence in specific markets in Asia and Europe, guided by strict profitability and operational discipline criteria.

Mexico's economic integration with North America under the USMCA represents a structural advantage for the Group's businesses, particularly in terms of market access, logistics efficiency, and proximity to customers.



PERFORMANCE BY SECTOR

The Consumer sector consolidated its position as the Group's primary source of stability and cash flow, driven by the solid performance of the Pork Meat business and the continued contribution of the Branded Foods business.

In the Pork Meat business, we reaffirmed our leadership in pork meat production in Mexico, supported by an operating structure encompassing production, processing, and commercialization. This configuration strengthens sanitary control, efficiency, and traceability—key attributes in increasingly demanding markets. At the international level, we consolidated our presence in strategic export markets, particularly Japan, a global benchmark for sanitary standards and technical specifications, further confirming the reliability of our operations.

During the year, we continued to strengthen our Maxicarne retail network, expanding our presence in the domestic market and reinforcing participation at the final stage of the supply chain. In parallel, we defined strategic action lines to enter higher value-added categories.

The Branded Foods business maintained a strong competitive position within its categories in Mexico and the United States, supported by the strength of leading brands in our domestic market, including Del Fuerte®, Herdez®, Doña María® and Embasa®, as well as by the performance of MegaMex Foods in the U.S. market, where brands such as Wholly Guacamole®, La Victoria®, and Chi-Chi's® stand out. This performance was supported by innovation, disciplined portfolio management, and a focus on profitability.

Overall, the Consumer sector reflects the strength of a business model that combines productive scale, solid market positioning, and direct market presence.

In contrast, the Industrial sector—comprising Synthetic Rubber, Polymers, and Transmissions—operated in a more complex market environment, characterized by lower demand in certain applications, pricing pressure, and heightened competition resulting from the oversupply of Asian products in some chemical segments. In the Transmissions business, performance was influenced by volume and demand adjustment decisions by certain customers.

In response to this conditions, the Group maintained prudent resource management, implemented timely capacity adjustments, and prioritized projects with higher value creation. Investments in innovation, technology, and process improvement were directed toward strengthening competitiveness and establish more solid foundation for the future.

FINANCIAL PERFORMANCE

During 2025, consolidated revenues amounted to \$35,165 million pesos. The solid performance of the Consumer sector partially offset the pressures observed in the Industrial sector.

Pro forma revenues reached \$52,567 million pesos, representing a 1% increase compared to the prior year. This performance was driven by the stronger contribution of the Consumer sector despite a more challenging environment in certain Industrial businesses.

During the year, consolidated operating income reached \$2,016 million pesos, reflecting a significant increase compared to the previous year.

Pro forma Operating Cash Flow (EBITDA) totaled \$5,021 million pesos, confirming an improvement in operating profitability and stronger cash-generation capacity, even amid pressures related to pricing conditions, exchange-rate volatility, and demand fluctuations in certain markets.

Foreign exchange volatility affected the translation of revenues generated in international markets; however, operational diversification and disciplined financial management helped mitigate its impact on overall profitability.

Exports represented 51% of the Group's total revenues, with a significant contribution from the Consumer sector in North America and Asia, as well as from the Industrial sector in North America.

PORTFOLIO OPTIMIZATION AND FINANCIAL STRENGTH

As part of our strategy focused on disciplined execution and responsible capital allocation, during the year we completed the divestment of the Aftermarket business. This decision resulted from a strategic portfolio evaluation and allowed us to concentrate resources on businesses with greater growth potential, strengthen the balance sheet, and enhance the Group's flexibility to respond flexibly to a dynamic operating environment.

The proceeds from this transaction, combined with solid cash flow generation, significantly strengthened KUO's financial position. During the year, the Company fully prepaid its international bond issuance and refinanced debt under more favorable conditions.

Additionally, throughout 2025 we further strengthened the balance sheet. Disciplined capital allocation, combined with prudent working capital management and strict investment prioritization, contributed to an improvement in the Group's financial position, as reflected in stronger leverage and liquidity ratios.



Reducing net debt and optimizing its profile were central pillars of our financial strategy. Prepayment and refinancing initiatives resulted in a more efficient debt structure, with lower financing costs, enhanced flexibility, and a more balanced maturity profile, thereby strengthening the Group's ability to withstand periods of market volatility.

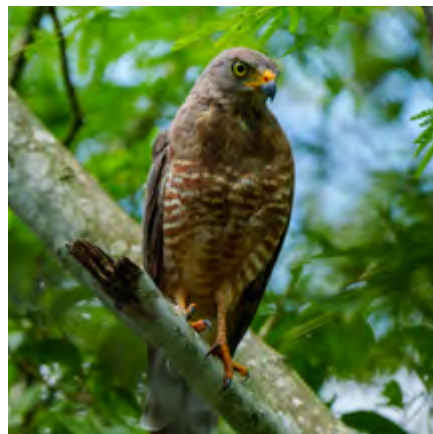
These actions improved the capital structure, increased financial flexibility, and reduced net leverage to its lowest historical level, while maintaining a solid interest coverage ratio. This strengthened position enables the Group to address the next stage with greater resilience and responsiveness, supporting sustainable value creation for our shareholders.

SUSTAINABILITY AS A STRATEGIC ENABLER

Sustainability occupies a central role in KUO's strategy. Environmental, Social, and Corporate Governance (ESG) criteria are an integral part of business management, risk assessment, and investment decision-making. This integrated approach strengthens operational continuity and supports long-term value creation.

During 2025, we reinforced the ethical, governance, and transparency frameworks that underpin the Group's management. We consolidated compliance processes, enhanced preventive risk management practices, and maintained close engagement with relevant authorities and stakeholders. In parallel, we expanded our disclosure practices in line with international standards.

We firmly believe that sustainable economic performance must be supported by responsible practices and by close, constructive relationships with our collaborators, customers, communities, and authorities.



VISION AND COMMITMENT GOING FORWARD

The Group maintains a clear long-term vision. Disciplined capital allocation, financial strength, and consistency in execution are the pillars that underpin our next stage of growth.

Building on these foundations, the Group will continue to strengthen its businesses with the greatest potential, deepen customer relationships, and ensure an orderly evolution of its portfolio.

Safety, product quality, responsible resource management, and the well-being of our people will remain permanent priorities. We also reaffirm our commitment to Mexico, its productive value chain, and the country's economic development.

Finally, we express our gratitude to our customers for the trust they place in the Group, to our shareholders for their continued support and long-term vision, and to the Board of Directors for their guidance and strategic leadership. We likewise recognize the commitment and professionalism of our collaborators, whose daily efforts sustains the Group's performance.

With a solid foundation and proven financial discipline, KUO moves forward with Momentum. We do so with a firm commitment to strengthening our businesses, protecting our shareholders' capital, and continuing to building competitive companies that contribute to Mexico's economic development and global presence.

SINCERELY,

Handwritten signature of Fernando Senderos Mestre in blue ink.

FERNANDO SENDEROS MESTRE
Executive Chairman and
Chairman of the Board of Directors

Handwritten signature of Alejandro de la Barreda Gómez in blue ink.

ALEJANDRO DE LA BARREDA GÓMEZ
Managing Director

KEY FIGURES

FINANCIAL PROFORMA INFORMATION
FIGURES IN MILLIONS OF MEXICAN PESOS¹

	2025	2024	Variation
Revenues	52,567	51,865	1.4%
Exports	26,912	27,865	-3.4%
Operating Profit	2,216	1,675	32.3%
<i>Operating Margin</i>	<i>4.2%</i>	<i>3.2%</i>	<i>1 pp</i>
EBITDA Operating Cash Flow²	5,021	4,667	7.6%
<i>EBITDA Margin</i>	<i>9.6%</i>	<i>9.0%</i>	<i>0.6 pp</i>
Majority Net Income (Loss)	4,054	(1,350)	N/A

Leverage Ratio ³	1.18x
Interest Coverage Ratio ⁴	4.84x
Capitalization Ratio ⁵	0.35x

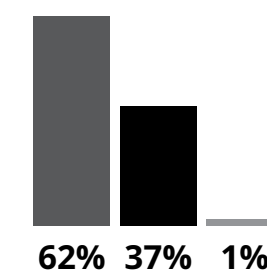
EXPORTS
51%
OF SALES

- Highlights are presented based on Proforma Combined Information, as a result of the financial information consolidation of all subsidiaries, including proportional consolidation in joint ventures. In accordance with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations', the Aftermarket Business Net Income is presented as 'Discontinued Operation' in the Income Statement 2024.
- EBITDA calculation is determined as follows: Proforma Operating Profit plus Proforma Depreciation and Amortization, including the period's cost for Proforma labor obligations.
- Debt-Cash / Operating Cash Flow (EBITDA) for the last 12 months.
- Operating Cash Flow (EBITDA) for the last 12 months / Net Interest Paid for the last 12 months.
- Total Debt divided by Total Debt plus Total Equity.

