alpek

Annual Report 2024

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Message from our Management

Álvaro Fernández Garza
Chairman of the Board

Dear Shareholders,

In 2024, Alpek successfully navigated the challenges of a global petrochemical industry facing persistent oversupply and margin pressure. As a result, our Comparable EBITDA reached $699 million, exceeding both our original and revised guidance by 17% and 4%, respectively. Our stronger performance was mainly driven by better margins, as we were able to capitalize on temporary effects from higher-than-expected freight costs, and a successful implementation of our structural cost reduction program.

As a company familiar with industry cyclicality, we have taken proactive measures to strengthen our financial position and operational efficiency. This strategic approach not only enabled us to withstand the current landscape but also position Alpek to seize opportunities, as market conditions improve.

At the end of 2023, we launched a comprehensive strategy which we continue to execute throughout 2024, designed to enhance our competitiveness and financial performance. This strategy focused on two key priorities:

1. **Optimizing our operational footprint and cost structure**
   Throughout the year, we successfully executed structural initiatives that generated approximately $75 million in annualized savings. These efforts included: footprint optimization within the Polyester segment, a business-wide organizational restructuring, and improvements in energy supply conditions.

   Additionally, in the fourth quarter, we announced a new initiative in our Plastics & Chemicals segment by closing our EPS facility in Beaver Valley, a measure projected to yield $20 million in annualized savings by mid-2025. In total, once fully implemented, our cost-savings projects are expected to generate approximately $100 million on an annualized basis.

This message highlights the key developments that contributed to **Alpek's success during 2024.**

2 **Strengthening our financial position**

Given our commitment to financial discipline, free cash flow generation has always been a top priority. In 2024, we focused on a disciplined capital allocation approach by prioritizing maintenance to keep our assets in optimal conditions. Additionally, we implemented a series of strategic measures to optimize our net working capital needs.

Our strong financial performance translated into $104 million in operating cash flow, enabling us to reduce our net leverage ratio from 3.4 times at the beginning of the year and a peak of 3.7 times during the first quarter to 2.9 times by year-end, bringing us closer to our target of 2.5 times. Throughout this process, we maintained our investment-grade ratings with a Stable outlook across all agencies. Moving forward, we remain committed to further deleveraging and will continue implementing measures to achieve our target.

Spin-off from ALFA

A significant milestone in 2024 was the decision by our parent company, ALFA, to proceed with the spin-off of Alpek. Under this plan, Alfa is transferring its entire share ownership in Alpek to a new entity to be listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores) as Controladora Alpek, S.A.B. de C.V. To facilitate this process, Alpek approved the payment of an extraordinary dividend. This decision was carefully evaluated to ensure it did not compromise our financial stability. As a result, Alpek achieved a 9% dividend yield, ranking among the top three publicly traded companies in Mexico by this metric.

Once both entities are trading on the Mexican Stock Exchange, there will be a proposal to merge them, thus creating a 100% free float structure, enhancing stock liquidity and maximizing our Shareholders' value.

Over the years, we have consistently strengthened our position as industry leader, focusing on creating value. Since becoming a publicly listed company in 2012, Alpek has maintained independent access to debt capital markets, ensuring financial flexibility and stability. Its robust corporate governance framework further supports its ability to operate autonomously, while its talented team continues to drive innovation and sustainable growth. These factors collectively position Alpek as a self-sufficient entity prepared to navigate future challenges and opportunities.

Our commitment to sustainability

Sustainability is a fundamental pillar of our long-term strategy, and in 2024, we made significant strides in reducing our environmental footprint, enhancing transparency, and strengthening responsible business practices.

One of our key achievements was a 32.4% reduction in CO_2 emissions compared to our baseline, demonstrating our commitment to decarbonization. We also accelerated our transition to cleaner energy, increasing the share of carbon-free energy from 27.6% in 2023 to 39.6% in 2024.

In 2024, our progress has been recognized by leading ESG rating agencies:

- Sustainalytics upgraded our risk rating by 23% to a score of 20, placing Alpek in the top decile of its industry. This improvement reflects our enhanced disclosure of key environmental metrics and expanded programs focused on employee safety, integrity, and health.
- MSCI raised our rating from BB to BBB, recognizing our improved business practices and carbon emissions performance, which surpasses the industry average.

