

2022 Sustainability Report

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An outstanding year of growth

Sustainable Economic growth

In 2022, Alpek Polyester delivered another year of remarkable results.

We expanded our company with the largest acquisition in our 21-year history; aligned with our vision to continue to grow and be a safe and reliable supplier, exceeding our customer's demands and expectations while ensuring their trust.

The purchase of OCTAL Holding SAOC, a global leading supplier of monolayer PET Sheet boosted our ability to grow and increase our offering of PET Resin for strategic customers and markets and further promotes our global position.

Focusing on our customer needs, we are excited to combine efforts, identify synergies and learn from each other in the trade leading PET Resins business, as well as the fast-growing PET Sheet market and its leadership position that OCTAL brings.

I am pleased to report that our financial performance showed exceptional results. 2022 was favored by a continued strength in demand during the first half of the year, as well as tight global supply amid high marine freight costs. As margins began to gradually normalize during the second half, demand for our products remained strong, enabling us to conclude the year with solid results, thus confirming our strong financial performance and the business resiliency.

During 2022, our company continued to embrace workforce diversity and promote equal employment opportunities.

Our volume primarily rose from the PET Sheet & Resin acquisition in the Middle East that was finalized in May 2022, as well as from demand, which remained steady. Asian integrated PET reference margins exceeded expectations, remaining at historically high levels throughout the first three quarters, with a normalization occurring later than expected.

We are also proud of the steps we are taking towards environmental stewardship and sustainability. In October of 2022 we joined the Science Based Target initiative and validated our climate targets pledging to reducing our Scopes 1,2 and 3 emissions by 2030.

Alpek Polyester continues to establish its role as a leading recycler, acquiring last year a state-of-the-art PET Sheet recycling facility in Cincinnati, Ohio which reinforces our commitment to circularity and brings us closer to our PET recycling capacity goal.

We believe that our human capital is a vital part of our success. Our safety programs kept improving to ensure that our people go back home safely everyday. Our actions allowed us to continue being in the top quartile for safety performance.

During 2022, our company continued to embrace workforce diversity and promote equal employment opportunities.

We also carried on our culture transformation journey by promoting and reinforcing our desired company values, striving to empower our employees and have open and authentic communications, as declared in our Culture Statement.

Sustainable Economic growth

To provide sustainable packaging solutions to improve people's everyday lives.



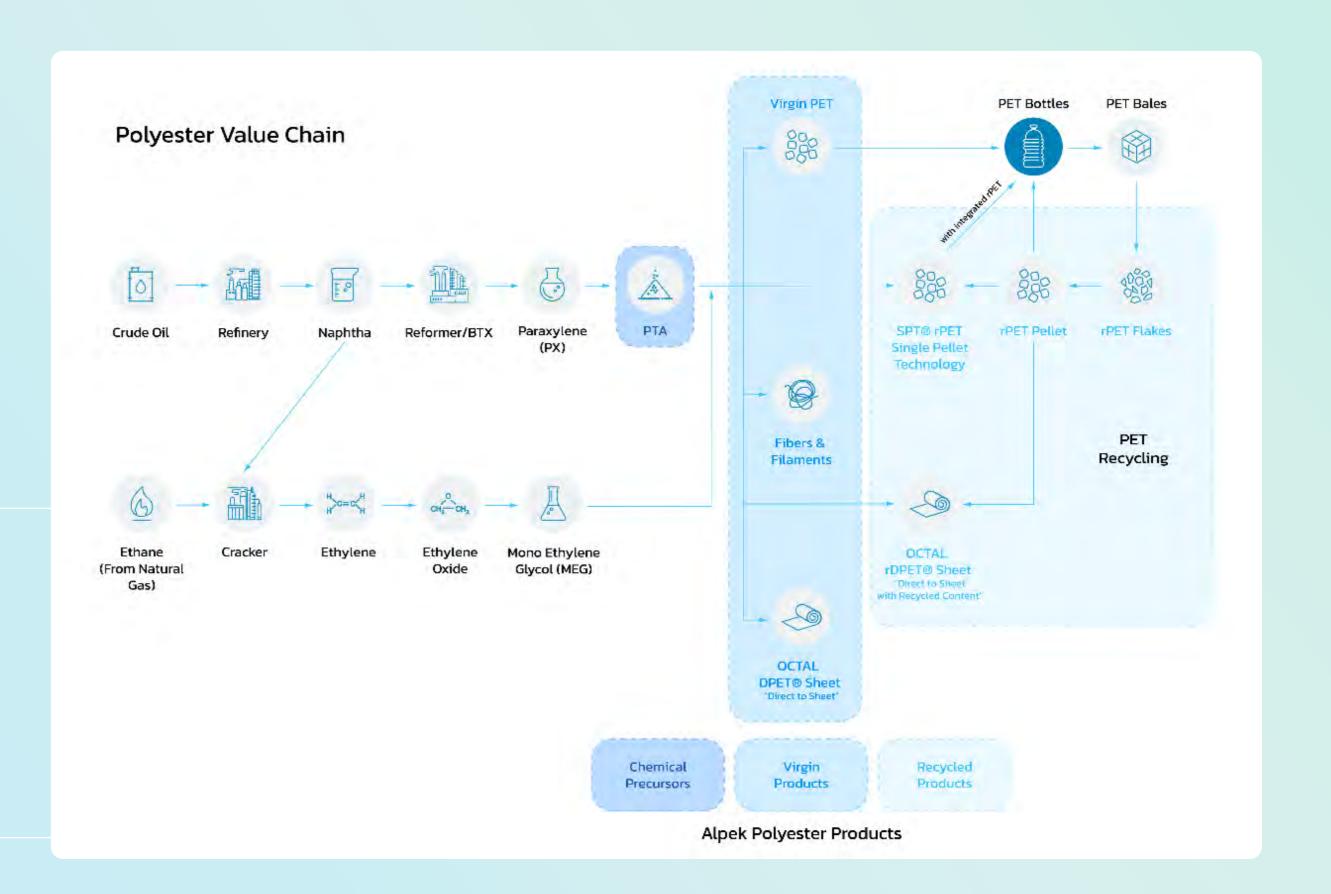
Products and Services

At Alpek Polyester, we look to minimize any negative impacts while maximizing benefits throughout the entire lifecycle of our products.

We recognize the importance of optimizing the impact of our products within our whole supply chain, in the way they are designed, sourced, manufactured and ultimately used by our customers.

Our portfolio

- Polyethylene Terephthalate Resin: **PET Resin**
- Recycled Polyethylene Terephthalate Resin: rPET Resin
- DPET® Sheet
- rDPET® Sheet
- **Purified Terephthalic Acid: PTA**
- Polyester Staple Fiber: PSF
- **Specialty Polymers**
- Technology Services



Polyethylene Terephthalate Resin: PET Resin

PET resin is the main resin used to produce plastic bottles and packaging for many products. It is strong, lightweight and hygienic, and 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 US. Argentina and Brazil assets serve the Mercosur countries. PET exports outside of the Western Hemisphere are minimal.



Sustainable Economic growth

Purified Terephthalic Acid: PTA

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 continue to be one of the main producers of PTA in the world, and the largest in the Americas. PTA is the foundation of the production of the Laser+® family of PET and Polyester Staple Fiber (PSF).



Polyester Staple Fiber: PSF

Synthetic fiber is used in the production of textiles. Uses include, but are not limited to apparel, personal care 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, Delcron® Hydrotec fibers, SteriPur® AM fibers, and HydroPur® fibers, which are trade brands and products are generally branded for consumer use according to customer's specification and end use requirements. Customers are brand owners and/or converters in many markets.



Polyester Filament

Textured filament DTY (draw textured yarn) is manufactured from the processing of POY (partial oriented yarn) which goes through a stretching and crimping process to give strength, volume and softness to the yarn. Applications are wide, but the most common uses are in fabrics, knits, clothing, ribbons, labels, sporting and decorative items (cushions and duvets), fabrics for tennis apparel, car seats and even zippers. These products are produced in Brazil and primarily serve Mercosur countries.



Specialty Polymers

DAK Americas Specialty Polymers business unit produces 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.

