

2022

ESG

BOOKLET





2022 ESG Booklet

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DISCLAIMER

- This document is intended to report 2022 Alpek's progress and performance to contribute to the UN Sustainable Development Goals (SDGs) and its alignment to TCFD, GRI, S&P CSA, CDP and SASB.
- As part of Alpek's efforts to continuously improve the quality of its ESG disclosure, CO₂ Emissions information is presented under the SBTi criteria basis.
- Some of the indicators shown on this Booklet might differ from Alpek's 2022 Annual Report due to the integration of data from Alpek's new acquisition, Octal.
- You can always find Alpek's policies, financial reports and ESG reports at: www.alpek.com
- The purpose of this document is to provide more detailed data on Alpek's environmental, social, and governance performance in 2022. This Booklet serves as an additional support document to the information already presented in Alpek's 2022 Annual Report. You can find the full and previous Annual Reports at www.alpek.com. Some of the data of previous years published may vary from the data shown in this Booklet and/or the Annual Report 2022 due to updated standards associated with the data collection process.



INTRODUCTION

This 2022 booklet aims to provide a consolidated view on Alpek's ESG performance. Metrics included in this document cover the activities from Jan 1st to Dec 31st, 2022, as well as historical data for all the indicated years (2019-2022). The information includes:

- Environmental metrics: Emissions, energy, water, waste, investments, incidents, commitments, materials, and products.
- Social metrics: Employee data, diversity, equity & inclusion, community development, human capital development, health & safety, human rights, and code of ethics.
- Governance metrics: Board oversight, policies, performance and evaluation, initiatives, structure, and governance processes.

ESG APPROACH

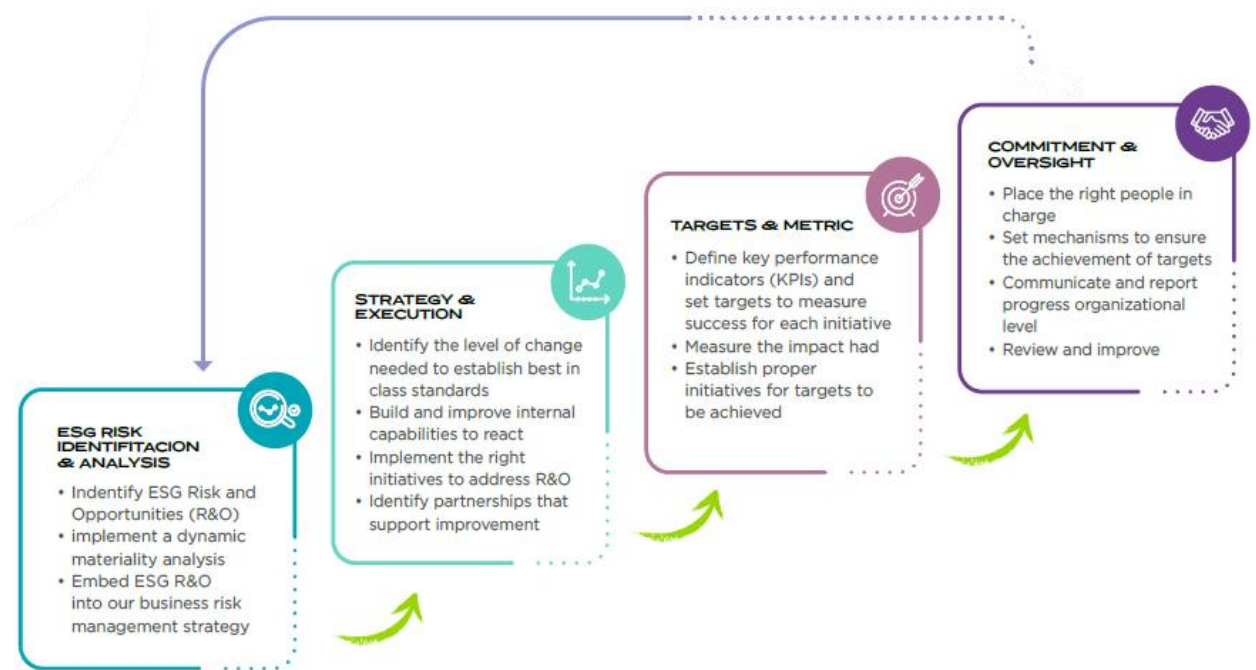
GRI 2-21, 2-22 | TCFD: Strategy & risk management

As part of Alpek's ESG Strategy and Risk Management, the company has adopted a dynamic materiality approach through which it conducts a comprehensive analysis of ESG and industry trends, and how it is perceived by its stakeholders.

This process includes ongoing dialogue with the groups of interest, which allows an adequate response to be given to their demands and expectations, as well as to manage the impacts of the organization on these groups.

Climate-related and ESG considerations are critical to managing risk and seizing opportunities in today's global capital markets. Alpek is committed to transparently and systematically integrating climate-related considerations into its business decisions.

Alpek has confirmed that the adaptation they have developed of the TCFD Framework for reporting is an effective way for them to implement their ESG Strategy, as well as report on it.





REPORTING FRAMEWORK

Since 2015, Alpek has been reporting the ESG and sustainability information under the GRI methodology, now GRI Standards. However, since it 020 Alpek decided to evolve its reporting, through an adapted approach of the TCFD recommendations, answering the GRI Standards and integrating the SASB Standards to which they could accurately respond. The organization is also publishing data for S&P CSA, CDP and the FTSE4Good Index, among others.

Consequently, the reporting framework that the Task Force on Climate-related Financial Disclosures (TCFD) provides is quite effective, and Alpek had adapted it to aid the process of executing their ESG Strategy, as well as to contribute to the UN Sustainable Development Goals.

REPORTING FRAMEWORKS	WHERE TO FIND THEM	WHAT THEY ARE
GRI Standards	GRI Standards v.2021	The Global Reporting Initiative (known as GRI) is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.
SASB Chemicals Sector Standards	https://www.sasb.org/wp-content/uploads/2018/11/SASB-Standards-Application-Guidance-2018-10.pdf	SASB Standards enable businesses around the world to identify, manage and communicate financially-material sustainability information to their investors.
TCFD Reporting Framework	https://www.tcfhub.org/getting-started/	The TCFD has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes.
United Nations Sustainable Development Goals	https://sdgs.un.org/es/goals	The Sustainable Development Goals by 2030 are the blueprint to achieve a better and more sustainable future. They address the global challenges Alpek faces, including poverty, inequality, climate change, environmental degradation, peace and justice.
CDP Carbon Disclosure Project	https://www.cdp.net/en/	CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Over the past 20 years Alpek has created a system that has resulted in unparalleled engagement on environmental issues worldwide. Find out more about how Alpek works.
S&P Global CSA	https://www.spglobal.com/esg/csa/	The CSA applies a best-in-class approach to assess the management of ESG issues in companies and industries around the world. Based on their performance, companies receive scores ranging from 0 to 100 and percentile rankings for approximately 20 financially relevant sustainability criteria across economic, environmental, and social dimensions.



MATERIALITY

GRI 3-1, 2 and 3 | CSA 1.3 | TCFD: Governance, Strategy, Risk Management

Alpek's dynamic approach to the materiality process intends to establish better communication with its leaders and stakeholders, to then understand and integrate business priorities, perspectives and ongoing projects, matching them with the company's 12 priority issues. This thorough analysis involves the outlook of internal and external key stakeholders, including Alpek's Executive Team, suppliers and clients. The process is performed every three years in order to ensure periodic evaluation and adaptation. The current materiality assessment has been through an external review and validation conducted by Bain & Company, an independent third party consulting company. This external assurance ensures the reliability and accuracy of the materiality analysis process, providing confidence in the assessment performed among Alpek's stakeholders. The materiality matrix has been approved by the Alpek's Board of Directors and Senior Management.

MATERIALITY METHODOLOGY

Alpek understands that we live in a constantly evolving world, where ESG topics move across a materiality spectrum over time, therefore, Alpek continuously revisits its material issues through a Dynamic Materiality Approach to make sure the most relevant issues to its industry and business are identified. This is the methodology followed:

1. Measurement criteria

Alpek defines the company's priority issues under two parameters: Impact on stakeholders and Impact on Alpek. Each parameter included clearly defined criteria to enhance the rigor and robustness of the process.

2. Definition of indicators

Alpek considers and identifies a list of issues and indicators for stakeholders to rank. Relevant ESG frameworks are identified, such as the GRI Standards, ISO 26000, S&P Global CSA, CDP, SASB, current relevant legislation, global, market and industry specific trends and topics addressed by the media.

3. Determining relevance

Through a prioritization matrix, Alpek analyzes the responses provided from key stakeholders, including the Executive team, customers, and suppliers. The company also did a focused research of the media and social prescriptions previously defined.

4. Determining development

Additionally, Alpek executes an extensive benchmark of its industry practices and defined materiality regarding sustainable practices. Then, the company executed a gap analysis against its own performance.

5. Obtaining results

Through a qualitative and quantitative analysis, Alpek cross-checks the defined indicators and research results, to extract the key subjects before consolidating them into its priority issues.

6. Review and repeat

Alpek will continue to engage with all its stakeholders to gather feedback that will be integrated into its next materiality analysis.



MATERIALITY ISSUES

CSA 1.3.2 & 1.3.3



Why it matters?



Impact on Alpek



Strategy



Commitment



Progress

CIRCULARITY

Earth's resources are finite. Improperly disposed goods end up in oceans and landfills. It is Alpek's responsibility to make sure its products are fully integrated into the circular economy.

- ✓ Meet clients' demands.
- ✓ Ensure business continuity.
- ✓ Capture growing market opportunity & differentiate offering.

- Grow post-industrial (EPS/PP) and post-consumer (PET) waste recycling capacities.
- Evaluate technology for chemical recycling & biodegradability.
- Lobby for circularity & promote Alpek's products.

PET: "Alpek plans to increase its PET bottle recycling capacity to 300 thousand annual metric tons by 2025 to meet its customers' recycled content needs."

PP: "Alpek will leverage its partnerships to develop recycling solutions for Polypropylene and increase its share of Copolymers, employed in long-term usage applications."

EPS: "Alpek commits to grow its long-term usage and sustainable applications for EPS, work on biodegradable alternatives, and increase recycling content in select products to at least 30% by 2030."

Currently, Alpek has increased its PET bottle recycling capacity to 268 thousand annual metric tons. Regarding EPS recycling goals, Alpek joined Cyclyx, a company that focuses on establishing a circular pathway for plastic recycling.

POLLUTION

Ensuring pollutants do not reach the air or water is important to preserve human health and the environment. Alpek is responsible for ensuring its business processes and products always comply with all regulations that are applicable to its operations.

- ✓ Increased product yields.
- ✓ Higher business continuity.
- ✓ Lower waste generation.
- ✓ License to operate.

- Find more post-industrial waste and wastewater reduction projects at BUs.
- Conduct Lifecycle Assessments for all Alpek's products.

"Alpek is committed to enforcing and exceeding all regulatory requirements on pollution. Alpek is constantly looking for new ways to reduce post-industrial waste, wastewater discharge, and air pollutants from its products and processes."

~30% of waste was sent to recycling or was reused in Alpek's operations to avoid landfill.

CARBON EMISSIONS & ENERGY ECO-EFFICIENCY

Increased energy consumption and reliance on fossil-based fuels have resulted in a global warming effect. Alpek share in the responsibility to help limit temperature increases by 2030.

- ✓ Lower operating costs
- ✓ Reduce exposure to carbon taxes.
- ✓ Product differentiation.
- ✓ 1st mover advantage in carbon abatement.

- Transition to renewable or cleaner energy sources.
- Find more CO₂ reduction projects at BUs.
- Evaluate CO₂ offsetting technologies.

"Alpek commits to reduce absolute scope 1 and 2 GHG emissions by 27.5% by 2030 from a 2019 base year. Alpek also commits to reduce scope 3 emissions by 13.5% within the same time frame and reach carbon neutrality by 2050."

Alpek has reduced 15% of its absolute Scope 1 and 2 emissions from 2019 (SBTi base)



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Why it matters?



Impact on Alpek



Strategy



Commitment



Progress

WATER MANAGEMENT

Global temperature increases and higher consumption have created water shortages in different parts of the world. It is Alpek's responsibility to ensure people have access to water by safeguarding this finite resource.

- ✓ Water risk abatement.
- ✓ Business continuity.

- Assess & respond to key water risks.
- Seek water efficiency projects at BUs, focusing on water-stressed zones.

"Alpek is closely monitoring its water consumption intensities, particularly in water-stressed areas, and carrying out opportunities to reduce them."

~3% reduction in water withdrawals compared to 2021.

INNOVATION

Constant change is the basis of life. As such, constant innovation in both Alpek's business strategy and ESG is crucial to remaining competitive.

- ✓ Lower operation costs.
- ✓ Business growth opportunities.
- ✓ Faster adaptation to market change.
- ✓ Risk mitigation.
- ✓ Long term business viability.

- Increase importance of ESG as key driver of investment thesis.
- Further leverage partnerships & set fixed annual Open Innovation budget.
- Constant training on innovation matters.

"Alpek's innovation efforts will be focused on improving its current products and processes, while discovering more environmentally friendly alternatives for both."

In 2022, 137 projects were addressed in the areas of process, sustainability, strategy, and new products.

CYBERSECURITY

In recent years, there has been an increase in cybercrime generating financial losses, data theft, economic & political incidents, or public health risks. It is important for a company to proactively prepare for these threats.

- ✓ Risk of financial losses.
- ✓ Extorsions
- ✓ Insider risks
- ✓ Threats to operations.

- Implement cybersecurity levels.
- Increase training and awareness efforts & validate through periodic testing.

"Alpek is committed to securing its information and guaranteeing the continuity of its business by maintaining state-of-the-art cybersecurity systems, employee training, and incident response capabilities."

Alpek continued to carry out several campaigns and training to improve awareness.

~6% TRIR reduction vs. Alpek's 2021 results.

OCCUPATIONAL SAFETY

Alpek's people are its most important asset. Ensuring their safety and well-being will always be the priority.

- ✓ Better asset & employee insurance costs.
- ✓ Business continuity.
- ✓ Improved culture.

- Report safety performance indicators at C-Suite level and Board.
- Find safety projects via internal teams, expert audits, or new technologies to reduce the incident rate.

"Alpek plans to reach a Total Recordable Incident Rate (TRIR) for its employees and contractors in the top decile of its industry, though its goal remains to achieve zero accidents every single day."



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Why it matters?

RELATIONSHIP WITH CUSTOMERS & SUPPLIERS

Transitioning to a circular economy and reducing its scope 3 emissions requires effective collaboration across the value chain. Collaborating in strategic partnerships with Alpek's suppliers and customers helps to find solutions to these challenges faster.

SUSTAINABLE CORPORATE GOVERNANCE

Empowering a diverse set of qualified individuals to make decisions with the proper information & resources is key to ensuring a company's long-term viability.

ACTIVE ESG RISK MANAGEMENT

Timely identifying & managing risks via innovative processes is a fundamental feature of adaptation. Having ESG risks as part of management's conversations leads to the implementation of more sustainable business practices.

DIVERSITY, EQUITY & INCLUSION (DEI)

Companies must strive to hire, motivate, retain, and promote people with a diverse range of talents, experiences, and perspectives.

COMMUNITY ENGAGEMENT

Local communities grant Alpek a license; reciprocating is its duty. Neglecting socio-economic benefits erodes trust.



Impact on Alpek

- ✓ Lower Scope 3 emissions
- ✓ Improved supplier/customer operations
- ✓ Enhanced relationships.

- ✓ World-class governance practices.
- ✓ Better decision making.

- ✓ Company aligned behind ESG goals.
- ✓ Goal attainment and risk mitigation.

- ✓ Enhanced decision-making.
- ✓ Improved business outcomes.

- ✓ Improved living conditions for Alpek's workers.
- ✓ Enhanced local services & utilities.
- ✓ License to operate.



Strategy

- Develop and improve Alpek's policy to include and comply with ESG requirements.
- Develop standardized evaluations to measure supplier adherence.

- Explore adding more Female & ESG experienced Board Members.

- Establish ESG Committees at Board, C-Suite & BU level with clear objectives.
- Standardize & increase data collection, review and execute communication efforts.
- Align compensation with ESG goals.

- Investigate in there is low diversity and the root causes.
- Carry out actions to fix key issues found.
- Promote and foster more Employee Resource Groups (ERGs).

- Align charitable with Alpek's strategy.
- Diversify supported social projects.
- Open communication channels.



Commitment

"Alpek will work with its customers and suppliers in an effort to actively identify ESG-related risks and the corrective actions needed to make its entire value chain more sustainable."

"Alpek is committed to further improving the composition and effectiveness of its Board by increasing the frequency ESG topics & metrics are reviewed, as well as enhancing the diversity and experience of its members."

"Alpek will continue to reinforce its Governance practices and organization so it may reach the various targets set for each of its ESG Material Issues."

"Alpek is committed to further diversifying its workforce through more equitable hiring, retention and development strategies."

"Alpek cares about all its local communities and is committed to investing its time and profits on activities that contribute to its neighbors' safety, education, access to services, and quality of life."



Progress

Working with customers for more circular materials and increased transparency on Alpek's ESG reporting.