Revenues

52,567
MM MXN

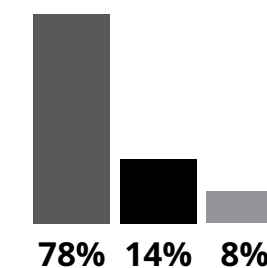
%		2025	2024	% Var
62	Consumer	32,491	29,584	9.8
37	Industrial	19,658	21,949	-10.4
1	Others*			
	Total	52,567	51,865	1.4



Operating Cash Flow (EBITDA)

5,021
MM MXN

%		2025	2024	% Var
78	Consumer	3,903	3,261	19.7
14	Industrial	698	1,349	-48.3
8	Others*			
	Total	5,021	4,667	7.6



* Non material percentage related to service companies. Additionally, 2025 figures include a non-recurring extraordinary item corresponding to the recognition of the remaining profit derived from the creation of the Herdez del Fuerte joint venture.

RELEVANT

NON-FINANCIAL

DATA 2025¹

SOCIAL – COMMUNITY

+6.9 MILLION PESOS IN SOCIAL INVESTMENT
+4% VS 2024



+39,000 PEOPLE BENEFITED
+34% VS 2024

• HEALTH

14 COMMUNITIES
supported with primary medical care

• CULTURE AND COMMUNITY PARTICIPATION

+36%
INCREASE IN INVESTMENT VS. 2024
to strengthen the social fabric and foster community engagement

• EDUCATION

+3,500 PEOPLE RECEIVED TRAINING 
in trades, agriculture, and beekeeping

IMPLEMENTATION OF FORMAL CHANNELS FOR COMMUNITY DIALOGUE
(Committees, visits, suggestion boxes, and direct outreach)



INDIGENOUS COMMUNITIES' RIGHTS
Engagement strategy based on respect for local culture, language, and customs.



1. Non-financial data presented in this section refers to companies in which KUO holds a 100% equity interest and is included in accordance with the scope, notes, and information contained in KUO's Annual Report.



ENVIRONMENTAL

-2%
REDUCTION
IN WATER
WITHDRAWAL
 VS. 2024

-4%
REDUCTION
IN ELECTRICITY
CONSUMPTION
 VS. 2024

RECYCLING PROGRAMS, POST-CONSUMER WASTE COLLECTION AND ENVIRONMENTAL EDUCATION.

GOVERNANCE

2
SPECIALIZED COMMITTEES
 supporting the Board regarding internal control, risk management, compliance, and Corporate Governance.

100%
OF THE BOARD MEMBERS
SERVE ON OTHER BOARDS
 contributing a broad perspective and best market practices.

K U O

Our mission is to create sustainable and satisfactory value for our stakeholders through the effective management of a dynamic portfolio of businesses.

WE ARE A LEADING DIVERSIFIED MEXICAN INDUSTRIAL CONGLOMERATE, WITH OPERATIONS IN MORE THAN 60 COUNTRIES AND A WORKFORCE OF OVER 22,300 EMPLOYEES.

OUR BUSINESS MODEL IS GROUNDED IN THE CREATION OF SUSTAINABLE VALUE ACROSS ITS ECONOMIC, SOCIAL, AND ENVIRONMENTAL DIMENSIONS, SUPPORTED BY INNOVATION, OPERATIONAL EFFICIENCY, AND A STRONG COMMITMENT TO OUR STAKEHOLDERS.

THROUGHOUT OUR HISTORY, WE HAVE BUILT A SOLID BUSINESS MODEL, BACKED BY OPERATIONAL DISCIPLINE, TECHNOLOGICAL INNOVATION, AND A LONG-TERM VISION, ENABLING US TO ADAPT TO INCREASINGLY COMPLEX ECONOMIC AND MARKET ENVIRONMENTS. THIS DIVERSIFICATION, TOGETHER WITH PRUDENT RISK MANAGEMENT, STRENGTHENS OUR RESILIENCE AND OUR ABILITY TO GENERATE SUSTAINED VALUE OVER TIME.

VISION

At KUO, we envision our growth and consolidation through value creation based on the following principles:

The pride we feel in being a socially responsible company that maintains a reputation of integrity, strength and capacity to generate value for its stakeholders.

The Company's high profitability, reflected in the sustained generation of value across its businesses.

The alliances we establish with our partners and suppliers, always oriented to create value on both sides.

The satisfaction derived from exceeding our customers' expectations by being their best choice in terms of quality, service, innovation, and technology.

The strength that comes from being part of a world-class team of employees who are motivated, prioritize continuous development, and share KUO's objectives and values.

Our commitment to the communities in which we operate.

An offering based on a dynamic portfolio of companies focused on sustained value creation, supported by an agile and flexible structure that enables timely adaptation to market demands.

VALUES

- Innovation
- Institutionalism
- Integrity
- Leadership
- Teamwork

2

SECTORS

CONSUMER

INDUSTRIAL

5

BUSINESS UNITS



5

COUNTRIES

MEXICO
SPAIN
CHINA

UNITED STATES
BELGIUM

27

FACILITIES

B U S I N E S S

P O R T F O L I O

**OUR BUSINESS MODEL STANDS OUT FOR ITS
COMPETITIVENESS AND RESILIENCE, ENABLING
US TO DELIVER CONSISTENT RESULTS
EVEN IN CHALLENGING GLOBAL ECONOMIC
ENVIRONMENTS.**

KEKÉN

WE ARE MEXICO'S LEADING PORK MEAT PRODUCER, WITH INTEGRATED OPERATIONS AND A STRONG PRESENCE IN HIGH-VALUE EXPORT MARKETS.

We are Mexico's largest pork meat producer, with vertically integrated operations that span from feed production and farm-raised livestock to processing, commercialization, and distribution. This integration of operations allows us to ensure high standards of quality, traceability, and efficiency at every stage of the process.

During 2025, we made progress in strengthening our connection with consumers by introducing new value-added products and increasing involvement throughout the production chain, enhancing our competitiveness and our ability to anticipate and meet market needs.

Our products are marketed under the Kekén® brand in the domestic market and under the Kinton® brand in the international market, with a presence in key countries such as Japan, the United States, South Korea, Canada, and Singapore.

Domestically, we operate our own distribution network, which, by the end of 2025, exceeded 430 Maxicarne® retail outlets, primarily located in southeastern Mexico. This channel strengthens our value proposition to the customer and expands direct market presence.

We operate three processing facilities: two located in Yucatán, serving both the export and domestic markets, and a third in Guanajuato. Through our certifications, we reinforce a strategy focused on quality, operational efficiency, and customer service. All our processing facilities hold TIF (Federal Inspection Type) certification, which guarantees high standards of product quality and safety, as well as FSSC 22000 certification for food safety throughout our production chain. Additionally, our production units operate under quality management and environmental compliance systems, certified in accordance with ISO 9001:2015 and ISO 14001:2015, respectively.

With an integrated operational platform, world-class sanitary standards, and a strategy focused on efficiency, value creation, and consumer engagement, Kekén strengthens its position as the leading driver of the Pork Meat Business and a key contributor to the performance of KUO's Consumer sector.

KEKEN.COM.MX



14
COMPANY-OWNED
PRODUCTION FACILITIES

+430
MAXICARNE
RETAIL OUTLETS

3
FEED FACILITIES

3
PROCESSING FACILITIES

2
ARTIFICIAL INSEMINATION
CENTERS

1
PERFORMANCE FACILITY

HERDEZ DEL FUERTE

DURING 2025, INVESTMENTS WERE PRIMARILY DIRECTED TOWARD STRENGTHENING THE SUPPLY CHAIN, OPTIMIZING LOGISTICS PROCESSES, AND SUPPORTING LONG-TERM PROFITABLE GROWTH.

The Branded Foods business operates through Herdez Del Fuerte, a strategic alliance between KUO and Grupo Herdez established in 2008, focused on the production and commercialization of branded foods in Mexico. Operations are supported by a diversified portfolio and licensing and distribution agreements that expand the business' presence across several market categories.

Among the leading brands in the portfolio are Del Fuerte®, Herdez®, Doña Marfa®, and Embasa®, each holding a relevant position in multiple categories within the Mexican food market.