Array® Specialty Polymers is the trade brand and products are generally branded for consumer use according to customer's specification and end use requirements. Customers are brand owners and/or converters in many markets.



Sustainable Economic growth

Technology Services

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

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



Octal DPET® Sheet

A cutting edge and sustainable alternative to the traditional PET Sheet, our unique Octal DPET® technology eliminates five energy intensive stages of the conventional PET manufacturing process, making our product the most sustainable produced PET sheet available on the market. In addition to its environmental advantages, Octal DPET® sheet offers exceptional, consistent quality every time. Characterized by enhanced visual and mechanical properties, it's the clearest PET sheet available and its increased productivity for thermoformers allows designers the flexibility to achieve stunning package designs that maintain their shape. Our customers can also customize the color of their PET sheet to suit their requirements, 100% recyclable, our brand and retail partners can not only expect quality standards that are second-to-none and a product that is delivered on time at a competitive price, but meet growing customer demands for more sustainable plastic packaging for food, beverages and other consumer products.



Octal rDPET® Sheet

Octal rDPET® Sheet with integrated recycle content, is suitable for applications such as thermoformed trays and printed, folded and glued cartons.

Octal rDPET® is comprised of 100% prime grade DPET® with added content from de-polymerized monomer produced from PET Post-Consumer Recycle (PCR), Alpek Polyester Octal DPET sheet depolymerization process enables Post Consumer Recycle flake to be rebuilt into a new polymer that addresses and exceeds todays growing environmental demands for a circular economy, offering a recycled content sheet with virtually no impact to the final visual and mechanical attributes of the material. Using Octal rDPET® sheet, customers are able to produce a superior thermoformed product with greater productivity, less waste and a lower environmental footprint.

Our global presence

Monterrey, Nuevo Leon

Monterrey, Nuevo Leon

Corporate Offices:

CDMX, Mexico City

Social

Environment





In 2022, Alpek polyester:

- Expanded its production capacity into the Middle East and its total worldwide capacity (PET, rPET, PTA and Fibers) to over 7 million tons.
- Extended its reach into new market segments like PET sheet.
- Increased our global footprint to 28 total manufacturing and corporate office locations across the world with Multicultural workforce of over 4,000 employees.



United Arab Emirates

Corporate Office: Dubai, UAE

Saudi Arabia

Manufacturing Location:



Manufacturing Location: Salalah, Oman

Corporate Office: Muscat, Oman

Argentina **Corporate Offices:**

Ipoiuca, Pernambuco

Sao Paulo, Sao Paulo

Campinas, Sao Paulo

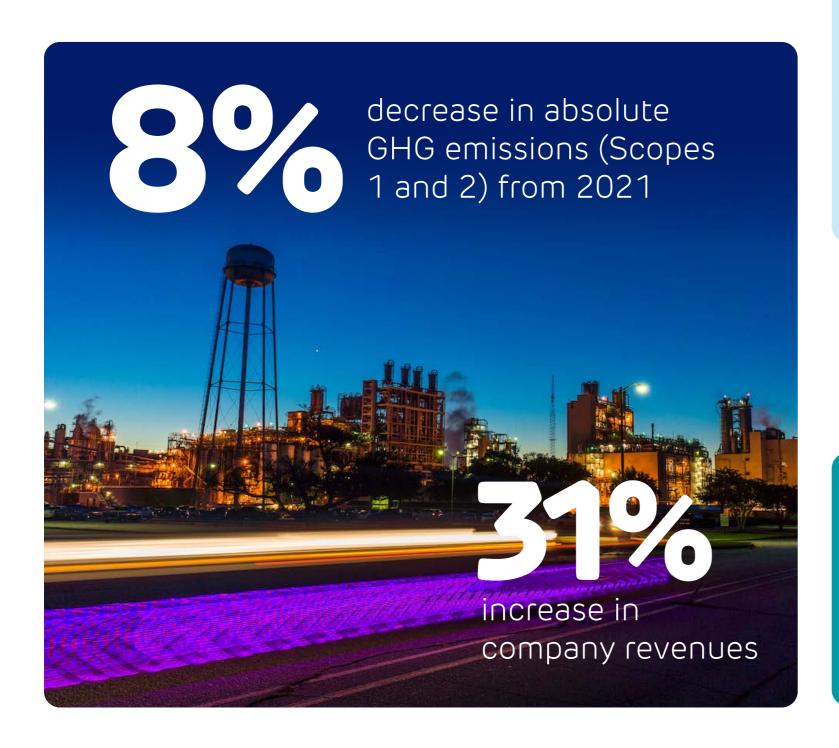
Manufacturing Locations: Zarate, Buenos Aires Pacheco, Buenos Aires

Corporate Office:

Vicente Lopez, Buenos Aires



2022 Highlights





Capacity Expansion to PET sheet production



Approved GHG goal by the SBTi for Scopes 1, 2 and 3



Created our **Diversity Equality** and inclusion (DEI) Council

Implemented "Global and Regional Women Networks", Alpek Polyester's first Employee Resource Group (ERG)



Our Sustainability Platform

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

Our Sustainability Vision is the framework that guides our corporate philosophy. The strategy is based on the efficient use of the natural and material resources in our production processes, reduction of the environmental impacts of our operations, and continued improvement of the labor environment and collaboration with our communities

We focus on improving our relations with the community, employee safety and wellness, waste reduction activities, and greenhouse gas emission reductions.



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

Our company in review

ESG Material Topics

Social

Alpek Polyester has adopted the ESG materiality analysis developed by Alpek. This dynamic approach consists of a comprehensive analysis of ESG and industry trends, and how it is perceived by our stakeholders.

This process includes ongoing dialogue with stakeholders, which allows an adequate response to be given to their demands and expectations, while also managing the impact to their organization

Circularity, Carbon emissions, energy and water management remain critical dimensions, therefore many actions taken in 2022 were directed to address those aspects: For instance: The acquisition of a plant in Cincinnati for recycle post industrial PET sheet, the validation of our Science based target, the expansion of the No landfill initiative to the international sites and the achievement of 85% reduction in 2022 of regular waste at the US sites producing PET and PTA, from baseline.



ESG Materiality Matrix

GRI Standards: 2-22 | TCFD: Governance strategy, risk management | CSA 5&P: 1,2



Sustainable Economic growth

As a part of Alpek, our ESG strategy includes an ongoing dialogue with interested parties or stakeholders, allowing an adequate response to their demands and expectations, while also managing the impact to their organization.

STAKEHOLDER	COMMUNICATION CHANNEL	FREQUENCY	MAIN CONCERNS AND ISSUES	HOW WE HAVE RESPONDED
Employees	 Daily Safety Talks Organizational climate survey and Pulse Surveys Face-to-face meetings Quality and performance scorecard Transparency helpline Communication and safety teams 	• Ongoing	 Health and Safety Home office and flexible working schemes COVID Safety procedures Goals, training, and objectives status 	 Brief and important EHS topics are communicated to prevent exposure to hazards. Adapting the working schemes Providing all the safety measures The status of the objectives, an overview of the business and important topics that occurred
Customers	 Press releases Face-to-face meetings Transparency Helpline Website On-site visits Surveys Phone Calls / Email Response on CDP and S&P Global CSA platforms 	• Ongoing	 Product quality and new products Commercial issues Delivery in time and form, technical services Quality and HSE Policy Objectives 	 We address every concern by communicating clearly and in the most transparent way possible. We also implement improvements to our products and services in a consistent manner.
Shareholders	 Shareholders' meeting Quarterly and annual reports Dialogue and in-person meetings 	 Monthly Quarterly Annually 	 Responsible Care Objectives Accidents and Safety issues CAPEX, OPEX Establishment and accomplishment of KPIs 	 Through a constant dialogue and reports, we address any concern our shareholders may have.
Communities	 Community development programs On-site visits Grievance mechanisms Community committees Engagement with local authorities Job fairs Open door policy Claims communication protocols. Community Advisory Panels 	• Ongoing	 Safety measures, contingency management, and drills Environmental care Coordination of operational issues Recycling programs Environmental education Jobs opening Social actions and donations Knowing about the projects, programs and activities the company is carrying out 	 Every issue is investigated as a non-Conformance, followed by establishing an action plan to resolve it permanently. In late 2020 we started the development of our Community Engagement Policy, to establish engagement guidelines. We also helped our direct and indirect communities with COVID- related support.
Other	On-site visits Educational talks Communication with Local Authorities	• Ongoing	SafetyEvents in Universities and Job Fairs	 We respond to every concern, question or suggestion through the appointed channels





