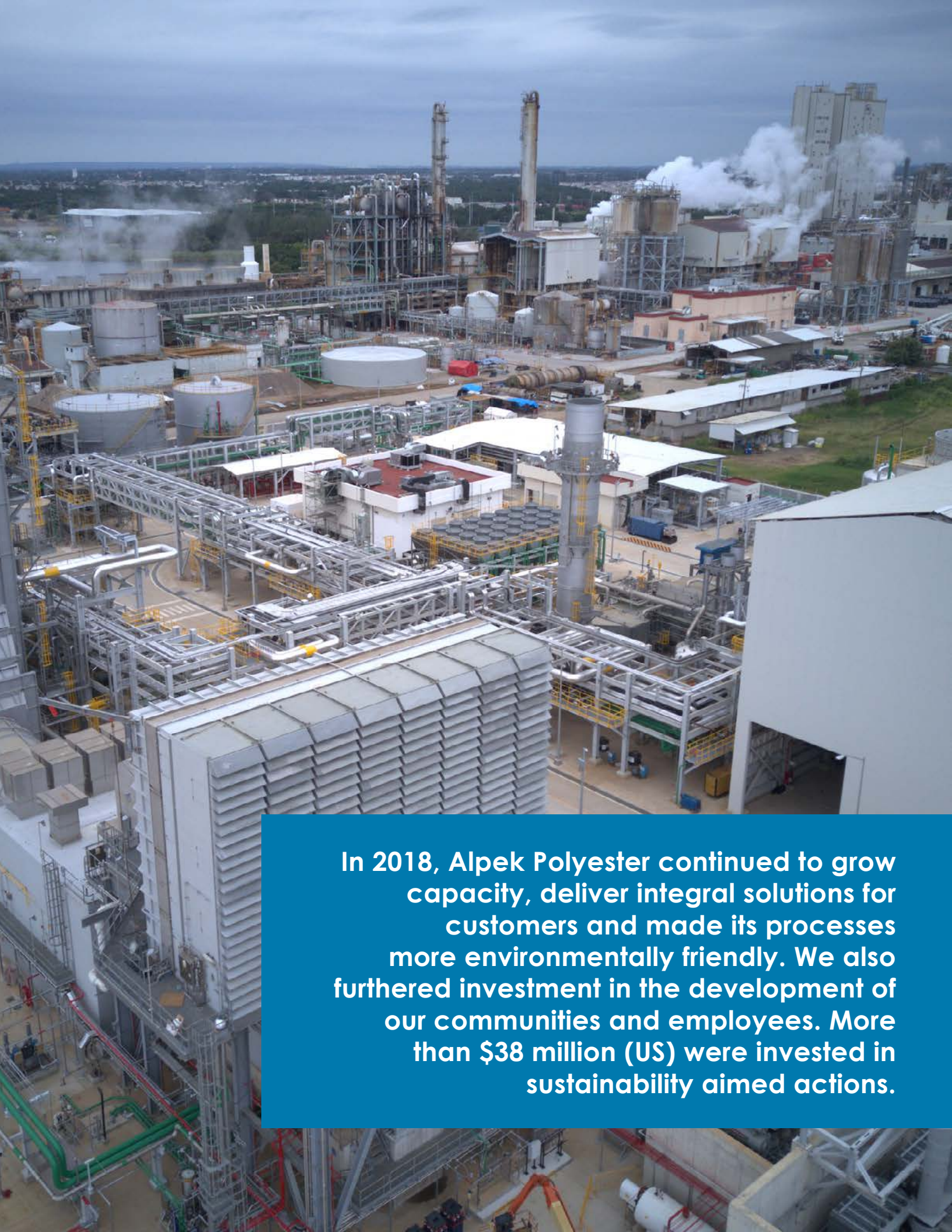


CORPORATE  
SOCIAL  
RESPONSIBILITY  
REPORT

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2018





**In 2018, Alpek Polyester continued to grow capacity, deliver integral solutions for customers and made its processes more environmentally friendly. We also furthered investment in the development of our communities and employees. More than \$38 million (US) were invested in sustainability aimed actions.**

# What's inside this report?

GRI Standards: 103-1b, 103-1c, 102-48, 102-49.

This report summarizes Alpek Polyester's 2018 sustainability activities and performance.

This is the second consecutive report published as Alpek Polyester, and integrates information from the Grupo Petrotex and DAK Americas businesses. Operations covered are located in the USA, Mexico, and Argentina. The report is the second published under the Global Reporting Initiative Standards (GRI). It has been prepared in accordance with the 'Core' guidelines of the standard, which means the aspects identified as material have at least one of the indicators fully answered. The reporting cycle is annual and the last report was published on June, 2018.

This is also the second report we have included United Nations Sustainable Development Goals (SDGs) that we are contributing towards, in order to support a more sustainable future and planet.

Content was identified based on three (3) criteria: the first congruence with the 2017 report; the second, according to the most relevant events of 2018; and the third, the materiality of the indicators. Materiality was looked at from the perspective of the industries served by Alpek Polyester and stakeholder feedback.

Measurement methods were based on those defined by the GRI. Conversions from Mexican pesos to U.S. dollars (for results items) were made by taking the average exchange rate for each of the months transactions in pesos occurred. For balance sheet items, the exchange rate on December 31, 2018 was used (\$20.18 pesos per dollar). This methodology is consistent with that used in our financial reports.

# Report content:

## **A message from our Executive Directors**

### **Alpek Polyester: Growing Together**

Operations and presence

### **Value creation for our stakeholders**

Our products

Renewable and recyclable raw materials: GreenPET

From raw to finished: a flowchart of our process

### **Corporate Social Responsibility (CSR) management**

Materiality analysis

Dialogue and engagement with our stakeholders

From pages 5 to 43 we disclose the most relevant actions, initiatives and results of our sustainability performance for the year, on four main axes: Our Corporate Philosophy, How we Encounter Climate Change, Our People: Employees and Communities, and Responsible Growth through a Sustainable Economy. You will learn how we aligned our business and sustainability strategies into our Sustainable Business Model, which will allow us to better reach our goal of being a more responsible business. Every axis correlates to a core business strategic action and a sustainable model pillar. Also, we indicate the GRI Standards that respond to the material aspects of our operations and the Sustainable Development Goals we aim to contribute to.

### **AXIS 1. CORPORATE PHILOSOPHY**

- Values and Ethics: the core of our management philosophy
- Our mission and vision
- Our sustainability vision and strategy

### **AXIS 2. ENVIRONMENT: HOW WE ENCOUNTER CLIMATE CHANGE**

- Energy efficiency
- Reducing emissions for a brighter future
- Water care and management
- Recycling and reuse of raw materials: advancing towards a circular economy

### **AXIS 3. PEOPLE: EMPLOYEES AND COMMUNITIES**

- Labor practices and workforce
- Advocating for a higher quality of life
- Training and development
- Health and safety
- Engaging with our communities
- Our communities' safety

### **AXIS 4. RESPONSIBLE GROWTH THROUGH A SUSTAINABLE ECONOMY**


- Economic performance
- Value chain: hand in hand with costumers Costumers and Suppliers
  - Costumers
  - Suppliers
- Impacts that go beyond

## **GRI INDEX**



# A message from our Executive Directors





Along with the integration of our two companies, Grupo Petrotex and DAK Americas, 2018 presented us with greater challenges, but also with major growth opportunities. This was an extraordinary and positive year in our market, and a juncture that we took advantage of with discipline, teamwork, and the benefits of our integration. 2018 was a record year for us in several aspects. The company's revenues were unprecedented compared to previous years and we successfully completed the acquisition and integration of Companhia Petroquímica de Pernambuco (PQS-Petroquímica Suape) and Companhia Integrada Têxtil de Pernambuco (Citepe) in Brazil. Historical highs were recorded in volume, sales, and EBITDA.

However, we recognize that with these positive outcomes there also comes a greater responsibility to our stakeholders and the environment. The focus on the societal impact of businesses and performance on wider Environmental, Social and Governance (ESG) factors continues to evolve rapidly, with increasing interest from a wide range of stakeholders including clients, investors, communities and suppliers. This is why, in 2018 we worked towards strengthening our Corporate Social Responsibility (CSR) Strategy by aligning our Core business actions and Sustainability model pillars into a single one: Our Sustainable Business Model. This will allow us to continue to make use of resources in a sustainable manner, and help boost our people's development so that, in turn, our business can thrive. Strengthening our approach to ESG issues makes good business sense.

Regarding care for the planet and environment, the increase of consumer demand for environmentally responsible products and the rapid depletion of critical natural resources are key drivers to assess the sustainability of products from inception to expiration, including raw materials sourcing, design, processes, and outputs.

Recycling and reuse has become one of our two main focuses of action and long-term goals. In addition, improving our energy efficiency and reducing our emissions are a top priority. We continuously invest on improving our facilities' processes and operations in order to reduce our environmental footprint. In 2018 we reduced our emissions by 102,000 ton CO<sub>2</sub> eq, which is equivalent to what more than 21,000 cars emit per year.

Regarding our people, employees and communities, we invested more than \$23 million (U.S.) this year in their integral development and well-being, by offering training, granting scholarships, investing in their health and safety, and in the betterment of our surroundings. We ended the year with zero fatalities. Through our volunteering program (Vive Verde) we reached more than 2,000 neighbors, and contributed to increasing their environmental care knowledge.

We will maintain and enhance our focus on integrating ESG criteria within our core business strategy, ensuring we manage and deliver societal impacts in a way that generates enduring long-term benefits for the environment and society. It is by focusing on offering the best products and services, and creating long-term relationships, that we can make the greatest positive impact. We welcome you to learn about our performance in 2018, our strengths and opportunity areas, and how we are addressing them to contribute to a sustainable future.

*Felipe Garza and Jorge Young*  
**Executive Directors of**  
**Alpek Polyester**

# Alpek Polyester: Growing together

GRI Standard: 102-10.  
Material aspect: Operations and Strategy.

In Alpek Polyester, we are committed to applying our human resources and technology to produce high value products and services. We are one of the world's largest producers of Purified Terephthalic Acid (PTA), and the first in Latin America. We are also the largest producer of Polyethylene Terephthalate (PET) and polyester across the Americas.

This commitment is guided by our set of values that consists of superior positioning with our customers, functional and operational experience, talent development and a continuous search for growth and innovation opportunities.







## Operations and presence

GRI Standards: 102-2, 102-4, 102-6, 102-7, 102-9.

Alpek Polyester is the integrated business unit of Alpek, S.A.B de C.V. and is comprised of Grupo Petrotex S.A. de C.V. and DAK Americas LLC & subsidiaries. These businesses have merged operations to create one stronger market-leading organization to maximize value in the global polyester marketplace.

Among our main customers are diverse companies in the beverage, food, personal care and hygiene, carpet, clothing, and other consumer goods industries. The products we offer include PTA, PET Resins, Polyester Staple Fibers, rPET, Specialty Polymers, DTF and Technology.