In 2022, Independent members participation increased to 67% and the percentage of women is 18%.

Identification of ESG-related risks, especially those derived from climate change.

Creation of DEI Committees and Women Networks, enabling lactation rooms & adapting parking for people with disabilities.

In 2022, 17 social assistance institutions, 20 schools and more than 13,000 people benefited.



IMPACT ON STAKEHOLDERS

GRI 2-29, CSA 1.3.4 & 1.3.5

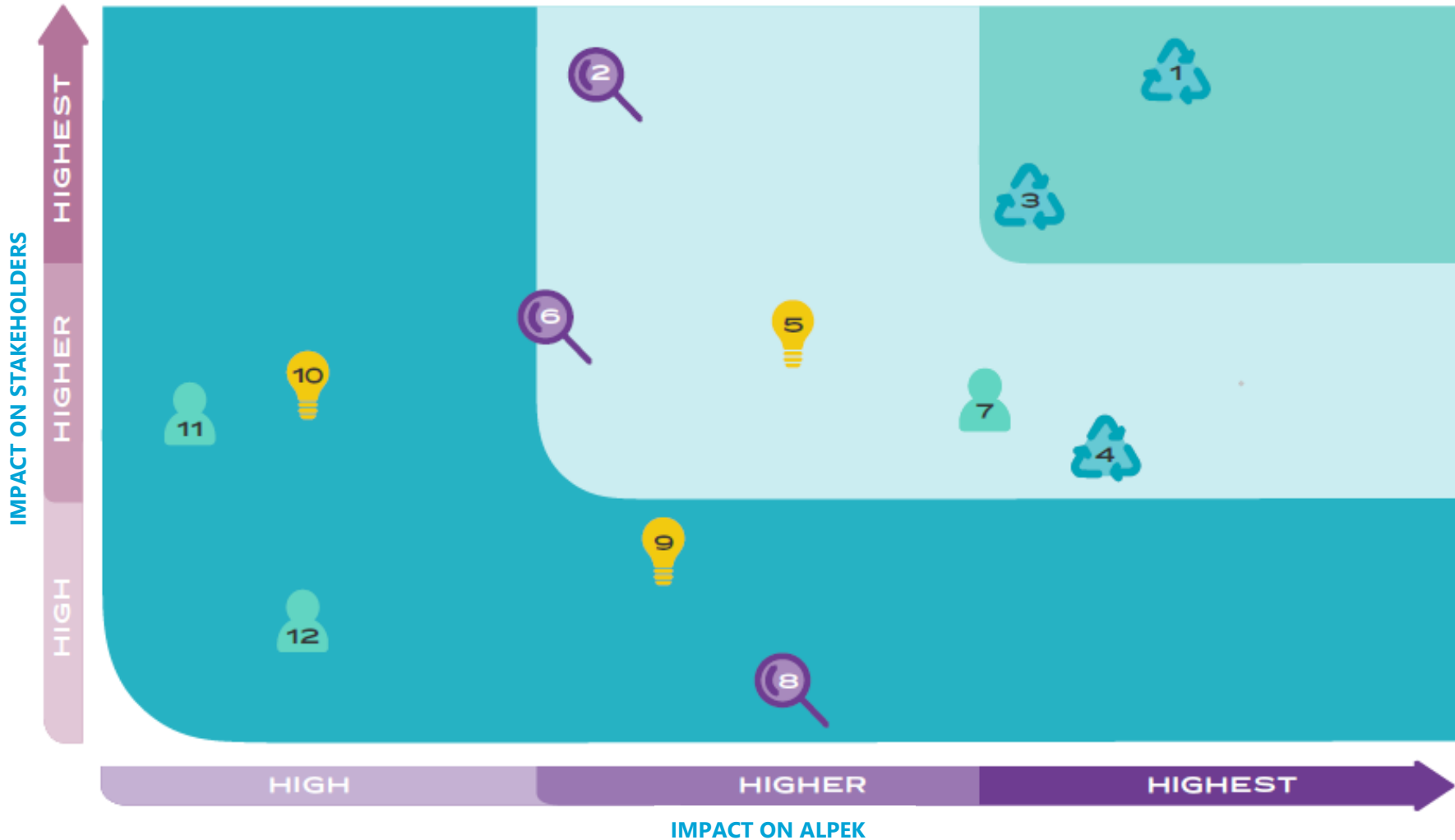
Alpek acknowledges that certain Material Issues carry relevant impact for external stakeholders. Taking this into consideration, Alpek is committed to performing assessments of the material issues that imply the greatest influence on external parties, as indicated by the current Materiality Matrix. This approach ensures that Alpek aligns its activities with the welfare of its external stakeholders.

Top Material Issue	Cause of Impact	Evaluated areas impacted by Stakeholders	Topic relevance on stakeholders	Output Metric
Carbon emissions & energy eco-efficiency	Operations	Environmental	Aggravates Global Warming	<ul style="list-style-type: none">Carbon dioxide emissionsCO₂ emissions reduction
Circularity	Products	Environmental & Consumer	Optimizing resource use efficiency	<ul style="list-style-type: none">Volume of products with recycled content
Pollution	Operations & Products	Environmental	<p>Increase waste recycling to minimize landfill disposal.</p> <p>Reduce adverse effects on air, water, and soil.</p>	<ul style="list-style-type: none">Tons of Generated wasteTons of Recycled/reused wasteTons of waste disposed to landfill



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CURRENT MATERIALITY MATRIX 2022



12 MATERIAL ISSUES



MAXIMIZE RESOURCE EFFICIENCY

- 1 Circularity
- 3 Carbon Emissions & Energy
- Eco-efficiency
- 4 Water Management



LEAD WITH EMPATHY

- 7 Occupational Safety
- 11 Diversity, Equity & Inclusion (DEI)
- 12 Community Engagement



EMBRACE CHANGE

- 5 Innovation
- 10 Active ESG Risk Management
- 9 Sustainable Corporate Governance



GROW RESPONSIBLY

- 6 Cybersecurity
- 2 Pollution
- 8 Relationship with Customers & Suppliers



RISK ANALYSIS

RISK GOVERNANCE

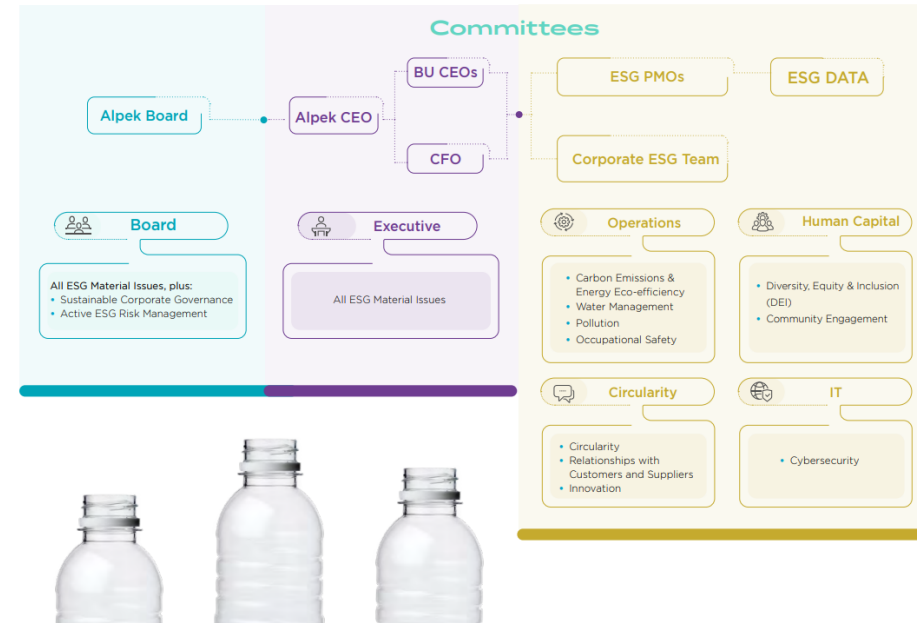
CSA 1.4.1

Alpek's risk management structure is segmented into business unit level to identify and conduct relevant current and potential risks across Alpek's operations.

ESG risk management is thoroughly reviewed in Alpek's Board meetings, which in 2022 was improved by adding a board member with expertise in auditing and risk management processes. The company is also conscious that the main responsibility of organizational risk management relies on the Directors and operators of each business unit. Every six months, an Audit Committee reunion takes place, in which all of Alpek's Business Unit Directors, together with the Business' Audit Director, participate to identify emerging risks, monitor current ones, and ensure mitigation actions are effective. The output of this meeting is then addressed directly to Alpek's CEO.

To validate the effectiveness of the company's risk management procedures performance, Alpek carries out specific monitoring and auditing practices conducted by the Business Audit Director.

Each of Alpek's ESG material issues are reviewed internally on a quarterly basis by the different ESG committees, in the meetings that take place throughout the year. This is best exemplified in the diagram on the right.



RISK MANAGEMENT PROCESS

GRI 201-2, CSA 1.4.2

Alpek identifies and clasifies three types of risks:

1. Strategic risks

Potential internal or external events or circumstances that may affect the achievement of the business' goals and strategy.

2. Emerging risks

Unprecedented external risks, expected to have a long-term impact on the company. These must be recently identified.

3. Climate-related risks

Risk that may represent a potential negative impact on the company's operations, value chain, financial inputs, and outputs, etc. due to climate change effects.



STRATEGIC RISKS

Alpek uses Alfa's Risk Portal as a third party platform, which eases the consolidation of the strategic risks identified for each business unit. This allows the company to ensure proper management and monitoring of all the risks and their respective mitigating actions. The information retrieved includes likelihood, impact, mitigation actions and the responsible staff or position to address each risk. The table below discloses the more relevant risks on Alpek's business units based on the likelihood and impact established.

Risk ID	Risk	Risk Description
R1	Dependence on Mexico's raw material supply	Mexico's production decrease impacts the availability of raw material of some of Alpek's production processes.
R2	Raw materials and supplies shortage	Lack of availability of raw materials, utilities, and other supplies.
R3	Cyberattack	Business disruption due to cybercrimes such as loss of privacy, data theft and fraud, etc.
R4	Laws and stakeholder pressure due to plastic pollution	Institutions establishing policies to minimize plastic usage due to the environmental impact of the product.
R5	Business competitiveness against Asian market prices	Asian petrochemical products and raw materials with lower pricing.
R6	Business competitiveness against new Polypropylene plants	More competitors on the Polypropylene market.
R7	Petroleum pricing variation	Volatile prices of petroleum and its derivatives which are the main raw materials.
R8	Delays on permits of raw material imports	Delayed permits process with Custom Authorities for raw material importing.
R9	Pollution in raw material tanks	Possible accidents due to interaction between other substances and hazardous chemicals.
R10	Crucial industrial accident due to raw material handling	Some of the raw materials consists of hazardous chemicals, therefore the improper manipulation of them might result on fires, explosions, etc.

The risk heat map aligned to the COSO Framework shows Alpek's prioritization of the risks reported by the business units.

		IMPACT			
		Low	Moderate	High	Very High
LIKELIHOOD	Virtually Certain		R1, R4, R5		R6
	Likely			R7	R3, R2
	Rarely			R9	
	Unlikely			R8	R10



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MITIGATING ACTIONS

In order to minimize the potential impacts of the identified risks, Alpek established and has implemented a mitigation action plan for each risk among all potentially affected business units. Alpek's Audit Team, led by the Audit Director, monitors the status of each mitigating plan during the year. All mitigating actions must be validated by Alpek's Audit Team in order to ensure that the action plans are appropriate.

R1 - Dependence on Mexico raw material supply	R2 - Raw materials and supplies shortage	R3 – Cyberattacks	R4 - Laws and stakeholder pressure due to plastic pollution	R5 - Business competitiveness against Asian market prices
<ul style="list-style-type: none"> • Continuous search of national and foreign supply contracts 	<ul style="list-style-type: none"> • Monitoring of raw material markets • Preserve of optimal inventory levels and critical • Continuous searching of alternative raw materials 	<ul style="list-style-type: none"> • Infrastructure update • Security Policy • Employee Awareness Campaigns • Insurance contract 	<ul style="list-style-type: none"> • Recycling strategy • Development of alternative products 	<ul style="list-style-type: none"> • Continuous monitoring on studies and indicators.
R6 - Business competitiveness against new Polypropylene plants	R7 – Petroleum pricing variation	R8 - Delays and permits of raw material imports	R9 - Pollution in raw material tanks	R10 - Crucial industrial accident due to raw material handling
<ul style="list-style-type: none"> • Increase percentage on sale contracts. 	<ul style="list-style-type: none"> • Indicators monitoring • Pricing adjustment 	<ul style="list-style-type: none"> • Follow-up to import permit paperwork with Custom Authorities 	<ul style="list-style-type: none"> • Reinforcement in procedures and quality controls in the raw materials discharge. 	<ul style="list-style-type: none"> • Insurance coverage • Implementation of technology • Emergency response • Reinforcement in procedures, training, maintenance and culture at the plants.





EMERGING RISKS

CSA 1.4.3

Alpek is conscious on the importance of identifying and assessing arising risks that may have potential medium and long-term impacts in its operation and supply chain. With this in mind, Alpek has developed and implemented mitigating actions across its business units in order to start understanding these risks and limit potential expected effects as much as possible.

RAW MATERIALS SUPPLY DUE TO UKRAINE-RUSSIA CONFLICT

Due to the restrictions established by the European Union (EU) across Eastern Europe, there has been impacts in the purchase, import and transfer of russian natural gas, petroleum and its derivative products. As a consequence, the supply of these products and materials are now being fulfilled, mostly, by American suppliers.

If the ban of russian gasoline on the EU persists, or if any additional countries join to this ban, it may have a potential impact in the long term to Alpek's availability of raw material, and production of Alpek's product portfolio could be limited, since most of Alpek's supply comes mostly from American suppliers. Therefore, costs of petrochemical raw materials may increase in America and result on negative effects on its operating costs and overall competitiveness.

In order to manage this emerging risk, Alpek has started implementing actions as a response to possible future impacts of this event, such as, optimizing the portfolio by reducing the purchase of raw materials from North America and increasing the imports of Asian raw materials. However, long term, Alpek's strategy consist in establishing strategic alliances with key producers, improve logistics practices to increase the storing capacity, as well as, expanding transportation routes. In addition, there is a weekly monitoring of indicators such as, opportunity cost of raw materials, gasoline inventories, Asian and American raw materials market prices, etc. in order to estimate tendencies of these indicators, be aware of the current and upcoming behavior of them, and adapt a short term strategy.

EMERGING ENVIRONMENTAL TAXES IN MEXICO

Since 2021, entities in Mexico started establishing environmental taxes in regards of gas emissions to the atmosphere, stone material extraction, water pollution, among others. Nowadays, 12 of the 32 federal entities in Mexico have implemented environmental taxes in their state. Currently, 3 of Alpek's mexican facility sites are located on states with these tax initiatives, amounting to a cost risk for each metric ton of CO₂e emitted in these sites.

To help mitigate these risks, the company has developed a carbon reduction target, in line with the SBT initiative, and is currently working to reduce its CO₂e emissions and limit its environmental impact. As a consequence, Alpek is expecting to curve any potential expenses due to the emission taxes. In addition, these sites have reinforced their environmental audits and their periodic rutinary revisions in order to identify potential improvements on the site's environmental performance, as well as, guarantee the fulfillment of other environmental regulations and avoid fines and production disruptions.



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CLIMATE-RELATED RISK

GRI 201-2, CSA 2.6.2, 2.64, 2.6.6, 2.6.6, 2.6.8

CLIMATE-RELATED RISKS IDENTIFICATION

Alpek has improved the climate-related risks identification process by complementing the impacts considered on the Task Force on Climate-Related Financial Disclosures (TCFD) which aims to establish a disclosure methodology for financial risk derivative of climate change. Alpek has also worked with the SASB Climate Risk Framework, which discloses climate risks and provides insight of industry-specific relevant risks.

As a company, it is important for Alpek to understand what would be the specific impact from each identified risk and estimate when these could potentially influence its value chain. All of these factors have been assessed and are disclosed in the table below. Alpek considers the following time horizons, Short-term: 0 to 3 years (2022 – 2025); Medium-term: 5 years (2027), and Long-term: 7 years (2030). The potential financial impacts considered are those recommended by SASB & TCFD frameworks. The potential business impacts considered were established according to the CDP framework and Alpek's internal outlook.

Alpek is actively working towards establishing appropriate mitigating measures regarding each climate risks identified among all the business units.