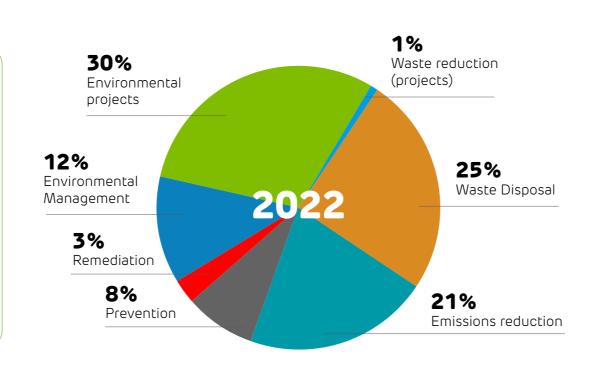
Investments on the Environment

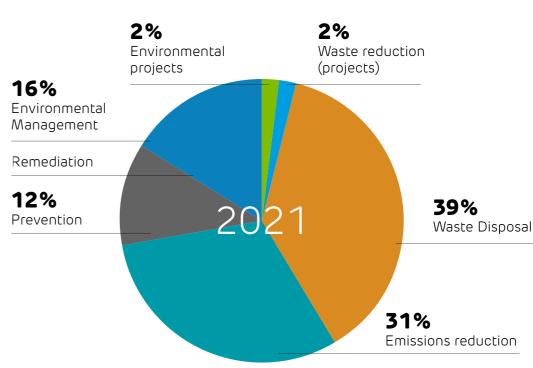
Alpek Polyester is continuously improving its environmental stewardship, trough routine investments in waste reduction, environmental management, emissions reduction, among others.

Our spend in projects with environmental components show an increase of a 28% with respect to the year before, while the other cost categories remain with no significant changes.



Financial resources dedicated to environmental actions increased 73% in 2022 compared to 2021.



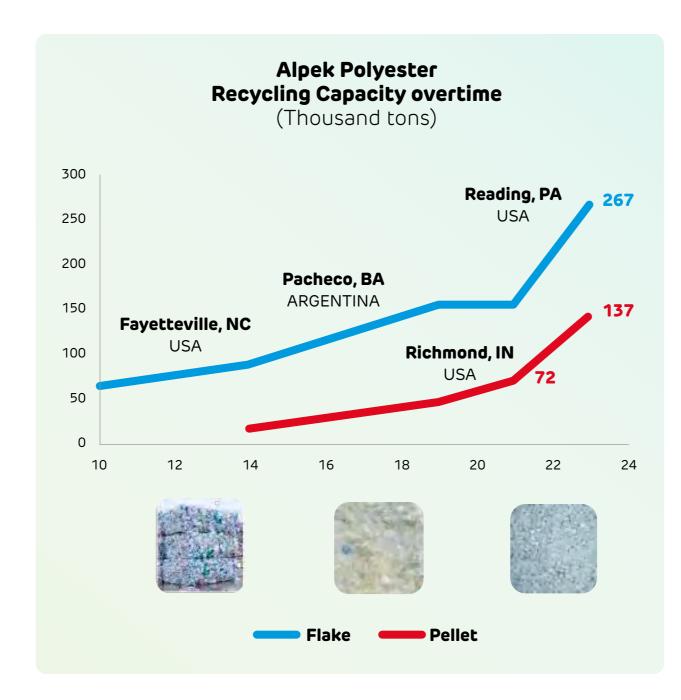


Increasing Recycling

Social

Alpek Polyester continues to make progress in PET recycling, delving into new technologies and efficiencies in our network.

We have increased our recycling capacity to over 12 billion bottles per vear. With the OCTAL acquisition, we also now have the capability for PET Sheet recycling and will continue to explore possible projects in this segment. We are incorporating single pellet production capacity at our Pearl River facility.



62,857 Tons

Total Recycled PET produced in 2022

25,594 Tons

of recycle material were added to our resin in 2022

210,435 Tons

of Product were produced in 2022 with added recycled material

Within the last three years, we have implemented the following initiatives:

- The addition of Single Pellet Technology® ("SPT") production capabilities at various virgin PET facilities in North America, SPT combines mechanically recycled PET flake with virgin PET into a single pellet with a predetermined percentage of recycled content.
- The acquisition of two PET flake-to-pellet conversion lines in Darlington, South Carolina from PolyQuest Inc. Product from these lines will be sold as rPET to customers, as well as converted into SPT,
- · Acquisition of Perpetual Recycling Solutions, LLC, located in Richmond, Indiana; as well as procuring CarbonLITE's PET recycling facility in Reading, Pennsylvania. These actions increased our installed rPET capacity to 394 thousand tons, reaffirming our position as largest PET recycler in the Americas.
- The addition in 2022 a PET Sheet recycling facility in Cincinnati, Ohio that recycles post industrial PET Sheet material into rPET Sheet.

Circular Economy is one of the three catalysts to ensure our business continuity. This entails:

Catalyst 1. rPET Leadership: Lead rPET supply in Americas through capital-effective investment. As an example of the impact, each ton of recycled PET (rPET) avoids about 2.7k ton of CO2 emissions vs. alternatives (60-80%).

Catalyst 2. Recycling Awareness and Promotion: Active lobbying for circular economy via associations such as The Recycling Partnership.

Catalyst 3. Sustainable Product **Portfolio:** Continued innovation. Evaluation enhanced recycling technologies within our R&D portfolio

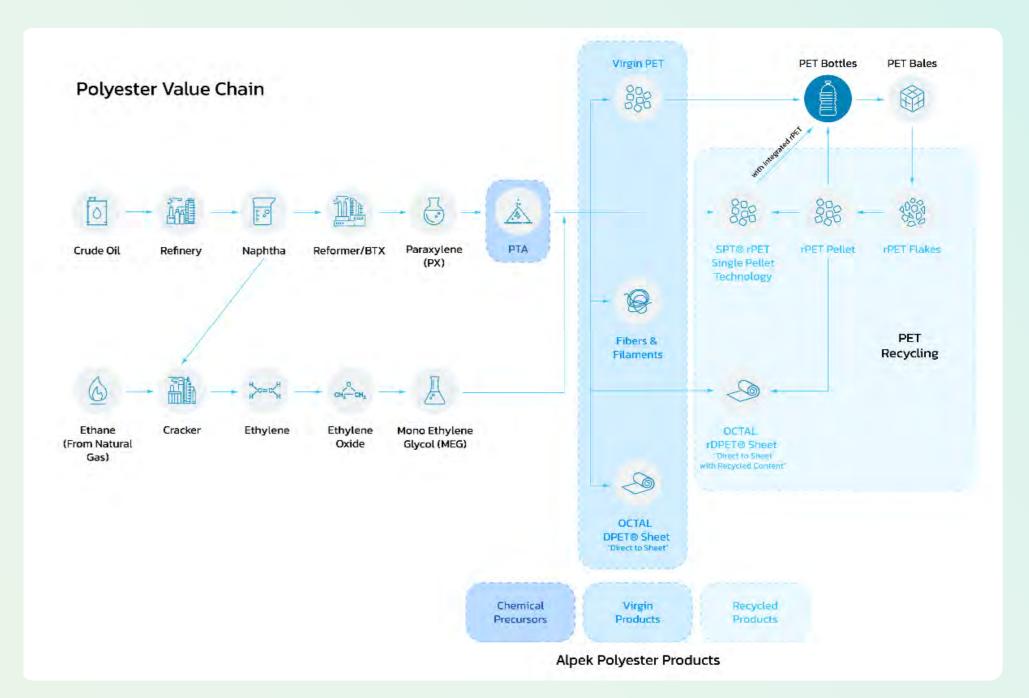
Catalyst 1. RPET Leadership

Social

We moved closer to the stated goal of helping our clients reach 25% of recycled PET content by focusing not just on bottle-toflake recycling, but pelletization, which increases the amount of rPET that is used in recyclable bottles and food containers

Alpek Polvester's "Single Pellet Technology® - SPT" is an innovative hybrid recycling process of integrating Post-Consumer Recycled PET (rPET) material into conventional virgin Polyethylene Terephthalate (vPET) production operations to create a Recycled PET (rPET) solution with integrated recycle content in a single pellet form.