During 2025, investments were primarily directed toward strengthening the supply chain, optimizing logistics processes, and supporting the business's profitable growth. These initiatives included infrastructure and technology projects aimed at improving operational efficiency and quality across the different stages of the operation.

Herdez Del Fuerte's operational platform is supported by a logistics and production network with presence in both Mexico and the United States, enabling efficient service to key distribution channels and agile responses to market needs.

With leading brands in their categories and a solid infrastructure, Herdez Del Fuerte continues to consolidate its position as one of the pillars of the Branded Foods business and a significant value generator for KUO's consumer sector.

HERDEZ.COM.MX



17
DISTRIBUTION CENTERS
15 Mexico
2 United States

10
FACILITIES
2 Sinaloa
2 Coahuila
2 Querétaro
1 San Luis Potosí
1 Oaxaca
1 Guanajuato
1 Texas



MEGAMEX FOODS

MEGAMEX FOODS ACCELERATES SUSTAINABLE GROWTH THROUGH OPERATIONAL EFFICIENCY, PRODUCT INNOVATION, AND THE DEVELOPMENT OF BRANDS THAT LEVERAGE THE AUTHENTICITY OF MEXICAN CUISINE IN THE U.S. MARKET.

Through MegaMex Foods, we participate in a joint venture between Herdez Del Fuerte and Hormel Foods Corporation, with a strong position in the production, marketing, and distribution of Mexican foods in the United States. Our presence is focused on high-growth categories such as sauces, refrigerated avocado products, and frozen foods.

The portfolio includes well-recognized brands in the U.S. market, among which Wholly® Guacamole, La Victoria®, and Chi-Chi's® stand out, each with a relevant position in their respective categories.

The business strategy combines brands with a Mexican identity, operational and logistical capabilities in the United States, and direct relationships with leading distribution channels, enabling agile responses to consumer preferences.

During 2025, operational efficiency was further strengthened through investments in technology, logistics automation, digital channels, and the expansion of commercial capabilities, with the objective of supporting the business's long-term profitable growth.

With a solid operational platform, MegaMex Foods continues to establish itself as a growth driver in the consumer goods sector in the U.S. market.

[MEGAMEXFOODS.COM](https://www.megamexfoods.com)



DYNASOL

WE ARE THE LEADING PRODUCER OF SYNTHETIC RUBBER IN MEXICO AND ONE OF THE GLOBAL LEADERS IN THE INDUSTRY.

Dynasol is a joint venture between KUO and Repsol focused on the development, production, and commercialization of Synthetic Rubber and high-performance materials for a wide range of industrial applications. This partnership, in which both companies hold equal ownership, has consolidated its position as a highly relevant international platform within the industry.

Operations include five facilities equipped with proprietary technologies: two located in Tamaulipas, Mexico; one in Santander and another in Álava, Spain; as well as a facility in Nanjing, China. Dynasol is the leading producer of Synthetic Rubber in Mexico and ranks among the world's top manufacturers in its sector.

Materials developed by Dynasol are used in a wide variety of industrial applications, including asphalt modifiers for road infrastructure, adhesives, sealants, lubricants, various rubber products, footwear, tires, and chewing gum bases, among others. These solutions are sold in both domestic and international markets, with exports reaching approximately 60 countries.

Over the last few years, Dynasol has continued to strengthen its global industrial platform through selective investments and the development of new production capacities at its main operating centers. These initiatives aim to reinforce its international competitiveness and meet the growing demand for specialized materials in various industrial sectors.

DYNASOLGROUP.COM



PRESENCE IN

+60
COUNTRIES

117
PRODUCTS
In our catalog

+55
YEARS OF EXPERIENCE
In the Synthetic Rubber market

5
FACILITIES
With an installed capacity
of over 400,000 tons per year

- 2 Mexico
- 2 Spain
- 1 China



RESIRENE

WE ARE MEXICO'S LEADING POLYMER PRODUCER, PROGRESSIVELY INCORPORATING RECYCLED AND BIO-BASED CONTENT, WITH ESTABLISHED EXPORTS TO NORTH AMERICA, LATIN AMERICA, AND EUROPE.

Resirene is the business unit specialized in polymer production, with a leading position in the Mexican polystyrene market. Its portfolio mainly includes general-purpose polystyrene (GPPS) and high-impact polystyrene (HIPS), as well as transparent styrene copolymers (SMMA) and plastic compounds for various industrial applications.

These materials are used in a wide variety of applications, including packaging and disposable products, lighting, school supplies, office equipment, and various household accessories, including refrigerators.

Resirene operates a production facility in Tlaxcala, Mexico, with an installed capacity of nearly 200,000 tons.

Throughout 2025, the business maintained its focus on operational efficiency, customer proximity, and service and delivery reliability—factors that support its position in the domestic market.

In line with the Group's sustainability strategy, the business has promoted the development of materials aligned with circular economy principles by incorporating recycled content into its portfolio. Among these initiatives, Q-rPS® (Qualified Recycled Polystyrene) stands out as a solution that enables the reintegration of recycled polystyrene into new production processes and fosters a more efficient use of resources.

[RESIRENE.COM.MX](https://resirene.com.mx)



PRESENCE IN

18
COUNTRIES

1

FACILITY

With an installed capacity of
+200,000 tons per year

1 Facility | Tlaxcala

1

DISTRIBUTION CENTER

Veracruz



TREMEC

A BUSINESS FOCUSED ON THE MANUFACTURING AND ASSEMBLY OF TRANSMISSION SYSTEMS AND COMPONENTS FOR HIGH-PERFORMANCE APPLICATIONS.

Tremec specializes in the design, engineering, and manufacturing of transmission systems and components for the automotive industry, as well as other specialized applications. Its products are used in light-duty, commercial, agricultural, military, and industrial vehicles that require high levels of performance and reliability.

The business serves both original equipment manufacturers and the aftermarket, offering solutions tailored to different vehicle platforms and supported by engineering, development, and manufacturing capabilities.

During 2025, the business operated in a more complex market environment, particularly in North America, characterized by lower demand in certain applications and increased competitive pressures. In response Tremec maintained a disciplined focus on operational efficiency, cost control, and aligning its production capacity with market conditions.

Tremec's production infrastructure consists of four facilities with a total area exceeding 300,000 square meters, located in Mexico, Belgium, and the United States, enabling the company to closely serve its main customers and markets.

