

Alpek Committed to Achieving Net Zero Emissions by 2050

Setting twelve targets in total to address each of its material ESG issues

Monterrey, N.L., Mexico. October 14th, 2021 – Alpek, S.A.B. de C.V. (“Alpek”) announced today that it has concluded a comprehensive review of the global ESG landscape and the company’s role and responsibilities within it. As a result, Alpek has set ambitious targets for each of its material issues, including commitments towards achieving net zero greenhouse gas emissions from its global operations by 2050, as well as to meet its customers’ ambitious recycled content goals by 2025.

Project Evergreen Overview

Over the past two years, Alpek made a concerted effort to improve the way it identified its material ESG risks, addressed those issues head-on, disclosed its progress, and worked tirelessly on becoming a more responsible steward of the planet and the concerns of its broader stakeholder base. This effort was rewarded by a sharp increase in the company’s scores among the main ESG ratings agencies in 2020.

The next large milestone in Alpek’s path was to define ambitious targets for the topics it was addressing. Over the last quarter, Alpek carried out a 12-week analytical review of the global ESG landscape, as well as our progress to date. It was focused on aligning the entire company behind concrete ambition levels, targets, and key actions for each of Alpek’s twelve material issues.

Target Highlights

- **Circularity (PET):** “Alpek plans to increase its PET bottle recycling capacity to 300 thousand annual metric tons by 2025 to meet its customers' recycled content needs.”
- **Carbon Emission & Eco-Efficiency:** “Alpek is committed to the Paris Agreement. It is targeting a Scope 1 and 2 emissions reduction of 27.5% by 2030 (2019 base), reaching carbon neutrality by 2050, and will begin measuring its Scope 3 emissions.”
- **Occupational Safety:** “Alpek plans to reach a Total Recordable Incident Rate (TRIR) for its employees and contractors in the top decile of its industry, though its goal remains to achieve zero accidents every single day.”
- **Corporate Governance:** “Alpek is committed to further improving the composition and effectiveness of its Board by increasing the frequency in which ESG topics & metrics are reviewed, as well as enhancing the diversity and experience of its members.”

To review all of Alpek’s ESG targets visit: alpek.com/ESG/Targets

Actions Supporting our Ambition

Through its projects, Alpek has shown it is committed to executing actions that improve its various ESG metrics. In recent years, it has made great strides towards more Circularity by growing its rPET presence via acquisitions, debottlenecking efforts, and the addition of pelletization capabilities needed to increase bottle-to-bottle recycling.

However, the actions needed today to achieve this broader set of goals will require a more inclusive action plan, which includes the following key actions:

- Transition to fully renewable sources of electricity
- Improve our energy usage at all sites
- Generate emission-free steam (i.e. green hydrogen)
- Explore chemical recycling & biodegradability technologies
- Increase gender diversity & add more ESG-experience to Alpek's Board

“The science is clear on the need for urgent and decisive action on climate change. Today, Alpek has taken an important step forward on this issue by setting an ambitious target and corresponding action plan which is aligned with the Paris Agreement’s mandate.” said José de Jesús Valdez, Alpek CEO. “This commitment is part of Alpek’s broader effort to address, not only climate change, but all of the material ESG issues relevant to the company. We feel confident that through this approach we will meet all our targets. Moreover, we remain committed to periodically reviewing our progress on these topics, with the intention of setting even more ambitious targets in the future.”

***About Alpek:** Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET, rPET, and polyester fibers), and “Plastics & Chemicals” (polypropylene, expandable styrenics, caprolactam, and other specialty & industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, the largest rPET producer in the Americas, the third largest expandable polystyrene manufacturer worldwide, and the only producer of polypropylene and caprolactam in Mexico. In 2020, Alpek reported revenues of U.S. \$5.3 billion and Comparable EBITDA of U.S. \$601 million. The Company operates 32 plants in the United States, Mexico, Canada, Brazil, Argentina, Chile, and the United Kingdom, and employs more than 6,000 people. Alpek is a publicly traded company listed on the Mexican Stock Exchange.*