The SPT process injects clear 100% rPET flake produced from consumer recycling programs into the virgin production process, which further decontaminates and undergoes partial glycolysis, utilizing Continuous Polymerization assets. This process has the potential to incorporate up to 25% rPET in every single resin pellet made. The result is an improved method of incorporating PCR into preforms and bottles while delivering nearly the same characteristics and performance as virgin PET. SPT enables simpler downstream



processing for customers focused on adding recycle content to their end-use offerings. With SPT resin having integrated recycle content, dual feeding, inventory, and storage of two materials is eliminated at customer operations to add recycle content to their end use offerings.

Environment

Catalyst 2. **Recycling Promotion**

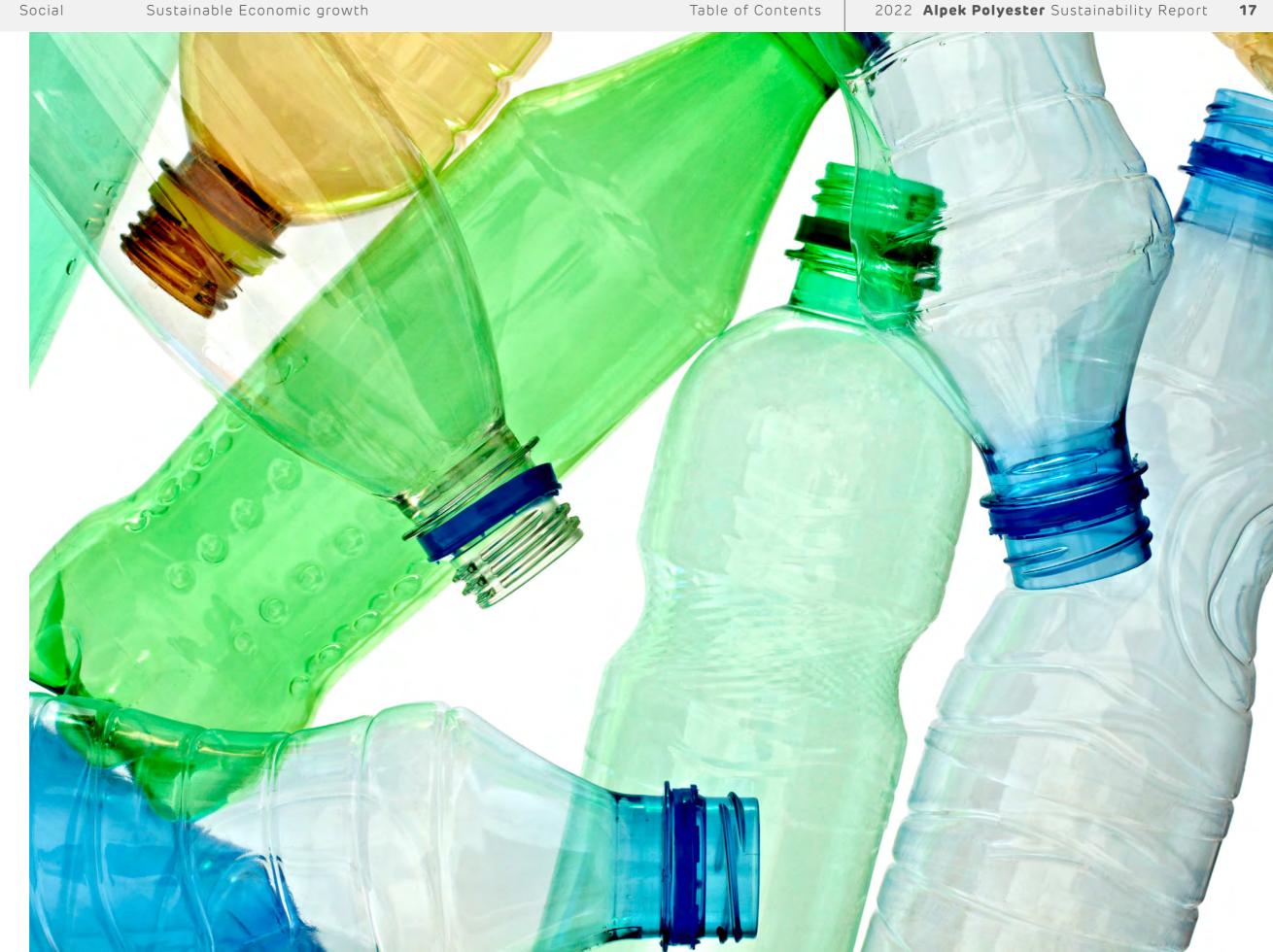
One of our main goals in this matter is to work hand in hand with authorities, organizations, and other stakeholders to make PET recycling a regulatory issue.

Our company is active in associations to strengthen collection, recycling, and policy: The Recycling Partnership, a non- profit organization that seeks to promote changes in the recycling culture throughout the United States and of which we are silver funder, NAPCOR, PETRA, Petcore, The Association of Plastic Recyclers, Ameripen and the Plastic Industry Association, in addition to GAPC, a movement to spur the development of public policies to integrate the synergy of the circular economy.

Catalyst 3. Sustainable Product Portfolio

Alpek Polyester intends to demonstrate at scale enhanced recycling technologies that depolymerize more difficult to recycle PET products such as colored bottles, trays and multi-layer, multi- material products. This will give brand owners the confidence that will enable advanced plastic composites to be used in the marketplace to deliver special enhanced properties, but still enable these typically harder to recycle end-use applications to be recycled at the end of life.

Our innovation does not stop with Single Pellet Technology® Alpek Polyester continues the expedition and is evaluating several enhanced recycling technologies within its extensive R&D portfolio and will bring the winning solutions to the market alongside partners



Alpek Polyester's Carbon Footprint

Social

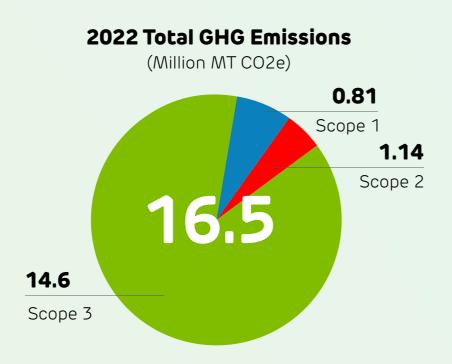
We generate emissions through energy use. They are direct and Indirect emissions from combustion in our own processes as well as the use or purchase of electricity and steam, and activities in our supply chain. We continuously monitor Direct and Indirect emissions emitted by our facilities, so we are able to manage our carbon footprint and achieve our climate goals.

Environment

Scope 1 only represents 5% of total corporate emissions in 2022. Sources included in Scope 1 emissions are ones we own or control, including stationary combustion equipment where natural gas and other fuels are burned for the generation of heat and steam for the process.

Scope 2 emissions are obtained from the consumption of Purchased electricity and steam produced elsewhere and account for 7% of Alpek Polyesters emissions during 2022.

Our value chain emissions also known as **Scope 3**, constitute the largest portion of our overall carbon footprint. These were 14.6 million metric tons of CO2e in the reporting year, and 88% of Scopes 1+2+3.



2022 Emissions by Region

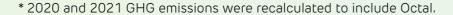
Alpek Polyester generates emissions across the six regions where its manufacturing facilities are based.

These emissions are consistent with our production volumes throughout the regions and represent emissions from our various products.

Region	Scopes 1 and 2 emissions (MT CO2e)
United States and Canada	591,002
Mexico	836,022
South America	288,871
United Kingdom	29,011
Middle East	177,496

Emissions trend from baseline

Emissions in Ton CO2e	2022	2021	2020
Direct GHG emissions (SCOPE 1)	807,558	877,206*	845,186*
Indirect GHG emissions (SCOPE 2)	1,139,504	1,212,171*	1,227,854*
Indirect GHG emissions (SCOPE 3)	14,575,092	14,945,652 *	14,769,460 *
NOx	361	309	361
SOx	93	16	6
VOC	825	533	639
HAP	293	272	283
PM	191	142	149





The Climate Registry

We are a founding member of The Climate Registry (TCR), which is a non-profit organization that empowers North American organizations to do more in the fight against climate change by providing services and tools that help them reduce their emissions.