		Potential Business Outcomes								Potential Financial Outcomes					Time
		Lost sales or income	Equipment damage	Operating costs increase	Regulatory Fines	Reputation damage	Production interruption	Supply chain disturbance	Unable to operate business	Revenue	Expenses	Assets	Liabilities	Financing Costs	Time frame
Transitional Risks	Political Risks														
	Greenhouse Gas Emissions above limiting regulations			✓	✓	✓					✓				Short to Long Term
	Unsuccessful Greenhouse Gas Emissions Management: Long term and short-term			✓	✓	✓					✓				Short to Long Term
	Increased pricing of GHG emissions			✓							✓				Short to Long Term
	Enhanced emissions-reporting obligations					✓					✓			✓	Short to Long Term
	Mandates on and regulation of existing products and services	✓								✓					Short to Long Term
	Exposure to litigation				✓	✓			✓		✓			✓	Short to Long Term
	Technological Risks														
	Unsuccessful investments in new technologies			✓			✓			✓	✓				Short to Medium Term
	Transition to lower emissions technology costs			✓			✓				✓				Short to Medium Term
	Substitution of existing products and services with lower emissions options	✓								✓					Short to Medium Term
	Energy Management on operations			✓			✓				✓				Short to Medium Term
	Product Design for Use-phase Efficiency	✓		✓		✓				✓	✓				Medium Term





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	Market Risks													
	Changing customer behavior	✓								✓				Medium Term
	Increased cost of raw materials	✓		✓							✓			Short Term
	Reputational Risks													
	Shifts in consumer preferences	✓				✓				✓				Medium Term
	Stigmatization of sector	✓		✓		✓				✓				Medium to Long Term
Physical Risks	Increased stakeholder concern or negative stakeholder feedback	✓				✓				✓			✓	Medium to Long Term
	Acute Risks													
	Severity of weather events		✓	✓			✓	✓	✓	✓	✓	✓	✓	Medium Term
	Chronic Risks													
	Changing weather and precipitation patterns		✓	✓			✓	✓	✓		✓	✓		Medium to Long Term
	Rising mean temperatures			✓							✓			Medium to Long Term
	Rising sea levels		✓	✓			✓	✓	✓		✓	✓		Medium to Long Term
	Water stress			✓	✓	✓	✓	✓	✓		✓			Short to Long Term



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ANALYSIS

Following the climate risk identification, Alpek developed a systematic evaluation process of the potential risk effect on their assets and operations.

ACUTE PHYSICAL RISKS

Alpek conducted an annual qualitative acute physical risks analysis through ThinkHazard, a platform developed by the Global Facility for Disaster Reduction and Recovery (GFDRR) in partnership with the World Bank Group and other institutions. The analysis considers the risk level for the following climate events: river flood, earthquakes, extreme heat, cyclones, coastal flood, tsunamis, volcanoes eruptions, and landslide. This exercise was made at a district scope, however, Alpek is currently working to perform this analysis site-specific.

Risk level (Number of facility sites)	High risk	Moderate risk	Low risk	Negligible risk
Coastal Floods	5	7	1	19
River Floods	6	6	11	9
Cyclone	3	2	13	14
Urban Floods	4	6	19	3
Earthquake	2	5	10	15
Landslide	3	3	8	18
Extreme heat	9	16	4	3
Wildfire	4	14	0	14
Volcano	3	2	1	26
Tsunami	3	1	2	26

MITIGATING ACTIONS

SASB RT-CH-140a.3

Alpek has developed mitigating measures on all sites located nearby coastal zones in order to anticipate and minimize the effects of these climate events (coastal, river and urban floodings, cyclones, and tsunamis).

This mitigating measure consists on an escalating plan based on the water level. The following process is then implemented:

1. Reduce the expenditure level of the operation.
2. Minimize the operational workforce.
3. Scheduled shutdown of site.
4. Remove the content of reactors and shutdown of site.



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SOCIAL WORKFORCE

Alpek presents its workforce breakdown by several diversity factors, which is the first step towards developing a comprehensive DE&I (Diversity, Inclusion and Equity) strategy. In late 2022, Alpek released its DEI Policy, which provides guidelines to build on a more inclusive and equitable company.

EMPLOYEE BREAKDOWN BY POSITION

GRI 2-7, 405-1 | CSA 3.1.2, 3.1.3

Employee Breakdown by Type (Number of employees)	2019	2020	2021	2022
Total Employees	5,874	6,283	6,396	7,259
Management ¹	216	203	217	334
Administrative ²	2,071	2,148	2,156	1,954
Operative ³	3,587	3,932	4,023	4,971
Female	907	969	1,038	1,191
Management ¹	25	28	36	55
Administrative ²	651	671	689	615
Operative ³	231	270	313	521
Male	4,967	5,314	5,358	6,068
Management ¹	191	175	181	279
Administrative ²	1,420	1,477	1,467	1,339
Operative ³	3,356	3,662	3,710	4,450

1.- Management includes Top management positions (Directors, VPs, Senior positions and its equivalents)

2.- Administrative includes all administrative positions (from assistants to middle management, and its equivalents)

3.- Operative includes operative personnel (non-unionized and unionized employees, and its equivalents)

EMPLOYEE BREAKDOWN BY COUNTRY

GRI 405-1 | CSA 3.1.3

Employee Breakdown by Country (Number of employees)	2019	2020	2021	2022
Total Employees	5,874	6,283	6,396	7,259
Management ¹	216	203	217	334
Administrative ²	2,071	2,148	2,156	1,954
Operative ³	3,587	3,932	4,023	4,971
Mexico	3,205	3,168	3,384	3,331
Management ¹	145	139	124	143
Administrative ²	1,091	1,064	1,134	907
Operative ³	1,969	1,965	2,126	2,281
Canada	71	69	70	69
Management ¹	3	0	2	2
Administrative ²	21	22	24	23





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Operative ³	47	47	44	44
United States	1,326	1,602	1,515	1,712
Management ¹	27	21	43	99
Administrative ²	492	597	534	501
Operative ³	807	984	938	1,112
Argentina	387	403	400	413
Management ¹	18	16	15	20
Administrative ²	113	117	121	108
Operative ³	256	270	264	285
Chile	262	318	300	267
Management ¹	9	8	8	1
Administrative ²	55	60	66	70
Operative ³	198	250	226	196
Brazil	623	617	618	624
Management ¹	14	8	13	14
Administrative ²	299	252	238	159
Operative ³	310	357	367	451
United Kingdom	0	99	102	103
Management ¹	0	9	10	7
Administrative ²	0	31	34	31
Operative ³	0	59	58	65
Oman	NA ¹	NA ¹	NA ¹	620
Management ¹	NA ¹	NA ¹	NA ¹	32
Administrative ²	NA ¹	NA ¹	NA ¹	112
Operative ³	NA ¹	NA ¹	NA ¹	476
Saudi Arabia	NA ¹	NA ¹	NA ¹	64
Management ¹	NA ¹	NA ¹	NA ¹	4
Administrative ²	NA	NA	NA	8
Operative ³	NA	NA	NA	52
United Arab Emirates	NA ¹	NA ¹	NA ¹	45
Management ¹	NA ¹	NA ¹	NA ¹	10
Administrative ²	NA	NA	NA	26
Operative ³	NA	NA	NA	9
Other Countries - Management²	NA	7	7	11
Ireland ⁴	NA	NA	NA	1
Spain	NA	NA	NA	1
Germany	NA	NA	NA	1
Austria	NA	NA	NA	1
Shanghai	NA	6	6	6
Singapore	NA	1	1	1

1.- Management includes Top management positions (Directors, VPs, Senior positions and its equivalents)

2.- Administrative includes all administrative positions (from assistants to middle management, and its equivalents)

3.- Operative includes operative personnel (non-unionized and unionized employees, and its equivalents)

4.- Includes one Management role



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EMPLOYEE BREAKDOWN BY RACE

GRI 405-1 | CSA 3.2.3

Total Workforce Distribution (as % of total employees)	2019 ²	2020 ²	2021	2022 ³
Asian	NA	NA	1%	1%
White	NA	NA	28%	22%
Hispanic or Latino	NA	NA	60%	57%
Indigenous or Native American	NA	NA	0%	0%
African American or Black	NA	NA	4%	4%
Others, two or more races	NA	NA	4%	14%
Non-Identified	NA	NA	3%	1%
Total Alpek Workforce %	NA	NA	100%	100%

EMPLOYEE BREAKDOWN BY RACE AT MANAGEMENT LEVEL

GRI 405-1 | CSA 3.2.3

Junior, Middle and Senior Management Workforce Distribution (as % of Junior, Middle and Senior Management employees)	2019 ²	2020 ²	2021	2022 ³
Asian	NA	NA	2%	1%
White	NA	NA	38%	30%
Hispanic or Latino	NA	NA	57%	54%
Indigenous or Native American	NA	NA	0%	0%
African American or Black	NA	NA	2%	1%
Others, two or more races	NA	NA	1%	15%
Non-Identified	NA	NA	-	-
Total % (Total Alpek's junior, middle, and senior management identified 2022: 334 employees)	NA	NA	100%	100%

1.- Races classified according to CSA report.

2.- Previously only considered USA workforce, 2021 and 2022 includes global workforce

3.- There is an increase in "Others" category due to the integration of the new sites of Octal located mostly in Oman and Riyadh

EMPLOYEE BREAKDOWN BY AGE

GRI 405-1

Employee Breakdown by Age (Number of employees)	2019	2020	2021	2022 ¹
Total Employees	5,874	6,283	6,396	7,259
Over 50 years old	1,383	1,415	1,574	1,816
Male	1,239	1,275	1,332	1,625
Female	144	140	242	191
30-50 years old	3,009	2,968	3,514	4,121
Male	2,524	2,477	2,921	3,380
Female	485	491	593	741
Under 30 years old	1,482	1,900	1,308	1,322
Male	1,204	1,563	1,105	1,063
Female	278	337	203	259





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TALENT ATTRACTION & RETENTION

EMPLOYEE HIRING BREAKDOWN BY AGE

GRI 401-1 | CSA 3.4.1

Employee Hiring by Age (Number of employees)	2019		2020		2021		2022	
Total filled vacancies	861	15%	473	8%	780	12%	1,557	21%
Over 50 years old	73	5%	47	3%	84	1%	170	2%
Male	56	5%	36	3%	69	1%	132	2%
Female	17	12%	11	7%	15	0%	38	1%
30-50 years old	315	10%	225	7%	393	6%	724	10%
Male	255	10%	181	7%	314	5%	580	8%
Female	60	12%	44	8%	79	1%	144	2%
Under 30 years old	473	32%	201	14%	303	5%	663	9%
Male	402	33%	148	13%	253	4%	497	7%
Female	71	26%	53	19%	50	1%	166	2%

EMPLOYEE HIRING BREAKDOWN BY INTERNAL AND EXTERNAL

GRI 401-1 | CSA 3.4.1

External and Internal Employee Hiring (Number of employees)	2019		2020		2021		2022	
Total filled vacancies	861	15%	473	8%	780	12%	1,557	21%
Internal Hiring	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	633	9%
Male	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	511	7%
Female	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	122	2%
External Hiring	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	924	13%
Male	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	698	10%
Female	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	226	3%

1.- This information was not previously disclosed.

PERFORMANCE APPRAISAL

GRI 401-1 | CSA 3.4.2

Alpek implements various performance appraisal methods, such as management by objectives and multidimensional performance appraisal. These appraisals may differ across Alpek's business units. These evaluations are conducted at least once a year to assess employee performance and identify areas for improvement. This practice helps to drive a high-performing workforce.



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EMPLOYEE TURNOVER

GRI 401-1 | CSA 3.4.5

Employee Turnover ¹ (% of total employees)	2019	2020	2021	2022
Voluntary Rate	5.6%	5.2%	11.5%	10.8%
Involuntary Rate	5.3%	3.7%	8.9%	5.0%
Turnover Rate	10.9%	8.9%	20.5%	15.9%

1.-There was a change in the calculation methodology for this indicator in 2022. It is calculated based on the total of employees who leave the organization divided by the total of employees at the end of the year.

Employee Turnover FY2022 ¹ (% of total employees)	Voluntary Rate	Involuntary Rate	Total Turnover Rate
Total	10.8%	5.0%	15.9%
Over 50 years old	1.9%	1.0%	2.9%
Male	1.6%	0.9%	2.5%
Female	0.3%	0.1%	0.4%
30 – 50 years old	4.6%	2.6%	7.1%
Male	3.6%	2.3%	5.8%
Female	1.0%	0.3%	1.3%
Under 30 years old	4.4%	1.4%	5.9%
Male	3.7%	1.3%	5.0%
Female	0.8%	0.1%	0.9%

1.-There was a change in the calculation methodology for this indicator in 2022. It is calculated based on the total of employees who leave the organization divided by the total of employees at the end of the year.

MATERNITY AND PATERNITY LEAVE CASES

GRI 401-3 | CSA 3.4.4

Maternity and Paternity Leave (Number of Cases)	2019	2020	2021	2022
Maternity leave	48	22	21	55
Paternity leave	61	81	129	102
Reincorporation after Maternity or Paternity leave	77	61	113	87
Reincorporation Rate	71%	59%	75%	55%



EMPLOYEE ENGAGEMENT

GRI 404-3 | CSA 3.4.6

What is not measured cannot be improved. Alpek constantly carries out employee and engagement assessments so it can support their professional and personal growth. The assessment includes the following categories:

- Compensation and Benefits
- Empowerment
- Engagement
- Safety and Wellbeing
- Work life balance

These categories align with the four key aspects of overall well-being recommended by the World Health Organization: job satisfaction, purpose, happiness, and stress management. Alpek also continued to support the freedom of association of its employees, as the law dictates in the countries Alpek operates in.

EMPLOYEE ENGAGEMENT RATE

GRI 404-3 | CSA 3.4.6

Employee Highly Engagement ² (% Actively engaged employees)	2019	2020	2021	2022 ¹
Employee with top level of Engagement	70%	82%	74%	74%
Data coverage of Alpek Employees	87%	78%	68%	68%

1.- In 2021 Alpek started to carry out its employee engagement assessments every two years, to develop and implement action plans to improve employee engagement. Therefore, 2021 and 2022 have the same score.

2- Scores from 4 to 5 on a 5-point scale are considered highly engaged employees.

EMPLOYEE SUPPORT PROGRAMS

GRI 404-2 | CSA 3.4.4

Alpek has different programs and policies in place to support its employees' well-being and professional growth. Part of these programs provide the following benefits:

- Flexible working hours
- Working-from-home arrangements
- Part-time working options
- Breast-feeding/lactation facilities or benefits
- Paid parental leave: Depending on the country, female employees are entitled to 4 to 24 weeks of leave, while male employees leave varies from 5 days to 5 weeks.
- Among others

GRI 2-30 | CSA 3.1.5

Employee Freedom of Association (% of employees)	2019	2020	2021	2022
Employees represented by an independent trade union or by collective bargaining	59.5%	57.8%	58.1%	52%



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DIVERSITY, EQUITY & INCLUSION

In 2021, Alpek identified these issues as material to its operations. Consequently, Alpek implemented the first stage of analysis. In 2022, Alpek published its DEI policy in 4 different languages. In addition, Alpek's Business Units continued to expand the level of detail in their analysis with the implementation of various initiatives, such as:

- Creating DEI Committees and Women Networks.
- Enabling lactation rooms, women bathrooms, and dressing rooms.
- Making some of its parking lots and bathrooms accessible for people with disabilities.

ALPEK'S WORKFORCE BREAKDOWN: GENDER & POSITION

GRI 2-7 | CSA 3.1.2

Female Employee Breakdown by Position (% of Alpek's employees)	2019	2020	2021	2022
Total Female Employees	15%	15%	16%	16%
Management	12%	14%	17%	16%
Top Executive Management	NA ¹	NA ¹	NA ¹	5%
Middle Management	NA ¹	NA ¹	NA ¹	10%
Junior Management	NA ¹	NA ¹	NA ¹	21%
Administrative	31%	31%	32%	31%
Operative	6%	7%	8%	10%
% Female Employee In STEM-related positions / total STEM workforce	NA ¹	NA ¹	15%	12%
In Management positions in revenue-generating functions (Line management roles in departments such as sales, or that contribute directly to the output of products or services)	NA ¹	NA ¹	12%	14%

1.- This information was not previously disclosed.

2.- Top executive= Directors and its equivalents, Middle Executive= Sr. Managers and its equivalents, Junior Management= Jr. Managers and its equivalents

WORKFORCE BREAKDOWN: DISABILITY

CSA 3.2.4

Alpek Employees with a Disability (Number of employees)	2019	2020	2021	2022
With a disability	9	9	9	15



COMMUNITY ENGAGEMENT

CORPORATE CITIZENSHIP STRATEGY

GRI 203-1

In 2021, Alpek confirmed community engagement to be one of its material issues. This led the tenet development towards Alpek's communities, which are:

- Building educational platforms for the youth: Alpek does this through talks about environmental care in schools, as well as being active donators to ALFA Fundación's Extra academic Centers for Talent, in which they provide exceptional education to younglings of vulnerable communities.
- Working on Alpek's communities' safety: All the facilities carry out diverse safety training for the surrounding communities in case of an emergency related to the company's operations.
- Spreading environmental care awareness: This is carried out through talks in schools, forums, and local authorities.

As part of Alpek's efforts to work closely with its peers and regulators to boost sustainable development, Alpek participates in diverse business Chambers and Associations. This is the best way to engage with its industry stakeholders and have their concerns addressed by the authorities.