Outlook

As we move into 2025, we are confident in our ability to navigate the industry cycle by further enhancing our cash flow generation and leveraging our position as a reliable supplier as we anticipate continued challenges stemming from current market conditions.

We will continue focusing on the implementation of additional cost-reduction initiatives that strengthen our competitive position. While challenges remain, we are optimistic about the industry's gradual recovery and Alpek's ability to create long-term value.

We are proud of what our team has accomplished, and we trust that together we will continue building a stronger Alpek.

We would like to extend our sincere gratitude to our employees, customers, suppliers, and Board members for their commitment, as well as to our Shareholders for their continued trust and support.

ÁLVARO FERNÁNDEZ GARZA
Chairman of the Board

JORGE P. YOUNG CERECEDO
Chief Executive Officer

JORGE P. YOUNG CERECEDO
Chief Executive Officer

Highlights

$75M

Annual Savings from Cost Reduction Initiatives

2.9x

Leverage (from 3.4x in 2023)

9.0%

Dividend Yield

32%

Scope 1&2 CO_2e Emissions Reduction vs 2019 (SBTi base)

10 sites

with 0 Recordable Incidents

39.6%

Carbon-free Electricity

About ALPEK

We create the building blocks our customers need **to improve everyday lives.**

Alpek develops essential products and technologies to benefit people's everyday lives through constant innovation and sustainable manufacturing. Alpek's materials extend from the daily food and medical industries to long-term applications in housing and construction.

The Company continues to operate as a reliable domestic supplier with a strong leadership team, optimized global footprint, and enhanced operational efficiency to continue delivering effective solutions to our customers.

Working to meet global societal and environmental everyday needs has been, and will always be, **essential to Alpek's purpose and values.**