By the end of 2018, we had 16 sites (manufacturing facilities and corporate offices) in 5 countries: Canada, USA, Mexico, Argentina and Brazil.



- A** Montreal (Quebec), CAN  
Manufacturing - PET  
(Compagnie Selenis Canada)
- B** Chadds Ford, PA, U.S.  
Sales
- C** Fayetteville, NC, U.S.  
Manufacturing – PET, rPET
- D** Charlotte, N.C. U.S.  
U.S. Headquarters
- E** Wilmington, NC, U.S.  
Technical Office
- F** Columbia S.C. U.S.  
Manufacturing – PTA, PET
- G** Charleston, SC, U.S.  
Manufacturing – PET, PSF
- H** Bay St. Louis, MS, U.S.  
Manufacturing – PET
- I** Monterrey, N.L. MX  
Mexico Headquarters
- J** Altamira, Tamaulipas, MX  
Manufacturing – PTA
- K** Ciudad de México, México  
Fibers, Resins Sales
- L** Cosoleacaque, Veracruz, MX  
Manufacturing – PTA, PET
- M** Zarate, Argentina  
Manufacturing – PET
- N** Pacheco, Argentina  
Manufacturing – rPET
- O** Buenos Aires, Argentina  
Argentina Headquarters
- P** Pernambuco, Suape, Brazil  
Manufacturing – PTA, PET & DTF



## Value creation for our stakeholders

GRI Standard 102-43.

In Alpek Polyester we strive to offer a wide range of superior products and services. Key elements driving our growth include the using of cutting edge technologies, constant research and development, and sustainable innovation. As a market leader, we understand making our operations more efficient, while bearing in mind our responsibility towards the planet and society, is critical to our success.

### Purified Terephthalic Acid: PTA

Is the main material used to produce polyester products. Mixing oxygen with a hydrocarbon called paraxylene forms PTA. Combining our technology, efficiency in logistics, and field experience, has enabled Alpek Polyester to become one of the main producers of PTA in the world, and the largest in the Americas. PTA is the foundation for the production of the Laser+® family of PET Resins.



### Polyethylene Terephthalate Resin: PET Resin

Is the main resin used to produce plastic bottles, and packaging for many products. PET Resin is strong, lightweight and hygienic; it is the preferred material of many major brand owners. PET is the most recycled plastic in the world. The US PET manufacturing assets serve primarily North American needs and some fraction of Central America. Mexico assets primarily serve Mexico and many Latin American countries, but also serve the US. Argentina assets serve the Mercosur countries. PET exports outside of the Western Hemisphere are minimal.



## **Polyester Staple Fiber: Fiber –PSF**

Synthetic fiber used in the production of textiles. Uses include, but are not limited to: apparel, personal use and household items, industrial uses, accessories, and medical applications. The majority of sales are directed to the NAFTA, CAFTA and Latin American markets. A minimal volume is exported outside of the Western Hemisphere. The markets served include PSF for Wovens, Nonwovens and Knits. Both Apparel and Textile applications utilize Alpek Polyester PSF offerings, including the Carpet market. PSF products are sold under the brands of Dacron® fibers, Delcra® Hydrotec fibers, SteriPur® AM fibers, and HydroPur® fibers, which are trade brands and products, and generally branded for consumer use according to customer's specification and end use requirements. Customers are brand owners and/or converters in many markets.



## **Specialty Polymers: Custom Niche Resins**

In March 2009, DAK Americas created a new specialty polymers business unit of differentiated polymers for unique applications and end uses. This business unit builds on DAK's expertise, synergy, and core competence in polyester based products, polymers, and technologies. Furthermore, DAK Americas has acquired the manufacturing technologies for a select group of 2GT based polyester resin products formerly produced under DuPont's Crystar® brand.

## **Polyester Filament**

Akra Polyester Products (Textile and Industrial Filaments and Fiber Grade Polymers) in the U.S., Canada and Europe are marketed through DAK Americas.



## Renewable and Recyclable Raw Materials: GreenPET

In recent years, we have increased our focus and interest on PET recycling. One of the biggest challenges that we face as industry is the use of our products to manufacture others like plastic. We are fully aware of the implications this represents for our company, the planet and society, and thus we have escalated our actions towards the strengthening of our recycling strategy.

GreenPET is a business unit within DAK Americas with a focus on sustainable-based polyesters and raw materials. The business has initiatives to identify and develop bio-based raw material opportunities and includes PET Resins recycling through the Clear Path Recycling (CPR) joint venture with Shaw Industries and Ecopek (Argentina). These facilities use waste bottles and recycle them into rPET Flake for use primarily as a captive feedstock into the carpet industry (CPR via joint venture partner, Shaw Industries). Our PET treatment plants processed 72,300 tons of PET bottles and produced 47,000 tons of rPET.



### Technology Services

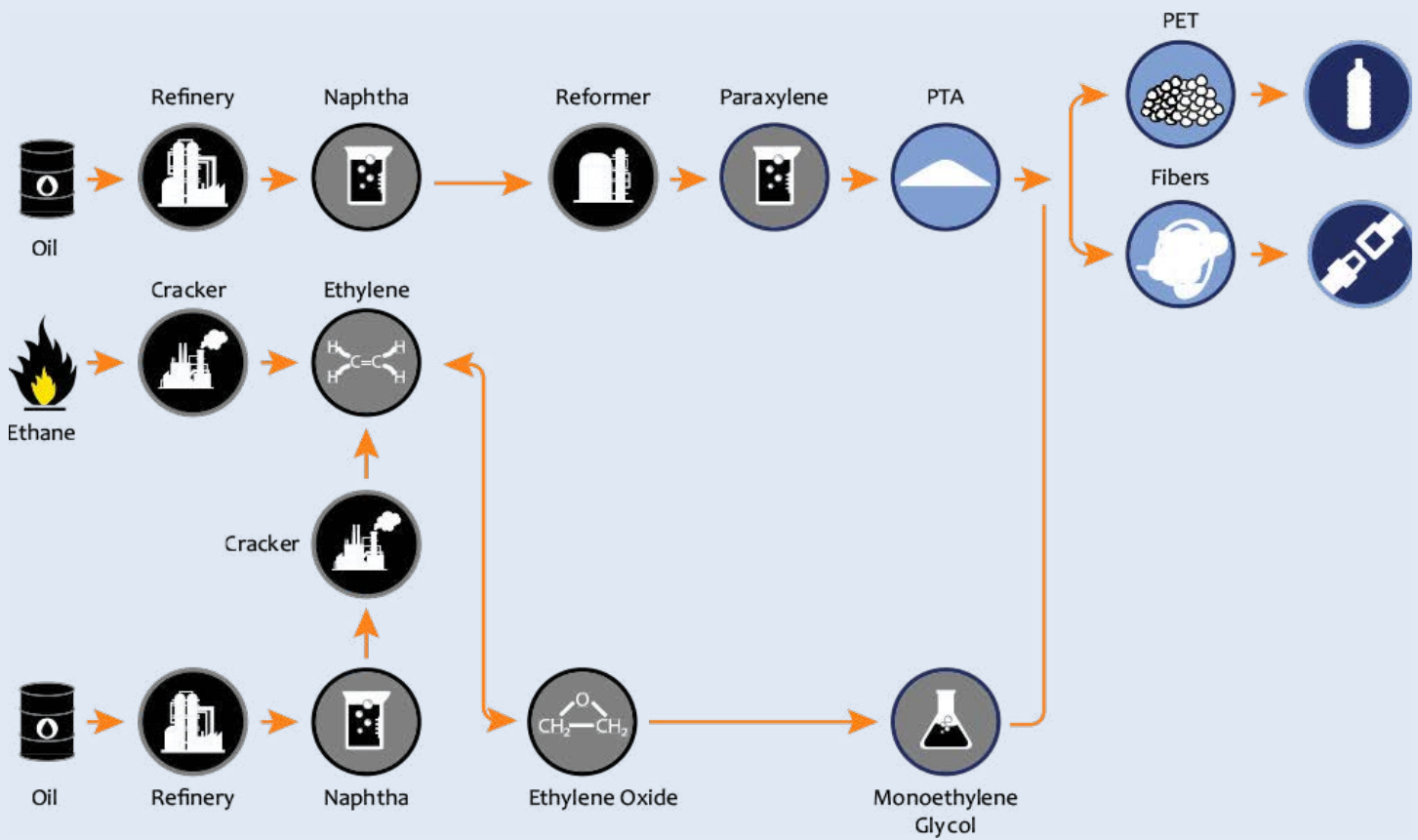
IntegRex® polymer processing covers more than ten years of research advances in production efficiency and quality. Based on specific innovation, and the redesigning and simplification of processes, this technology allows for significant economic savings during the production of PET and PTA, as well as the reduction on energy, water, raw materials and operating costs. Therefore, our operations are more environmentally friendly, and respectful and caring of natural resources.

We also offer technology and consulting services in the field of PTA and PET manufacturing, polymer processing, industrial design services, and licensing of intellectual property.

# From raw to finished: a flowchart of our process

GRI Standard: 102-9.

Material aspect: Relations with our value chain.





# AXIS 1. CORPORATE PHILOSOPHY

Core business strategic action: Continuous search for growth and innovation opportunities.

# Sustainable model pillar: Sustainable economic value creation.

GRI Standards: 102-18, 102-19, 102-20, 102-21, 102-22, 102-24, 102-25, 102-26, 102-33.

In Alpek Polyester we firmly believe that a robust business strategy founded on human resources and talent, care and respect for the environment, as well as a win-win relationship with our communities and value chain, will inevitably lead us to achieve our goals as a company.

Said strategy is based on four axes, to which we have also aligned our Sustainability model and core business strategic actions. We call it our Sustainable Business Model:



Our values extend across our Sustainable Business Model and set the basis on which all corresponding actions are carried out:

## SAFETY – INTEGRITY – RESPECT – COMMITMENT

By aligning our core business strategic actions to the pillars of our sustainability model, we make sure every decision taken in the company considers the well-being of the environment, our people and communities, and our entire value chain.

This report is presented under this structure, in order for the reader to better understand how we work towards an ever more sustainable operation.



# Values and Ethics:

## The core of our management philosophy

GRI Standards: 102-16, 102-17.

Our commitment of responsible growth and performance as a company has its foundations on our values and ethics. We believe these are the key to creating sustained value that allow us to provide products that are effective and integral solutions to our customers. Our values act as the compass of the entire organization and its performance towards our stakeholders.

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### Safety

All work can and must be done in a safe manner, protecting our employees, environment, communities, and assets.

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### Integrity

Our actions are governed by the commitment to ethical conduct, honesty, and compliance with the laws that apply to us.

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### Respect

We will maintain a work environment that promotes fair treatment, trust and collaboration.

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### Commitment

We promote a sense of responsibility, cooperation and excellence in all our actions.