TREMEC.COM

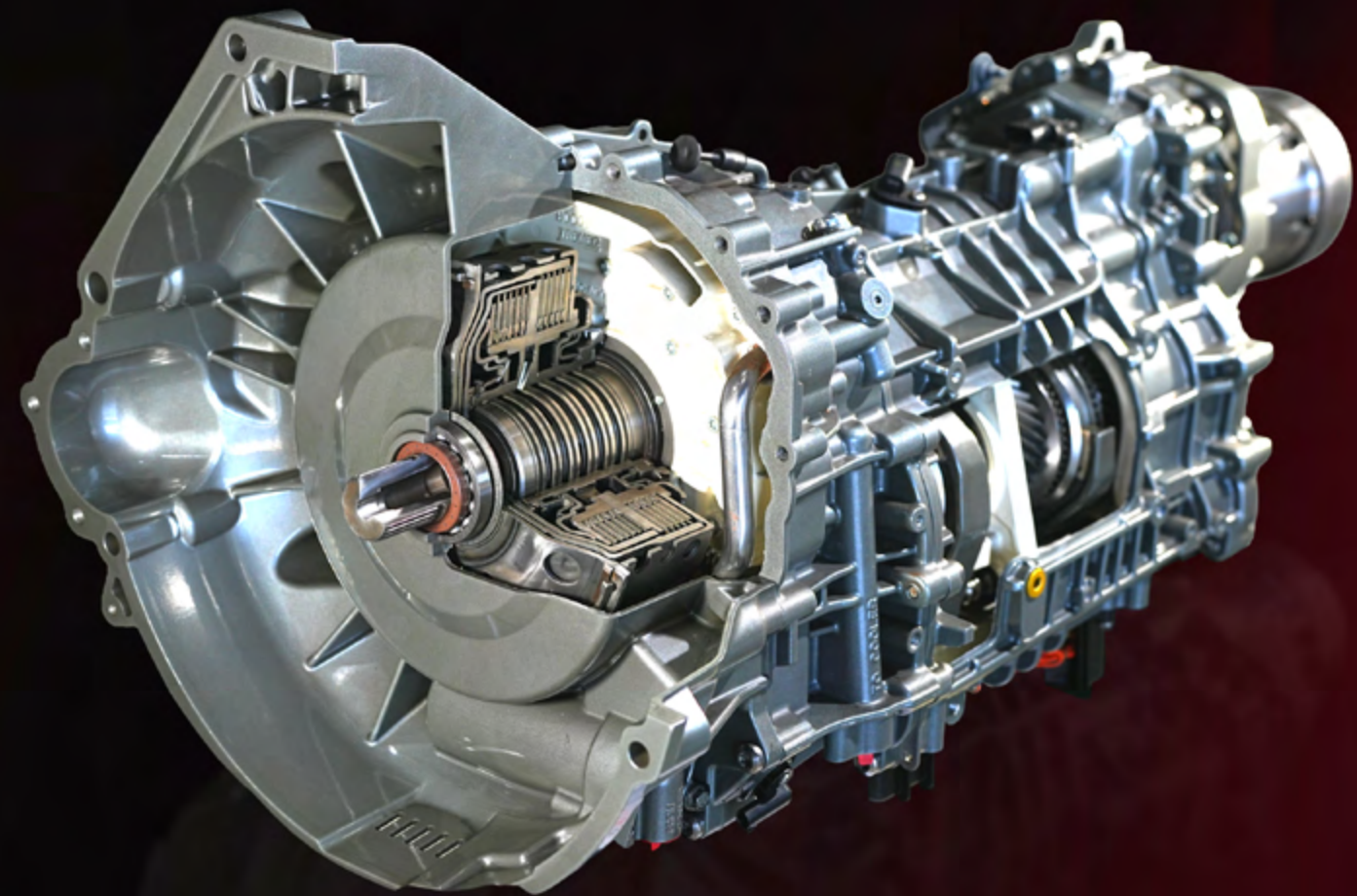


4

FACILITIES

Covering an area of over 300,000 square meters

- 2 Mexico
- 1 Belgium
- 1 United States



ECONOMIC PERFORMANCE

DURING 2025, WE RECORDED AN INCREASE IN OUR PROFORMA REVENUE, REFLECTING OUR STRATEGY FOCUSED ON DRIVING SUSTAINABLE GROWTH ACROSS ALL OUR DIVISIONS, AS WELL AS THE CONTINUED STRENGTHENING OF INNOVATION IN THE PRODUCTS AND SERVICES WE OFFER THROUGH OUR VARIOUS BUSINESS LINES.

The Consumer sector showed solid performance, mainly supported by the Pork Meat Business, as a result of improvements in operational efficiency and lower raw material costs. Additionally, Herdez del Fuerte contributed positively through process optimization and the implementation of pricing strategies that strengthened the segment's overall performance.

In contrast, we faced more challenging environments driven by external factors that led to highly competitive market conditions, particularly in the Industrial sector. In Transmissions, we experienced lower demand in North America, as well as impacts from tariffs and the appreciation of the Mexican peso against the U.S. dollar, which pressured margins. Likewise, the Polymers and Synthetic Rubber businesses faced adverse effects from increased Asian supply. Despite these challenges, we maintain a solid financial position that supports our ability to adapt and execute in an increasingly dynamic market environment.

Our performance in 2025 reflects disciplined financial management and prudent risk management, through which we achieved one of the lowest leverage levels in our history, with a net leverage ratio of 1.18x. In September 2025, we made an early repayment of our international bond, which allowed us to optimize our debt profile, strengthen our financial position, and foster greater flexibility to navigate a volatile environment.

In a global context marked by the reconfiguration of supply chains, we maintain a diversified international presence, with assets and operations in the United States, Spain, China, and Belgium, which strengthens our operational and commercial base.



This participation across multiple markets expands opportunities, while also requiring active management of economic, political, and regulatory risks.

In this environment, foreign exchange management is a key element. Since the Mexican peso and the U.S. dollar are our main functional currencies, and their fluctuations can affect the competitiveness of our exports, the cost of inputs, and, consequently, profitability. As a significant portion of our revenue is generated in dollars, we reinforce our financial strategy through an appropriate dollar-denominated debt structure, which helps reduce exposure and volatility associated with exchange rate movements.

At the same time, we continue to drive investment in productive assets to strengthen operational capabilities and efficiencies. Notable is the investment in the Pork Meat Business, focused on farm maintenance and the acquisition of equipment for process automation.

At Synthetic Rubber, we completed construction of the SBR rubber production line in Santander, Spain, and in Altamira, we allocated resources to upgrade the wastewater treatment facilities. At Herdez del Fuerte, investments were directed toward strengthening production capacity and improving operational efficiency.

These actions translated into improved operating performance. At the end of 2025, pro forma operating cash flow reached \$5,021 million pesos, driven mainly by lower feed costs, operational efficiencies, and improved pricing in the Pork Meat Business, as well as lower tomato prices and operational efficiencies at Herdez del Fuerte. This was partially offset by pressures in the Transmissions business, associated with tariffs, exchange rates, and distribution costs.



LEADERSHIP AND RESPONSIBLE MANAGEMENT

SOLUCION DE POLIMERO DE

PRESION

KUO'S CORPORATE GOVERNANCE ENTITIES INCLUDE THE BOARD OF DIRECTORS, SUPPORTED BY THE CORPORATE PRACTICES AND AUDIT COMMITTEES, AS WELL AS THE GENERAL MANAGEMENT. TOGETHER, THESE ENTITIES LEAD AND DRIVE STRATEGIC DECISION-MAKING, ENSURE EFFECTIVE OVERSIGHT OF MANAGEMENT, AND PROACTIVELY MONITOR THE COMPANY'S ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE IMPACTS, THEREBY STRENGTHENING THE CREATION OF LONG-TERM SUSTAINABLE VALUE.

BOARD OF DIRECTORS

Its main responsibilities include setting clear corporate objectives, overseeing organizational management and performance, evaluating and strengthening the performance of General Management, and ensuring compliance with applicable regulatory and ethical standards.

The Board of Directors meets quarterly and may call special meetings when timely decision-making is required. At each meeting, it receives, reviews, and follows up on reports, as well as the opinions and recommendations of the Corporate Governance and Audit Committees, thereby strengthening its comprehensive oversight role.

The Chairman of the Board of Directors leads the management and execution of the Company's business, in accordance with applicable laws and in strict compliance with the strategies, policies, and guidelines approved by the Board itself.

By the end of 2025, the Board of Directors included 13 members, 8 of whom are Independent Counselors and 2 of whom hold executive positions within the Group; 12 are male, and the average tenure on the Board is 24 years. This composition provides stability, independence, and strategic continuity.

13
MEMBERS
ON THE BOARD
OF DIRECTORS

8
INDEPENDENT
MEMBERS

KUO'S BOARD OF DIRECTORS IS RESPONSIBLE FOR DEFINING, DRIVING, AND OVERSEEING THE COMPANY'S BUSINESS STRATEGY.

In addition, 100% of the board members serve on the boards of other companies, which strengthens multisector experience and broadens their perspective in decision-making.

MEMBERS OF THE BOARD OF DIRECTORS

FERNANDO SENDEROS MESTRE RELATED	Executive Chairman and Chairman of the Board of Directors of KUO and DINE
ALEJANDRO DE LA BARREDA GÓMEZ RELATED	Managing Director of KUO and DINE
FEDERICO FERNÁNDEZ SENDEROS RELATED	Chairman of Grupo SIM and Independent Counselor of Grupo Chedraui
ARTURO D'ACOSTA RUIZ RELATED	Independent Business Consultant
CARLOS GÓMEZ Y GÓMEZ RELATED	Chairman of the Board of Directors of Estudia Más
JAVIER ARRIGUNAGA GÓMEZ DEL CAMPO INDEPENDENT	Chairman of the Board of Directors of Grupo Aeroméxico and Investment Advisor
ARTURO ELÍAS AYUB INDEPENDENT	Director of Strategic Alliances and Content at América Móvil
JOSÉ MANUEL CANAL HERNANDO INDEPENDENT	Commissioner and Advisor on Corporate Governance Matters
JOSÉ MANUEL DEL BARRIO MOLINA INDEPENDENT	Partner at Integra M&A Automotive
VÍCTOR RIVERO MARTÍN INDEPENDENT	Managing Director of Telehotel
ERNESTO VEGA VELASCO INDEPENDENT	Independent Counselor for Corporations
VALENTÍN DÍEZ MORODO INDEPENDENT	President of Nevadi International Group
DANIELLA GURREA MARTÍNEZ INDEPENDENT	Managing Director of Genworth and Board Member of Afore Inbursa
RAMÓN F. ESTRADA RIVERO SECRETARY	Deputy Managing Director /General Counsel of KUO and DINE

COMMITTEES SUPPORTING THE BOARD

CORPORATE PRACTICES COMMITTEE

The Committee meets on a quarterly basis and may convene additional sessions when necessary. Among its principal responsibilities are advising the Board of Directors and issuing opinions on the following matters:

- The appointment, removal, and compensation of the Managing Director.
- The approval of policies related to the appointment, performance, and remuneration of key executives.
- The issuance of opinions regarding significant transactions and related-party transactions.