Our organization has over 13 vears of verified emissions inventories through this program.

We were recognized with the Platinum status by The Climate Registry in 2022 as we established a public base year and also set and disclosed a public GHG reduction goal.

Our climate goal



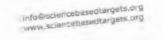
SBTi approval

During 2022 Alpek Polyester submitted and got validated its GHG reduction target through The Science Based Target initiative, coalition that defines and promotes best practice in science-based target (SBT) setting, offers resources and guidance and independently assesses and approves companies' targets.

As part of our 2030 goal, we committed to cutting GHG emissions from operations (Scope 1 and Scope 2) by 31.5% per tonne of product from a 2020 baseline

Also aiming for a reduction of 20% of our Scope 3 emissions per tonne of product over the same period of time.







Approved science-based target

The Science Based Targets initiative has validated that the corporate greenhouse gas emissions reduction target(s) submitted by

Alpek Polyester

have been deemed to be in conformance with the SBTi Criteria and Recommendations (version 4.2). The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a well-below 2°C trajectory.

The official target wording is:

Alpek Polyester commits to reduce scope 1 and 2 GHG emissions 31.5% per tonne of product by 2030 from a 2020 base year, equivalent to a 25% absolute reduction. Alpek Polyester also commits to reduce scope 3 GHG emissions 20% per tonne of product within the same timeframe.

Date of issue:

October 2022

ALPP-USA-001-OFF Certificate Number:













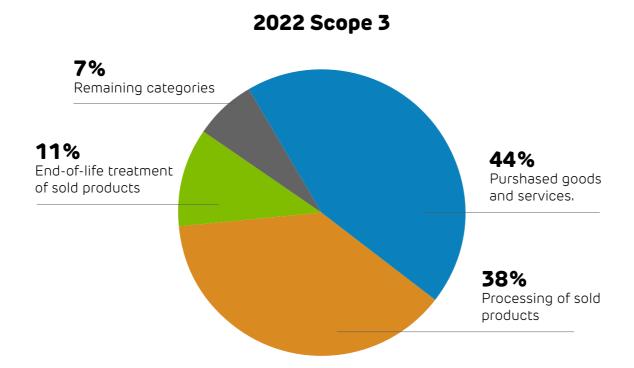
Scope 1 and Scope 2 Abatement strategy

On the Scope 1 and 2 front, besides a list of critical site efficiency projects that will be implemented in the next few years, we are diligently working on achieving further reductions in emissions by consuming renewable energy in our operations and are considering increasing the use of renewable electricity, both onsite (i.e., ground-mounted solar panels) and offsite, such as virtual power purchase agreements.

Scope 3 - Measuring our Value Chain emissions

We started our efforts back in 2021 with our first full Scope 3 inventory. This screening included a wide range of activities related to our business, from externally purchased good and services to upstream and downstream transportation, waste treatment. Out of the 15 categories that the GHG Protocol establishes, 8 resulted relevant or applicable and the remaining were found either negligible or unapplicable.

As it was in 2021, also in 2022 the biggest impact comes from the sourcing of goods and services (Category 1), especially from our raw materials, as well as from the Processing of sold products (Category 10), which essentially represents the Scope 1 and Scope 2 emissions of downstream companies that occur during processing (e.g., from energy use).



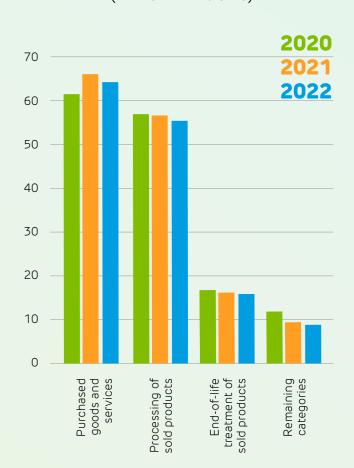


Addressing Value Chain emissions

One of the focus areas in our approach to decreasing Scope 3 emissions is the use of Recycled Polyethylene Terephthalate (rPET) due to the reduced emissions from using recycled PET compared to virgin PET. A total of 2.73 kg CO2e / kg product is mitigated by using rPET based on the emission factors and results used in the Scope 3 baseline assessment.

Improving our understanding of Scope 3 emissions will potentially allow us to assist external stakeholders to lower their environmental impacts by strengthening our internal and external sustainable procurement structures.

Scope 3 (Million MT CO2e)



Energy eco-efficiency



Alpek Polyester believes that energy efficiency is a major driver of its overall efficiency effort and additionally contributes to cost reductions.

We continuously work towards more efficient energy consumption and use, by optimizing and improving our processes, as well as by investing in alternative ways of energy sourcing.

Alpek Polyester used 28,721,061 Gigajoules (GJ) of energy during 2022, from which Direct energy such as natural gas, fuel oil and others represented 45% of this total, and Indirect sources like Purchased electricity and steam was 59%.

The increase of 3% with respect to 2021 was primarily due to the inclusion of Octal sites, which added 2,033,054 GJ for combined Direct emissions and indirect emissions.

Source	2022 (GJ)
Natural gas and other fuels (Direct consumption)	11,899,373
Electricity and steam (Indirect consumption)	16,821,688
Total	28,721,061

Total energy consumed GJ

2022

28,721,061

2021

27,789,524

2020

28,773,910

Water Stewardship

We recognize that managing water as a scarce resource and reusing it as much as possible will allow us to mitigate watershed challenges and to improve the lives of everyone along our value chain.

Our use of water generates wastewater, and we need to ensure that it is treated appropriately before being discharged to the Environment. Therefore, we always consider existing and potential regulatory frameworks for the effective running of our operations.

Environmental regulations, including those related to water withdrawals, discharges and management, are strictly complied with. In addition, we are fully aware of the impact that our operations may have on the ecosystems should these not run properly; although most of our facilities are in industrial areas, the ones that have surrounding flora and fauna carry out conservation activities.

WATER IN K MEGALITERS	2022	2021	2020
Withdrawn	98.6	102.7	100.9
Discharged	72.4	85.9	85.3
Consumption	27.3	16.8	16.7
Produced water	1.1	1.0	1.1

Alpek Polyester focuses our water usage reductions in areas that are experiencing volume driven water stress. Other reductions will be pursued where it makes business sense.

For instance, our Columbia site in South Carolina, with one of the highest water consumption rates, is following a regulatorydriven program that will likely reduce its water usage.

Additionally, our plant in Altamira, Mexico, has a baseline water stress due to the river basin it withdraws water from Therefore, we have several projects to improve water consumption not only in Altamira, but also at our other sites in Mexico.

Once these projects get implemented, we estimate to achieve a reduction between 10-20% by 2024 from a 2021 baseline.





Environment



Our values

Our values and ethics are the base of every decision taken in Alpek Polyester. We are convinced that the very growth of our business depends on this fundamental belief, and it's the main foundation, if we want to generate sustainable value and continue to deliver effective products and long- term solutions for our customers.



Safety and Responsibility

We act responsibly towards the environment, our community, and the safety and development of our people.



Integrity

We do everything with integrity and respect.



Innovation

We innovate and challenge the status quo to find new ways to create value.



Customer orientation

We exceed the expectations and the everchanging needs of our customers and markets.



Collaboration

We succeed and create value collaborating and learning together.



Commitment to excellence

We deliver results that make us proud through best-in class performance.

Human rights, Ethics and Integrity



Our company is committed to adhering to high ethical standards as we interact with all our stakeholders: customers, suppliers, shareholders, employees, competitors, government agencies and the communities in which we operate.

HUMAN RIGHTS POLICY

We comply with Alpek's Human Rights Policy, aligning our strategy and operations to the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. These global standards of expected conduct are applicable to all our operations. Alpek is a signatory to the United Nations Global Compact and has undertaken to respect and support human rights and comply with internationally recognized standards and aligns to the Universal Declaration of Human Rights (UDHR).