Market Presence

+5,500

Employees worldwide

OF PLANTS

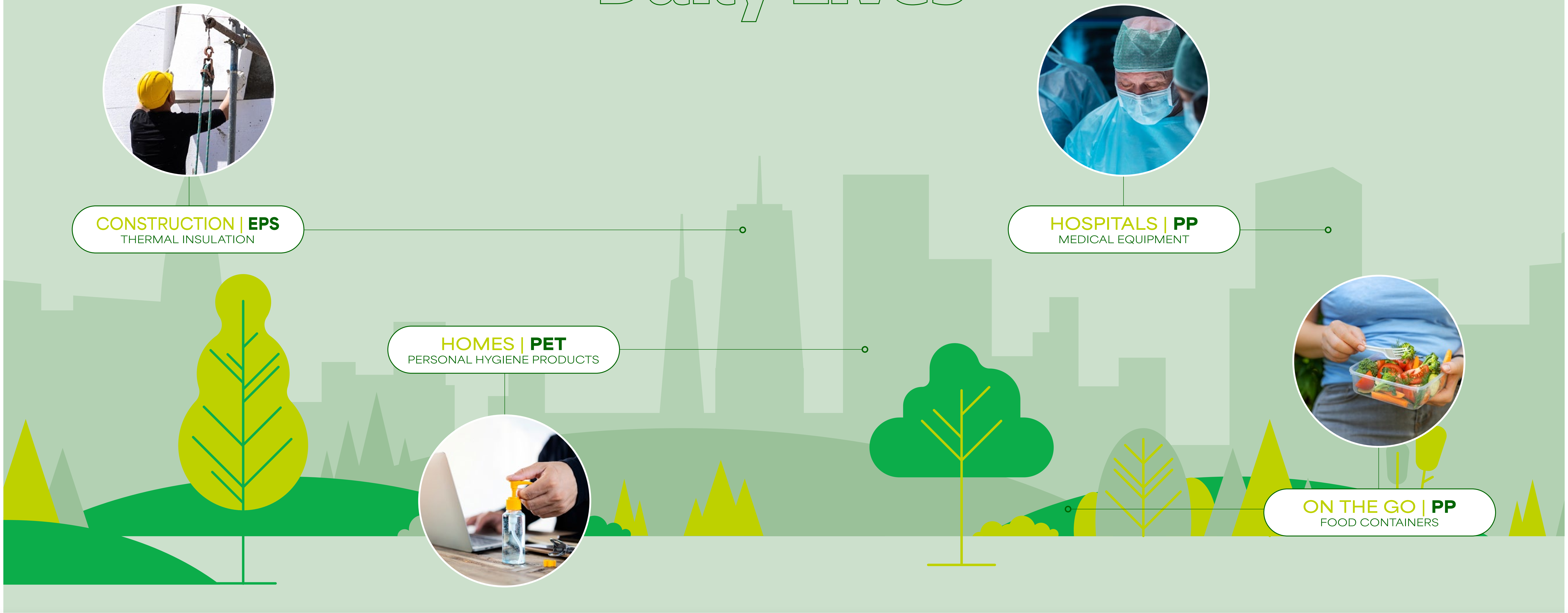
FOR MORE INFORMATION, **CLICK HERE**

		Mexico 2,790 Kta	USA 2,568 Kta	Canada 144 Kta	Argentina 246 Kta	Brazil 1,136 Kta	Chile 28 Kta	Oman 1,072 Kta	Saudi Arabia 11 Kta	United Kingdom 220 Kta
	PTA	✓	✓			✓				
PET	Resin	✓	✓	✓	✓	✓		✓		✓
PET	Sheet							✓		
rPET	Flake		✓		✓					
rPET	Pellet		✓		✓					
rPET	SPT	✓	✓							
	PP	✓								
	EPS	✓	✓		✓	✓	✓			
	Arcel		✓							
	Other	✓					✓		✓	

34 Plants

9 Countries

Alpek in our Daily Lives



Strategy

STRENGTHEN CORE BUSINESS

- **Global Cost Improvement**
  Drive competitiveness by optimizing efficiency, leveraging scale and enhancing processes
- **Footprint Optimization**
  Ensure global production grows across optimal sites & logistic networks
- **Value-added Products**
  Shift to products with higher margins & barriers to entry

STRATEGIC & FOCUSED GROWTH

- **Value Chain Integration**
  Expand capacity strategically & integrate into the value chain
- **Product Innovation**
  Develop and grow new products & business lines (Natural Gas commercialization, Biovento®)
- **M&A Opportunities**
  Seize opportunistic growth focused on synergies and geographic diversification