Ethics is also essential to drive our sustainable growth and define our way forward. We align and comply with ALFA's respect and commitment for the safeguarding of Human Rights, and in 2019 we will start the development of our own Human Rights Policy. We have also adopted and comply with ALFA's Code of Ethics, which is provided to every employee and distributed throughout the company, and reinforce its principles through specific training, brochures, screensavers on personal computers, and during staff meetings. In it, we describe the company's guidelines for expected employee behavior. It contains 12 basic principles and covers behaviors such as: acting with honesty and integrity, respecting the dignity of others, and using company assets appropriately. In order to ensure employees and other stakeholders have adequate communication channels and grievance mechanisms, we have a Transparency Mailbox and Hotline available 24/7, 365 days a year. Complaints and suggestions regarding our operations can be reported anonymously through these channels, and are submitted to the corresponding area and appropriately responded to.

In 2018, a total of 39 ethics related incidents were reported, with 34 of them resolved. As a consequence, 5 people were separated from the organization. None of the cases involved activities related to government authorities, nor did any cases result in cancellations or lack of renewals of contracts with business partners for reasons attributable to a breach of Alpek Polyester's policies and values. There were also no complaints against Alpek Polyester for matters related to corruption.

## Our Mission and Vision

GRI Standards: 102-11, 102-40, 102-42.

Material aspects: CSR Management; Relationship with NGOs and regulatory agencies.

### Our Mission:

To be the preferred choice of customers and shareholders by delivering consistent value through exceptional performance in the global polyester marketplace.

### Our Vision:

We aim to fulfill our commitment as a leader in our industry through the following core business strategic actions:

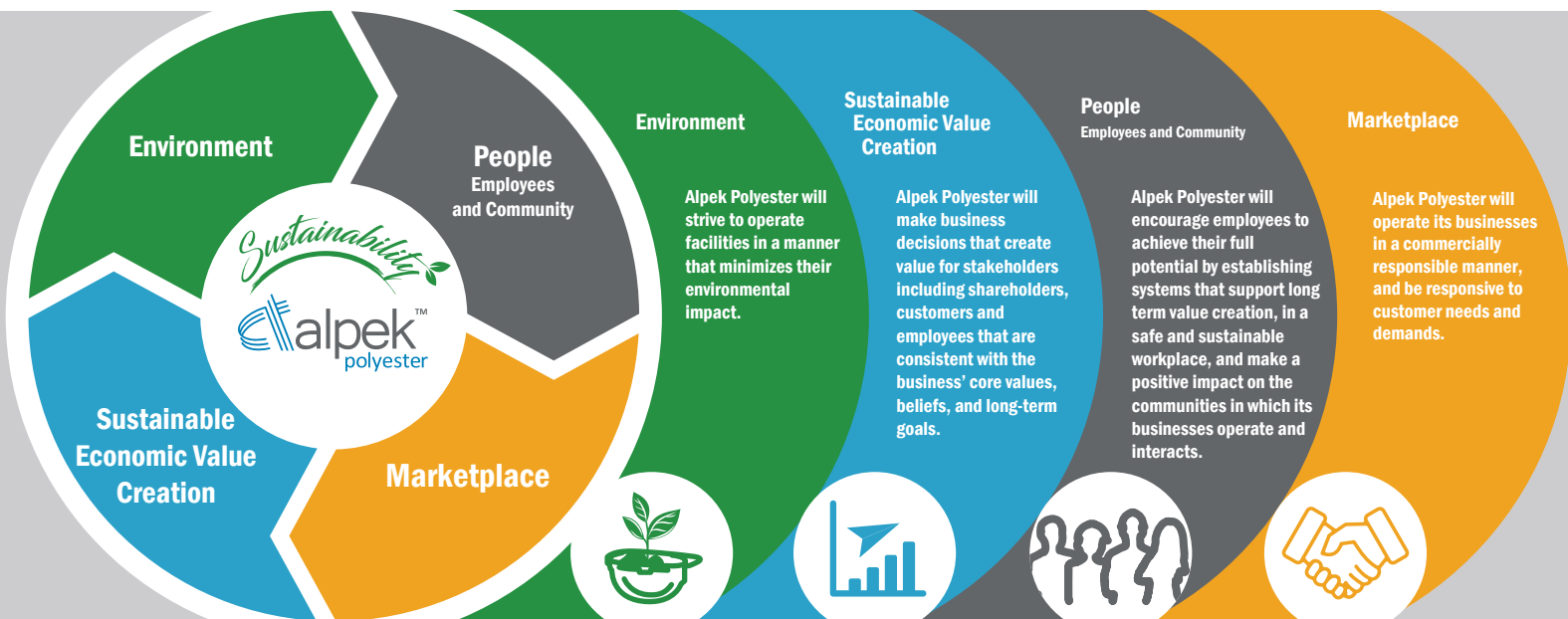
- Superior positioning with costumers
- Functional and operational excellence
- Talent development
- Continuous search for growth and innovation oportunites

# Our Sustainability Vision and Strategy

GRI Standards: 102-30, 102-40, 102-42, 102-43, 102-44.  
 Material aspect: Relations with NGOs and regulatory agencies.  
 SDG 17: Partnerships for the goals.

Our Sustainability Vision is the framework that guides our corporate philosophy. The strategy is based on making an efficient use of the natural and material resources in our production processes, to reduce the environmental impacts of our operations, continuously improve the work environment, and engage with the communities that surround us. We focus on improving community relations and employee safety, waste reduction activities and GHG emission reductions.

**Alpek Polyester supports business solutions that are economically, ecologically, and socially responsible, thereby creating long term value for its businesses, customers and stakeholders.**



**Employee Development • No Landfill Policy • Comprehensive Wellness Programs • Environmental Excellence • Customer Excellence and Product Quality • Safety and Health Excellence • Energy Reduction Program • Annual Earth Day Celebrations • Post Consumer PET Recycling • Hazardous Waste Reduction • Volunteerism and Community Involvement**

# Materiality Analysis

GRI Standards: 102-11, 102-43, 102-46, 102-47, 103-a, 103-b, 103-c, 103-2, 103-3.  
 Material aspect: CSR Management.  
 SDG 17: Partnerships for the goals.

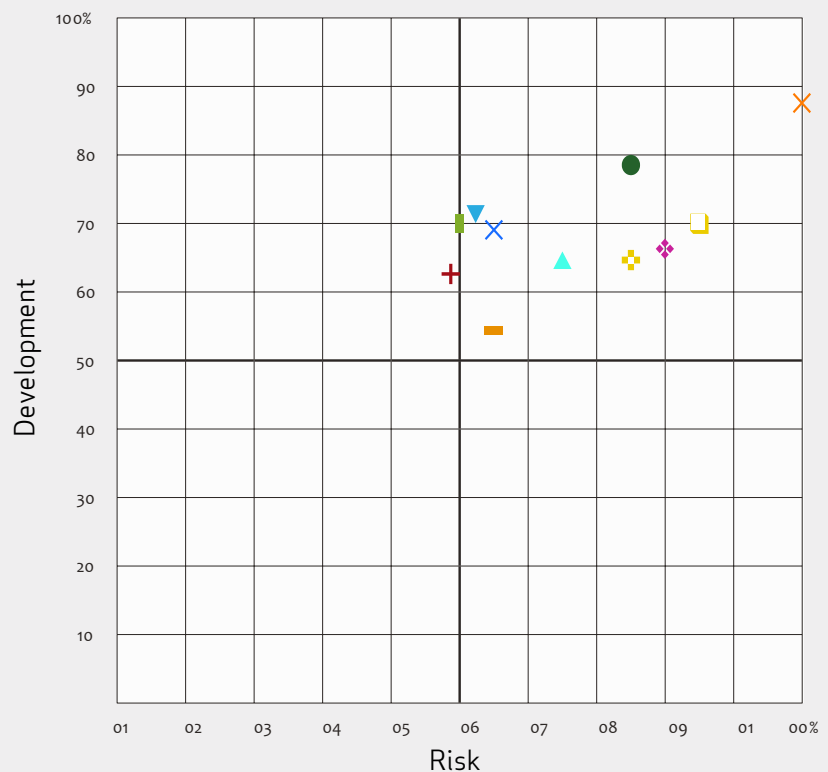
In 2015, we performed a materiality assessment along with parent companies, Alpek and ALFA, which entailed an exhaustive process of consultation and analysis with our stakeholders, and we have confirmed that its results still hold true today. Nine material aspects were identified within our four sustainability pillars.

This represented an extensive analysis of the opinions and concerns of our external and internal stakeholders, the development of the industrial sector in which we operate, as well as our own processes to determine the relevance and level of attention required of each aspect analyzed. In addition we have included three more that we consider important to the company. This report includes as much information about them as possible.

## MATERIAL ASPECTS FOR ALPEK POLYESTER

- Energy Efficiency
- Water management
- ▼ Engagement with communities
- × Labor practices
- × Relations with NGOs and regulatory agencies
- Relations with our value chain
- ◆ Wealth distribution
- Operations and risks strategy
- ▲ Investor relations
- ⚙️ CSR Management
- ⊕ Climate change and emissions strategy
- Health and safety

## MATERIALITY MATRIX



These results have also been of great value for the consolidation of our sustainability strategy, as they allow us to ensure that we include the most relevant topics for all those with whom we interact.

# Dialogue and engagement with our stakeholders

GRI Standards: 102-44, 102-46, 102-47, 103-1b, 103-1c.

Material aspect: CSR Management.

In Alpek Polyester, an effective communications with our stakeholders is an essential and ongoing activity. In 2018 we continued to operate our traditional communication channels, in order to have a broader perspective on our operations' impacts and be receptive of the opinions of our stakeholders. Doing this allows us to build stronger relationships, to better understand and respect our environment, and identify opportunities of growth and improvement of our operations. We interact with them through diverse media:

STAKEHOLDER	COMMUNICATION CHANNEL	FREQUENCY	MAIN TOPICS AND CONCERNS	HOW THESE TOPICS HAVE BEEN ADDRESSED
Employees	Employee survey Transparency Hotline General E-mail Town Hall Meetings/Plant Visits Communication Monitors Shift Safety/Communication Meetings	Once per 2-3 yrs 24/7/ 365 24/7/365 1 Site/Month Updated weekly Weekly	General Any Any Any Any Safety, Communication	Focus groups Per case basis Various Various NA Shift safety meetings
Customers (both international and national)	Email, personal meetings, customer satisfaction questionnaire  Ecovadis Sustainability Questionnaire/Scorecard	Routine & as needed  Every 2-3 years  Annual	Price / availability, market trends, timely delivery of products Customer views on Alpek Polyester sustainability Sustainability / Human Rights	Concerns are addressed on a per customer basis Follow-up on satisfactions survey's comments In the US, received a bronze certificate and took note of needed activities
Suppliers (national, international, shipping lines, customs)	Raw material supplier sustainability questionnaire form  Hotline and Transparency mailbox  Face to face meetings and constant communication	Annual  Permanent  Permanent	Customer views on Alpek Polyester sustainability Sustainability initiatives of vendors Compliance with agreements and contracts	Follow up on their inquiries. Compliance with agreements. Compliance with national and international regulations. Compliance with product technical specifications Compliance with contracts in terms of volume, time and payment.
Shareholder	Meetings  Direct communication  Annual reports	Permanent	Profitability and business	Not applicable.
Chambers and Associations	Attendance to meetings  Participation in committees and projects  Working in joint goals with peers in the industry	Throughout the year	Pollution prevention Fight against Climate Change Integral Responsibility Provide resources available to attend emergencies of member companies	Compliance with laws and regulations. Compliance with the requirements of the Sistema de Administración de Responsabilidad integral (Mexico). SARI and Clean Industry Certifications. Active participation in the Comité Regional Integral de Seguridad (CRIS –Altamira site), addressing the emergency situations in which our peers might be in.