The Corporate Practices Committee includes three independent directors and a secretary.

VALENTÍN DÍEZ MORODO

PRESIDENT

ERNESTO VEGA VELASCO

MEMBER

VÍCTOR RIVERO MARTÍN

MEMBER

RAMÓN F. ESTRADA RIVERO

SECRETARY

AUDIT COMMITTEE

It meets quarterly and holds an additional meeting in December to review the Company's year-end financial statements. It is responsible for overseeing, strengthening, and evaluating the Company's internal control and internal audit systems, as well as monitoring the major risks to which the Company is exposed.

Its main functions include:

- Reviewing and submitting to the Board of Directors the accounting policies and financial statements for approval.
- Verifying the proper administration and management of the Company.
- Monitoring compliance with resolutions adopted by the General Shareholders' Meeting.

The Audit Committee includes four independent directors and a secretary.

JOSÉ MANUEL DEL BARRIO MOLINA

PRESIDENT

JOSÉ MANUEL CANAL HERNANDO

MEMBER

DANIELLA GURREA MARTÍNEZ

MEMBER

ERNESTO VEGA VELASCO

MEMBER

RAMÓN F. ESTRADA RIVERO

SECRETARY

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee is responsible for managing and executing the Company's operations and, consequently, for implementing the strategy and guidelines approved by the Board of Directors. It leads the disciplined execution of these strategies, promotes coordination among business units, and ensures that operational results are aligned with corporate strategy. This Committee is composed of the following members:

FERNANDO SENDEROS MESTRE	Executive Chairman and Chairman of the Board of Directors
ALEJANDRO DE LA BARREDA GÓMEZ	Managing Director
RAMÓN F. ESTRADA RIVERO	Deputy Managing Director / General Counsel
JORGE F. PADILLA EZETA	Deputy Managing Director / CFO
CLAUDIO ÁNGEL FREIXES CATALÁN	Director of Pork Meat
HÉCTOR HERNÁNDEZ-PONS TORRES	Director of Branded Foods
FELIPE DE JESÚS VARELA HERNÁNDEZ	Director of Synthetic Rubber
SERGIO PAREDES CASTAÑEDA	Director of Polymers
ANTONIO HERRERA RIVERA	Director of Transmissions

3
MEMBERS
OF THE BOARD
ON THE CORPORATE
PRACTICES COMMITTEE



4
MEMBERS OF
THE BOARD ON THE
AUDIT COMMITTEE

ETHICS AND TRANSPARENCY

THROUGH ITS CODE OF CONDUCT AND INTEGRITY POLICY, KUO PROMOTES AN ACTIVE CULTURE OF ETHICS THAT GUIDES THE COMPANY'S DAILY ACTIVITIES AND SHAPES ITS CONDUCT IN ITS RELATIONSHIPS WITH VARIOUS STAKEHOLDERS.

Commitment to the Code of Conduct is formalized through the signing of a letter of adherence and its periodic renewal, reinforcing the shared responsibility of executives, board members, collaborators, partners, shareholders, suppliers, customers, and communities.

The Code of Conduct is part of the Company's internal control system, which consists of policies, procedures, and guidelines that all stakeholders must be familiar with, understand, and comply with. This framework prioritizes risk prevention, the protection of assets, and the integrity of operations.

Guidelines for action and conduct are established for the various stakeholders, focusing on value creation, respect, transparency, data protection, fair competition, and regulatory compliance.



SHAREHOLDERS AND PARTNERS	We are committed to our shareholders and partners to protect their assets by: <ul style="list-style-type: none"> • Value creation • Effective management of a dynamic business portfolio • Adherence to principles of conduct and behavior
HUMAN CAPITAL	We provide an environment that fosters a strong sense of responsibility, productivity, professional growth, and well-being.
SUPPLIERS	We choose to work with suppliers who are committed to adhering to best practices in environmental, anti-corruption, and labor standards: <ul style="list-style-type: none"> • Ethical conduct • Identification of conflicts of interest • Responsible handling of information • Data privacy • ESG Compliance Charter
CUSTOMERS	We promote win-win outcomes in an environment of transparency, respect, and shared value creation: <ul style="list-style-type: none"> • Quality of products and services • Ethical and integrity framework for stakeholder engagement • Data privacy • Competitive pricing • Complaint resolution mechanisms • Fair competition
GOVERNMENT	We strictly adhere to the regulations of each country in which we operate when interacting with various government agencies.
TRADE UNION RELATIONS	We respect the ideology and principles of the trade union organizations that represent the interests of the employees at our companies: <ul style="list-style-type: none"> • Fostering a climate of trust • Respect for managerial autonomy and freedom of association • Collaborative relationships with high productivity

Integrity Policy establishes the implementation of an integrity program that serves as a guide for all stakeholders, with the aim of preventing risks and protecting the organization's assets, in coordination with partners, collaborators, suppliers, customers, and investors.

COMPLAINT PROCEDURES

KUO has institutional mechanisms in place that promote safe and timely reporting, ensuring principles of confidentiality, privacy, non-retaliation, and respectful treatment. All reports are reviewed and investigated by the corresponding Committee and, where applicable, are subject to sanctions in accordance with their severity and recurrence, in compliance with applicable regulations.

FEEDBACK AND TRANSPARENCY BOX

denunciaskuo@kuo.com.mx

MEX 800 700 GKUO

800 700 (4586)

USA 1 866 494 80 05

SALES PRACTICES AND COMPETITION

Currently, the organization has not received any citations related to monopolistic practices or violations of antitrust laws, nor has it been the subject of any legal proceedings related to unfair competition.



REGULATORY COMPLIANCE

KUO LEADS A PREVENTIVE AND CONTINUOUS-IMPROVEMENT APPROACH TO REGULATORY COMPLIANCE, ENSURING THAT EVERY COLLABORATOR'S PERFORMANCE COMPLIES WITH THE COMPANY'S VALUES OF INNOVATION, INTEGRITY, INSTITUTIONAL INTEGRITY, LEADERSHIP, AND TEAMWORK.

These values are reflected through the Code of Conduct and a framework of policies that support responsible business conduct, respect for human rights, environmental protection, and health and safety.

Key policies guiding the Company's operations include:

**SOCIAL
RESPONSIBILITY
POLICY**

**INTEGRITY
POLICY**

**PROCUREMENT
POLICY**

**WORKPLACE
INCLUSION
POLICY**

**ENVIRONMENTAL
POLICY**

During 2025, the Company maintained a strong record of environmental regulatory compliance, with no sanctions across any of its businesses. In addition, environmental management was further strengthened through a preventive, technical, and continuous-improvement approach aimed at ensuring regulatory compliance, reducing operational risks, and consolidating a more robust and consistent management framework going forward.



SUSTAINABILITY VISION AND STRATEGY



SUSTAINABILITY MODEL

AT KUO, SUSTAINABILITY IS A KEY ENABLER OF OUR BUSINESS STRATEGY, COMPREHENSIVE RISK MANAGEMENT, AND LONG-TERM VALUE CREATION.