SUSTAINABLE GROWTH OPPORTUNITIES

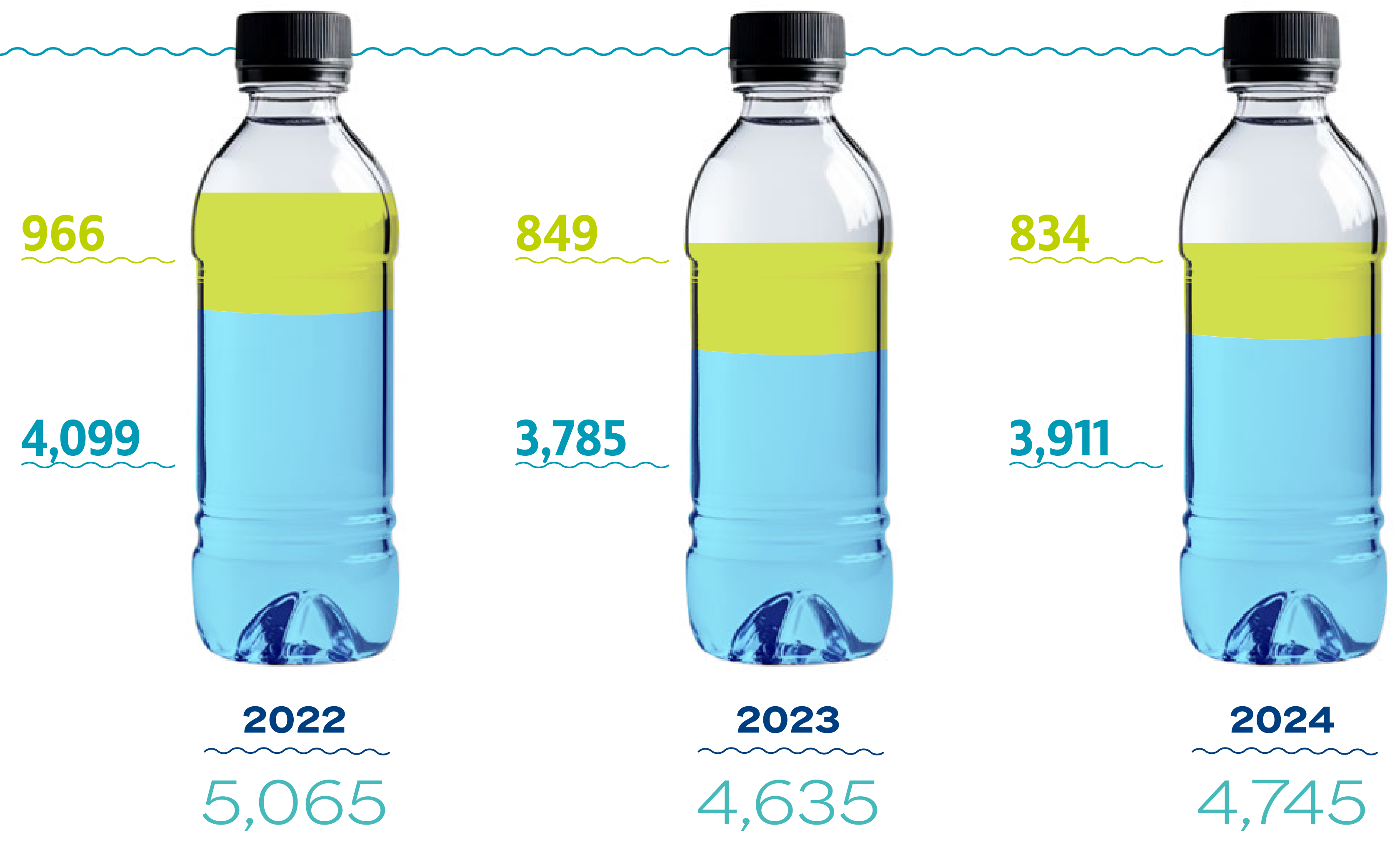
- **Foster Product Circularity**
  Improve the Company's sustainable solutions portfolio with a focus on mechanical and chemical recycling and biodegradable products
- **Value-Creation in CO_2 Emissions Reduction**
  Pursue opportunities & participate in new markets associated with reaching carbon neutrality before 2050