STAKEHOLDER	COMMUNICATION CHANNEL	FREQUENCY	MAIN TOPICS AND CONCERNS	HOW THESE TOPICS HAVE BEEN ADDRESSED
Neighbors (communities and pressure groups)	Community Advisory Panels (CAPs – US sites)  Open doors policy  Emails, meetings, events for the communities	Varies by site; Annually / Biennially  Permanent	CAPs discuss plant activities and provide a forum to discuss community concerns Compliance with laws and regulations Development safety and impacts on the environment Pollution control and prevention. Social and environmental responsibility	Community concerns are addressed by site. Development and strict compliance with our Management Crisis Manuals. Identification and evaluation of legal requirements and others subscribed by the organization. SGI-P-017 Emergency readiness and response in Plant Cosoleacaque PTA and SGI-P-015 for Altamira plant. Vive Verde program held every year.
Government and official institution	Specific departments to address each regulatory government area/institution	Permanent	Identification and compliance with the legal and regulatory requirements applicable to environmental and labor aspects Socially Responsible Company	Compliance with legal requirements (all sites). Compliance with standards established by the SCT (Secretaría de Comunicaciones y Transporte) Strict compliance with every regulation (labor, environmental, economic issues)





# AXIS 2. ENVIRONMENT: HOW WE ENCOUNTER CLIMATE CHANGE

Core business strategic action:  
Functional and operational excellence.

## Sustainability model pillar: Environment

Material aspects: Climate change and emissions strategy; Strategy of operations and risk.

SDG 13: Climate action.

Fully aware of our responsibility towards the planet, we continuously strive to reduce our environmental footprint both in our operations and beyond. To meet the objective of contributing to a better future, we consider resource efficiency in everything we do. We invest in cutting-edge technologies, maximize process efficiency through research and development, and build and engage in beneficial partnerships with other companies that share our vision.

This was a record year for Alpek Polyester both financially and on meeting our sustainability goals. We completed the acquisition of Companhia Petroquímica de Pernambuco (Petro- químicaSuape) and Companhia Integrada Têxtil de Pernambuco (Citepe) in Brasil in order to expand our operations and facilitate delivery logistics of our products in South America. This was a success and has represented a significant investment and step forward for our company. However, with this comes great responsibility. We must maintain a balance between our own growth and the impacts this might have on the environment. This said, one of the main benefits of the project is to facilitate logistics and delivery. This means we will be able to be more resource efficient and send less emissions into the atmosphere as a result of more effective transportation of our products in said region. These impacts will begin being measured in 2019.

In 2018, our expenditures for the protection of the environment in our ordinary operations were distributed as follows:

Category	2018 (USD)	2017 (USD)
Waste reduction	1,482,500	430,000
Waste treatment	0	520,000
Emissions reduction	11,200,000	10,150,000
Remediation costs	0	0
Prevention costs	0	670,000
Environmental management costs	100,000	3,080,000
Others	2,861,000	0
Total	15,643,500	14,850,000

We establish comprehensive policies to monitor, oversee, and improve our environmental actions, either through implementing the ISO 14001 management system or through site and corporate Safety, Health, and Environmental (SHE) programs. These, and the following described actions, have earned us Bronze Supplier Sustainability Certifications, by ECOVADIS in the US, and the Industria Limpia (Clean Industry) Certification in Mexico.



## Awards and certifications on environmental care

Plant or facility	Award or certification	Granted by	Country
PTA plant in Altamira	Industria Limpia (Clean Industry)	PROFEPA (Procuraduría Federal de Protección Ambiental)	Mexico
PET plant in Cosoleacaque	Sistema de Administración de Responsabilidad integral (SARI)	ANIQ (Asociación Nacional de la Industria Química)	Mexico
	ISO 14001:2015	AENOR (Asociación Española de Certificación y Normalización)	Mexico
PTA plant in Cosoleacaque	Certificado de Responsabilidad Ambiental (Environmental Responsibility Certificate)	AISTAC (Asociación de Industriales del Sur de Tamaulipas)	Mexico
Alpek Polyester USA	DAK - Ecovadis Bronze Supplier Sustainability Certification	Ecovadis	USA
	2018 Cape Fear Support (Sustainability) - 48th Year NCDOL Gold Award	North Carolina Department of Labor (NCDOL)	USA
	CA Site - SC Environmental Excellence Program Award (awarded in 2016 and covers 3 years)	SC DHEC (South Carolina Department of Health and Environmental Control)	USA
	CC Site- 9 Year NCDOL Gold Award – Safety Performance	North Carolina Department of Labor	USA

# Energy Efficiency

GRI Standards: 302-1 to 4, 102-48.  
 Material aspects: Energy Efficiency  
 SDGs 7 and 13: Affordable and clean energy; Climate action.

Reducing our fossil fuels energy usage is one of our most important initiatives. It provides GHG reductions, reduces environmental impacts, and brings enormous financial benefits. Also, as efficiency in energy consumption is a global imperative, it is one of our core business targets and commitments.

78% of our energy consumption comes from natural gas, the cleanest fossil fuel to date. Also, we have implemented various initiatives to foster efficient energy use. Steam production, from the electricity cogeneration plant at Cosoleacaque in 2018, covered all of the Mexican sites' energy needs.

It generated a total of 2.52 million GJ; the equivalent energy consumption of 300,000 Mexicans in a year. In addition, more than 2.5 million GJ were marketed through the CFE (Comision Federal de Electricidad).

The initiatives implemented to reduce our energy consumption, such as continuous improvement and maintenance of equipment, and investments in new technologies, resulted in a reduction of 17,344 GJ of consumption in ordinary processes. This is the equivalent of the energy needs of 2,310 Mexicans in a year.

Our energy consumption is distributed as follows:

Source	2018 (GJ)*
Electricity**	3,892,213
Natural gas and other fuels***	7,575,468
Steam	4,791,446
Total	16,259,128

This year, the construction of our second cogeneration plant in Altamira, Tamaulipas MX, was completed. It is expected to generate 350 megawatts in 2019.

\*Energy consumption chart shows only 2018 information given that we updated our measuring method. Comparisons will be made with 2018 as base year.

\*\* Electricity consumed comes from our own cogeneration plants.

\*\*\* Steam is obtained by recovering it from our own operations and our cogeneration plants.

# Reducing emissions for a brighter future

GRI Standards: 305-1, 305-2, 305-5, 305-7.

Material aspect: Climate change and emissions strategy.  
SDGs 3, 12, 13, 14 and 15: Good health and well-being;  
Responsible consumption and production; Climate action;  
Life below water; Life on land.

In 2018, the UN Paris Agreement representatives and signatories updated the goal of maintaining the global temperature at no more than 2 °C to not more than 1.5 °C, if we aim to have a healthy planet. This huge goal will only be met with full cooperation between governments, communities, and of course, companies. We at Alpek Polyester have joined the efforts to achieve this, and strive to reduce our emissions every year.

Even when our operations increased in 2018, we managed to reduce our emissions by 102,000 ton CO<sub>2</sub>eq in our ordinary processes; the equivalent to having planted 2 million tree seeds and growing for a 10 year period.

The Grupo Petrotemex sites in Mexico participated in the Carbon Bond Program and have certified more than 900,000 tons of CO<sub>2</sub> reductions. The DAK Americas facilities are funding members of the Climate Registry and continue to register their CO<sub>2</sub> emissions annually. DAK Americas has achieved a reduction of 45% of CO<sub>2</sub>e/lb of product over the 2010-2017 period.

Our emissions in 2018 were distributed as follows:

Emissions in Ton CO <sub>2</sub> eq	2018	2017
Direct GHG emissions (Scope 1)	798,359	498,036
Indirect GHG emissions (Scope 2)	4,017,946	611,746
NOx	321.25	378
SOx	120	193
VOC	826	661.8
HAP	368.6	455
PM	160.1	182



## Water care and management

GRI Standards: 303-1, 303-3, 304-1.

Material aspect: Water management.

SDGs 6, 8, 12 and 14: Clean water and sanitation; Decent work and economic growth; Responsible production and consumption; Life below water.

In order to minimize damage to life and the planet, and to maximize the efficient and beneficial use of resources, every year we increase our efforts regarding water care. This includes treatment, recovering water from our processes, and strictly complying with environmental regulations regarding its management.

One of our main programs is the reuse of water recovered by installed bio-filters and from purges of the cooling tower water that weren't recovered in previous years. This resulted in the recovery of 2,628,000 m<sup>3</sup> into our processes (3% of our total withdrawal). In 2018, we treated nearly 8.5 million m<sup>3</sup> in our 6 water treatment plants and external treatment plants.

Through this and other actions, savings of 2.03 million m<sup>3</sup> of water per year are expected, which will also bring financial benefits of US \$16 (U.S.) million savings in the same period.

In the same tone of conservation, Alpek Polyester has two locations in biodiverse locations. The Columbia plant in the US, is located 24 km from the Congaree National Park, and 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, water reduction activities are critical at these sites.

## Recycling and reuse of raw materials: advancing towards a circular economy

GRI Standards: 301-2, 416-1.

Material aspect: Climate change and emissions strategy.

SDGs 8 and 12: Decent work and economic growth;

Responsible consumption and production.



The responsible use of raw materials and natural resources is essential to ensuring that future generations will be able to meet their needs. At Alpek Polyester, we use resources efficiently, which increases our productivity, reduces production costs, and contributes to environmental well-being.

We have always been aware of the need and importance of recycling. However, in recent years this has been one of our top priorities for achieving a sustainable operation. We are keenly conscious that one of the products we commercialize, PET, is the main input for producing plastic bottles, and how this may impact the environment. This is why we own 2 PET recycling plants that processed a total 72,300 tons of bottles and produced 47,000 tons of flake, in 2018. Our commitment to recycling grows stronger every year; at the end of 2018 we announced the acquisition of a new PET recycling plant in Indiana, U.S. One of the greatest challenges we face in our recycling strategy is the raw materials to recycle.

In Mexico there are still no official strategies for the recovery of plastic bottles in order for them to be recycled as input. This is one of the main areas of focus we will work on in the short and medium-term future.

In the same tone of raw materials management, one of our main inputs is paraxylene, a chemical that comes from petroleum, specifically gasoline. With the electric cars trend, the supply of gasoline might be affected in the coming years, potentially tightening paraxylene supplies. It is a priority for us to manage our usage and optimization of raw materials in the company.