GRI 2-28

Chambers and Associations Participation

(Name of the institutions)

Argentina	
Asociación Argentina de Poliestireno (AAPE)	Cámara exportadores (CERA)
American Chamber of Commerce Arg (Amcham)	Comité industrial Medio Ambiente Campana-Zarate (CICACZ)
Asociación Nacional de Industrias de Materiales Aislantes (ANDIMA)	Cámara Industria PET Argentina (CIPETAR)
Asociación Civil Argentina Pro-Reciclado del PET (ARPET)	Cámara de Industria Química y Petroquímica (CIQyP)
Cámara Argentina de Industria Plástica (CAIP)	Cámara importadores (CIRA)
Cámara Argentina de la Industria de reciclados plásticos (CAIRPLAS)	Instituto Argentino del Envase
Cámara Argentina de la Industria Petroquímica	Instituto Petroquímico Argentino (IPA)
Cámara Comercio Argentina-Mexicana	Unión Industrial Zarate
Brazil	
Associação Brasileira da Indústria do PET (ABIPET)	Sindicato das Indústrias de Produtos Químicos para Fins Industriais,
Asociación Industrial Química Brasileña (ABIQUIM)	Resinas Sintéticas, Tintas e Vernizes do Estado de Pernambuco (Siquimpe)
Brazilian Association of Producers of Artificial and Synthetic Fibers (ABRAFAS)	
Canada	
Assoc for Dev.& Innovation in Chemistry - Quebec	Engineering Association - Quebec
Canada Chamber of Commerce - Quebec	Montreal East Industry Association
Canadian Payroll Association	Mutuelle (PetroChemical Companies Coalition) - Montreal
Chemist Association - Quebec	Technology Professionals Assoc - Quebec
Chile	
Cámara Chilena de la Construcción (CChC)	Corporación Chilena para el Desarrollo y Administración de Estándares
Cámara Chileno-Mexicana	Intelligent Information System of Latin America (IISLA)
Centro de Envases y Embalajes de Chile (CENEM)	
Mexico	
AISTAC – Asociación de Industriales del Sur de Tamaulipas	Cámara Nacional de la Industria de Transformación (CANACINTRA)
Asociación Nacional de Industrias del Plástico (ANIPAC)	Cámara Nacional de Comercio (CANACO)
Asociación Nacional de la Industria Química (ANIQ)	Comisión de la Industria del Plástico, Responsabilidad y Desarrollo Sustentable (CIPRES)
Alianza por la Eficiencia Energética (ALENER)	Confederación Patronal de la República Mexicana (COPARMEX)



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Asociación Petroquímica y Química Latinoamericana (APLA)	Instituto Mexicano de Ingenieros Químicos (IMIQ)
Cámara de la Industria de Transformación de Nuevo León (CAINTRA)	Plan de Manejo para el Reciclaje de EPS (RENNUEVA)
Cámara Nacional de la Industria Textil (CANAINTEXT)	Emerging Textiles
United Kingdom	
British Plastics Federation	Northeast England Process Industry Cluster
Chemical Industry Assoc	PET Container Recycling Europe
Committee of PET Manufacturers in Europe	RECOUP Plastics Recycling
Northeast England Chamber of Commerce	
United States	
Wayne County, IN Economic Development Corporation	Indiana Recycling Coalition
Berkely County, SC Chamber of Commerce	MS Economic Council
Carolinas Recycling Association	National Association for PET Container Resources
Central SC Alliance	National Council of Textile Organizations
EPS Industry Alliance (EPSIA)	Society for Human Resources Management
Fayetteville-Cumberland County Economic Development Corp.	The Recycling Partnership
Hancock County, MS Community Development Foundation	Wayne County IN Chamber of Commerce
Hancock County, MS Youth Leadership	Wayne County, IN Economic Development Corporation
Indiana Chamber of Commerce	





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HUMAN CAPITAL DEVELOPMENT

GRI 404 | CSA 3.3.1

During 2022, Alpek implemented diverse training and development initiatives and programs that boosted its staff technical, leadership and personal skills, so they continue improving their own professional growth.

TRAINING AND DEVELOPMENT

GRI 404-1, 404-3 | CSA 3.4.1

Training & Development (Average Training Hours per Employee)	2019	2020 ¹	2021	2022
Average Training Hours Employees	55	13	25	22
Female	37	16	41	37
Male	90	15	22	19
Operative	40	9	48	11
Administrative and Management	55	18	35	41
Average amount spent per FTE, USD	579	216	360	425

1.- In 2020 the average training hours per employee decreased to 13 due to the pandemic.

HUMAN CAPITAL RETURN ON INVESTMENT

GRI 404-1, 404-3 | CSA 3.4.3

Human Capital Return on Investment (\$ million MXN)	2019	2020	2021	2022
Total Revenue	119,685	113,989	156,224	212,435
Total Operating Expenses	111,588	107,679	137,573	188,344
Total employee-related expenses (salaries + benefits)	5,365	6,319	7,348	7,538
Human Capital ROI¹, MXN	2.5	2.0	3.5	4.2
Total Employees	5,874	6,283	6,396	7,259

1.- Human Capital ROI calculated based on: (Total Revenue – (Total Operating Expenses - Total employee-related expenses))/ Total employee-related expenses.



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ALPEK'S SAFETY

GRI 403-1 to 9 | CSA 3.5.1 to 6

Alpek constantly invest in its employees' health and safety, from running vaccination campaigns to weight-loss contests, Alpek looks to ensure a safe and healthy workplace. Every business unit has a Health and Safety system in place and mechanisms to respond to every emergency, as well as occupational medical care, periodic examinations, and monitoring of health programs. Even though safety is a top priority, regrettably, in 2022, Alpek experienced its first fatality in the last 6 years. The incident occurred in a newly acquired facility in Oman, where a contractor colleague lost his life by mishandling of a site forklift. All serious injuries are thoroughly reviewed up to the executive level and special high focus will be given to future new sites added to Alpek's network. Alpek strives to learn from all incidents and improve its standard working methods across the organization.



“Alpek Plans to Reach a Total Recordable Incident Rate (TRIR) for its employees and contractors in the top decile of its industry, though its goal remains to achieve zero accidents every single day”

TOTAL WORKFORCE SAFETY

GRI 403-3, 403-9 & 403-10 | SASB RT-CH-320a.1 | CSA 3.5.3, 3.5.4

Total Personal Safety Overview (Employees + Contractors)	2019	2020 ^{1,2}	2021 ^{1,2}	2022
Total Recordable Incidents (number of incidents)	85	66	64	66
Incapacitating Incidents (number of incidents)	21	39	42	42
Non incapacitating Incidents (number of incidents)	64	27	22	24
Fatalities (number of incidents)	0	0	0	1
Lost days (number of days)	1,891	0	1,102	1,228
TRIR – Total Recordable Incident Rate (200,000 hours worked)	1.40	0.73	0.61	0.57
LTIR – Total Time Injury Rate (200,000 hours worked)	0.34	0.43	0.40	0.36
Hours Worked by Alpek Employees (number of hours)	12,106,363	18,115,015	21,077,638	23,156,390

EMPLOYEES BREAKDOWN

Employee Safety Overview	2019	2020 ^{1,2}	2021 ^{1,2}	2022 ³
Total Recordable Incidents (number of incidents)	NA ¹	48	50	48
Incapacitating Incidents (number of incidents)	NA ¹	29	33	33
Non incapacitating Incidents (number of incidents)	NA ¹	19	17	15
Fatalities (number of incidents)	NA ¹	0	0	0
TRIR – Total Recordable Incident Rate (200,000 hours worked)	NA ¹	0.76	0.71	0.65
LTIR – Total Time Injury Rate (200,000 hours worked)	NA ¹	0.45	0.47	0.45
Hours Worked by Contractors (number of hours)	NA ¹	12,884,601	14,003,671	14,764,474



CONTRACTORS BREAKDOWN

CSA 3.5.5

Contractors Safety Overview	2019	2020 ^{1,2}	2021 ^{1,2}	2022
Total Recordable Incidents (number of incidents)	NA ¹	18	14	18
Incapacitating Incidents (number of incidents)	NA ¹	10	9	9
Non incapacitating Incidents (number of incidents)	NA ¹	8	5	9
Fatalities (number of incidents)	NA ¹	0	0	1
TRIR – Total Recordable Incident Rate (200,000 hours worked)	NA ¹	0.68	0.39	0.43
LTIR – Total Time Injury Rate (200,000 hours worked)	NA ¹	0.38	0.25	0.21
Hours Worked by Contractors (number of hours)	NA ¹	5,230,414	7,073,967	8,391,916

1.- This information was not previously disclosed.

2.- Personal safety Data of 2020 and 2021 Includes Employees + Contractors working in all sites; Plants, Offices and Warehouses

PROCESS SAFETY EVENTS TIER 1

Alpek has thoroughly identified the Process Safety Events that have occurred in its various sites during 2022, in accordance with the definition established by the Center for Chemical Process Safety (CCPS).

Process Safety Events Tier 1	2019	2020	2021	2022
Number of tier 1 process safety events per 1,000,000 hours	NA ¹	NA ¹	1.89	0.73

1.- This information was not previously disclosed.



HUMAN RIGHTS & CODE OF ETHICS

CSA 3.2.1, 3.2.2

From effectively executing anti-bribery and corruption practices, to providing constant training on Alpek's values and how Alpek does business, Alpek makes sure ethics are ingrained in its company culture. Alpek has deployed an Alpek Code of Ethics as well as a Human Rights Policy, to enhance its commitment as a company to its employees' and communities' human rights.

Every Business Unit carries out their own Human Rights due diligence process in which they consider the following elements:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining
- Safe and Hygienic working conditions
- Prohibition of child labor
- Living wages are paid.
- Working hours are not excessive
- No discrimination is practiced
- No harsh treatment is allowed

HUMAN RIGHTS

Alpek has a Human Rights Policy which is one of the public documents/controls that is implemented to mitigate any violation of Human rights in the operations as much as possible.

Part of its mitigation of violation of Human Rights plans is the implementation of: Alpek's Human Rights Policy, full compliance with national and international labor regulations, the commitment to the UN Global Compact Principles, and the adherence to the ILO Convention recommendations. This ensures that all of Alpek's sites have the necessary measures implemented to respect Alpek's employees and nearby communities' human rights.

All cases of human rights violations can be communicated through the Integrity and Transparency Helpline and are addressed in a timely manner. In 2022, Alpek had zero cases of this nature, and it is intended to continue that way.

Alpek also makes sure that its employees that become new parents take the proper leave time with their newborn or adopted child/children.



OHS PROGRAMS

GRI 403-1, 403-2, 403-7, 403-8, 403-9 | CSA 3.5.2

Alpek's Business Units all have implemented OHS programs in order to comply with their safety requirements within operations. These activities include:

- Hazard identification and analysis
- Action plans to reduce, mitigate and eliminate safety hazards
- Emergency internal and external action plans
- Measuring of the TRR (Total Recordable Rate)

All employees are involved in the safety processes, either through direct participation or access to communication channels and consultation to the programs that structure the OHS system. Alpek aims at their participation, contribution, and consultation through the following OHS programs (among others):

- Internal Commission for Accident Prevention
- Participation in Campaigns and SMS Awareness Training
- Effective participation in the record of deviations
- Effective participation in behavioral audits
- Participation in the Daily Safety Dialogues
- Participation in the Disclosure of Hazard and Risk Assessments
- Disclosure and Consultation of the PCMSO Program (Occupational Health Medical Control Program)
- Dissemination and Consultation of the PPRA Program (Environmental Risk Prevention Program)
- Disclosure and Consultation of Preliminary Risk Analysis
- Preparation and Consultation of Task Safety Analysis
- Transparency Channel - (Reports, complaints and doubts about lack of integrity, ethics, transparency in the company).

Some of the activities covered by the OHS programs are:

- Industrial Activities (operational maneuvers, equipment inspection, maintenance, electricity services, process control, activity releases, area round, sample collection)
- Activity in Mechanical Workshops (maintenance, cargo handling, lubrication, calibration, repair, cutting and welding)
- Transport (internal and external circulation of employees)
- Logistics (storage, material handling, packaging, production planning, supply and distribution)
- Laboratory (chemical, physical-chemical analysis, control materials, processes and products)
- Engineering (project design, construction monitoring, construction inspection, techniques to optimize processes)
- Patrimonial (preservation of patrimonial assets, people access control, internal security)
- Health Service (urgent and emergency care, occupational medical care, periodic examinations, issuing technical reports, monitoring of health programs)
- Emergency Assistance (claims handling, fire, explosions, leakage, spill, occupational accidents)
- Warehousing (Receipts of materials, storage of products, movement of materials and distribution)



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CODE OF ETHICS

CSA 1.5.2, 1.5.3

Alpek's Code of Ethics is the main document that dictates the guidelines for all company's and employees' behavior.

INTEGRITY AND TRANSPARENCY HELPLINE

GRI 2-26, 406-1 | CSA 1.5.4, 1.5.5

As part of the process of engaging in the most transparent and effective ways with Alpek's stakeholders, there are a specific process.

Alfa and Alpek Policy Highlight

- Alpek listens to complaints from all stakeholders.
- Alfa and Alpek are committed to processing them with transparency, fairness, keeping information confidential and protecting the whistleblower.
- Alpek uses Alfa's integrity and transparency hotline.
- Complaints can be submitted by email, website, WhatsApp and phone helplines.
- There is a minimum of information required for the complaint to be processed:
 - Name or anonymous
 - Person and company that is being reported
 - Date of the complaint
 - Details of the complaint
- The companies will protect the identities of the participants and will hold and manage them confidentially.

All Alpek's companies are supported by the Alfa Integrity and Transparency Helpline

- Alfa's Internal Audit department manages the Integrity and Transparency Helpline, as they have the proper operational processes and infrastructure required for its functioning.
- All complaints are monitored until their conclusion.
- It offers free and accessible multilingual communication channels to file complaints.
 - 1-800 Phone available in 31 countries
 - Emails received in any language
 - Website <http://www.alfa.com.mx/transparency.html> and <http://www.alpek.com/transparency-mailbox.html>
 - WhatsApp in various countries
- Integrity and Transparency Helpline communication and presence:
 - Internet: Websites of Alfa & subsidiaries
 - Pocket Calendars and Posters
 - Business documents: orders, requests, invoices, etc.
 - Annual company campaigns: Screensavers, mailing, videos, posters.

Country	Phone
Argentina	0800-444-5685
Brazil	0800-892-2016
Chile	800-914-378
Canada	1-866-238-2860
Mexico LD	52-818-748-2991
Mexico	01-800-265-2532
USA	1-866-482-1957





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DUE DILLIGENCE PROCESS

CSA 1.5.4

How Alpek's complaint-case is processed, through the integrity and transparency helpline:



- All Alpek's sites are governed by this Due Diligence Process
- The Internal Audit of Alfa does the investigation and analysis.
- Depending on the complaint, additional company personnel may be involved to help the investigation.
- Violation or non-compliance, or the making of any act in violation of Alpek's Code of Ethics, Whistleblower, and/or Human Rights Policy, will result in disciplinary action, which may include termination of employment.



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BREACHES TO HUMAN RIGHTS AND CODE OF ETHICS

GRI 412, 205-2 & 205-3 | CSA 1.5.2, 1.5.3, 1.5.4, 1.5.5, 3.2.4

The following are the results from Alpek's Integrity and Transparency Helpline:

Breaches To Human Rights and Code of Ethics Overview (Number of complaints and/or issues)	2019	2020	2021	2022
Human Rights	0	0	0	2
Forced Labor	NA ¹	NA ¹	NA ¹	0
Human Trafficking	NA ¹	NA ¹	NA ¹	0
Child Labor	NA ¹	NA ¹	NA ¹	0
Freedom of association	NA ¹	NA ¹	NA ¹	0
Right to collective bargaining	NA ¹	NA ¹	NA ¹	0
Equal Remuneration	NA ¹	NA ¹	NA ¹	2
Code of Ethics	3	4	15	9
Corruption – Bribery against the Government	0	0	0	0
Corruption – Bribery against the Company	3	4	12	3
Discrimination - Harassment	0	0	3	4
Customer Privacy Data	NA ¹	NA ¹	NA ¹	0
Conflicts of Interest	NA ¹	NA ¹	NA ¹	2
Money Laundering or Insider trading	NA ¹	NA ¹	NA ¹	0
Total of Verified and actionable Complaints²	3	4	15	11
Total Complaints received	NA¹	NA¹	NA¹	14
Resolution during the year in analysis of Total Complaints received	NA¹	75%	73%	89%

1.- This information was not previously disclosed.

2.- In accordance to internal process, all complaints are analyzed in an equal manner by Alpek's auditing and human capital functions, and are fully investigated in a step to step escalation procedure. Those complaints which are verified and escalated to action resolution are considered "verified".

In response to the verified complaints process, and in accordance with Alpek's Human Rights and Code of Ethics Policy, the following summarized actions were issued and documented in response to the previously mentioned cases:

- Equal remuneration. Action: Detailed verbal feedback.
- Corruption – Bribery against the Company. Action: Administrative record, detailed verbal feedback, collaborator dismissal or resignation.
- Discrimination – Harassment. Action: Detailed verbal feedback and commitment letter
- Conflict of Interest. Action: Detailed verbal feedback.

CUSTOMER SATISFACTION MEASUREMENT

In 2022, Alpek's Business Units carried out customer satisfaction assessments, resulting in a 93% average on satisfaction parameters. Alpek aims to continue improving the quality, sustainability, and performance of its products to fulfill its customers' expectations and requirements.