2024
Performance

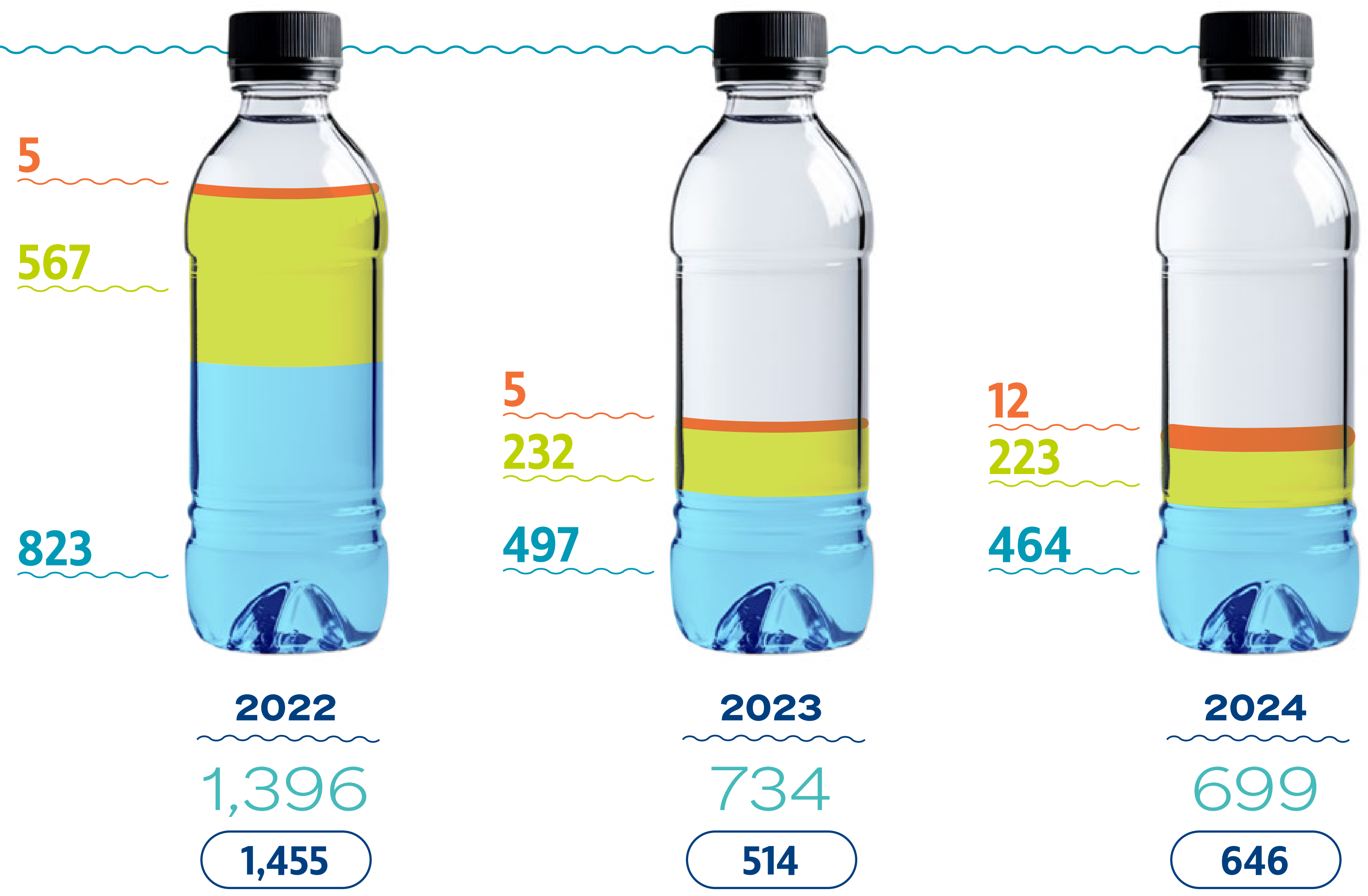
Financial Highlights

GRI: 201-1

VOLUME
(K TONS)



COMPARABLE EBITDA
(US$, MILLIONS)



Polyester | Plastics & Chemicals | Others | Reported EBITDA

9.0%

Dividend Yield, 2.5x IPC average

DEBT & LEVERAGE (DEBT US$, MILLIONS & LEVERAGE, TIMES)

REVENUES (US$, MILLIONS)