In addition to taking care of resources, we have processes for the management of waste that our operations generate. The shipment of waste to landfills decreased by 4% compared to 2017, and the tons of material and non-hazardous waste reused or sold to third parties totalized more than 200 tons between pallets and packaging plastic.



# AXIS 3. PEOPLE: EMPLOYEES AND COMMUNITIES

Core business strategic action: Talent development.

A photograph of a worker in profile, wearing a red hard hat and safety glasses, looking at a handheld device. The background shows a complex industrial facility with pipes, scaffolding, and storage tanks under a clear sky.

# Sustainability model pillar: People: employees and communities

GRI Standard: 102-10.

Material aspect: Operations and Strategy.

In Alpek Polyester, we create opportunities for personal and professional development for our team members, and provide a safe and inclusive workplace that will foster their overall well-being. We also are a responsible corporate citizen and a good neighbor. We are proud of being able to contribute to the well-being of the communities that grant us the license to operate, through initiatives for the betterment of their quality of life.

# Labor practices and workforce

GRI Standards: 202-1, 405-1, 405-2.

Material aspect: Labor practices.

SDGs 1, 5, 8 and 10: End poverty; Gender equality; Decent work and economic growth; Reduced inequities.

We strive to foster a creative, culturally diverse and collaborative work environment. We do not tolerate any kind of harassment, offensive behavior, or employee discrimination on the grounds of nationality, race, gender, education, age, or religion. Diversity is our strength.

Due to the nature of our manufacturing operations, the workforce is made up of more male than female personnel, but we continue to provide opportunities to both genders. Through policies such as the Equal Employment Opportunity Policy, flex-time schedules, maternity and paternity leave, and the practice of non-discrimination, we ensure that we are complying with the highest standards of equality at work.

Likewise, salaries are established according to the competencies necessary for the job profile. In terms of labor practices, for each work area, we abide by and go beyond the regulations of each country as a minimum requirement. We also respect the privacy of all current and former employees, and when they have something to say, we are always ready to listen.

In 2018, our workforce was distributed as follows:

Employee type	Men	Women	Total
Executives	64	13	77
Non-unionized	1454	385	1839
Unionized	671	9	680

Contract type	Men	Women	Total
Permanent	2077	399	2476
Temporary	112	8	120

Group	Under 30	Between 30-50	Over 50	Total
Men	421	1164	604	2189
Women	85	217	105	407





## Advocating for a higher quality of life

We are convinced that to truly make a positive impact on our employees' integral well-being, we must not only focus on their professional development, but also their life-work balance and personal growth. In 2018, more than \$180,000 (U.S.) were invested on events, celebrations and family integrative programs for the benefit of more than 6,347 people. In Mexico, we continued offering the ANSPAC (National Association for Personal Growth) Program to our employees' wives. ANSPAC focuses on providing free of charge courses for personal development to companies, government institutions and the general public. In 2018, 60 women benefited by the program, and we provided free transportation, a donation of \$4,000 (U.S.), and space for weekly meetings.

Salaries and benefits are granted according to the category of employee and the activities to be performed in the operation, not on any gender-based approach. The ratio of the base salary of men to that of women is 1:1, that is, without any difference. Our non-unionized employees have benefits that may include Christmas bonuses, paid vacations, savings accounts, life insurance, and retirement accounts, among others.

Those covered under a collective agreement have similar benefits.

Our Human Resources Program, CreSer, aims to:

1. Keep abreast of best practices for employees and improve opportunities through internal programs and processes.
2. Be willing and prepared to respond quickly and efficiently to the requests of our employees and give a personalized follow-up.
3. Know all employees, so we can meet their needs, as we recognize their efforts and reward their work. This results in improvement of the working environment.

Finally, the PAE (Employee Assistance Program) continued to operate in 2018, aiding employees and their families on legal, health and other counseling topics, free of charge. 222 people benefited from the Program; 88% of them employees and 11% family members.

# Training and development

GRI Standards: 102-30, 102-40, 102-42, 102-43, 102-44.  
 Material aspect: CSR management, Wealth distribution, Operations and risks strategy.  
 SDG 8: Decent work and economic growth.

Talent development is one of the most important investments we make as a company. We provide a range of training programs to help employees build knowledge and incentivize collaboration, loyalty and talent retention. This also helps our employees improve their abilities, feel empowered, and boost their professional growth. This is a win-win situation, and that is what we aim for.

This year we invested more than \$17 million (U.S.) on specific trainings in all areas of the company, benefiting 2,300 employees that took an average of 24 man-hours. Also, we granted 663 scholarships to team members that wanted to attend external academic institutions so they could continue to increase their potential and experience.

This benefit of ongoing support to academic growth was also extended to 347 of our employee's children through scholarships and educational supports.

Also, in Mexico, 1,251 hours were invested during the Week of Integral Management and Sustainability at ALFA, where we shared support talks and trainings on our four sustainability pillars (Environment, Creation of Value, Our People and Marketplace). A total of 4,343 hours was invested in the Alpek Polyester Values workshop, where behavioral foundations for all employees were reinforced. We also provided 13,232 hours of internal training to develop technical skills to meet business objectives and 14,580 hours for external training to update and improve knowledge and skills, increase productivity, prevent labor risks, and provide information on new technologies.

The annual average hourly training in 2018 is shown below:

Category	2018	2017
All employees	24	30
Men	24.3	28
Women	21	28
Unionized	16.1	26
Non-unionized	25.8	32

# Health and Safety

GRI SGRI Standards: 403-1, 403-4.  
Material aspect: Health and safety.  
SDG 3: Good health and well-being.

Our efforts to ensure safety in our operations and facilities, and to support the health of our workforce, are continuous and increasing. Both the company and our team members are jointly responsible for maintaining a safe workplace that fosters quality of life.

We encourage participation from all company departments on Health and Safety committees, and allocate required resources to improve and update equipment, technology, and industrial safety practices.

In 2018, we invested more than \$20.3 million (U.S.) in programs related to improving health and safety to benefit our entire workforce. Initiatives implemented at our facilities, such as the Annual Occupational Health and Safety Plan, are essential to obtaining results such as zero fatal accidents, and achieving more than 14 years without a recordable work case in some facilities.

Also, regarding health specifically, we continued implementing initiatives such as DAK Healthy Rewards, Know Your Numbers, Health Fairs, Blue Cross Blue Shield Disease Management program, TeleMedicine, Tobacco Free Campus, Employee Assistance Program, Influenza immunizations, Disability Management, OSHA Medical Surveillance Programs, and sending monthly emails on health and disease prevention related topics.

Accidents rates in 2018 are presented below:

	2018	2017
Accident rate	0.92	0.75
Lost days	394	18
Injured workers	26	8
Fatal accidents	0	0



## Engaging with our communities

GRI Standards: 413-1, 413-2.  
Material aspect: Community engagement.  
SDGs 1 and 2: End poverty; Zero hunger.

Alpek Polyester's community engagement strategies are rooted in our active participation in neighborhood safety, promoting educational programs, and fostering environmental and social awareness.

In 2018, more than 5,400 students from 33 schools received support, and Alpek Polyester, in Mexico, issued educational grants for children of the surrounding communities of the Altamira plant with an average above 91 through its Children of Excellence program. A total of 46 research agreements were held with universities and 103 students completed internships in our facilities.

The Alpek Polyester plants carried out an event to free more than 100 Lora turtles, an endemic species, at the port of Altamira, Tamaulipas, after cleaning 8 km of beaches and giving talks on environmental conservation to nearby schools as part of its Live Green program.



## Our communities' safety

GRI Standards: 413-1, 413-2.  
Material aspect: Community engagement.  
SDG 11: Sustainable cities and communities.

We maintain open communication channels with the leaders and authorities of neighboring communities, and discuss contingency plans and training in case of emergency.

We also implemented the “Quiénes somos” en Alpek Polyester in Mexico, in coordination with local authorities. In many U.S. locations, we hold Local Community Advisory Panel meetings, in which we collaborate with local authorities and community representatives. Plant activities and issues, any community questions or concerns related to the plant, and other topics of interest to the community, are discussed at the meetings.

Although the activities of our operations do not present a direct risk to neighboring communities, we have implemented a series of practices, among which the identification, evaluation and prevention of potential risks are included and analyzed, to cover our nearby communities. We have also defined procedures that establish how we should respond in case of an emergency. In general, our strategy comprises the following steps:

1. We identify and evaluate the risks of our processes.
2. We establish procedures to act in case of emergency.

3. We interact with our communities and conduct drills.
4. Together, we identify actions that allow us and them to prevent risk.
5. We engage and participate in several initiatives with local authorities in order to work together to enhance our communities' safety.

With regards to health, the DAK Americas plants in the U.S. gave talks on preventing drug use in children.

In total, 245 employees invested an average of 6 man-hours or more in volunteering activities in 2018.

The awards and certifications regarding our employees and communities are shown below:

Site	Award or certification	Granted by	Country
Planta PTA Cosoleacaque	Certificado de Empresa Segura	STPS (Secretaría del Trabajo y Previsión Social)	Mexico
	Reconocimiento Petrocel Temex "Empresa de 10"	INFONAVIT (Instituto del Fondo Nacional de la Vivienda para los Trabajadores)	Mexico
DAK Americas	CC Site – NCDOL Award for One Million Hours without loss Work Case	North Carolina Department of Labor (NCDOL)	USA
	CC Site – 9 Year NCDOL Gold Award – Safety Performance	North Carolina Department of Labor (NCDOL)	USA
	CC Contractors – 13 Years since last Recordable Injury – Mundy Record	Mundy Companies	USA
	CF Support Group 48 Year NCDOL Gold Award	North Carolina Department of Labor (NCDOL) Award	USA
	CR – SCMA Safety Performance Recognition Award	SC Manufacturer's Alliance	USA
	2018 Safety Achievement Award (Columbia)	SC Department of Labor, Licensing & Regulation	USA



# AXIS 4. RESPONSIBLE GROWTH THROUGH A SUSTAINABLE ECONOMY

Core business strategic action: Superior positioning with our customers.

# Sustainability model pillar: Marketplace

Seeking economic growth is a natural part of our business. An essential part of this growth is directly linked to responsible management and use of resources. With this in mind, we generate long-term benefits for both our company and our stakeholders based on responsible and ethical practices.





# Our economic performance

GRI Standards: 201-1, 201-2.  
 Material aspects: CSR Management; Wealth distribution;  
 Operations and risks strategy.  
 SDGs 8 and 12: Decent work and economic growth;  
 Responsible consumption and production.

In 2018, our company registered record results regarding profits and strategic investments. Also, after more than a year of negotiations, we finalized an agreement for the sale of the cogeneration plants of Cosoleacaque and Altamira to ContourGlobal, for \$801 million (U.S.).

This operation, which represents the largest asset sale in Alpek's history, further consolidates the financial situation of the company and generates value for our shareholders, while maintaining our energy and steam supply by a world class provider.