ENVIRONMENTAL

ENVIRONMENTAL INVESTMENTS

CSA 2.1.4

During the last five years, Alpek has invested more than US \$162 million in environmental projects to reduce emissions, waste generation, water, and energy consumption.

ENVIRONMENTAL AND WATER-RELATED INCIDENTS

GRI 2-27 | CSA 2.1.5, CSA 2.5.6 | SASB RT-CH-140a.2

Environmental and Water- Related Incidents or Situations (number of incidents)	2019	2020	2021	2022
Non-compliance associated with environmental permits, standards, and regulations	0	0	0	0
Governed by national, state, and local statutory permits and regulations	0	0	0	0

ENVIRONMENTAL COMMITMENTS

Alpek has updated its Environmental Policy in order to improve the coverage of its scope. Some of the new environmental commitments in the Policy are explained below:

GRI 2-24, 304-1 to 4 | CSA 2.1.1, 2-7

BIODIVERSITY

Alpek is aware of the importance and the impact that the biodiversity has in its day to day life. Alpek commits to promote and preserve biodiversity in all its business activities, and strive to minimize its impact on the natural world.

ANIMAL TESTING FREE

Alpek condemns any form of animal abuse, cruelty, and exploitation. The organization stands against animal testing, even if it does not apply to its business practices and nature.

DEFORESTATION

Alpek commits to carrying out its operations responsibly, considering the forests' ecological impacts it may have at all its sites and across its value chain.



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MATERIALS

The responsibility of Alpek's procurement processes as well as the correct disposal of its process'waste and products is essential to fight pollution and continue advancing towards a circular economy business model. Alpek continuously dives deeper into its processes in each business unit to identify the areas in which a circular design can be improved upon.

GRI 301-1 to 306-4 | CSA 2.4.1 to 3 | SASB RT-CH-150a.1

Main Raw Materials used by Weight (Thousands of tons)	2019 ¹	2020	2021	2022
PTA	NA ¹	2,596	2,181	2,929 ²
Paraxylene	NA ¹	2,241	1,749	1,690
MEG	NA ¹	773	848	1,009 ²
Propylene	NA ¹	446	458	454
Styrene	NA ¹	246	396 ³	405
Acetic Acid	NA ¹	129	107	82
Main Raw Materials	NA ¹	6,431	5,554	6,569

1.- This information was not previously disclosed.

2.- MEG and PTA increased due to Octal's acquisition.

3.- There was an increased in styrene due to the integration of NOVA sites in Styropek.

4.- In 2022, 0.04% of the raw materials came from 100% renewable sources.

PRODUCTION

To accurately measure Alpek's intensities (energy, emissions, water), production is calculated in metric tons.

Production by Segment (million tons)	2019	2020	2021	2022
Polyester	3.49	5.34	5.25	5.28
Plastics & Chemicals	0.90	1.05	1.11	0.97
Total	4.38	6.39	6.36	6.25



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GREEN PRODUCTS

Alpek has set the following targets related to circularity and product recycling for some of their main product segments:



PET: Alpek plans to increase its PET bottle recycling capacity to 300 thousand annual metric tons by 2025 to meet its customers' recycled content needs.

PP: Alpek will leverage its partnerships to develop recycling solutions for Polypropylene and increase its share of Copolymers, employed in long-term usage applications.

EPS: Alpek commits to growing its long-term usage and sustainable applications for EPS, work on biodegradable alternatives, and increase recycling content in select products to at least 30% by 2030.

Below you will find a summary of the main information regarding Alpek's green products.

GRI 301-2

rPET (k tons)	2019	2020	2021	2022
Input (bottles)	99.1	99.1	108.3	121.7
Capacity- Bottle to Flake	115	132	268	268
Capacity- Flake to Pellet	-	45	95	137
Capacity- Pellet to Single Pellet	-	30	30	70
Capacity- rPET sheet	-	-	-	33

CSA 2.6.10

Low Carbon Products ¹ (% of total revenue)	2019	2020	2021	2022
rPET, PET and EPS for construction ²	45%	57%	51%	52%

1.- Comparing to its pee

2.- The use of EPS in construction enables a third party to avoid GHG emissions due to its isolation properties in buildings and houses, reducing heating and cooling energy consumption

LCAs

GRI 416-1 and 2, CSA 2.8.2

Life Cycle Assessment Approach (% of Total Main Family Products ²)	2019	2020	2021	2022
Full LCAs	NA ¹	NA ¹	NA ¹	9%
Simplified LCAs	NA ¹	NA ¹	NA ¹	6%
Other externally recognized tools (e.g. material flow accounting, ecological footprint, MIPS)	NA ¹	NA ¹	NA ¹	0%

1.- This information was not previously disclosed. 2.- Alpek has 33 main families' products across its business units.



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WASTE GENERATION

As Pollution is one of Alpek's material issues, its generation, reuse, and final destination and use is constantly monitored in the processes.

NON- HAZARDOUS WASTE

GRI 306-4 | SASB RT-CH-150a.1

Non-Hazardous Waste (ktons)	2019	2020	2021 ¹	2022 ²
Waste Generated	69	78	83	104
Used/recycled/sold	33	45	48	31
Total Disposed	36	33	36	73

NON-HAZARDOUS WASTE DISPOSAL DESTINATION

GRI 306-4 | SASB RT-CH-150a.1

Waste Disposal Destination (ktons)	2019 ¹	2020 ¹	2021 ¹	2022
Landfill	NA ¹	NA ¹	NA ¹	60
Incineration with energy recovery	NA ¹	NA ¹	NA ¹	3.8
Composted	NA ¹	NA ¹	NA ¹	8.7
Confined	NA ¹	NA ¹	NA ¹	0.2
Other	NA ¹	NA ¹	NA ¹	0.1
Total Disposed	NA¹	NA¹	NA¹	73

HAZARDOUS WASTE

GRI 306-2 & 306-4 | CSA 2.4.2 | SASB RT-CH-150a.1

Hazardous Waste (ktons)	2019	2020	2021 ²	2022
Waste Generated	2.7	1.8	2.3	1.8
Used/recycled/sold	0.2	0.5	0.7	0.5
Total Disposed	2.5	1.3	1.5	1.3

1.- This information was not previously disclosed

2.- The addition of 2 new plants at the end of 2020 (M&A NOVA EPS business) resulted in an increase in the total waste generation for 2021 vs. 2020.





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HAZARDOUS WASTE DISPOSAL DESTINATION

GRI 306-2 & 306-4 | CSA 2.4.2 | SASB RT-CH-150a.1

Waste Disposal Destination (ktons)	2019 ¹	2020 ¹	2021 ¹	2022
Landfill	NA ¹	NA ¹	NA ¹	0.3
Incineration with energy recovery	NA ¹	NA ¹	NA ¹	0.07
Composted	NA ¹	NA ¹	NA ¹	0.05
Confined	NA ¹	NA ¹	NA ¹	0.2
Other	NA ¹	NA ¹	NA ¹	0.7
Total Disposed	NA ¹	NA ¹	NA ¹	1.3

WASTE INTENSITY

Hazardous & Non-Hazardous Waste Intensity (tons total waste / ktons produced)	2019	2020	2021 ²	2022
Waste Generated	16.3	12.4	13.4	16.9
Used/recycled/sold	7.6	7.1	7.7	5.0
Disposed	8.7	5.3	5.9	11.9

1.- This information was not previously disclosed

2.- The addition of 2 new plants at the end of 2020 (M&A NOVA EPS business) resulted in an increase in the total waste generation for 2021 vs. 2020.



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ENERGY

One of Alpek's business goals is to be more process-efficient, and to increase the use of alternative energies in order to reduce the CO₂ footprint.

ENERGY CONSUMPTION

GRI 302-1 to 302-5 | CSA 2.3.1

Energy Consumption by Segment (million GJ)	2019 ¹	2020 ^{1,2}	2021 ^{1,2}	2022
Polyester	28.1	29.1	29.2	29.7
Plastics & Chemicals	5.4	3.8	5.5	3.7
Total	33.5	33.0	34.7	33.4

ENERGY CONSUMPTION BY TYPE OF FUEL

Energy Consumption by Fuel (million GJ)	2019 ¹	2020 ^{1,2}	2021 ^{1,2}	2022
Natural gas	14.7	13.3	15.2	13.8
Coal	0.3	-	-	-
Diesel	0.4	0.4	0.4	0.1
Fuel oil	0.0	0.0	0.0	0.3
Gasoline	0.0	0.0	0.0	0.0
Ethanol	0.1	0.1	0.0	0.0
Others	0.0	0.0	0.0	0.0
Total Direct Consumption	15.5	13.8	15.7	14.3
Electricity	7.1	7.1	7.6	7.5
<i>% Renewable Electricity</i>	<i>NA³</i>	<i>NA³</i>	<i>13%</i>	<i>19.7%</i>
Steam	10.9	12.0	11.5	11.6
Indirect Energy Consumption	18.0	19.1	19.1	19.1
Total Energy Consumption	33.5	33.0	34.7	33.4

ENERGY INTENSITY

Energy Consumption intensity (GJ / Ton Produced)	2019	2020	2021	2022
Intensity	7.6	5.2	5.5	5.3

1.- Due to M&A at the end of 2020 and some changes in the current methodology, this information has been revised and adjusted.

2.- The addition of 2 new plants at the end of 2020 (M&A NOVA EPS business) and the higher production of CPL, resulted in an increase in the total energy consumption for 2021 vs. 2020.



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ALPEK'S REPORTED EMISSIONS

GRI: 305-1 to 7 ITCFD: All elements | SASB: RT-CH-110a-1 | CSA 2.2

CO₂ emissions is one of the most relevant material issues for Alpek. In 2022 Alpek set reduction targets for its scope 1, 2 and 3 emissions (SBTi), which means that all Alpek's processes, energy sources, and relations with value chain must improve to achieve the desired targets. In addition, the company is constantly improving its data gathering process and calculation methodology to have more accurate and updated figures. The following section includes the emissions reported in previous years; however, the emissions from newly acquired sites emissions are reported following their acquisition. Alpek's emissions, along with the integrated history can be found in the section: "CO₂ EMISSIONS REPORTED UNDER SBTI CRITERIA".

CO₂ EMISSIONS REPORTED

SCOPE 1 & 2

CSA 2.3.1

Emissions by Scope (million CO ₂ tons)	2019 ¹	2020 ^{1,2}	2021 ^{1,2}	2022 ³
Scope 1	1.20	0.94	1.08	0.91
Scope 2	1.29	1.29	1.27	1.36
Total	2.49	2.23	2.35	2.27

TOTAL CO₂ EMISSIONS INTENSITY

Scope 1 and 2 Emissions intensity	2019	2020	2021	2022
Intensity (Tons CO ₂ Emissions / Tons Produced)	0.56	0.35	0.37	0.36
Intensity (kTons CO ₂ Emissions / MUSD Revenues)	0.40	0.42	0.31	0.22

1.- Due to M&A at the end of 2020 and some changes in the current methodology this information has been revised and adjusted.

2.- The addition of 2 new plants at the end of 2020 (M&A NOVA EPS business) and the higher production of CPL, resulted in an increase in the total CO₂ emissions for 2021 vs. 2020.

3.- Accounts for the addition of newly acquired Octal sites.

OTHER GHG EMISSIONS

GRI 305-1 & 305-2 | CSA 2.2.4, 2.2.5, 2.2.6 & 2.4.3 | SASB RT-CH-110a.1 & RT-CH-120a.1

GHG Emissions by Gas (tons)	2019	2020	2021	2022
NOx	779	455	498	405
SOx	95	263	30	94
Volatile Organic Compounds (VOCs)	816	674	711	984
Chemical Oxygen Demand ¹	295	292	296	5,247

1.- In order to improve our COD's tracking, in 2022 we have improved our measuring methodologies and systems in several of our sites, resulting an increase in our COD's measurements.



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CO₂ EMISSIONS REPORTED UNDER SBTI CRITERIA

During 2022, the Science Based Target Initiative (SBTi) validated and approved Alpek's GHG emissions reduction target, which can be found at www.alpek.com/esg/targets and is the following: "Reduce by 27.5% our Scope 1 and 2 emissions, and 13.5% Scope 3 emissions by 2030 (2019 base)". This initiative aligns with the Paris Agreement to maintain the global temperature rise to no more than 2°C, where Alpek has committed to contribute to this effort.

Note: SBTi Base includes CO₂ emissions of all Alpek's original sites and its newly acquired sites (regardless of the year). This year the base has been adjusted to include Octal' emissions history (2022 new acquisition). In 2022, Alpek achieved a reduction of 15% of S1&2 emissions compared to its 2019 SBT Base¹. These figures follow the GHG protocol.

SCOPE 1 & 2

CSA 2.2.1, 2.2.2

CO ₂ Emissions by Scope (SBTi based) ¹ (Millions of tons)	2019	2020	2021	2022
Scope 1	1.34	1.10	1.16	0.95
Scope 2	1.43	1.43	1.47	1.40
Total Scope 1 & 2	2.77	2.54	2.63	2.35
Scope 3	20.95	21.31	24.65	25.11

SCOPE 3

CSA 2.2.3

Scope 3 Emissions (Millions of tons CO ₂ e)	2019	2020	2021	2022
Purchased Goods and Services	7.27	7.37	7.80	7.69
Capital Goods	0.29	0.12	0.14	0.19
Fuel-and-energy-related- activities (not included in Scope 1 or 2)	0.19	0.19	0.21	0.20
Upstream transportation and distribution	0.97	0.91	0.76	0.66
Waste generated in operations	0.02	0.02	0.02	0.04
Business travel	0.0003	0.0001	0.0001	0.0007
Employee commuting	0.01	0.01	0.01	0.01
Upstream leased assets	-	-	-	-
Downstream transportation and distribution	0.08	0.08	0.08	0.08
Processing of sold products	7.78	7.64	7.76	7.56
Use of sold products	2.23	2.88	5.81	6.76
End of life treatment of sold products	1.96	1.95	1.92	1.82
Downstream leased assets	-	-	-	-
Franchises	-	-	-	-
Investments	0.16	0.14	0.14	0.11
Other upstream	-	-	-	-
Other downstream	-	-	-	-
Total Scope 3	20.95	21.31	24.65	25.11

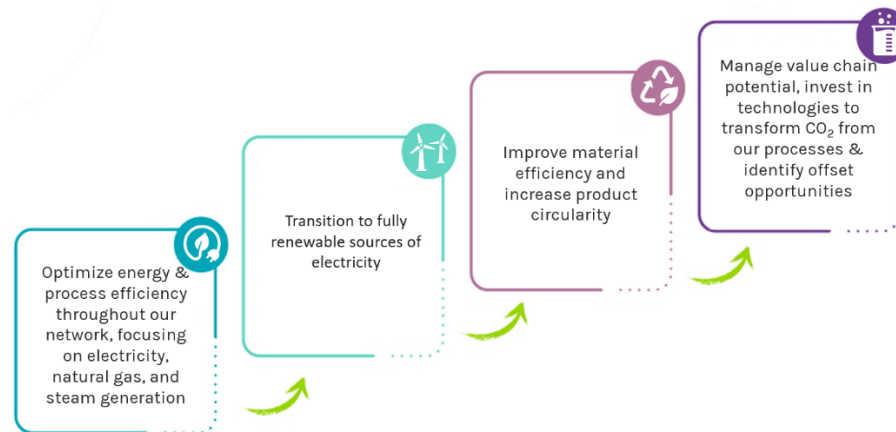


SCIENCE
BASED
TARGETS

“Alpek commits to reduce absolute scope 1 and 2 GHG emissions by 27.5% by 2030 from a 2019 base year. Alpek also commits to reduce scope 3 emissions by 13.5% within the same time frame.”

STRATEGY OF DECARBONIZATION

This is the broad guideline Alpek is following to achieve its main decarbonization goals for Scope 1 and Scope 2:



Additionally, Alpek has a defined strategy to reach its 2030 goal to decrease their Scope 1 & 2 emissions by 27.5%, which is just the first step to also reach carbon neutrality by 2050. The roadmap to achieve the 2030 goal is summarized below:

	2019 SBTi Base	2022	Efficiency Projects + Expected Growth Balance	Additional Renewables	2030 Target
Million Tons	2.77	2.35	-0.12	-0.22	2.01
% of Change	0%	15.2%	4.3%	8.0%	27.5%

Regarding Alpek's Scope 3 emissions reduction, Alpek will continue to look for opportunities to work closely with its value chain.



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GHG EMISSIONS THIRD PARTY VERIFICATIONS

CSA 2.1.3

KPI	Location	Third Party	2019 ¹	2020 ¹	2021 ¹	2022
GHG emissions CO ₂ S1&S2, CH ₄ , N ₂ O, HFCs, PCFs, NF, SF	Cosoleacaque, Ver., Mexico	The Climate Registry	Verified	Verified	Under current verification	Next to verify
	Montreal, Quebec, Canada	The Climate Registry	-	Verified	Under current verification	Next to verify
	Fayetteville, NC, USA	The Climate Registry	Verified	Verified	Under current verification	Next to verify
	Columbia, SC, USA	The Climate Registry	Verified	Verified	Under current verification	Next to verify
	Bay St. Louis, MS, USA	The Climate Registry	Verified	Verified	Under current verification	Next to verify
	Charleston, SC, USA	The Climate Registry	Verified	Verified	Under current verification	Next to verify
	Richmond, IN, USA	The Climate Registry	-	-	Under current verification	Next to verify
	Reading, PA, USA	The Climate Registry	-	-	Under current verification	Next to verify
	Altamira, TS, México	The Climate Registry	-	-	-	Next to verify
	Ipojuca, PE, Brazil	The Climate Registry	-	-	-	Next to verify

1.- Some sites have yearly 3rd-party verification. 2021's emissions verification is ongoing and will be completed during the last quarter of 2023 to continue with the verification of 2022 emissions. Every year, new sites are included in the verification list.