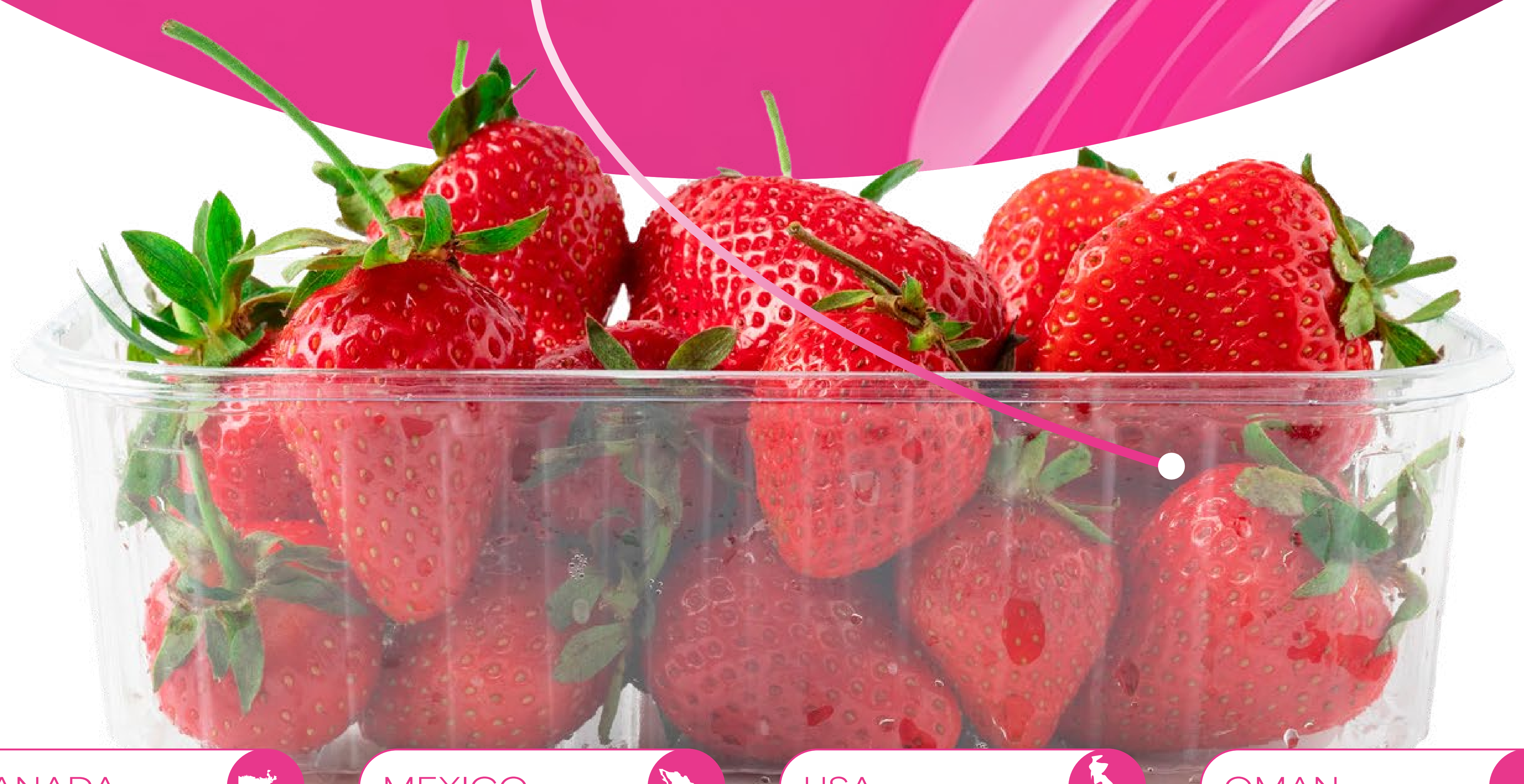
104

Operating Free Cash Flow (US $, Millions)