In 2018, our expenditures were distributed as follows:

Category	2018 (USD million)	2017 (USD million)
Revenues	798,359	3,731
Capital investments	4,017,946	-273
Operational expenses	321.25	3,414
Salaries	120	126.3
Benefits	826	48.8
Payments to governments	368.6	22.5
Investments in the community	160.1	1.4
Economic value distributed	3,341	3,341
Economic value retained	390	390



## Our value chain: Hand in hand with suppliers and costumers

GRI Standards: 102-43, 204-1, 308-1, 308-2, 414-1, 414-2.  
Material aspect: Relations with our value chain.  
SDGs 12 and 17: Responsible consumption and production;  
Partnerships for the goals.

Building long-lasting and trustworthy relations with our entire value chain is a fundamental aspect for the success of our business and sustainability strategies.

The joint collaboration between the company and our suppliers, as well as complete transparency and communication with our customers, gives us an advantage at operating more sustainably: we all work together towards achieving the same goals.

## Our costumers

We strive to provide our clients with industry leading products, services, and customer care and stewardship. Major efforts to achieve this include the expansion of use and offerings of products produced from renewable feedstocks, as well as expanding and promoting our recycling of post-industrial and post-consumer PET. Our joint venture with Shaw Industries, Clear Path Recycling (CPR), is one of the largest post-consumer PET Bottle Recycling facilities in North America. CPR utilizes post-consumer waste PET bottles and recycles them into rPET Flake. This rPET flake is used in various sustainability initiatives and product offerings, including leading polyester based carpets produced by Shaw.

Also, our Product Stewardship program has the goal of continually improving the process of evaluating, assessing, and communicating the safety of our products. We focus on providing information to our customers in a timely manner and based on the most current and reliable regulatory evaluations available.

We strive to stay abreast of pending and enacted legislation, particularly regarding food contact compliance. We work within cross-functional groups, including Technical Marketing, R&D, Quality and Manufacturing, to assess our products' capabilities and any limitations. Providing our customers with a product with a comprehensive safety assessment is a key goal.

This year the relationship and transparency with our clients continued to strengthen. We participated and responded in disclosure platforms such as the: Carbon Disclosure Project (CDP), with information on energy efficiency and emissions; RobecoSAM, with increased transparency in our management models; and the Sustainable CPI of the Mexican Stock Exchange, with information on ESG (Environment, Social and Governance) practices integrated into our operation. All of this was done through our holding company, Alpek.

## Our suppliers

We manage our supply chain based on the principle of an ethical distribution process. Understanding that our operation starts with paying detailed attention and working hand in hand with our suppliers, we expect them to respect our commitment to promote the development of our communities, its employees and protection of the environment. Within the organization, we have an executive responsible for supplier relationships, the Operations Director.

Together with the plant's Health and Safety Manager, they ensure that the processes with our supply chain are of value to both parties.

75% of our supply comes from local suppliers, which boosts the communities' economic and social well-being.

# Impacts that go beyond

GRI Standards: 102-12, 102-13.  
Material aspect: Relations with NGOs  
and regulatory agencies.  
SDG 17: Partnerships for the goals.

We actively participate in industrial, business, educational, and sustainability associations, in a selective and strategic manner. This keeps us abreast of issues relevant to our stakeholders, allows us to work as a team with other companies to share best practices, and keeps us updated with respect to national and international regulations on trade, labor, and environmental issues.

Below is a list of the key organizations and associations that we participate in:

Site	Chamber or Association	Is it a strategic position?
Alpek Polyester USA	FTCC (Fayetteville Technical Community College)	No, an alliance was made to provide free training to employees
	National Association for PET Container Resources	Yes, one of our directors participates as Vice President of the Association
	NCTO (National Council of Textile Organizations)	Yes, we are part of the Council
	The PET Resin Association	Yes, one of our directors participates as President of the Association
	CAPCA (Carolinás Air Pollution Control Association)	Yes, we are part of the Council
Alpek Polyester Mexico	ANIQ (Asociación Nacional de la Industria Química)	Yes
	AISTAC (Asociación de Industriales del Sur de Tamaulipas, A.C.)	Yes
	CAINTRA (Cámara Nacional de la Industria de la Transformación)	Yes
	AIEVAC (Asociación de Industriales Estado de Veracruz)	Yes

# GRI INDEX

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Strategy</b>					
<b>Strategy and Analysis</b>					
102-14	Statement from senior decision-maker	Pages 5 and 6.			Fully
102-15	Key impacts, risks, and opportunities	Pages 6.			Fully
<b>Company's profile</b>					
102-1	Name of the organization	Alpek Polyester S.A. de C.V.	Obligatory		Fully
102-2	Activities, brands, products, and services	Page 7, 8, 10, 11 and 12.	Obligatory		Fully
102-3	Location of headquarters	Pages 8 and 9.	Obligatory		Fully
102-4	Location of operations	Pages 8 and 9.	Obligatory		Fully
102-5	Ownership and legal form	ALPEK POLYESTER S.A. DE C.V.	Obligatory		Fully
102-6	Markets served	Pages 8 and 9.	Obligatory		Fully
102-7	Scale of the organization	Pages 8 and 9.	Obligatory		Fully
102-8	Information on employees and other workers	Pages 29 to 34.	Labor practices	SDG 8 Decent work and economic growth	Fully
102-9	Supply chain	Page 8 and 13.	Relations with clients and suppliers		Fully
102-10	Significant changes to the organization and its supply chain	Pages 7, 30.			Fully
102-11	Precautionary Principle or approach	Pages 17, 19.	Relations with shareholders		Fully
102-12	External initiatives	Pages 12, 20, 35 and 43.	Relations with NGOs and regulatory agencies	SDGs 5, 8 and 16: Gender equality; Responsible production and consumption; Peace, justice and strong institutions.	Fully
102-13	Membership of associations	Pages 12, 20, 35 and 43.	Relations with NGOs and regulatory agencies	SDG 17 Partnerships for the goals	Fully
<b>Material aspects and report coverage</b>					
102-45	Entities included in the consolidated financial statements	All of Alpek Polyester's financial statements are described in Alpek Annual Report 2018.	Relation with shareholders		Fully
102-46	Defining report content and topic Boundaries	Pages 19, 20 and 21.	CSR Management		Fully
102-47	List of material topics	Pages 19, 20 and 21.	CSR Management		Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
103-1b	Explanation of the material topic and its boundary	Pages 19, 20 and 21.	CSR Management		Fully
103-1c	Explanation of the material topic and its Boundary	Pages 2, 19, 20 and 21.	CSR Management		Fully
102-48	Restatements of information	Pages 2, 19, 20 and 21. COMPLEMENT: The report option chosen for 2018 is CORE, according to the GRI standards. This means that we completely cover at least one standard of the identified material issues. In 2018 there were no restatements of information. Pages 2 and 25.	Obligatory		Fully
102-49	Changes in reporting	In 2018 there were no significant changes in the scope and coverage of each material aspect with respect to previous reports. The most significant change is that in the Annual Report to Shareholders of 2018 the sustainability section was integrated for the first time. Page 2.	Obligatory		Fully

## Engagement with stakeholders

102-40	List of stakeholder groups	Pages 17, 20, 21 and 33.	Relationship with NGOs and regulatory agencies		Fully
102-41	Percentage of employees covered by collective agreements.	36.3% globally.	Labor practices	SDG 8: Decent work and economic growth.	Fully
102-42	Identifying and selecting stakeholders	We base the level of engagement with our stakeholders according to the degree of impact we have on them, and vice versa. Page 17, 20, 21 and 33.	Relationship with NGOs and regulatory agencies	SDG 17: Partnerships for the goals.	Fully
102-43	Approach to stakeholder engagement	Page 10, 11, 12, 13, 17, 18, 20, 21, 33 and 41.	Labor practices; Relationship with NGOs and regulatory agencies; Relations with clients and suppliers	SDG 17: Partnerships for the goals.	Fully
102-44	Key topics and concerns raised	Pages 18, 20, 21, 33 COMPLEMENT: In 2018, the main concerns focused on the long-term objectives of the company, alignment with the Sustainable Development Goals (SDG) and the uncertainty related to the economic environment in Mexico and worldwide.	Relationship with NGOs and regulatory agencies	SDG 17: Partnerships for the goals.	Fully

## Company's profile

102-50	Reporting period	January 1st to December 31st, 2018.	CSR Management		Fully
102-51	Date of most recent report	Publication date: February 28th, 2018, includes the reporting period from January to December 2017.	CSR Management		Fully
102-52	Reporting cycle	Annual.	CSR Management		Fully
102-53	Contact point for questions regarding the report	Humberto Estrella, Global Communications Manager, tel. +528187481111	CSR Management		Fully
102-54	Claims of reporting in accordance with the GRI Standards	The chosen option for this report is Core.	CSR Management		Fully
102-55	GRI content index	Present.	CSR Management		Fully
102-56	External assurance	This report does not have external verification.	CSR Management		Fully
102-56	External assurance policies	In Alpek Polylyster we do not have an established policy regarding external verification practices, but this practice is put into consideration for each reporting cycle. It is important to mention that once it has been decided that it will be carried out, the verifying agency is expected to have the necessary information and not have a working relationship with the consulting agency that supports us in the development of the report.	CSR Management		Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Governance</b>					
102-18	Governance structure	Page 15.	Corporate governance		Fully
102-19	Delegating authority	The Board of Directors relies on the Presidency, General Management, as well as the Finance Division for the issues of investment viability, strategic positioning of the company. It also has an area specifically responsible for maintaining communication with its shareholders and investors. For the other areas, the directors of each one report directly to the General Management. Page 15.	Corporate governance		Fully
102-20	Indicate if there are executive positions in the organization or with responsibility for economic, environmental and social issues, and if their holders report directly to the highest governing body.	Th Finance and Human Capital departments have the responsibility to boost the economic, environmental and social areas of the company. Page 15.	Corporate governance		Fully
102-21	Consulting stakeholders on economic, environmental, and social topics	The concerns expressed by our stakeholders through the various means of communication with which we have, are transmitted to the highest governing body through the governing body of the areas to which it corresponds to respond to them. Page 15.	Corporate governance		Fully
102-22	Composition of the highest governance body and its committees	Page 15.	Corporate governance		Fully
102-23	Chair of the highest governance body	Page 6.	Corporate governance		Fully
102-24	Nominating and selecting the highest governance body	Alpek Polyester does not have a Board of Directors, but its holding company, ALPEK does. ALPEK complies with ALFA's practices. Page 15.	Corporate governance		Fully
102-25	Conflicts of interest	Page 15. COMPLEMENT: ALFA has a Conflict of Interest policy for the members of the Board of Directors and for its collaborators. 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, taking into account 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, ALFA'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.	Corporate governance		Fully
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 15.	Corporate governance		Fully
102-27	Collective knowledge of highest governance body	Each year, the learning dynamic within Alpek Polyester is strengthened in all areas of the company, including our management team. This year, thanks to the materiality process carried out in 2015, which directly involved the executives, and whose results were presented to them as a way to inform the company's future strategy as a whole, we were able to strengthen the company's sustainability strategy.	Corporate governance		Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
102-28	Evaluating the highest governance body's performance	There are several evaluation methods for directors that measure various factors: from attending the Board meetings and the committees to which they belong, to their participation in the deliberations and in the effectiveness of the strategic decisions taken.	Corporate governance		Fully
102-29	Risk management processes of the highest governance body.	This information is considered confidential.	Corporate governance		Fully
102-30	Effectiveness of risk management processes	Page 33. COMPLEMENT: The Board of Directors of Alpek follows procedures in accordance with those established by the corporate governance standards contemplated in the Mexican Securities Market Law and the Code of Best Corporate Practices. In addition, it relies on the Audit, Corporate Practices, and Planning and Finance committees to review the company's strategy, management, and results, which include environmental and social issues. The evaluation is based on compliance with the criteria of ALFA, its business strategy and investment policy: business related to current operations, strengthening of the competitive position, attractive markets (profitability and growth), generation of synergies and assurance of the competitiveness of the value chain.	Corporate governance		Fully
102-31	Review of economic, environmental, and social topics	Pages 15, 18, 19, 23, 30 and 39.	Corporate governance		Fully
102-32	Highest governance body's role in sustainability reporting	Alpek Polyester Head of Communications.	Corporate governance		Fully
102-33	Communicating critical concerns	This takes place during the quarterly meetings held by the Board. Page 15,	Corporate governance		Fully
102-34	Nature and number of important concerns that were transmitted to the highest governing body	This information is considered confidential.	Corporate governance		Fully
102-35	Remuneration policies for the highest governing body and senior management	This information is considered confidential.	Wealth distribution		Fully
102-36	Processes to determine remuneration	This information is considered confidential.	Wealth distribution		Fully