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WATER MANAGEMENT

Water care and conservation is one of the main issues in the international agenda and the Sustainable Development Goals. Alpek joins the global community efforts in its proper management to achieve these goals. As ~70% of Alpek's withdrawals are used for cooling processes, and this water is returned to its sources complying with the discharge quality standards applicable. The company has reassessed its strategies to be more focused on water consumption.

WATER CONSUMPTION

GRI 303-5 | CSA 2.5.1 | SASB RT-CH-140a.1

Water Consumption (Million m ³)	2019 ¹	2020 ^{1,2}	2021 ^{1,2}	2022
Total Withdrawals	113	116	153	149
Total Discharges	92	89	100	94
Total Consumption	21	28	53	55

WATER WITHDRAWAL BY SOURCE

GRI 303-3 | SASB RT-CH-140a.1

Water Withdrawals by Source (Million m ³)	2019 ¹	2020 ^{1,2}	2021 ^{1,2}	2022
Fresh surface water, including rainwater, rivers, and lakes	106.2	109.9	145.5	141.6
Municipal Water	1.1	1.5	2.8	1.5
Brackish surface water	-	-	-	-
Groundwater – renewable	2.6	1.5	2.1	0.9
Groundwater - non-renewable	-	-	-	-
Produced/Entrained water	0.9	0.9	1.0	1.0
Third-party sources	2.2	2.5	1.3	3.6
Total	113	116	153	149

WATER DISCHARGE BY DESTINATION

GRI 303-4 | SASB RT-CH-140a.1

Water Discharges by Destinations (Million m ³)	2019 ¹	2020 ^{1,2}	2021 ^{1,2}	2022
Fresh surface water	87.0	83.3	92.2	86.1
Brackish surface water	3.9	3.9	4.3	5.0
Groundwater	-	-	-	-
Third-party destinations	1.0	1.6	3.0	2.7
Total	92	89	100	94

1.- Due to M&A at the end of 2020 and some changes in the current methodology this information has been revised and adjusted.

2.- The addition of 2 new plants at the end of 2020 (M&A NOVA EPS business) and the higher production of CPL, resulted in an increase in the total water use for 2021 vs. 2020.



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WATER TREATMENTS

Water Management (million cubic meters)	2019 ¹	2020 ^{1,2}	2021 ^{1,2}	2022 ³
Treated	10.7	19.7	92.7 ²	93.3
Recycled	2.5	2.5	0.3	0.2
Total Treated water	13.2	22.2	93.0	93.5

WATER INTENSITY

Water Intensity (m ³ / Tons Produced)	2019 ¹	2020 ¹	2021 ¹	2022 ³
Total Withdrawals	25.8	18.2	24.1	23.9
Total Consumption	4.8	4.4	8.3	8.8

WATER RISK MANAGEMENT

GRI 303 | CSA 2.5.2 | SASB RT-CH-140a.1

Alpek constantly monitors the water risk on its sites through an analysis performed in the WRI Aqueduct platform. Based on the results, Alpek establishes strategies to reduce the water consumption and withdrawals in these sites.

Water Risk Management (Million m ³)	2019	2020	2021	2022
Operating Sites in Extremely High-Water Stress Areas (Number)	2	2	1	5
Water Withdrawals in Extremely High-Water Stress Operating Sites				
million cubic meters	1.5	1.3	0.5	1.0
% of total withdrawals	1.3%	1.1%	0.3%	0.7%
Water Consumptions in Extremely High-Water Stress Operating Sites				
million cubic meters	1.0	0.9	0.5	0.4
% of total consumption	4.8%	3.2%	0.1%	0.7%

1. Addition of 2 new plants at the end of 2020 (M&A NOVA EPS business) increased water withdrawals, consumption and discharges for 2021. Alpek is actively working on improving their performance.

2. Increment explained by improvement to water treatment data gathering methodology.





GOVERNANCE

BOARD OF DIRECTORS

Alpek's Board Members and Top Management are the base of the pyramid that support its sustainable mindset. In order to ensure proper initiative implementation, Alpek's Directors appointed ESG Champions at the Business Unit level, who along with the corporate ESG Team, have further developed Alpek's ESG Strategy and aligned it with the company's business objectives.

BOARD OF DIRECTORS COMPOSITION

GRI 405-1 | CSA 1.2.1, 1.2.2, 1.2.3

Board of Directors Composition (Number of Board Members)	2019	2020	2021	2022	2023 (YTD) ¹
Female	1	1	1	2	3
Male	10	10	10	9	11
Total	11	11	11	11	14

Board of Directors Independence Composition (Number of Board Members)	2019	2020	2021	2022	2023 (YTD) ¹
Independent	5	5	5	5	8
Independent Proprietary	2	2	2	2	1
Related Proprietary	2	2	2	2	3
Patrimonial	2	2	2	2	2
Total	11	11	11	11	14
Audit and Corporate Practices Committee	3	3	3	3	3

1.- For the purpose of this section, we have included the latest information to June 2023.

BOARD OF DIRECTORS ASSISTANCE

CSA 1.2.6

Board of Directors Assistance (% of Assistance)	2019	2020	2021	2022
Board Meetings	98%	100%	98%	98%
Corporate Practices Committees	98%	100%	100%	92%

1.- One of the board members, Francisco Garza Egloff, passed away at the beginning of 2022. This number does not include Francisco.



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BOARD OF DIRECTORS TENURE

CSA 1.2.7

Board of Directors Tenure (Boardmembers distribution)	2019	2020	2021	2022	2023 (YTD) ¹
10+	0	0	0	8	8
8-10	8	8	8	0	0
6-7	0	0	0	0	0
3-5	0	1	1	2	2
0-2	3	2	2	1	4

1.- For the purpose of this section, we have included the latest information to June 2023.

NON-EXECUTIVE BOARD MEMBERS REMUNERATION

Non-Executive Remuneration (\$ million MXN)	2019	2020	2021	2022
Non-Executive Board Members	413	347	409	424

SENIOR EXECUTIVE REMUNERATION

Senior Executive Remuneration (\$ MXN)	2019	2020	2021	2022
Board of Directors	60,000	60,000	70,000	70,000
Corporate Committee	40,000	40,000	50,000	50,000

BOARD'S OVERSIGHT

Alpek's Board of Directors oversees Alpek's management and overall strategy. In fulfilling this responsibility, the Board oversees the enterprise-level approach to major risks facing the company and identifies strategic opportunities.

The Board and its Chairman oversee the ESG-related progress, followed by Alpek's CEO, who leads the ESG strategy. Alpek's CFO, who manages the ESG function and acts as Alpek's Sustainability Officer, is responsible for the effective management and execution of the strategy across all the BUs.

To support this effort, the company consolidated its ESG Taskforce, formed by CEO, CFO, the Human Capital VP, IRO (also holds title of ESG VP), and the top executives from all the BUs. The objective of this group is to determine and oversee ESG initiatives and metrics, identify and mitigate ESG risks, and turn them into opportunities for the company's growth.

During Alpek's Board of Directors meetings, the management team presents the progress on all the initiatives and objectives that are strategic to the company, and any potential impacts on the ESG priority issues, for example; growth in the rPET capacity as an effort in conjunction with partners to foster a circular economy, innovation projects in which the company has enhanced its efforts in exploring technologies to make less carbon intensive processes, and efforts to grow more sustainable operations and products across all the Business Units, among others.





POSITION OF INDIVIDUALS ON THE BOARD WITH RESPONSIBILITY FOR CLIMATE-RELATED ISSUES GRI 2-9, 2-13 | CDP C1.1a

Position of individuals on the board with responsibility for climate-related issues	
Board Chair	Alpek's Chairman is independent of the management and has the highest authority on the board of directors to provide the vision, direction, and strategies to the company. Alpek's Chairman ensures that the business has a clear knowledge of its exposure to climate-related risks.
Board-Level Committee	Alpek's Audit & Corporate Practices Committee, appointed by the Board of Directors, consists of three independent members of the board and has the direct responsibility of supervising the effective strategies to address Climate Change issues and risks (including circular economy, energy eco-efficiency, and CO ₂ emissions). The Committee is also in charge of financial and administrative matters, and is evaluating the supervision of all other ESG-related matters.
Chief Executive Officer (CEO)	Alpek's CEO leads business continuity, opportunities, and impacts and is actively involved in managing climate-related risks and opportunities. In 2021, the ESG strategy was improved, positioning the contribution against climate change as a relevant factor considered into the growth catalysts. This means climate-related risks and opportunities are now fully integrated into the decision-making process, with Alpek's CEO and Top Management leading a more sustainable operation.
Chief Financial Officer (CFO)	Alpek has appointed its CFO as the ESG Officer to implement and coordinate Alpek's ESG Strategy throughout the Company. It also started the consolidation of the ESG Taskforce, formed by top executives from every Business Unit. Along with the ESG Officer, the ESG Taskforce is responsible for establishing and overseeing environmental initiatives and metrics of the company, identifying risks and opportunities (financial and others), building and implementing strategies, as well as gathering and analyzing information to be reported to Alpek's Board of Directors. Alpek's Innovation Department reports to the CFO, and along with ESG Department, it is constantly working on improving and developing products and solutions that are more sustainable.



CLIMATE-RELATED MANAGEMENT INCENTIVES

CSA 2.6.3

As part of the yearly company-wide target-setting activity, Alpek goes through a top-down objective process where different KPIs are set for all Business Units, which are directly tied to potential monetary remuneration at the end of the year. These KPIs vary from business to business as they cover different priorities such as financial, operational, sales, safety, environmental, budget, and strategic projects, to name a few. As ESG continues to grow in the priority list, Alpek's CEO, CFO, and all Business Unit Presidents now have ESG KPIs directly embedded in their management incentives, which are also cascaded down throughout their organizations from VPs to Executives and operational teams. Individual remuneration is calculated through an internal matrix that measures all the previously mentioned objectives (KPIs), company results and individual behaviours.

Below you will find a table showcasing which types of KPIs related to Environmental, Social, or Governance have been authorized for each individual's objectives and are in effect for the year 2023. All C-Suite objectives are revised and approved by Alpek's CEO, while the CEO itself has the objectives reviewed by the Company's Board of Directors.

Division	Role	ESG KPIs ¹		
		Enviromental	Social	Governance
C- Suite	Alpek CEO & President of Polyester Business			
	Alpek CFO			
	Sr. VP Human Capital			
	President of Polypropylene Business			
	President of Expandable Styrenics Business			
	President of Filament & Fertilizer Business			
	President of Specialty Chemicals Business			
	President of Natural Gas Business			

1. Green cell denotes the person has at least one KPI related to sustainability which is tied to their end of year remuneration. These KPI's, among others, are then cascaded to all individual Business Units.



POLICIES

As part of Alpek's ESG Risk Management processes, Alpek has improved its Environmental and Human Rights policies. Additionally, Alpek has implemented new policies including those related to Water, ESG, Tax and Whistleblowing, as well as the Code of Ethics. These additions reinforce Alpek's commitment towards these issues and provide specific procedures and guidelines in support of them.

GRI 2-23 | CSA 1.4.2, 1.7, 2.2, 2.3.4

Links
Conflict of Interest Policy
Code of Conduct
Safety, Health and Well-Being Policy
Human Rights Policy
Anticorruption Policy
Environmental Policy
Diversity, Inclusion, Equity Policy
Code of Ethics
ESG Policy
Water Policy
Tax Policy
Whistleblower Policy

INITIATIVES

Links
UN Global Compact - Alpek
UN Global Compact Letter of Commitment
Science Based Targets Initiative (SBTi) – Alpek's approval



CORPORATE GOVERNANCE

A strong corporate governance process, supported by policies and clear statutes are fundamental to build a sustainable governance body.

CEO COMPENSATION – SUCCESS METRICS

CSA 1.2.9

Short term compensation is a 3-factor combination multiplied to give us the result: 1) Number of months (based on the executive level) fixed; 2) Company bonus factor (CBF); 3) Performance matrix, considers the results of the strategic objectives compared to peers.

CBF is calculated using EBITDA, the budget EBITDA is considered the target and if the company reaches the factor to use its 80%, the target includes a range +/- x%, the X% is calculated depending on the historic results of the company.

CEO LONG-TERM PERFORMANCE ALIGNMENT

CSA 1.2.10

Salaries and benefits received by senior officers that were paid or accrued by Alpek consisting of base salary, benefits, and variable compensation programs. Alpek currently has a stock plan in place for Alpek's Executive Officers under which awards are granted and payable over a five-year period. The cash amounts payable during such period are based on quantitative and qualitative metrics such as financial results, the stock value of Alpek and Alfa, executive tenure in the Company, among others. The Board of Directors of Alfa has appointed a technical committee to manage the plan, and it reviews the estimated cash settlement of this compensation at the end of each year.

MANAGEMENT OWNERSHIP REQUIREMENTS	CSA 1.2.11 & 1.2.12	No, there are no share ownership requirements, and to the best of Alpek's knowledge, none of Alpek's relevant officers and Board of Directors members own more than 1% of Alpek's common shares.
GOVERNMENT OWNERSHIP	CSA 1.2.13	To the best of Alpek's knowledge, there is no Government ownership.
FAMILY OWNERSHIP	CSA 1.2.14	Founding individuals or family members individually do not have more than 5% of the voting rights.
DUAL-CLASS SHARES	-	There are no dual-class shares in the company.
STOCK SERIES AND RIGHTS	-	Alpek only have 1 series "A", all the shares have the same rights.



BOARD STRUCTURE

Alpek's board oversees its responsible corporate citizenship, ensuring that its business conduct is ethical and properly governed by focusing on among others.

GRI 2-9, 2-1 | CSA 1.2.1

The company is conformed of a 1 tier system. consisting of executive, non-executive and independent directors.

BOARD MEMBERS TYPE | INDEPENDENT "BOARD INDEPENDENCE STATEMENT"

ALPEK DEFINES INDEPENDENT DIRECTORS IN ACCORDANCE WITH THE MEXICAN SECURITY LAW (ARTICLE 29) AND THE CODE OF CORPORATE BEST PRACTICES PUBLISHED BY THE MEXICAN SECURITIES COMMISSION AND THE MEXICAN CEE (ADVISORY CORPORATE COUNCIL).

By legal provision, the Independent Council **cannot** be composed by the following persons:

- I. The relevant managers or employees of the company or of the legal entities that make up the business group or consortium to which it belongs, as well as the commissioners of the latter.
- II. Have been an employee or manager of the company during the last twelve months prior to the date of his appointment.
- III. Without being an employee or manager of the company, have significant influence^[1] or power of command^[2] over the managers of the same.
- IV. Being an advisor to the company or partner or employee of firms that act as advisers or consultants to the company or its affiliates and whose income depends significantly^[3] on this contractual relationship.
- V. Clients, service providers, suppliers, debtors, creditors, partners, directors or employees of a company that is a client, service provider, supplier, debtor or major creditor^[4]. It is considered that a client, service provider or supplier is important, when the company's sales represent more than ten percent of the total sales of the client, the service provider or the supplier, during the twelve months prior to the date of the appointment. Likewise, it is considered that a debtor or creditor is important, when the amount of the credit is greater than fifteen percent of the assets of the company itself or of its counterpart.
- VI. Being an employee of a foundation, university, civil association or civil society that receives important donations from society^[5].
- VII. Being a General Director or high-level official of a company in whose board of directors the General Director or a high-level official of the company in question participates;
- VIII. Those who are relative^[6] or related by consanguinity, affinity or civil up to the fourth degree, as well as the spouses, the common-law wife and the common-law partner, of any of the natural persons referred to in sections I to IV of this article.

It should be noted that in the preceding paragraphs when speaking of a company, the legal entity or persons that make up the business group to which the company belongs must be included.

A shareholder who does not exercise significant influence, or command power, or is linked to the management team of the company, may be considered as an independent director.



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1. Significant influence is considered to be the ownership of rights that allow, directly and indirectly, to exercise the vote of at least 20% of the capital stock.
2. It is the ability to decisively influence the agreements adopted in assembly or councils or in management.
3. If they represent significant income if it represents more than 10% of the advisor's income.
4. A customer or supplier is considered important when sales to or from the company represent more than 10% of the customer's or supplier's total sales, respectively. Likewise, it is considered that a debtor or creditor is important when the amount of the credit is greater than 15% of the assets of the company or its counterpart.
5. Important donations are considered to be those that represent more than 15% of the total donations received by the institution.
6. This assumption applies to the spouse and up to the fourth degree in the cases of consanguinity and affinity, for the cases of items i and ii; and to the spouse and up to the first degree in cases of consanguinity and affinity, for the cases set forth in subsections iii to vi.