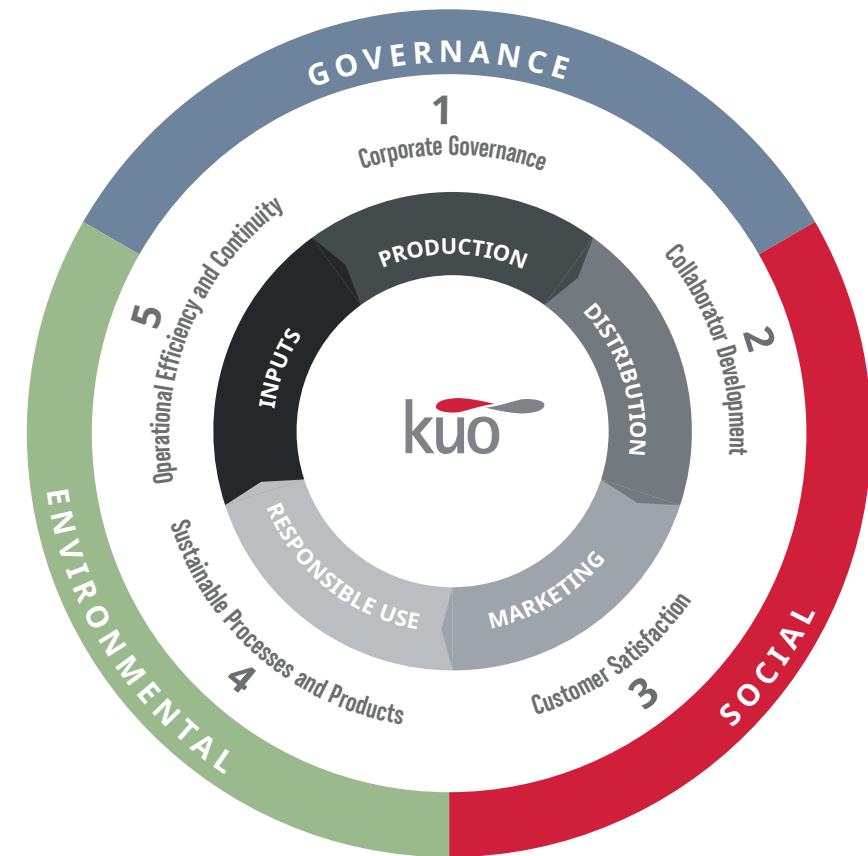
To ensure its effective integration into decision-making, we rely on double materiality matrix that guides our priorities toward the issues of greatest strategic, financial, and operational relevance to the Group.

The analysis was conducted in 2024 based on business-specific assessments and subsequently consolidated at the Group level, reflecting the operational diversity and relative weight of each division. As a result, 20 material issues were identified that guide priority-setting, strengthen risk management, and support the Company's resilience and competitiveness.

This initiative strengthened our Sustainability Model, which integrates cross-cutting priorities at the Group level and incorporates business-specific strategies. KUO's Sustainability Model, reviewed and approved by the board of directors, is structured around five strategic pillars: Corporate Governance, Collaborator Development, Customer Satisfaction, Sustainable Processes and Products, and Operational Efficiency and Continuity, aligned with environmental, social, and governance dimensions. Each pillar has specific lines of action, aligned with the Sustainable Development Goals (SDG).

Through this model, we enhance transparency and discipline in the management of sustainability matters by identifying, assessing, and addressing in a timely manner the risks and opportunities that may impact business performance. This approach contributes to the Group's resilience and competitiveness and enables us to adapt our strategy in a timely manner in response to regulatory, operational, and market developments.

The management of the model is based on a structured and ongoing dialogue with our key stakeholders—investors, collaborators, customers, suppliers, authorities, and society at large—allowing us to anticipate trends, align expectations, and strengthen strategic decision-making.



ACTION LINES

1.1	Corporate Governance Structure and Operation	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
1.2	Ethical and Compliance Culture				
2.1	Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH
2.2	Talent Attracting and Development				
2.3	Inclusion and Diversity				
3.1	Product Quality and Safety	3 GOOD HEALTH AND WELL-BEING	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
3.2	Innovation				
4.1	Resource Circularity (water, waste, and other resource)	6 CLEAN WATER AND SANITATION	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
4.2	Supply Chain Sustainability				13 CLIMATE ACTION
4.3	Consumer (Customer) Practices				
4.4	Community Development				
5.1	Energy and Emissions Management	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
5.2	Climate Risk Management				
5.3	Technological Transformation				

Our 2024 Annual Report (2024 Integrated Annual Report) provided a more detailed account of the process for conducting the double materiality analysis, as well as the classification of the identified issues based on their relevance and impact.

INNOVATION IN THE VALUE CHAIN

THE INNOVATION STRATEGY IS IMPLEMENTED ACROSS THE ENTIRE GROUP, AND IT ADAPTS TO THE SPECIFIC CHARACTERISTICS OF EACH BUSINESS.

Through specialized teams and corporate project committees, we evaluate and prioritize initiatives based on clear criteria of impact, efficiency, cost reduction, and productivity improvement, enabling a disciplined allocation of resources and consistent execution.

During 2025, we made progress in adopting enabling technologies that strengthen our value chain, incorporating approaches such as Design Thinking, Industry 4.0, process digitization, additive manufacturing, artificial intelligence, and hyper-automation. These tools drove the optimization of production processes, increased operational flexibility, and improved product quality and traceability.

We also maintained an active focus on Sustainable Supply Chain management, fostering transparent and mutually beneficial relationships with suppliers and distributors, and incorporated sustainability commitments. Likewise, we promote a culture of innovation as a shared value within the organization by strengthening internal capabilities, highlighting the following:

- We work with specialized teams that drive technological adoption, innovation, and product design, regularly evaluating initiatives based on clear criteria of scope, efficiency, and productivity.

- In collaboration with Universidad Panamericana, we delivered the course "Innovation and Transformation in Business" and participated as speakers in various industry forums.

- We strengthened the operations of the Pork Meat Business's call center, which contributed to a 35% increase in home delivery sales in 2025.



PROCUREMENT PRACTICES

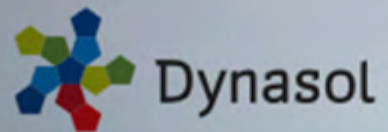
At KUO, we manage procurement with a focus on efficiency, resilience, and responsibility, integrating quality, competitiveness, and sustainability criteria into the selection and management of suppliers.

As part of this approach, we measure the proportion of spending allocated to local suppliers, with the aim of strengthening operational stability, reducing supply risks, and improving logistics efficiency.

We are also making progress in integrating environmental criteria into the supply chain through the mandatory signing of an ESG Letter, available on our website, which serves as a mechanism for suppliers to commit to environmental standards. By 2025, more than 560 suppliers had signed this charter, thereby strengthening transparency, traceability, and preventive risk management.



RISK MANAGEMENT AND MONITORING



DELEGATION OF RESPONSIBILITIES IN IMPACT MANAGEMENT

OUR RISK MANAGEMENT IS BASED ON THE ENTERPRISE RISK MANAGEMENT-COSO (ERM-COSO) METHODOLOGY.

Risk management is based on the Enterprise Risk Management COSO (ERM-COSO) methodology, which enables the structured identification, assessment, and management of strategic, operational, financial, environmental, reputational, cybersecurity, and compliance risks, aligning them with the organization's objectives.

To support its implementation, KUO has adopted the Three Lines of Defense model, which defines clear roles and responsibilities and strengthens the internal control system, ensuring effective risk management.

FIRST LINE



RELEVANT EXECUTIVES

AND THOSE RESPONSIBLE FOR KEY PROCESSES WITHIN THE BUSINESS UNITS AND AT THE CORPORATE LEVEL.

- ✔ Risk identification and management in day-to-day operations
- ✔ Design and implementation of operational controls
- ✔ Asset protection and operational compliance



Risk management is an integral part of daily operations and decision-making across all business units.

SECOND LINE



GENERAL MANAGEMENT

SUPPORTED BY THE DEPUTY GENERAL MANAGER AND LEGAL DEPARTMENT, THE DEPUTY GENERAL MANAGER AND FINANCE DEPARTMENT, THE KUO COMPTROLLER'S OFFICE, AND THE VARIOUS FINANCE AND CONTROLLERSHIP AREAS ACROSS THE BUSINESS UNITS, THEIR MAIN FUNCTIONS INCLUDE:

- ✔ Defining frameworks for the classification, analysis, and reporting of internal control at KUO
- ✔ Identifying trends, critical issues, and emerging risks

THIRD LINE



BOARD OF DIRECTORS

SUPPORTED BY THE AUDIT COMMITTEE AND THE INTERNAL AND EXTERNAL AUDIT FUNCTIONS.

- ✔ Independent assessment of compliance
- ✔ Recommendations to strengthen established controls, with the objective of reducing operational risks and reinforcing integrity across all company activities



PRODUCT SAFETY AND QUALITY

AT KUO, WE RECOGNIZE THE IMPORTANCE OF DELIVERING HIGH-QUALITY, SAFE PRODUCTS. WE IMPLEMENT RIGOROUS QUALITY CONTROLS AT EVERY STAGE OF THE PRODUCTION PROCESS TO MEET OUR CUSTOMERS' EXPECTATIONS.

CONSUMER SECTOR

Quality and safety management is critical for mitigating operational, sanitary, and reputational risks. Through a preventive approach, we aim to avoid contamination incidents, protect consumer health, and strengthen the trust of customers, business partners, and regulatory authorities.

Risk management is part of the internal control system and is overseen by the senior management of each business unit.