## Ethics and Integrity

102-16	Values and principles	Pages 15 and 16.	Obligatory		Fully
102-17	Describe the internal and external mechanisms of advice for ethical and lawful conduct, and for matters related to the integrity of the organization, such as help lines or advice.	Page 17.	Obligatory	SDG 13: Climate action.	Fully
102-17	Describe the internal and external mechanisms for reporting unethical or illicit conduct and matters related to the integrity of the organization, such as escalated notification to management, mechanisms for reporting irregularities or telephone help lines.	Page 17.	Corporate governance		Fully

## Economic performance

201-1	Direct economic value generated and distributed	Page 40.	CSR Management; Wealth distribution; Operation and risk strategy	SDG 8: Decent work and economic growth.	Fully
201-2	Financial implications and other risks and opportunities due to climate change	Pages 40.	Wealth distribution; Climate change and emissions strategy	SDG 13: Climate action.	Fully
201-3	Defined benefit plan obligations and other retirement plans	Pension plans, support for education and medical assistance are available to 100% of ALFA's employees, and the pension system is a fixed contribution plan to which the company and its employees contribute the same amount, which goes from 4 to 17% of the total salary of the employee and varies according to the applicable labor regulations. The resources to cover these benefits are contributed 100% by the company. This applies also for Alpek Polyester.	Labor practices	SDG 8: Decent work and economic growth.	Fully
201-4	Financial assistance received from government	Alpek Polyester does not receive significant aid granted by government agencies.	Relationship with NGOs and regulatory agencies		Fully



STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Market presence</b>					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	COMPLEMENT: Country / Minimum salary ratio of Alepk Polyester vs. legal minimum wage: Mexico 3.30 to 1, United States 2.07 to 1. There is no difference between Alepk Polyester's minimum wages for men and for women. Pages 31, 32.	Labor practices	SDG 8: Decent work and economic growth.	Fully
202-2	Proportion of senior management hired from the local community	Approximately 70% of managers come from the same community where the operation is located.	Community engagement	SDG 11: Sustainable cities and communities	Fully
<b>Indirect economic impacts</b>					
203-1	Infrastructure investments and services supported	Page 40.	Wealth distribution	SDG 1: No poverty.	Fully
203-2	Significant indirect economic impacts	Pages 42 and 43.	Wealth distribution	SDG 1, 2, 3, 8, 10 and 17: No poverty; Zero hunger; Good health and wellbeing; Decent work and economic growth; Reduced inequalities; Partnerships for the goals.	Fully
<b>Acquisition practices</b>					
204-1	Proportion of spending on local suppliers	In 2018, Alepk Polyester devoted an average of 50% of their spending to local suppliers. Page 41.	Community engagement	Community engagement SDG 8: Decent work and economic growth.	Fully
<b>Environment</b>					
<b>Materials</b>					
301-1	Materials by weight or volume	Paraphylen: 900,000 ton; Acetic acid: 60,000 ton; MEG: 672,000 ton; PTA: 162,000 ton.			Fully
301-2	Recycled input materials used	Page 28.	Climate change and emissions strategy	SDGs 8 and 12: Decent work and economic growth; Responsible production and consumption.	Fully
<b>Energy</b>					
302-1	Energy consumption outside of the organization	Page 25.	Energy efficiency	SDG 7, 8, 12 and 13: Affordable and clean energy; Decent work and economic growth; Responsible production and consumption; Climate action.	Fully
302-2	Energy intensity	Page 25.	Energy efficiency	SDG 7, 8, 12 and 13: Affordable and clean energy; Decent work and economic growth; Responsible production and consumption; Climate action.	Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
302-3	Reduction of energy consumption	30.09 GJ/Ton of product.	Energy efficiency	SDG 7, 8, 12 and 13: Affordable and clean energy; Decent work and economic growth; Responsible production and consumption; Climate action.	Fully
302-4	Reductions in energy requirements of products and services	Page 25.	Energy efficiency	SDG 7, 8, 12 and 13: Affordable and clean energy; Decent work and economic growth; Responsible production and consumption; Climate action.	Fully
302-5		This is not applicable for our products nor services.	Energy efficiency	SDG 7, 8, 12 and 13: Affordable and clean energy; Decent work and economic growth; Responsible production and consumption; Climate action.	Fully

## Water

303-1	Water withdrawal by source	Page 27.	Water management	SDG 6, 8, 12 and 14: Clean water and sanitation; Decent work and economic growth; Responsible production and consumption; Life below water.	Fully
303-2	Water sources significantly affected by withdrawal of water				
		No water source was significantly affected by Alpek Polyester's operations in 2018. Page 27.	Water management	SDG 6, 8, 12 and 14: Clean water and sanitation; Decent work and economic growth; Responsible production and consumption; Life below water.	Fully
303-3	Water recycled and reused	Page 27.	Water management	SDG 6, 8, 12 and 14: Clean water and sanitation; Decent work and economic growth; Responsible production and consumption; Life below water.	Fully

## Biodiversity

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Alpek Polyester's operations do not affect these areas.		SDG 15: Life on land	Fully
304-2	Significant impacts of activities, products, and services on biodiversity	Alpek Polyester's operations do not affect these areas.		SDG 15: Life on land	Fully
304-3	Habitats protected or restored	See Standard 304-1.		SDG 15: Life on land	Fully
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Alpek Polyester's operations do not affect vulnerable or endangered species.		SDG 15: Life on land	Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Emissions</b>					
305-1	Direct GHG emissions (Scope 1)	Page 26.	Climate change and emissions strategy	SDGs 3, 12, 13, 14 and 15: Good health and wellbeing; Responsible production and consumption; Climate action; Life below water; Life on land.	Fully
305-2	Energy indirect (Scope 2) GHG emissions	Page 26.	Climate change and emissions strategy	SDGs 3, 12, 13, 14 and 15: Good health and wellbeing; Responsible production and consumption; Climate action; Life below water; Life on land.	Fully
305-3	Other indirect (Scope 3) GHG emissions	These emissions are not measured.	Climate change and emissions strategy	SDGs 3, 12, 13, 14 and 15: Good health and wellbeing; Responsible production and consumption; Climate action; Life below water; Life on land.	Fully
305-4	GHG emissions intensity	Page 26.	Climate change and emissions strategy	SDGs 3, 12, 13, 14 and 15: Good health and wellbeing; Responsible production and consumption; Climate action; Life below water; Life on land.	Fully
305-5	Reduction of GHG emissions	Page 26.	Climate change and emissions strategy	SDGs 3, 12, 13, 14 and 15: Good health and wellbeing; Responsible production and consumption; Climate action; Life below water; Life on land.	Fully
305-6	Emissions of ozone-depleting substances (ODS)	Alpek Polyester's operations do not have these emissions.	Climate change and emissions strategy	SDGs 3, 12, 13, 14 and 15: Good health and wellbeing; Responsible production and consumption; Climate action; Life below water; Life on land.	Fully
305-7	NOx, SOx and other emissions.	NOx: 321 ton CO2 eq; SOx: 120.17 ton CO2 eq; COV 826.5 ton CO2 eq; CAP: 368.6 ton CO2 eq.; MP 160.16 ton CO2 eq. Page 26.	Climate change and emissions strategy	SDGs 3, 12, 13, 14 and 15: Good health and wellbeing; Responsible production and consumption; Climate action; Life below water; Life on land.	Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Effluents and waste</b>					
306-1	Water discharge by quality and destination	In 2018, water discharges from Alpek Polyester operations were distributed as follows in m3: ; 114,287 m3 to green areas; 85 million to rivers; 1,512 to municipal sewage.	Water management	SDGs 3, 6, 12 and 14: Good health and wellbeing; Clean water and sanitation; Responsible production and consumption; Life below water.	Fully
306-2	Waste by type and disposal method	200 ton reused (non-hazardous); 3.8 ton incinerated (hazardous); 230 ton to landfill (non-hazardous).		SDGs 3, 6 and 12: Good health and wellbeing; Clean water and sanitation; Responsible production and consumption.	Fully
306-3	Significant spills	In 2018 there were no significant spills from Alpek Polyester's operations.		SDGs 3, 6, 12, 14 and 15: Good health and wellbeing; Clean water and sanitation; Responsible production and consumption; Life below water; Life on land.	Fully
306-4	Weight of transported, imported, exported or treated waste considered hazardous under the terms of Annexes I, II, III and VIII of the Basel Convention, and percentage of waste transported internationally.	Alpek Polyester operations do not generate waste that is transported internationally.		SDGs 3 and 12: Good health and wellbeing; Responsible production and consumption.	Fully
306-5	Water bodies affected by water discharges and/or runoff	In 2018 there were no water bodies or habitats affected by Alpek Polyester's operations runoffs.		SDGs 6 and 15: Clean water and sanitation; Life on land.	
<b>Materials</b>					
301-2	Degree of mitigation of the environmental impact of products and services.	Pages 22 to 28.	Climate change and emissions strategy	SDGs 8 and 12: Decent work and economic growth; Responsible production and consumption.	Fully
<b>Compliance</b>					
307-1	Non-compliance with environmental laws and regulations	In 2018, no fines were recorded for this concept.	Relationship with NGOs and regulatory agencies	SDG 16: Peace, justice and strong institutions.	Fully
<b>Transport</b>					
NA	Significant environmental impacts of the transport of products and other goods and materials used for the activities of the organization, as well as the transportation of personnel	Not calculated.	Climate change and emissions strategy	SDG 13: Climate action	Fully
<b>General</b>					
NA	Breakdown of environmental expenditures and investments	Page 23.	Climate change and emissions strategy	SDG 13: Climate action	Fully
<b>Environmental assesment of suppliers</b>					
308-1	New suppliers that were screened using environmental criteria	Approximately 50%. Page 41.	Relations with clients and suppliers	SDG 12: Responsible production and consumption.	Fully
308-2	Negative environmental impacts in the supply chain and actions taken	In 2018 no significant environmental impacts were identified in the supply chain. Page 41	Relations with clients and suppliers	SDG 12: Responsible production and consumption.	Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Compliance</b>					
103-2	Number of environmental fines or sanctions.	In 2018 there were no significant environmental fines nor sanctions. Page 19.	Climate change and emissions strategy	SDGs 1, 5, 8 and 16: No poverty; Gender equality; Decent work and economic growth; Peace, justice and strong institutions.	Fully
<b>Labor practices</b>					
<b>Employment</b>					
401-1	New employee hires and employee turnover		Labor practices	SDGs 5, 8 and 10: Gender equality, Decent work and economic growth; Reduced inequities	Fully
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The plant workers have bonuses, vacation premium, pantry bonuses, savings fund, recognition for years of service and pension plan. Temporary and part-time employees are not provided with the pension plan.	Labor practices	SDG 8: Decent work and economic growth.	Fully
<b>Company-employees relation</b>					
402-1	Minimum notice periods regarding operational changes	The minimum term is two weeks.	Labor practices	SDG 8: Decent work and economic growth.	Fully
<b>Health and Safety</b>					
403-1	Workers representation in formal joint management-worker health and safety committees	Page 31. COMPLEMENT: 100% of unionized workers is represented by these committees.	Health and Safety	SDG 8: Decent work and economic growth.	Fully
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 34. COMPLEMENT: All the plants have an accident registration and communication policy.	Health and Safety	SDGs 3 and 8: Good health and wellbeing; Decent work and economic growth.	Fully
403-3	Workers with high incidence or high risk of diseases related to their occupation	139f employees participate in high-risk activities. The causes of this risk are the handling of flammable or dangerous materials, and work with energized equipment, in confined spaces or at heights. These risks are mitigated by the continuous evaluation in search of the best security measures for our employees.	Health and Safety	SDGs 3 and 8: Good health and wellbeing; Decent work and economic growth.	Fully
403-4	Health and safety topics covered in formal agreements with trade unions	Alpek Polyester operates Health and Safety Committees in which a high percentage of employees, including union members, participate in different activities. These committees work to reduce the incidence of accidents and occupational diseases. Each worker receives the safety equipment, training and programs to perform their functions in the safest manner. Page 34.	Health and Safety	SDG 8: Decent work and economic growth.	Fully
<b>Training and development</b>					
404-1	Average hours of training per year per employee	Page 33. The average training hours per employee in the year was 64 man/hours. 72 hrs per male employee; 71 hrs per female employee; 37 hrs per unionized employee and 77 hrs per non-unionized employee.	Labor practices	SDGs 4, 5 and 8: Quality education; Gender equality; Decent work and economic growth.	Fully
404-2	Programs for upgrading employee skills and transition assistance programs	Page 33.	Labor practices	SDGs 4, 5 and 8: Quality education; Gender equality; Decent work and economic growth.	Fully
404-3	Percentage of employees receiving regular performance and career development reviews	Page 33.	Labor practices	SDGs 4, 5 and 8: Quality education; Gender equality; Decent work and economic growth.	Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
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## Diversity and equal opportunities