BOARD DIVERSITY

CSA 1.2.5

Regarding diversity in the Board, in early 2022 Alpek welcomed a new female member as an independent member. This action is in concordance with Alpek's commitment on diversifying the Board's scope and expertise, as well as improving its composition and effectiveness.

BOARD EFFECTIVENESS

CSA 1.2.6

In Alpek's By-laws document, page 11, it declares that: "Independent board members and, where applicable, their alternates, will be selected based on their experience, ability, and professional reputation, further considering that due to their characteristics they can perform their duties free of conflicts of interest and without being subject to personal, financial, or economic interests. Independent board members who cease to be independent during their term, must make the Board of Directors aware of this fact no later than during the next meeting of the Board."

BOARD ELECTION PROCESS

CSA 1.2.6

In Alpek, Board members undergo an annual election and re-election process.

Board Election Process Results (% of votes)	2021	2022
In favour	97.6%	97.6%
Abstention	0%	0.8%
Against	2.4%	2.6%



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FINANCIAL INFORMATION

Alpek had an outstanding year regarding its financial performance. This drives Alpek to keep improving in its ESG practices, and provide always better solutions for its customers.

GRI 201-1

Key Metrics (U.S. \$ million)	2019	2020	2021	Ch. (%)	2022
Volume¹ (ktons)	4,385	4,801	4,798	6	5,065
Polyester	3,490	3,918	3,796	8	4,099
Plastics & Chemicals	895	883	1,002	(4)	966
Production (ktons)	4,385	6,390	6,366	(2)	6,251
Polyester	3,490	5,339	5,251	1	5,281
Plastics & Chemicals	895	1,051	1,115	(13)	970
Revenues	6,125	5,326	7,697	37	10,555
Polyester	4,718	3,976	4,828	45	6,991
Plastics & Chemicals	1,407	1,192	2,342	(1)	2,321
EBITDA	834	565	1,145	27	1,455
Polyester	428	324	618	43	886
Plastics & Chemicals	218	229	503	12	564
Others	188	11	25	(78)	5
Comparable EBITDA²	705	601	962	45	1,396
Polyester	474	372	458	80	823
Plastics & Chemicals	231	218	480	18	567
Others		11	25	(78)	5
Net Income (Controlling Interest)	342	150	385	76	679
CAPEX	270	162	227	280	862

1. Excludes intracompany sales

2. Excludes inventories, carry-forward effects, and non-operating, one-time (gains) losses

NON-AUDIT FEES

Non-Audit Fees (\$ millions USD)	2019	2020	2021	2022
Fee paid	3.8	2.8	3.4	25.8





TAXES

Alpek is committed to ensuring compliance with tax regulations in all countries where its operates. Alpek is a company that complies with all regulations applicable to its industry. Timely payment of taxes is one of the main activities Alpek carries out to fulfill its corporate civic duty.

CSA 1.8

Effective Tax Rate (U.S. \$ million)	2019	2020	2021	2022
Income before taxes	488	253	708	1,061
Income tax rate	30%	30%	30%	30%
Statutory income tax rate expenses	-146	-76	-212	-318
Taxes for permanent differences between accounting-taxable income	48	19	10	46
Total income tax	-98	-57	-202	-272
Effective tax rate	20%	23%	29%	26%
Comprised as follows:				
Current income tax	-127	-91	-212	-264
Deferred income tax	29	34	10	-8
Total income tax	-98	-57	-202	-272



ORGANIZATION CONTRIBUTIONS

CSA 1.6.1, 1.6.2

Alpek's Contributions and Other Spendings (\$M USD)	2022
Interest representation / Stakeholder Engagement	0
Local, regional, or national political campaigns / organizations / candidate	0
Trade associations or tax-exempt groups	1.92
Other	0
Total contributions (\$USD)	1.92
Data Coverage (% of sites)	100

POLITICAL INVOLVEMENT

We do not make contributions from corporate funds to political campaigns, super political action committees or political parties. We provide transparency by publishing the aggregate dues paid to trade associations that engage in lobbying activities. We list trade associations to which our company makes yearly payments of \$5,000 or more. Our Government Affairs (GA) team regularly assesses and evaluates the company's relationships with all current trade associations to ensure alignment with the company's strategies and positions. Our GA team actively participates and communicates with trade associations to help shape their agendas and priorities (e.g., serving on trade associations' boards and committees), and to maintain real-time knowledge of their advocacy positions and policies. We do not participate in any political action or spending in the United States and focus solely on engaging with governments for educational purposes.

MOST RELEVANT CONTRIBUTIONS

- Support sustainable development of chemical industries.

Alpek supports several institutions that promote sustainable economic and environmental development in the packaging and chemical industry among the countries where the company currently operates. These contributions assist to associations such as National Association for PET Container Resources, British Plastics Federation, Asociación Nacional de Ingeniería Química (ANIQ), among others. Alpek has contributed nearly \$942,000 USD.

- Recycling and Circular Economy

Alpek strengthens its commitment to circularity by actively supporting various institutions, including the Recycling Partnership, PET Container Recycling Europe, Comisión de la Industria del Plástico, Responsabilidad y Desarrollo Sustentable in Mexico, and others. These institutions promote synergy among their members to enhance recycling systems, showcase emerging technologies for recycling, and foster the adoption of best recycling practices. In 2022, Alpek made a financial contribution of approximately \$694,000 USD to organizations that support this matter.



COVERAGE

This report covers the operation performance of all companies under Alpek SAB, where Alpek holds ownership of 50 percent or more of total shares.

CSA 1.1.1

COVERAGE OF SOCIAL INDICATORS

Social Indicators (% of Sites)	2019	2020	2021	2022
Workforce	100%	100%	100%	100%
Safety	100%	100%	100%	100%

COVERAGE OF ENVIROMENTAL INDICATORS

Environmental Indicators (% of Sites)	2019	2020	2021	2022 ¹
Materials	100%	100%	100%	100%
Production	100%	100%	100%	100%
CO ₂ Emissions: Scope 1	100%	100%	100%	100%
CO ₂ Emissions: Scope 2	100%	100%	100%	100%
Other GHG Emissions	100%	100%	100%	100%
SBTi emissions Scope 1, Scope 2 and Scope 3	100%	100%	100%	100%
Energy Consumption	100%	100%	100%	100%
Energy Intensity	100%	100%	100%	100%
Water Withdrawals	100%	100%	100%	100%
Water Discharges	100%	100%	100%	100%
Water Consumption	100%	100%	100%	100%
Water Recycling	100%	100%	100%	100%
Water Intensity	100%	100%	100%	100%
Hazardous Waste	100%	100%	100%	100%
Non-hazardous Waste	100%	100%	100%	100%
Waste Intensity	100%	100%	100%	100%



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COVERAGE OF SITES

Environmental Indicators (% of Sites)	2019	2020	2021	2022
ALPEK, S.A.B. de C.V.	✓	✓	✓	✓
Grupo Petrotekem, S.A. de C.V.	✓	✓	✓	✓
DAK Americas LLC	✓	✓	✓	✓
DAK Mississippi Inc,	✓	✓	✓	✓
Clear Path Recycling, Co.	✓	✓	✓	✓
DAK Resinas Americas México, S.A. de C.V.	✓	✓	✓	✓
DAK Americas Exterior, S.L.	✓	✓	✓	✓
DAK Americas Argentina, S.A.	✓	✓	✓	✓
Compagnie Selenis Canada Inc.	✓	✓	✓	✓
Companhia Integrada de Textil de Pernambuco	✓	✓	✓	✓
Companhia Petroquímica de Pernambuco	✓	✓	✓	✓
Alpek Polyester UK LTD	✓	✓	✓	✓
Tereftalatos Mexicanos, S.A. de C.V.	✓	✓	✓	✓
Akra Polyester, S.A. de C.V.	✓	✓	✓	✓
Octal Holding SAOC ¹				✓
Indelpro, S.A. de C.V.	✓	✓	✓	✓
Polioles, S.A. de C.V.	✓	✓	✓	✓
Grupo Styropek, S.A. de C.V.	✓	✓	✓	✓
Styropek México. S.A. de C.V.	✓	✓	✓	✓
Styropek of Canada Corporation	✓	✓	✓	✓
Styropek USA, Inc.	✓	✓	✓	✓
BVPV Styrenics LLC	✓	✓	✓	✓
Beaver Valley ¹		✓	✓	✓
Painesville ¹		✓	✓	✓
Styropek Exterior, S.L.	✓	✓	✓	✓
Styropek do Brasil, Ltda.	✓	✓	✓	✓
Styropek, S.A.	✓	✓	✓	✓
Styropek Chile S.p.A.	✓	✓	✓	✓
Aislapol, S.A.	✓	✓	✓	✓
Unimor, S.A. de C.V.	✓	✓	✓	✓
Univex, S.A.	✓	✓	✓	✓
NEG Natural. S.A. de C.V.	✓	✓	✓	✓
NEG Power, S.A. de C.V.	✓	✓	✓	✓

1.- For SBTi, all the CO₂ emissions record since its creations are considered no matter the year of its acquisition.





CERTIFICATIONS

CSA 2.1.3

Product	Location	Certification
PTA	Altamira, TS, México	ISO 9001, ISO 14001, Clean Industry
	Columbia, SC, USA	SMETA
	Ipojuca, PE, Brazil	ISO 9001, ISO 14001, Responsible Care
	Cosoleacaque, Ver, México	ISO 9001, ISO 14001
PET Resin ¹	Columbia, SC, USA	ISO 9001, BRCGS 6, SMETA
	Ipojuca, PE, Brazil	ISO 9001, ISO 14001, Responsible Care
	Bay St. Louis, MS, USA	ISO 9001, BRCGS 6, SMETA
	Wilton, UK	ISO 9001, ISO 14001, EcoVadis
	Zárate, BA, Argentina	ISO 9001, SMETA
	Cosoleacaque, Ver, México	ISO 9001, BRCGS 6
	Fayetteville, NC, USA	ISO 9001, BRCGS 6
	Charleston, SC, USA	ISO 9001, BRCGS 6, SMETA
	Montreal, Quebec, Canada	FSSC 22000, SMETA
	Salalah, Oman	ISO 9001, ISO 14001, ISO 45001, ISO 17025
PET Sheet	Salalah, Oman	ISO 9001, ISO 14001, ISO 45001, ISO 17025
PET Packaging	Cincinnati, OH, United States	-
rPET	Riyadh, Saudi Arabia	ISO 9001, BRCGS 6
	Pacheco, BA, Argentina	SMETA
	Fayetteville, NC, USA	SMETA
	Richmond, IN, USA	SMETA
Fibers	Reading, PA, USA	SMETA
	Charleston, SC, USA	ISO 9001
Filaments	Monterrey, NL, Mexico	ISO 9001, ISO 14001, Clean Industry, Oeko-Tex, CT-PAT, GRS, Self-management
	Ipojuca, PE, Brazil	ISO 14001, Responsible Care
PP	Altamira, TS, Mexico	ISO 9001, ISO 14001, Clean Industry, Responsible Care, ESR, GEI
EPS	Altamira, TS, Mexico	ISO 9001, UL GreenGuard Cert., FM approved, ICC ES, Integral Responsibility, Crisis Management ALFA, International Sustainability & Carbon Certification (ISCC Plus), ISO 14001
	Monaca, Pensilvania, USA	ISO 9001, ISO 14001, Factory Mutual (FM) Approvals; UL/ICC-ES
	Guaratingueta, SP, Brazil	ISO 9001
	Painesville, OH, USA	ISO 9001, ISO 14001, Factory Mutual (FM) Approvals; UL/ICC-ES, International Sustainability & Carbon Certification (ISCC Plus)
	Concon, Valpo, Chile	ISO 9001
	Gral. Lagos, SF, Argentina	ISO 9001
ARCEL®	Monaca, Pensilvania, USA	ISO 9001, ISO 14001
Molded EPS	Santiago, RM, Chile	ISO 9001, PEC, SEDEX
	Puerto Montt, Lagos, Chile	ISO 9001, BRCGS 6
	Punta Arenas, Patagonia, Chile	-
CPL & Fertilizers	Salamanca, GT, Mexico	-
Other Chemicals	Lerma, MC, Mexico	ISO 9001, Clean Industry

1.- Includes SPT production (Single Pellet Technology) in Charleston, SC; Cosoleacaque, VZ & Bay St. Louis, MS



GRI INDEX – IN REFERENCE TO THE GRI STANDARDS 2021

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
GENERAL DISCLOSURES				
1: Organizational Profile				
2-1	Organizational details	ALPEK S.A.B de C.V. Annual Report 2022, pages 9 to 12.		
2-2	Entities included in the organization's sustainability reporting	All financial-controlled entities.		
2-3	Reporting period, frequency and contact point	The period covered is Jan 1st to Dec 31st 2022. We publish our sustainability report annually. Contact: Ntuma@alpek.com		
2-4	Restatements of information	Any restatement of information is indicated throughout the report and/or this booklet.		
2-5	External assurance	This report has not been assured by a third-party.		
2-6	Activities, value chain and other business relationships	Annual Report 2022, page 36.		
2-7	Employees	ESG Booklet 2022, pages 22, 28, and 39.	Diversity, Equity and Inclusion	
2-8	Workers who are not employees	Not applicable. We do not have workers that are not employed formally by the Company.		
2-9	Governance structure and composition	Annual Report 2022, pages 40 to 43.	Sustainable Corporate Governance	
2-10	Nomination and selection of the highest governance body	The Board of Directors of Alpek is currently composed of 14 members, all of them appointed as full-fledged directors, with no alternate directors in place. The current directors were elected for the year 2023 at the Annual General Shareholders' Meeting that took place on March 7th of that same year. The members of the Board of Directors are chosen based on their professionalism, business trajectory, leadership, experience and alignment with Alpek's values. No distinction is made for diversity factors such as gender, race, nationality and / or personal beliefs.	Sustainable Corporate Governance	
2-11	Chair of the highest governance body	Annual Report 2022, pages 40 to 43.		
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2022, page 27.	Sustainable Corporate Governance Active ESG risk Management	Goal 17: Partnerships for the goals
2-13	Delegation of responsibility for managing impacts	Annual Report 2022, page 27.	Sustainable Corporate Governance Active ESG risk Management	Goal 17: Partnerships for the goals
2-14	Role of the highest governance body in sustainability reporting	Annual Report 2022, page 27.	Sustainable Corporate Governance	



2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
			Active ESG risk Management	
2-15	Conflicts of interest	Alpek has a Conflict of Interest policy for the members of the Board of Directors and for its employees. This establishes that the responsibilities and duties of the members of the Board are governed by the Mexican Securities Market Law (LMV), applicable in Mexico to securities issuers, considering the Code of Professional Ethics of the Mexican Stock Market Community, the Code of Best Corporate Practices, and the internal regulations of the Mexican Stock Exchange. In accordance with the LMV, the members of the Board have a duty of diligence, so they must always act in good faith in the best interest of the company. They must keep confidentiality with respect to information and / or public matters of the company, as well as refrain from participating and being present in the deliberation and voting on matters that represent a conflict of interest. By policy, those members of the Board who may have a conflict of interest in the decision on any matter, must inform the Chairman and the other members, as well as refrain from participating in the discussion and exercising their vote at the meetings. In the case of employees, Alpek's policy states that they should avoid any situation in which their interests differ from those of the company. All employees who may have interests or relationships with current or potential suppliers or customers should inform their immediate supervisor.	Sustainable corporate governance	
2-16	Communication of critical concerns	Annual Report 2022, page 27.	Sustainable Corporate Governance	
2-17	Collective knowledge of the highest governance body	Each year, the learning dynamic within Alpek is strengthened in all areas of the company, including Alpek's management team. In 2022 Alpek strengthened the collective knowledge on ESG of its Top Management in order to develop the targets set for its 12 material issues. Alpek aims to continue with this practice, improving in every ESG area.		
2-18	Evaluation of the performance of the highest governance body	There are several evaluation methods for directors that measure various factors: attendance to meetings of the Board and the committees to which they belong, up to their participation in the deliberations and the effectiveness of the strategic decisions taken.	Sustainable Corporate Governance	
2-22	Statement on sustainable development strategy	Annual Report 2022, pages 24 and 25.	Active ESG risk management	
2-23	Policy commitments	Annual Report 2022, pages 24 and 25.	Active ESG risk management	
2-24	Embedding policy commitments	Annual Report 2022, pages 24 and 25.	Active ESG risk management	
2-25	Processes to remediate negative impacts	Annual Report 2022, pages 24 to 39.	Active ESG risk management	