We have a Quality and Safety Policy establishing institutional commitments regarding food safety, regulatory compliance, customer satisfaction, and continuous process improvement. This policy serves as a framework for setting objectives, allocating resources, and defining responsibilities across all levels of the organization.

To ensure the safety and quality of our products, we operate under a comprehensive management framework including a Food Safety Management System certified under the FSSC 22000 scheme. This system integrates policies, procedures, and operational controls aligned with international standards, enabling the management of food safety risks throughout the entire value chain.

FOOD HYGIENE AND SAFETY PREREQUISITE PROGRAMS

We implement programs designed to ensure proper hygiene and sanitation standards for facilities, equipment, collaborators, and processes at our three processing plants. These programs are aligned with ISO/TS 22002-1, NOM-008-ZOO, NOM-009-ZOO, and NOM-194-SSA1.

QUALITY CONTROL PLANS

We have control plans that include critical quality, food safety, and regulatory compliance points, which are monitored at defined frequencies based on the level of risk and potential product impact.

MICROBIOLOGY PROGRAMS FOR PRODUCTS, SURFACES, AND THE ENVIRONMENT

We conduct systematic analyses of indicator and pathogenic microorganisms in accordance with applicable legislation and industry standards, complemented by additional analyses to meet specific customer requirements.

AUDIT PROCESSES

We conduct internal and external audits, including audits by Mexican and international health authorities, annual FSSC 22000 recertification audits, annual animal welfare audits, and internal audits of the management system and quality processes.

SAFETY CULTURE AND INSTITUTIONAL STRENGTHENING

As part of our integrated quality and safety management, we have developed initiatives aimed at strengthening our organizational culture and promoting behaviors, leadership, and decision-making aligned with food safety standards at all levels of the organization. Key actions include:

ANNUAL FOOD SAFETY CULTURE ASSESSMENT



MONTHLY FOOD SAFETY TRAINING SESSIONS

QUALITY AND FOOD SAFETY FAIR, DEVELOPED IN COLLABORATION WITH STRATEGIC SUPPLIERS

PROGRESSIVE DISCIPLINARY MATRIX FOR QUALITY

SHORT OPERATIONAL ALIGNMENT BRIEFINGS

INDUSTRIAL SECTOR

POLYMERS - RESIRENE

100% of products sold by Resirene are assessed for their impact on health and safety, covering the following categories:

- High-Impact Polystyrene (HIPS)
- General-Purpose Polystyrene (GPPS)
- Polystyrene with Recycled Content - Q-rPS(r)
- Color Concentrates (MB)
- Pigmented Products (PIG)
- Resiprene (RPE)
- Biorene (BIO)
- Resalloy (RES)
- Transparent Copolymers (SMMA)
- Flame Retardants (READ-RAF)
- Specialty Chemicals

CERTIFICATIONS

No violations of regulations or voluntary codes related to the health and safety impacts of Resirene products were reported.

According to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), 26% of the product portfolio contains chemicals classified as hazardous; however, 100% of these products are subject to risk assessments and control measures implemented in accordance with applicable regulations.

These substances are handled and transported in accordance with NOM-017-STPS-2008, through the mandatory use of personal protective equipment and established safety protocols. All production processes incorporate technologies to reduce residual monomer to permissible levels. Additionally, annual environmental monitoring studies, facility safety inspections, and health monitoring of exposed personnel are conducted.

The following certifications support the quality, safety, and sustainability of our products:



ISO 9001:2015

A quality management system focused on process standardization, operational efficiency, customer satisfaction, and continuous improvement.

ALL OUR PRODUCTS ARE CERTIFIED

BPI (PRODUCT BIODEGRADABILITY)

Certification that ensures the industrial compostability of products and packaging, verifying their disintegration and biodegradation without generating toxic waste.

1
PRODUCT CERTIFIED

OK BIOBASED

Certification that indicates the percentage of content derived from biological sources.

2
PRODUCTS CERTIFIED

SCS RECYCLED CONTENT

Certification that verifies the recycled content in products or materials.

3
PRODUCTS CERTIFIED

TRANSMISSIONS – TREMEC

100% of automotive products are assessed for their impact on customer health and safety, including:



CERTIFICATIONS

The following certifications support the management of product quality, safety, and sustainability:

IATF 16949:2016

A quality management system for the automotive industry focused on continuous improvement, risk management, and defect prevention across the supply chain.

2
PRODUCTS CERTIFIED

ISO 14001:2015

An environmental management system focused on regulatory compliance and the control, prevention, and reduction of environmental impacts.

2
PRODUCTS CERTIFIED



PEOPLE AND COMMUNITY



AT KUO, TALENT MANAGEMENT IS REGARDED AS A STRATEGIC PILLAR FOR BUSINESS CONTINUITY AND SUSTAINABILITY.

WORKFORCE

In a volatile and competitive environment, we prioritize attracting, developing, and retaining key talent through work experiences that foster commitment, stability, continuous learning, and interdisciplinary collaboration.

We also foster the development of leaders who can bring together multigenerational teams and who have the skills to inspire their collaborators and guide their efforts toward innovation and value creation. These initiatives are supported by a values-based culture grounded in responsibility and integrity, which strengthens the attraction and retention of individuals committed to the organization's performance and growth.

We are firmly committed to our collaborators through a comprehensive value proposition that supports their career journey from recruitment and onboarding through to their development and retention within the organization.

Our processes are guided by clear, transparent, and equitable standards regarding responsibilities, skills development, working hours, and professional growth, promoting well-being and equal opportunities. This commitment is supported by internal policies and guidelines, including:

EMPLOYEE IDENTIFICATION AND HIRING POLICY

TALENT INTEGRATION POLICY

ORGANIZATIONAL SUCCESSION PLANNING POLICY

PERFORMANCE MANAGEMENT POLICY

INTERNATIONAL ASSIGNMENT POLICY

ANNUAL SALARY POLICY





**+22,300¹ DIRECT COLLABORATORS
WHO ENSURE KUO'S CONTINUITY AND STABILITY**

These policies apply to all KUO collaborators and are communicated through the Company's institutional email system and internal portal.

To promote continuous improvement, we evaluate the implementation and effectiveness of our Human Capital policies and practices using business-specific indicators.

In addition, key metrics such as employee satisfaction, productivity, and compliance with collective bargaining agreements are analyzed, enabling the identification of improvement opportunities aligned with strategic objectives and business goals, thereby strengthening performance and consolidating our organizational culture.

The following table shows the breakdown of the workforce by age group, gender, geographic location, work schedule, and contract type. Full details can be found in the ESG Indicators Appendix, available in the digital section of this report.

¹ This figure includes data for the Herdez del Fuerte and Dynasol joint ventures, as well as businesses in which KUO holds a 100% equity stake

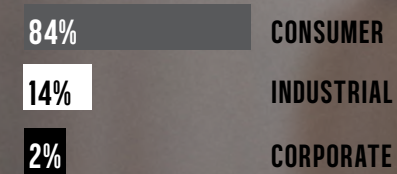


**+22,300
COLLABORATORS
(INCLUDING JOINT VENTURES)**

GENDER DISTRIBUTION



SECTOR DISTRIBUTION

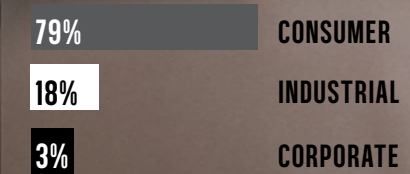


**+11,300
COLLABORATORS
(NOT INCLUDING JOINT VENTURES)**

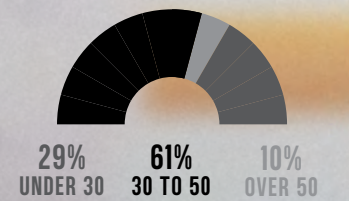
GENDER DISTRIBUTION



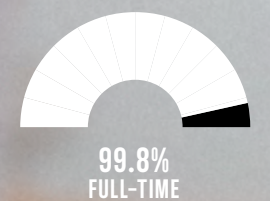
SECTOR DISTRIBUTION



AGE DISTRIBUTION



WORKLOAD DISTRIBUTION



CONTRACT TYPE DISTRIBUTION



RECRUITING AND RETAINING TALENT

OUR TALENT RECRUITMENT AND SELECTION PROCESSES ARE BASED ON THE PRINCIPLES OF EQUAL OPPORTUNITY AND NON-DISCRIMINATION, WITH AN EMPHASIS ON EVALUATING KNOWLEDGE, EXPERIENCE, AND SKILLS, THEREBY PROMOTING THE CONSOLIDATION OF HIGH-PERFORMANCE TEAMS.