CODE OF CONDUCT

Our Code of Conduct consolidates the principles of action that we must follow as part of this organization. Our ambition to improve the quality of everyday life in an extraordinary way is only possible through a spirit of leadership aligned to the values of responsibility, integrity, innovation, customer orientation, collaboration, and commitment to excellence. The same values are the pillar of our daily actions, accompanied by a high level of effort and perseverance to overcome obstacles and achieve our goals.

It contains guidelines for 12 principles that include Anti-corruption, Conflict of interests Internal and Confidential Information, Financial and Accounting Information, Intellectual Property, Information Technology and Communication, Community and Environment, Safety, Health, and Wellbeing, among others.

We continuously monitor aspects such as:

- Regulatory Compliance
- Forced labor
- Working hours, wages and benefits
- Discrimination
- Harassment, violence and bullying
- Working Conditions

Culture, Diversity, equity and inclusion

At Alpek Polyester, we understand that Diversity, Equity and Inclusion as well as a strong culture, drive innovation and engagement.

We know that leveraging different perspectives, experiences, and backgrounds enriches our processes and, ideas. To enable this, it's imperative that we continue to build an inclusive culture, where all employees feel that they belong and that they can bring their true self to work.

We listen to our employees and invest in our culture to create a workplace where all employees feel valued and have opportunities for career growth. In 2022, we continued to offer training programs to help employees develop specific skills and competencies, as well as understand and develop key culture principles.

In all countries, we continue training to all employees regarding our values and culture mindsets. More than 4,000 employees benefited from them. In addition, our leadership team across all countries participated in several training workshops to support their understanding of our culture principles. In total, we had 8 workshops across the regions benefiting more than a 100 leaders. We also developed e-learnings to Support employee's culture development and Culture Bits (culture videos) for operations.



In addition, our development programs continued in all countries. Employees trained in leadership and technical skills. Examples of these programs are: Next Generation (NEXT GEN), Leadership development programs (LDP), Front Line Leader Impact (FLI) and Engineering Forum.

Regarding the benefits and salaries we provide to our staff, these are established and granted according to the category of the employee and the activities to be performed in each job. Our non-unionized employees have benefits which may vary according to each country and local practices. Unionized employees have benefits according to the collective agreement.

GENDER GROUP DEMOGRAPHICS

Country	Gender	2020	2021	2022
Argentina	Women	51	50	56
	Men	286	285	295
	Total	337	335	351
Brazil	Women	140	140	141
	Men	413	420	422
	Total	553	560	563
Canada	Women	17	17	14
	Men	52	53	55
	Total	69	70	69
USA	Women	244	225	262
	Men	1,104	1,059	1,211
	Total	1,348	1,284	1,473
Mexico	Women	134	150	179
	Men	759	862	897
	Total	893	1,012	1,076
United Kingdom	Women	14	17	17
	Men	85	85	86
	Total	99	102	103
Saudi Arabia	Women Men Total			6 58 64
Dubai	Women Men Total			13 36 49
Oman	Women Men Total			33 587 620

Sustainable Economic growth

AGE GROUP DEMOGRAPHICS

By Age and Gender 2020-2022

Age group	Gender	2022	2021	2020
<30	Women	129	89	172
	Men	540	364	688
	Total	669	453	860
30-50	Women	448	384	307
	Men	2,183	1,604	1,334
	Total	2,631	1,988	1,641
>50	Women	144	126	121
	Men	924	796	677
	Total	1,068	922	798

By Country, Age and Gender 2020-2022

Age group	Gender	Argentina	Brasil	Canada	USA	Mexico	United Kingdom	Saudi Arabia	Oman
<30	Women	13	15	1	41	43	0	6	7
	Men	26	19	3	220	171	19	7	71
30-50	Women	32	118	11	119	128	7	0	23
	Men	199	293	40	567	554	32	46	424
>50	Women	11	8	2	102	8	10	0	3
	Men	70	110	12	424	172	35	5	92
									- 15240



People development

We remain deeply committed to fostering a workplace where employees have a meaningful work experience, feel valued and supported, and have the right tools and resources to be successful.

We know developing our employees is critical to both personal achievement and business success and we continue to approach this growth from several angles

Our main programs were aimed at

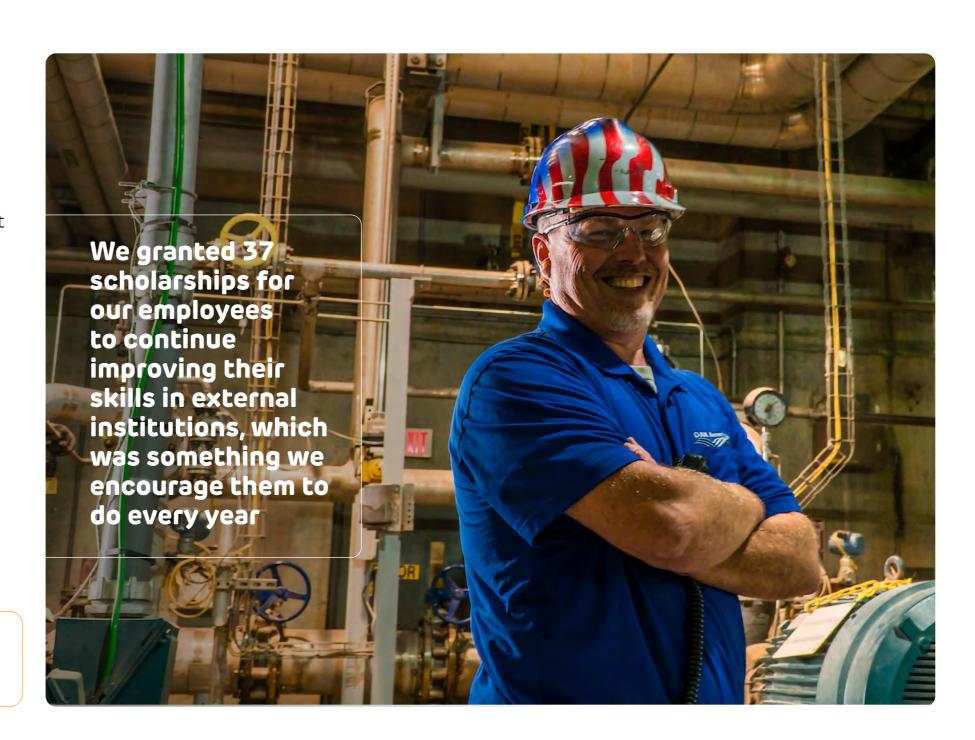
Sustainable Economic growth

- Leadership/Teambuilding Safety
- Legal
- Culture
- Business ethics
- Health and human rights
- CPR
- GDPR
- Personal and Family development
- Technical training
- Quality
- Equipment use
- Systems
- Technology
- Production processes
- Maintenance

The hourly training in 2022 was:

Category	2022	2021	2020	2019
All employees (average)	25	19	10	24
Men	26	22	13.6	24.3
Women	31	22	10	21
Unionized	26	14	7.1	16.1
Non-unionized	24	19	13.3	25.8

More than 2.5 Million dollars were invested in training and development in 2022, benefiting more than 4,000 employees.



Our communities

Alpek Polyester is committed to the communities in which we operate. 2022 was a year to focus on the wellbeing and safety of our communities.

We were able to aid our communities by donating equipment to medical institutions, schools, communities and associations, such as food, school supplies, paint among other. We also participated in several events such as sports tournaments, food drives, family activities and recognition events to employees

In 2022, Alpek **Polyester** invested more than **US \$170,000** in support of communities.

Regarding our communities' safety, we continued to follow all the protocols we have established so that our operations do not represent a direct risk for the neighbors.

We have defined procedures that establish how we should respond in case of an emergency.

In general, our strategy comprises the following stages:

- 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. We get involved and coordinate with authorities such as town halls, civil protection and others.

Our team in **Mexico** continues to make a significant donation to Altamira and Cosoleacaque communities such as water bottles, paint, air conditioners, medical equipment, school supplies, among other. We have anual events to recognize our employees and another event to recognize the children of our employees performance in school.