2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
2-26	Mechanisms for seeking advice and raising concerns	ESG Booklet 2022, page 36.	Active ESG risk management	
2-27	Compliance with laws and regulations	Alpek complies strictly with all laws and regulations that pertains its industry.		
2-28	Mermbership in associations	ESG Booklet 2022, page 29.		
2-29	Approach to stakeholder engagement	ESG Booklet 2022, page 13.		
2-30	Collective bargaining agreements	ESG Booklet 2022, page 27.		
GRI 3 Material Topics 2021				
3-1	Process to determine material topics	Annual Report 2022, page 26. ESG Booklet 2022, pages 9 and 10.	Sustainable Corporate Governance Active ESG Risk Management	
3-2	List of material topics	ESG Booklet 2022, pages 9 and 10.	Active ESG Risk Management	
3-3	Management of material topics	Annual Report 2022, pages 20 to 40.	Active ESG Risk Management	
ECONOMIC PERFORMANCE				
201: Economic Performance				
201-1	Direct economic value generated and distributed	Annual Report 2022, page 12. ESG Booklet 2022, page 59.		Goal 2: Zero Hunger Goal 5: Gender equality Goal 7: Affordable and clean energy Goal 8: Decent work and economic growth Goal 9: Industry, innovation and infrastructure
201-2	Financial implications and other risks & opportunities due to climate change	ESG Booklet 2022, pages 15 to 21.	Carbon Emissions and Energy Eco-efficiency	Goal 13: Climate action
201-3	Defined benefit plan obligations and other retirement plans	The pension plans, support for education and medical assistance are available to 100% of Alpek's employees. The pension system is a fixed contribution plan to which the company and employees contribute the same amount, which ranges from 4 to 17% of the employee's total salary and varies according to applicable labor regulations. The resources to cover these benefits are contributed 100% by the company. Indelpro: Started in 2007 a fund called "grow" by 4%. Akra: Started in 2007 with a program in "Old mutual" from 4% to 17%. Alpek Polyester: Started in 2007 a fund called "Old mutual" of 4% of base salary. Univex: They do not have any additional program besides the AFOR. Polioles: Started in 2007 a fund called "Skandia" and is a contribution between 4% to 13.44%	Occupational Safety	Goal 8: Decent work and economic growth



2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
201-4	Financial assistance received from government	Alpek does not receive any financial aid from governments.		
202: Market Presence				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Country Minimum wage ratio - Alpek vs. legal minimum wage: Mexico 3.30 to 1, United States 2.07 to 1.	Diversity, Equity and Inclusion	Goal 4: Gender equality
202-2	Proportion of senior management hired from the local community	Approximately 90% of managers come from the same community where the operation is located.	Community Engagement	Goal 8: Decent work and economic growth
203: Indirect economic impacts				
203-1	Infrastructure investments and services supported	ESG Booklet 2022, page 29.	Community Engagement	Goal 17: Partnerships for the goals
203-2	Significant indirect economic impacts	Alpek has diverse significant indirect economic impacts, such as providing employment to its suppliers Tier 1 and 2.	Community Engagement	Goal 17: Partnerships for the goals
204: Procurement Process				
204-1	Proportion of spending on local suppliers	Approximately 56% of Alpek's spending comes from local suppliers. Annual Report 2022, page 36.	Relations with customers and suppliers	Goal 12: Responsible consumption and production
205 Anti-Corruption				
205-1	Operations assessed for risks related to corruption	All Alpek's plants.	Active ESG Risk Management	Goal 16: Peace, justice and strong institutions
205-2	Communication and training about anti-corruption policies and procedures	ESG Booklet 2022, page 38.	Sustainable Corporate Governance Active ESG Risk Management	Goal 16: Peace, justice and strong institutions
205-3	Confirmed incidents of corruption and actions taken	ESG Booklet 2022, page 38.	Active ESG Risk Management	Goal 16: Peace, justice and strong institutions



2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
206: Anti-Competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2022 there was no legal action against Alpek related to this aspect.		Goal 16: Peace, justice and strong institutions
ENVIRONMENT				
301: Materials				
301-1	Materials used by weight or volume	ESG Booklet 2022, page 40.	Circularity	Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production
301-2	Recycled input materials used	ESG Booklet 2022, page 40.	Circularity Pollution	Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production
301-3	Reclaimed products and their packaging materials	In 2022 there were no reclaimed products and their packaging materials. ESG Booklet 2022, page 40.	Pollution	Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production
302: Energy				
302-1	Energy consumption within the organization	Annual Report 2022, page 30. ESG Booklet 2022, page 44.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate Action
302-2	Energy consumption outside of the organization	Annual Report 2022, page 30. ESG Booklet 2022, page 44.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
302-3	Energy intensity	Annual Report 2022, page 30. ESG Booklet 2022, page 44.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
302-4	Reduction of energy consumption	Annual Report 2022, page 30. ESG Booklet 2022, page 44.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
303: Water and Effluents				
303-1	Interactions with water as a shared resource	Annual Report 2022, page 32.	Water Management	Goal 6: Clean water or sanitation
303-2	Management of water discharge-related impacts	Annual Report 2022, page 33.	Water Management	Goal 6: Clean water and sanitation
303-3	Water withdrawal	Annual Report 2022, page 32. ESG Booklet 2022, page 49.	Water Management	Goal 6: Clean water and sanitation



2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
303-4	Water discharge	ESG Booklet 2022, page 49.	Water Management	Goal 6: Clean water and sanitation
303-5	Water consumption	ESG Booklet 2022, page 49.	Water Management	Goal 6: Clean water and sanitation
304: Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Certain Alpek operations are located close to areas of high biodiversity. In the United States, Columbia plant is located 24 km from the Congaree National Park, while the Zarate plant in Argentina, is less than 25 km from the Paraná Delta Biosphere Reserve. Given that these are high-value areas for water and biodiversity, these facilities implement activities that contribute to water conservation and nearby habitats, such as funding habitat recovery and giving talks on species conservation. ESG Booklet 2022, page 39.		Goal 6: Clean water or sanitation Goal 14: Life below water Goal 15: Life on land
304-2	Significant impacts of activities, products, and services on biodiversity	Alpek operations do not affect these areas.		Goal 6: Clean water or sanitation Goal 14: Life below water Goal 15: Life on land
304-3	Habitats protected or restored	See standard 304-1.		Goal 6: Clean water or sanitation Goal 14: Life below water Goal 15: Life on land
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Alpek's operations do not affect vulnerable or endangered species.		Goal 6: Clean water or sanitation Goal 14: Life below water Goal 15: Life on land
305: Emissions				
305-1	Direct (Scope 1) GHG emissions	Annual Report 2022, page 30. ESG Booklet 2022, pages 45 to 48.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
305-2	Energy indirect (Scope 2) GHG emissions	Annual Report 2022, page 30. ESG Booklet 2022, pages 45 to 48.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
305-3	Other indirect (Scope 3) GHG emissions	Annual Report 2022, page 30. ESG Booklet 2022, pages 45 to 48.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
305-4	GHG emissions intensity	ESG Booklet 2022, pages 45 to 48.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
305-5	Reduction of GHG emissions	ESG Booklet 2022, pages 45 to 48.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
305-6	Emissions of ozone-depleting substances (ODS)	Alpek does not emit these substances.	Carbon Emissions and Energy Eco-Efficiency	Goal 13: Climate action
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Annual Report 2022, page 30. ESG Booklet 2022, pages 45 to 48.	Climate Change and Carbon Emissions	Goal 13: Climate action
306: Effluents and Waste				





2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
306-2	Waste by type and disposal method	ESG Booklet 2022, page 42.	Circularity Pollution	Goal 12: Responsible consumption and production
306-3	Significant spills	No significant spills were registered in 2022.	Pollution	Goal 12: Responsible consumption and production Goal 14: Life below water
306-4	Transport of hazardous waste	ESG Booklet 2022, page 42.	Pollution	Goal 12: Responsible consumption and production
306-5	Water bodies affected by water discharges and/or runoff	In 2022 there were no bodies of water or habitats significantly affected by Alpek's operations, spills, or runoffs. ESG Booklet 2022, page 39	Pollution	Goal 12: Responsible consumption and production Goal 15: Life on land
307: Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	In 2022 there were no significant fines nor sanctions due to environmental regulation violations. ESG Booklet 2022, page 39		Goal 12: Responsible consumption and production Goal 16: Peace, justice and strong institutions
308: Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	Annual Report 2022, page 36.	Relations with Customers and Suppliers	Goal 12: Responsible consumption and production Goal 13: Climate Action
308-2	Negative environmental impacts in the supply chain and actions taken	No negative impacts have been found. Annual Report 2022, page 36.	Relations with Customers and Suppliers	Goal 12: Responsible consumption and production Goal 13: Climate Action
SOCIAL				
401: Employment				
401-1	New employee hires and employee turnover	ESG Booklet 2022, pages 25 and 26.		Goal 5: Gender equality Goal 8: Decent work and economic growth
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Non-management workers have bonuses, vacation bonuses, pantry bonuses, savings funds, recognition for years of service and pension plan. Temporary and part-time employees do not have the pension plan.		Goal 8: Decent work and economic growth
401-3	Parental leave	ESG Booklet 2022, page 26.		Goal 5: Gender equality Goal 8: Decent work and economic growth
402: Labor / Management Relations				





2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
402-1	Minimum notice periods regarding operational changes	The minimum term is two weeks.		Goal 8: Decent work and economic growth
403: Occupational Health and Safety				
403-1	Occupational health and safety management system	<p>All Alpek's plants have certifications in health and safety management systems, according to the health and safety regulations of their countries.</p> <p>Annual Report 2022, page 34.</p> <p>ESG Booklet 2022, pages 32 to 35.</p>	Occupational Safety	Goal 8: Decent work and economic growth
403-2	Hazard identification, risk assessment, and incident investigation	<p>In accordance with the established management systems, the appropriate risk identification procedure is carried out at each plant. For direct workers (Scope 1), some of these actions are: start the day with the identification that the safety team is complete and in optimal conditions; Walk through the plant for risk identification; Documented procedures on how to act if one is detected; Review Checklist (Pause, Think, Act). For indirect workers but who are in its facilities (Scope 2), the same applies, in addition to having evaluations that Alpek performs on their employers so that they provide adequate safety measures. Not all plants carry out this exercise with Scope 2 workers. All workers must report the incident or risk immediately to take corrective action.</p> <p>Annual Report 2022, page 34.</p> <p>ESG Booklet 2022, pages 32 to 35.</p>	Occupational Safety	<p>Goal 3: Good health and well-being</p> <p>Goal 8: Decent work and economic growth</p>
403-3	Occupational health services	<p>Annual Report 2022, page 34.</p> <p>ESG Booklet 2022, pages 32 to 35.</p>	Occupational Safety	<p>Goal 3: Good health and well-being</p> <p>Goal 8: Decent work and economic growth</p>
403-4	Worker participation, consultation, and communication on occupational health and safety	Workers have various means of communication to convey any concern or need in occupational health and safety issues. No worker starts working at the plant if he does not take an induction course for his work and the risks that it may have.	Occupational Safety	Goal 8: Decent work and economic growth
403-5	Worker training on occupational health and safety	<p>Annual Report 2022, page 34.</p> <p>ESG Booklet 2022, pages 32 to 35.</p>	Occupational Safety	<p>Goal 3: Good health and well-being</p> <p>Goal 8: Decent work and economic growth</p>
403-6	Promotion of worker health	<p>Annual Report 2022, page 34.</p> <p>ESG Booklet 2022, pages 32 to 35.</p>	Occupational Safety	<p>Goal 3: Good health and well-being</p> <p>Goal 8: Decent work and economic growth</p>



2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report 2022, page 34. ESG Booklet 2022, pages 32 to 35.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-8	Workers covered by an occupational health and safety management system	100% of Alpek's employees are covered by its plans established in the health and safety systems.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-9	Work-related injuries	Annual Report 2022, page 34. ESG Booklet 2022, pages 32 to 35.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-10	Work-related ill health	Annual Report 2022, page 34. ESG Booklet 2022, pages 32 to 35.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
404: Training and Education				
404-1	Average hours of training per year per employee	ESG Booklet 2022, page 31.		Goal 4: Quality education Goal 5: Gender equality Goal 8: Decent work and economic growth
404-2	Programs for upgrading employee skills and transition assistance programs	ESG Booklet 2022, page 27.		Goal 8: Decent work and economic growth
404-3	Percentage of employees receiving regular performance and career development reviews	ESG Booklet 2022, page 31.		Goal 5: Gender equality
405: Diversity and Equal Opportunities				
405-1	Diversity of governance bodies and employees	Annual Report 2022, page 33. ESG Booklet 2022, pages 22 to 24, and 51.	Diversity, Equity and Inclusion	Goal 5: Gender equality
405-2	Ratio of basic salary and remuneration of women to men	Annual Report 2022, page 33.	Diversity, Equity and Inclusion	Goal 5: Gender equality
406: Non-Discriminatory				
GRI 406-1	Incidents of discrimination and corrective actions taken	ESG Booklet 2022, page 36.		Goal 5: Gender equality Goal 16: Peace, justice and strong institutions
407: Freedom of Associations and Collective Bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Alpek has not identified any supplier or operation with this risk.	Relations with Customers and Suppliers	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions



2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
408: Child Labor				
408-1	Operations and suppliers at significant risk for incidents of child labor.	Alpek has not identified any supplier or operation with this risk.	Relations with Customers and Suppliers	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions
409: Forced or Compulsory Labor				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Alpek has not identified any supplier or operation with this risk.	Relations with Customers and Suppliers	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions
410: Security Practices				
410-1	Security personnel trained in human rights policies or procedures	Alpek has not identified any supplier or operation with this risk.	Employees' Human Rights	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions
411: Rights of Indigenous People				
411-1	Incidents of violations involving rights of indigenous people	In 2022, there were no incidents or violations related to indigenous people.	Community Engagement	
412: Human Rights Assessments				
412-2	Employee training on human rights policies or procedures	During 2022 we worked on the deployment and communication of Alpek's Code of Ethics and the Human Rights Policy.		
413: Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	Although some of Alpek's operations have established programs to reach out and engage with their communities, in 2020 Alpek set up the target to develop its community engagement policy and framework, so that all plants have the necessary guidelines to have a proper and successful relationship with their communities. We will work on this in the following years.	Community engagement	Goal 17: Partnerships for the goals
413-2	Operations with significant actual and potential negative impacts on local communities	None found.	Community engagement	Goal 17: Partnerships for the goals
414: Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria.	No new suppliers screened in 2022.	Relations with Customers and Suppliers	
414-2	Negative social impacts in the supply chain and actions taken.	None found.	Relations with Customers and Suppliers	
415: Public Policy				
415-1	Political contributions	Alpek does not grant contributions to parties or political representatives.		Goal 16: Peace, justice and strong institutions
416: Customer Health and Safety				



2022 ESG Booklet

Standard #	Standard	Answer / Location	Material Aspect	SDG 2030
416-1	Assessment of the health and safety impacts of product and service categories	ESG Booklet 2022, page 41.	Relations with Customers and Suppliers	Goal 16: Peace, justice and strong institutions
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2022 there were no cases of non-compliance with this concept.	Relations with Customers and Suppliers	Goal 16: Peace, justice and strong institutions
418: Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	In 2022 there were no claims related to the violation of privacy or customer data breaches.	Relations with Customers and Suppliers Cybersecurity	Goal 16: Peace, justice and strong institutions
419: Social-Economic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	In 2022 there were no breaches any social and/or economic law.		Goal 16: Peace, justice and strong institutions



GLOSSARY

Topic	Definition
Major operating sites	A site or grouping of sites that produce or manage petroleum, chemical, or manufactured products where such products, their production or their exploration processes have the potential to cause significant impact on the environment or the safety and health of employees, neighbors, or consumers.
Senior management	Includes employees who are group leaders, senior level leaders or in other management positions.
Areas of water stress and scarcity	Includes areas of med-high, high and very high-water stress based on World Resources Institute aqueduct data
Protected areas	Includes World Heritage Sites, Ramsar sites, IUCN Category I-II, Natura 2000 sites. See bp.com/protected-areas for details
COD	The capacity of water to consume oxygen during the decomposition of organic matter and the oxidation of inorganic chemicals such as Ammonia and nitrite. COD measurements are commonly made on samples of waste waters or of natural waters contaminated by domestic or industrial wastes. In wastewater treatment, the COD is used as an index to assess the effect discharged wastewater will have on the receiving environment.
Hazardous waste	Waste that is classified as hazardous (or the regulatory equivalent) by the local regulatory authority.
Non-hazardous waste	Waste that is not classified as hazardous (or the regulatory equivalent) by the local regulatory authority.
Oil spill	Any liquid hydrocarbon release of more than, or equal to, one barrel (159 liters, equivalent to 42 US gallons)
Sustainable emissions reduction	Sustainable Emission Reductions (SERs) result from actions or interventions that have led to ongoing reductions in Scope 1 (direct) and/or Scope 2 (indirect) GHG emissions (carbon dioxide and methane) such that GHG emissions would have been higher in the reporting year if the intervention had not taken place. SERs must meet three criteria: BP made a specific intervention that has reduced GHG emissions, BP must be able to quantify the reduction and it is expected to be ongoing. Reductions are reportable for a 12-month period from the start of the intervention/action.
Fatality	A fatality is any death of an employee or contractor as a result of a work-related incident.
Tier 1 process safety event	Losses of primary containment of greatest consequence – causing harm to a member of the workforce, costly damage to equipment or exceeding defined quantities
Tier 2 process safety event	Losses of primary containment of lesser consequence than tier 1
Loss of primary containment (LOPC)	An unplanned or uncontrolled release of oil, gas or other hazardous materials from a tank, vessel, pipe, truck, rail car or other equipment used for storage, separation, processing, or transfer.