This approach fosters the recruitment of diverse, high-potential talent, strengthening the organization's capabilities.

As part of our human capital management, we track the rate of new hires and the turnover rate by gender, which allows us to assess the effectiveness of the talent strategy and to implement actions aimed at promoting retention and development within the organization.



AT THE END OF 2025²

26.1%
HIRING RATE

29.9%
TURNOVER RATE

830
WOMEN HIRED

2,135
MEN HIRED

² The figures presented correspond exclusively to subsidiary entities in which the Company holds a 100% ownership interest and do not include the proportional consolidation of joint ventures.

OCCUPATIONAL SAFETY AND HEALTH

Our commitment to our employees' health and safety is guided by the Occupational Health and Safety Policy, which establishes guidelines to prevent injuries, mitigate risks, and ensure a safe and healthy work environment.

During 2025, the Accident Frequency Rate (AFR) was 1.67³, equivalent to 224 accidents. These results guide the prioritization of preventive measures and the strengthening of operational controls, with an emphasis on incident reduction and continuous improvement

KUO has an Occupational Safety and Health Management System that incorporates risk identification and assessment, training, indicator monitoring, and continuous improvement. At the operational level, it includes ongoing activities such as medical services, absence management, pre-employment medical exams, compliance with NOM-035-STPS-2018, inventory control of medical equipment, and strengthening of civil protection and safety brigades.

In addition, periodic assessments are conducted to systematically identify and evaluate risks to collaborator health and safety, which allows us to define and implement preventive and corrective action plans, as well as guidelines for timely response. In coordination with the Human Resources, Operations, and Safety departments, we strengthen preventive management through:

³ The figures presented correspond exclusively to subsidiary entities in which the Company holds a 100% ownership interest and does not include the proportional consolidation of joint ventures.

COLLECTIVE HEALTH SURVEILLANCE

Focused on specific risks in compliance with current regulations.



ASSESSMENT OF EXPOSURE TO RISK FACTORS

To identify possible links between working conditions and health impacts

IMPLEMENTATION OF PREVENTIVE AND CORRECTIVE ACTIONS

Aimed at the continuous improvement of working conditions for employees.



COLLABORATOR PARTICIPATION

In the identification, reporting, and management of risks.

HEALTH SERVICES AND HEALTH PROMOTION

KUO develops health promotion and prevention programs focused on the overall well-being of our collaborators, including:

- **Medical Monitoring Programs:** vaccination campaigns, regular medical checkups, updating medical records, and monitoring clinical indicators.
- **Disease Prevention and Detection:** specialized screening programs for the early detection of breast and prostate cancer, as well as monitoring of risk factors in specific populations.
- **Promoting Healthy Lifestyles:** nutrition counseling and workshops, talks on physical activity, and internal communication campaigns focused on overall well-being.
- **Mental Health and Psychosocial Factors:** actions derived from NOM-035-STPS-2018 and strengthening of evaluation and monitoring mechanisms.
- **Wellness Program:** an initiative structured around four key areas: emotional well-being, financial stability, physical health, and work-life balance.

MEDICAL MONITORING PROGRAMS

DISEASE PREVENTION AND DETECTION

PROMOTING HEALTHY LIFESTYLES

MENTAL HEALTH AND PSYCHOSOCIAL FACTORS

WELLNESS PROGRAM



PARENTAL LEAVE

As part of our commitment to gender equality and work-life balance, we guarantee access to parental leave for all collaborators.

During 2025, 297⁴ collaborators used this benefit; of those, 90% returned to their positions and 67% remain with the organization, reflecting the positive impact of these policies on talent retention.



COLLECTIVE BARGAINING AGREEMENTS

We fully respect our collaborators' freedom of association and labor rights, in compliance with the Federal Labor Law and current labor reforms. We guarantee their right to join a union and elect their union representatives without interference, maintaining a stance of neutrality, respect, and constructive dialogue.

General working conditions, including internal policies, safety standards, management guidelines, and employment practices are applied consistently to all employees. Consequently, the terms and conditions for employees not covered by union agreements are not determined by such agreements.

There may be differences in benefits packages between unionized and non-unionized work arrangements, such as additional days off, a year-end bonus, or vacation time, depending on the terms of each applicable contract.

⁴ The figures presented correspond exclusively to subsidiary entities in which the Company holds a 100% ownership interest and does not include the proportional consolidation of joint ventures.



AT THE END OF 2025, 73%⁴ OF COLLABORATORS ARE COVERED BY COLLECTIVE BARGAINING AGREEMENTS, WHICH REFLECTS THE SCOPE OF REPRESENTATION AND COLLECTIVE BARGAINING MECHANISMS WITHIN THE ORGANIZATION.

COLLABORATOR TRAINING

We are committed to developing talent as a strategic enabler of productivity, innovation, and the sustainability of our operations. To this end, we offer in-person and online training programs available to all collaborators.

Additionally, we identify specific needs by department and business unit to strengthen key technical competencies, as well as cross-functional skills that support professional performance and productivity.

**DURING 2025, MORE THAN 205,400⁵
TRAINING HOURS WERE PROVIDED, WITH AN
AVERAGE OF 18.1 HOURS OF TRAINING PER
COLLABORATOR.**

⁵ The figures presented correspond exclusively to subsidiary entities in which the Company holds a 100% ownership interest and does not include the proportional consolidation of joint ventures.



PERFORMANCE MANAGEMENT

Our performance management process is comprehensive and includes self-assessments, evaluations by immediate supervisors, and peer feedback, enabling us to assess results and competencies in a structured and objective manner.

Based on these results, individual development plans are established, along with decisions related to promotions, salary adjustments, and training programs. Performance is directly linked to professional growth and the development of future skills, in alignment with the Group's strategy.

The model recognizes professional contributions to the business through performance and fosters organizational development and engagement. At KUO, talent management is a key factor in business continuity; therefore, we implement comprehensive incentive programs and competitive career plans designed to boost productivity and innovation.



COMMUNITY

AT KUO, WE MANAGE OUR RELATIONSHIP WITH COMMUNITIES BASED ON THE AREAS IN WHICH WE HAVE A SIGNIFICANT OPERATIONAL PRESENCE, WITH THE OBJECTIVE OF PROMOTING LOCAL DEVELOPMENT THROUGH CAPACITY BUILDING, THE CREATION OF OPPORTUNITIES, AND THE ESTABLISHMENT OF LONG-TERM RELATIONSHIPS GROUNDED IN COLLABORATION, SHARED RESPONSIBILITY, AND ONGOING DIALOGUE.

During 2025, social investment increased by 4% and the number of people benefiting from these initiatives grew by more than 34%, reflecting a strategy focused on measurable impacts and greater local outreach. Most of the initiatives are implemented in coordination with local authorities, educational institutions, community organizations, producers, community leaders, and other local stakeholders, promoting solutions that are locally driven and sustainable over time.



ENVIRONMENTAL MANAGEMENT



AT KUO, WE MANAGE OUR ENVIRONMENTAL PERFORMANCE THROUGH A PREVENTIVE AND CONTINUOUS IMPROVEMENT APPROACH AIMED AT STRENGTHENING OPERATIONAL EFFICIENCY AND LONG-TERM SUSTAINABILITY.

Our environmental management is based on the responsible use of natural resources, the optimization of production processes, and compliance with applicable regulations. Within this framework, we promote initiatives for the proper management of water, energy, waste, and greenhouse gas emissions through the adoption of efficient technologies and the strengthening of internal capabilities.

This approach integrates environmental management into operational and strategic decision-making, strengthening business resilience, mitigating environmental risks, and supporting sustainable operational continuity.

Further details on our environmental indicators are available in the ESG Indicators Appendix, available on our website.

INFORMATION FOR STAKEHOLDERS

CORPORATE HEADQUARTERS

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EXTERNAL AUDITORS

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INVESTOR RELATIONS

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STOCK INFORMATION

KUO, S.A.B. de C.V. is listed on the
Mexican Stock Exchange in its Series
"A" and "B" under the symbol "KUO".

WWW.KUO.COM.MX



This annual report contains statements about future results expectations that reflect KUO management's current opinions on future events. Phrases such as "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "should" and similar expressions generally indicate statements about expectations. These statements are subject to risks, uncertainties, and changes in circumstances. Final results may be materially different from current expectations due to various factors, including but not limited to global and local changes in politics, economy, business, competition, market and regulatory factors, as well as other factors highlighted under the title "Risk Factors" in the Annual Report filed by KUO with the Mexican National Banking and Securities Commission (CNBV).

KUO has no obligation to update these statements about expectations. Any statement about expectations is valid only on the date it is made.

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