In the **United Kingdom**, we made several cash donations to charities and we made a visit to a local school to talk about what we do and the benefits of PET.





Alpek Polvester teams in the **United States** participated in community advisory panels, sponsored sports tournaments such as the Calhoun County Industry Golf Tournament, and continued to dedicate time to clean parks.

We partnered with local schools to provide gifts for children during Christmas and also collected unwrapped toys to distribute to those less fortunate. Also, we granted a scholarship, the Outstanding Sandy Run, to support education after high school. We are aware of the importance of educating children on drugs, so we work with public schools to support on this initiative.

For employees, we gave appreciation meals to recognize their hard work and dedication and we also do Family events for them. Internally, we support campaigns such as the Breast Cancer Campaign to generate awareness.

We donated to several local institutions and charities throughout the year and we participated in several food drives. This year we also had the program Operation Sandwich in which employees got together and made sandwiches to help feed the homeless.

We continue to promote recycling within our employees and our communities, through events and activities.

In **Argentina** we went to several schools to talk about the benefits of PET and on the importance of recycling.

For our employees, we offered English lessons, Safety training and recognized employee's efforts through various annual events.



Labor practices, Health and Safety

Environment



Table of Contents

Alpek Polyester's top and utmost priority is to ensure the safety and wellbeing of our employees through ensuring the strictest health and safety measures and standards are in place and practiced at all times.

Social

In 2022 we focused our efforts mainly on two things: To safeguard the health and integrity of our employees and maintain operational excellence to meet our Customer needs.

We continue to monitor any COVID case or health situation that may put at risk our employees. In some sites, we continue to offer several working schemes where applicable.

In the Middle East, the following programs were implemented:

Sustainable Economic growth

HSE award & reward designed and implemented at Salalah Site (SLL) back in 2021 Q3 as part of SHE improvement strategy, and it is ongoing at SLL site.

World Environment Day with Oman government authority was planned and celebrated to spread awareness in employees on June 5th, almost 35 trees planted at our Middle East sites as part of improving our greenbelt.

In addition, employees participated in a local beach cleaning activity at Salalah, Site,

Southamerica

In Brazil, we invested in training employees through several programs such as: Program for Occupational Health and Medical Control, Respiratory and Hearing Protection, Occupational Hygiene as well as others.

In Argentina, creating awareness in our employees through training is key. This is why we trained employees on topics such as: Safety Leadership, use and management of Safety equipment and Risk Analysis.

USA and Canada

Our United States sites have programs that promote wellbeing such as: Medical with Rx, Dental/ Vision a Wellness Program, (EAP), and Health Advocacy KYN (Know Your Numbers) Wellness program. Weight Management, cancer awareness, mental health care (through an app called Total Brain) are other programs that promote employee health.

Examples of programs in Canada include Telus Health: Online medical service 24 hours a day, 7 days a week, Manuvia - Vitality: A program that helps the individual to understand their health and motivates them to keep reaching their goals, Employee Assistance Program a 24/7 live chat with Homewood Health® experts and easy access to online content (e-learning, articles, videos, podcasts) customized to each user's profile and interests.



Mexico

Through the NOM 035 standard and Orienta PAE (Employee Assistance Program) for Mexico, we offer legal, medical, psychological and other free counseling to our employees and their families.

In addition, Mexico has several campaigns that help employees create awareness on health topics.

All these programs amounted to more than \$ 21 million



Sustainable Economic growth

United Kingdom

In the UK, we continue to offer access to private medical care (company paid) which includes an EPA program as well as access to things like physio, counselling services etc. as well as everyday medical expenses (optical & dental).

Access to onsite occupational health services (includes annual medical & general health checks).

From a general wellbeing point of view, we have an initiative called" Better Health at Work Award" which sees us having a calendar of events throughout the year that are directly connected with health and wellbeing.

Safety is a core value of Alpek Polyester. Our goal is to be at the top 10% of all companies from a Safety perspective by 2024.

We ended 2022 in the top 25%. Although this is very good, we still have a lot of work to do to meet our objective. To accomplish this, we have a series of procedures and activities that ensure that people can work safely.

In order to continue to improve the Safety in our workplace, Alpek Polyester has developed the "Road to Zero" safety plan. This plan focuses on working our safety culture by working on different aspects of our safety program.

We also continued our routine programs such as safety focused high-performance work team discussions. These initiatives follow-up on safety issues and concerns: in addition to the quarterly safety and hygiene commission meetings, where staff from different areas address issues that may arise.

	2022	2021	2020
Total Injury Rate (Based on 200,000 mh)	0,51	0.48	0,69
Employee injury rate	0.53	0.54	0.69
Contractor injury rate	0.49	0.40	0.70
Number of incapacitating accidents (Total)	32	13	23
Employee LWCs	24	7	15
Contractor LWCs	8	6	8
Number of non-incapacitating accidents (Total)	21	17	16
Employee Other	12	12	9
Contractor Other	9	5	7
Lost days	1100	659	1,072
Fatal accidents Total	0	0	0
Employee	0	0	0
Contractor	1	0	0



Economic Performance

Environment

Social

Economic performance refers to our ability to operate a profitable business model for the long-term viability of the company.

Means working to secure our long-term economic growth while positively impacting the environment and society and meeting the expectations of all our stakeholders.

Any business must be financially sustainable. Solid economic performance puts us in a position to support our customers' own market expansion plans and provide them with growth opportunities through the use of our products.

Category	2022 (US Million)	2021 (US Million)	2020 (US Million)
Revenues	6,997	4,833	3,979
Capital investments	-256	167	228.4.
Operational expenses	6,053	4,427	3,626
Salaries	203.4	198.4	180.6
Benefits	67.7	62.8	60.2
Payments to governments	113.49	-0.01	0.051
Investments in the community	2.3	1.7	1.5
Economic value distributed	6,183	4,857	4,097
Economic value retained	814	-24	-118





Relations with our Value Chain

One of our most significant impacts of our Scope 3 emissions comes from upstream activities which are related to suppliers (Category 1). Another major emission source is the category linked to the downstream processing of our sold products by our customers (Category 10).

We recognize that collaboration with suppliers and customers is therefore crucial to tackling reduction of Alpek Polyester value chain emissions.

We developed a package of Sustainability questionnaires (ESG generic and GHG specific) and Code of conduct for suppliers (that includes ESG topics), as a part of a Supplier engagement strategy that will begin in 2023.

There is also a continued focus by customers who showed interest in our Environmental, Social and Governance programs for their decision-making. During 2022, Alpek Polyester engaged in various ways with customers on the topic of ESG and GHG reduction strategy, responding multiple questionnaires, sharing energy and carbon footprint data, participating in supplier sustainability programs like the Pepsi LOCT and Pepsi-Schneider renewable energy modules provided in 2021 and 2022.



Our Customers

Operational Excellence, and Customer Centricity

Our customers care about the quality and safety of our products, for that reason, we maintain excellence in quality and safety performance through robust internal controls to ensure all our products and manufacturing processes are regularly assessed and updated. Our manufacturing sites have certifications for Quality and Food Safety standards like ISO 9001, FSSC 22000 and BRCGS Pack6.

We have internal audit teams globally and use accredited verification bodies who certify that our materials are produced in accordance with industry-leading quality and safety management practices.

In 2022, our sites in the UK, Argentina and Brazil completed the implementation of their new food safety program under the FSSC22000 standard. More information on certifications and awards is presented in a dedicated section later in this report.



Disclosure

Alpek Polyester participates in the CDP (formerly the Carbon Disclosure Project) Climate Change and Water Security annual assessment modules annually. CDP is a global disclosure system that enables companies to measure and report their environmental impact.

Through our participation in this program we also help our customers better track their own environmental footprints. Investors and customers use such data to inform decisionmaking, reduce risks, and identify opportunities.

Last year, we were pleased to receive a B score for our performance in the CDP Climate Change which improved from the one obtained the year before.



Fulfilling our circularity commitments

Our PET recycling infrastructure is growing at a rapid pace to ensure we continue our leadership as the largest rPET producer in the Americas.

Reinforcing the significant benefits of the circularity of PET in the marketplace is of great importance to the PET Industry as a whole and especially to our customers.