405-1	Diversity of governance bodies and employees	Pages 31, 32. We strive to foster a creative, culturally diverse and collaborative work environment. We do not tolerate any kind of harassment, offensive behavior, or employee discrimination on the grounds of nationality, race, gender, education, age, or religion. Diversity is our strength.	Labor practices	SDGs 5 and 8: Gender equality; Decent work and economic growth	Fully
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## Equal remuneration for men and women

405-2	Ratio of basic salary and remuneration of women to men	There are no differences on the base salary for men and women, given that it is based on competences, not gender. Pages 31, 32.	Wealth distribution	SDGs 5, 8 and 10: Gender equality, Decent work and economic growth; Reduced inequities.	Fully
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## Evaluation

414-1	New suppliers that were screened using labor practices criteria	Approximately 50%.	Relations with clients and suppliers	SDGs 5, 8 and 16: Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
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414-2	Negative labor practices impacts in the supply chain and actions taken	In 2018, no impacts on labor practices were identified in our supply chain.	Relations with clients and suppliers	SDGs 5, 8 and 16: Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
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## Grievance mechanisms

103-2	Number of complaints about labor practices that have been presented, addressed and resolved through formal grievance mechanisms.	In 2018 there were no claims on these concepts. Page 19.	Labor practices	SDGs 1, 5, 8 and 16: No poverty; Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
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## Human rights

### Investment

412-3	Employee training on human rights	Page 33.			Fully
412-2	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All of Alpek Polyester's investment contracts are reviewed in detail so that they meet the national and international criteria and standards of respect for human rights.			Fully

### No discrimination

406-1	Incidents of discrimination and corrective actions taken	In 2018, these types of impacts were not identified.	Labor practices	SDGs 5, 8 and 16: Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
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### Freedom of association

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In 2018, these types of impacts were not identified.	Relations with clients and suppliers	SDGs 5, 8 and 16: Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
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STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Child labor</b>					
408-1	Operations and suppliers at significant risk for incidents of child labor	In 2018, these types of impacts were not identified.	Relations with clients and suppliers	SDGs 8 and 16: Decent work and economic growth; Peace, justice and strong institutions.	Fully
<b>Forced labor</b>					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	In 2018, these types of impacts were not identified.		SDGs 8 and 16: Decent work and economic growth; Peace, justice and strong institutions.	Fully
<b>Security practices</b>					
410-1	Security personnel trained in human rights policies or procedures	100% of security personnel are trained in this subject.		SDGs 8 and 16: Decent work and economic growth; Peace, justice and strong institutions.	Fully
<b>Indigenous rights</b>					
411-1	Incidents of violations involving rights of indigenous peoples	In 2018, there were no cases of violation of the rights of indigenous peoples.		SDGs 2 and 8: Zero hunger; Peace, justice and strong institutions.	Fully
<b>Impact assesments</b>					
412-1	Operations that have been subject to human rights reviews or impact assessments	100%			Fully
<b>Suppliers assesment</b>					
414-1	Percentage of new suppliers that were examined based on criteria related to human rights.	Pages 41, 42 and 43.	Relations with clients and suppliers	SDGs 5, 8 and 16: Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
414-2	Significant negative impacts on human rights, real and potential, in the supply chain, and measures taken.	Pages 41, 42 and 43.	Relations with clients and suppliers	SDGs 5, 8 and 16: Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
<b>Grievance mechanisms</b>					
103-2	Number of human rights complaints that have been filed, addressed and resolved through formal grievance mechanisms.	In 2017 there were no complaints for this concept.			Fully
<b>Communities</b>					
<b>Local community</b>					
413-1	Operations with local community engagement, impact assessments, and development programs	82% of our operation centers have community development and participation programs. 100% of them carry out impact evaluations on them. Pages 35, 36 and 37.	Community engagement		Fully
413-2	Operations with significant actual and potential negative impacts on local communities	Pages 35, 36 and 37.	Community engagement	SDGs 1 and 2: No poverty; Zero hunger.	Fully

STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
<b>Anticorruption practices</b>					
205-1	Operations assessed for risks related to corruption	100% of our operation centers were evaluated on corruption risks.		SDG 16: Peace, justice and strong institutions	Fully
205-2	Communication and training about anti-corruption policies and procedures	Alpek Polyester promotes its corporate policies, including the Code of Ethics and the Anticorruption Policy, on its Internet and Intranet pages. However, the diffusion of the policies of the company is mainly through internal communication programs, departmental boards and through the unions.		SDG 16: Peace, justice and strong institutions	Fully
205-3	Confirmed incidents of corruption and actions taken	Page 17.		SDG 16: Peace, justice and strong institutions	Fully
<b>Political contributions</b>					
415-1	Political contributions	Alpek Polyester does not grant political contributions.	Relationship with NGOs and regulatory agencies		Fully
<b>Unfair competition practices</b>					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2018 there were no demands for this concept.	Relationship with NGOs and regulatory agencies	SDG 16: Peace, justice and strong institutions.	Fully
<b>Compliance</b>					
419-1	Non-compliance with laws and regulations in the social and economic area	In 2018 there were no demands for this concept.	Relationship with NGOs and regulatory agencies	SDG 16: Peace, justice and strong institutions.	Fully
<b>Grievance mechanisms</b>					
103-2	Number of complaints about social impacts that have been presented, addressed and resolved through formal complaint mechanisms.	In 2018 there were no demands for this concept.	Relationship with NGOs and regulatory agencies	SDGs 1, 5, 8 and 16: No poverty; Gender equality, Decent work and economic growth; Peace, justice and strong institutions.	Fully
<b>Product responsibility</b>					
<b>Customer health and safety</b>					
416-1	Assessment of the health and safety impacts of product and service categories	Page 28.			Fully
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2018 there were no demands for this concept.		SDG 16: Peace, justice and strong institutions.	Fully
<b>Product and services information</b>					
417-1	Requirements for product and service information and labeling	All of Alpek Polyester products have the information regarding its handling, care and disposal.		SDGs 12 and 16: Responsible production and consumption; Peace, justice and strong institutions.	Fully
417-2	Incidents of non-compliance concerning product and service information and labeling	In 2018 there were no incidents for this concept.	Relations with clients and suppliers	SDG 16: Peace, justice and strong institutions.	Fully
102-43 / 102-44	Approach to stakeholder engagement and key topics and concerns raised (clients' satisfaction rate)	86%	Relations with clients and suppliers		Fully



STD NUMBER	STANDARD	ANSWER/LOCATION	MATERIAL ASPECT	SDG 2030	STATUS
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### Responsible marketing

102-2	Activities, brands, products, and services (products or services in dispute)	Two of our plants produce products that may be restricted in certain countries due to their use of flame retardant (HBBCD) and nonylphenols. These compounds are banned in the European Union and restricted in other markets. In both cases, Alpek companies are looking for alternatives that meet the strictest environmental and health standards.	Responsible criteria for product development		Fully
417-3	Incidents of non-compliance concerning marketing communications	In 2018 there were no incidents for this concept.	Responsible criteria for product development		Fully

### Clients privacy

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2018, no claims were filed for this concept.	Relations with clients and suppliers		Fully
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### Compliance

419-1	Non-compliance with laws and regulations in the product and services supply and use	There were no such cases in 2018.	Relationship with NGOs and regulatory agencies		Fully
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