We are committed to meeting the needs of our customers to deliver PET products with recycle content to meet the growing demands by customers who are striving to plan and meet these content commitments requested by consumers and developing state and federal policies. Many of these actions have an initial target of 25% recycle PET (rPET) content by 2025.

Sustainable Economic growth

Suppliers

We work to enable fair and safe working conditions at our suppliers' factories and facilities. We expect our suppliers to safeguard the communities where they operate, and we work with our suppliers to help protect the environment.

Supporting local businesses was more important than ever. About half of our procurement spending came from local suppliers in 2022.

We also continued with our sustainability assessments on our most critical suppliers, in which we proudly found no irregularity or violation to our ethics or values.



Social

Sustainable Economic growth

Alpek Polyester continues to work with governments, NGOs, and industry groups to create change. We actively participate in industrial, business, educational and sustainability associations in a selective and strategic manner. This keeps us abreast of the aspects that are relevant to our stakeholders and allows us to work as a team with other companies to share best practices. It also keeps us updated with respect to national and international regulations on trade, labor, and environmental issues

REGION	CHAMBER OR ASSOCIATION / Country	IS IT A STRATEGIC POSITION?
North America (US and Canada)	The Recycling Partnership / US	Yes, we are Silver Funding Partners
	The Indiana Recycling Coalition / US	No
	Hancock County Chamber of Commerce /US	No
	NAPCOR (National Associate for PET Container Resources) / US & Canada	Yes, one of our directors participates as Vice President of the Association
	NCTO (National Council of Textile Organizations) / US	Yes, we are part of the Council
	PETRA (The PET Resin Association) / US & Canada	Yes, one of our directors participates as President of the Association
	CAPCA (Carolina Air Pollution Control) / US	Yes, we are part of the Council
	PET Resin Coalition* through the NAPCOR membership/ US	Yes
	Plastics Industry Association/ US	Yes
	Carolinas Recycling Association/ US	Yes
	Mutuelle ((a coalition of petrochemical companies that collaborate on issues of safety, insurance, health and the environment) / Canada	Funding and discount on insurance premiums and training
	Chamber of Commerce / Canada	Yes
	Montreal East Association / Canada	All industries that are physically located at the east of Montreal, are part of this association voluntarily. Mostly CEO's, engineers and GM are involved with the city count of the East.
South America (Argentina and Brazil)	CAINTRA (Cámara Nacional de la Industria de la Transformación / Argentina	Yes
	CAIP (Cámara Argentina de la Industria Plástica) / Argentina	Yes
	CAIRPLAS (Cámara Argentina de la Industria de Reciclados Plásticos)/ Argentina	Yes
	CIQyP (Camara de Industria Quimica y Petroquimica)/ Argentina	yes
	AmCham (Camara de Comercio de los Estados Unidos en Argentina)/ Argentina	Yes
	CICACZ (Comité industrial Medio Ambiente Campana- Zarate) / Argentina	yes
	IPA (Instituto Petroquimico Argentino) / Argentina	Yes

Engagement and influence

REGION	CHAMBER OR ASSOCIATION / Country	IS IT A STRATEGIC POSITION?
South America (Argentina and Brazil)	CIPETAR (Camara Industria PET Argentina) / Argentina	yes
	CERA (Camara exportadores) / Argentina	No
	Union Industrial Zarate/ Argentina	Yes
	Camara Comercio Argentina-Mexicana / Argentina	Yes
	ARPET (Asociación Civil Argentina Pro Reciclado del PET) / Argentina	Yes
	Instituto Argentino del Envase / Argentina	No
	Camara importadores / Argentina	No
	ABIPET (Associação Brasileira da Industria do PET) / Brazil	Yes
	ABIQUIM (Associação Brasileira da Indústria Química) / Brazil	Yes
	Siquimpe (Sindicato das Indústrias de Produtos Químico) / Brazil	Yes
	ABRAFAS (Associação Brasileira de Produtores de Fibras Artificiais e Sintéticos) / Brazil	Yes
Mexico	ANIQ (Asociación Nacional de la Industria Química) / Mexico	Yes
	AISTAC (Asociación de Industriales del Sur de Tamaulipas, A.C.) / Mexico	Yes
	CIPRES (Comisión de la Industria del Plástico, Responsabilidad y Desarrollo Sustentable (CIPRES)	Yes
	ANIPAC (Asociación Nacional de Industrias del Plástico)	Yes
	ECOCE (Ecología y Compromiso Empresarial)	Yes
	RENNUEVA - Plan de Manejo para el reciclaje de EPS	Yes
United Kingdom	British Plastics Federation / UK	Yes
	Chemical Industry Association / UK	Yes
	PET Europe / UK	Yes
	Northeast England Chamber of Commerce / UK	Yes
	Northeast England Process Industry Cluster / UK	Yes
	PET Container Recycling – Europe / UK	Yes
	RECOUP Plastics Recycling / UK	Yes

Awards and Certifications

REGIONS	AWARD OR CERTIFICATION	GRANTED BY	COUNTRY
Mexico and Brazil	Industria Limpia (Clean Industry) - Altamira PTA site - COSO PTA and PET sites- certificates in progress	PROFEPA (Procuraduría Federal de Protección Ambiental)	Mexico
	ISO 14001:2015 - PTA sites	AENOR (Asociación Española de Certificación y Normalización	Mexico
	ISO 9001:2015	- AENOR (Asociación Española de Certificación y Normalización) – (PTA sites) - DQS (PET sites)	Mexico
	BRC6 – Food Safety Standard (Resins)	DQS	Mexico
	PASST - Self-management Health & Safety Certificate - Altamira PTA site	STPS (Secretaría del Trabajo y Previsión Social)	Mexico
	ISO 14001:2015	Bureau Veritas Certification (BVC)	Brazil
	ISO 9001:2015 Quality Management System	Bureau Veritas Certification (BVC)	Brazil
	FSSC 22000 version 5.1	Bureau Veritas Certification (BVC)	Brazil
	Responsible Care (Brazilian Chemical Chamber)	Self declaration	Brazil
USA, Canada and UK	Columbia Site - SCMA Safety Performance Recognition Award	SC Manufacturer's Alliance	USA
	Cooper River Site - SCMA Safety Performance Recognition Award	SC Manufacturer's Alliance	USA
	CC Site – NCDOL Silver Award	NCDOL	USA
	Mundy Safety Award – 15 Years w/o OSHA Recordable Injury (Cedar Creek Site)	The Mundy Company	USA
	ISO 14001:2015 Environmental Management System	British Standards Institute (BSI)	UK
	ISO 9001:2015 Quality Management System	British Standards Institute (BSI)	UK
	FSSC 22000 Food safety Award	British Standards Institute (BSI)	UK

Sustainable Economic growth

Awards and Certifications

REGIONS	AWARD OR CERTIFICATION	GRANTED BY	COUNTRY
USA, Canada and UK	Comply with European Modern Slavery Regulations	Board Members approval and signatures	UK
	Sustainability and Social Compliance – Platinum Award	Eco Vadis	UK
	Better Health in the Workplace – (During 2022 maintaining Excellence)	TUC and North East and Cumbria Councils	UK
Middle East	ISO 14001:2015	Intertek	Saudi Arabia
	BRC Global Standard for Packaging Material Issue 6	Intertek	Saudi Arabia
	Certificate of recognition	Almarai	Saudi Arabia
	HALAL Certification of Compliance - Salalah site OCTAL SAOC FZC	Euro Assessment & Cert. Ltd.	Oman
	ISO 9001:2015 - Salalah site OCTAL SAOC FZC and - Muscat office	Intertek	Oman
	ISO/IEC Standard 17025:2017 - Salalah site OCTAL SAOC FZC	IAS-International Accreditation Service	Oman
	BRC for Packaging – issue 6 - Salalah site OCTAL SAOC FZC	Intertek	Oman
	PET Sheet Product. Orthodox Union Letter of Kosher Certification - Salalah site OCTAL SAOC FZC	Kosher Certification Service	Oman
	ISO 14001:2015	Intertek	Oman
	ISO 45001: 2018 - Salalah site OCTAL SAOC FZC and - Muscat office	Intertek	Oman



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