Polyester

Leading PTA, PET and recycled PET producer across the Americas

A leading PET producer worldwide



6,938

Thousand tons in capacity

24 Plants

3,766 Employees

ARGENTINA

BRAZIL

CANADA

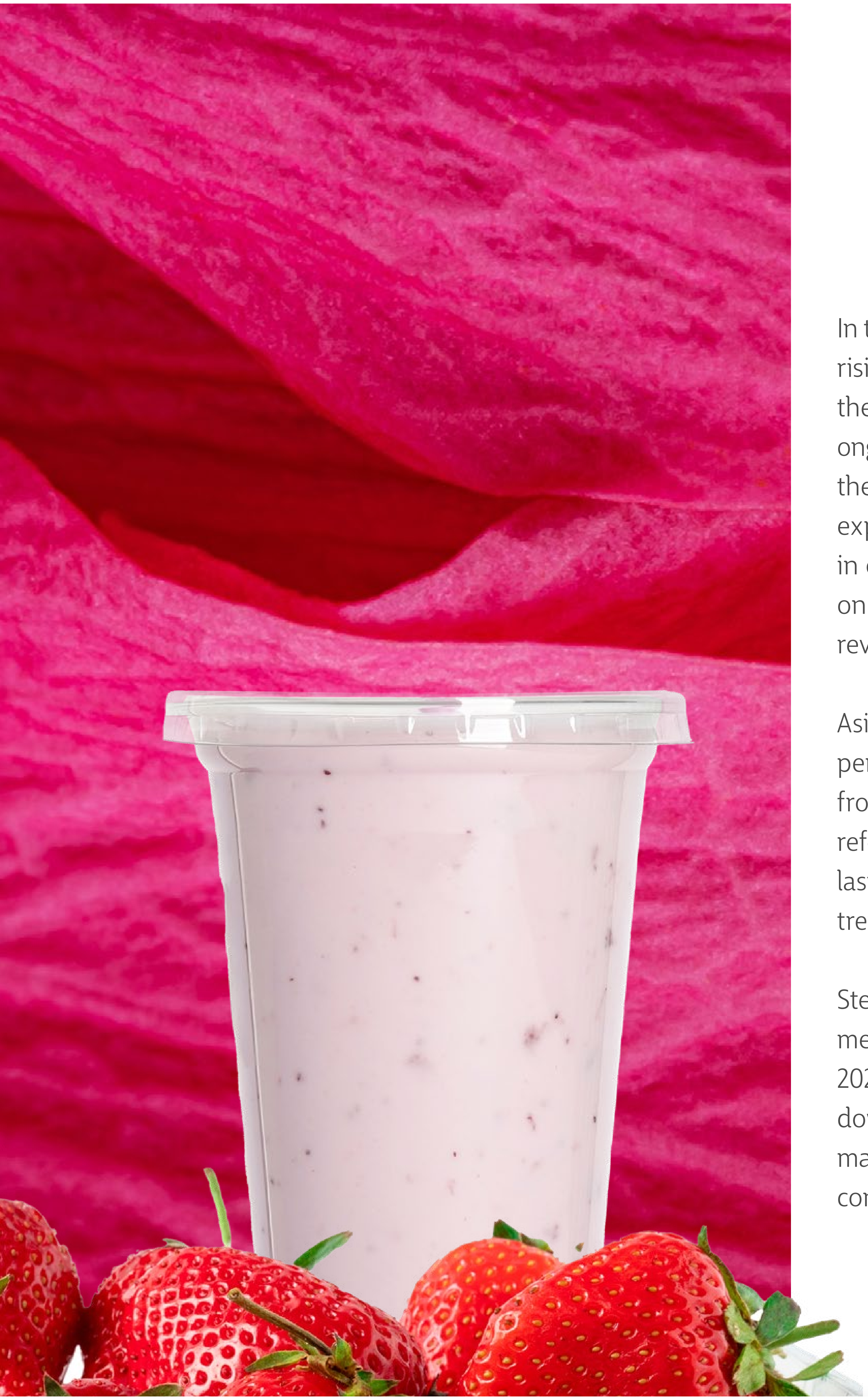
MEXICO

USA

OMAN

SAUDI ARABIA

UK



In the Polyester segment, 2024 began with reference margins rising slightly and volume showing signs of recovery. Early in the year, Alpek witnessed a slight demand increase despite ongoing market overcapacity which set solid expectations for the segment. During the first semester, results met original expectations, with the second half benefitting from a rise in ocean freight costs which led the Company to capitalize on the improved regional margins resulting in a Guidance revision in the third quarter and exceeding full-year results.

Asian PET reference margins remained stable, averaging $297 per ton, 4% lower than in 2023, yet increasing sequentially from levels seen during 4Q23. Meanwhile, average Chinese reference margins resulted in $159 per ton, down 15% from last year. However, these remained stable with a slight upward trend from lower levels seen during the third quarter of 2023.

Steady demand levels led to a volume increase in the segment, reaching 3,911 thousand tons, 3% higher compared to 2023. Full-year Comparable EBITDA resulted in $464 million, down 7% from the previous year. Overall, performance remained strong yet fluctuated primarily from extraordinary conditions seen year-round.

In 2025, overcapacity will continue to play a role in the petrochemical industry, however demand is expected to remain stable. While it is foreseen that ocean freight costs will return to historical levels, reference margins should remain in line with 2024. Results will remain similar to those seen during early 2024. Alpek is well positioned to be able to capitalize on any potential opportunities.

Relevant Events:

Operational efficiency: During the year, the Company completed the Organizational restructuring initiative set in the Polyester segment which began in 4Q23. Through the completion of this initiative, Alpek will be able to capitalize approximately $40 million in annualized savings as part of our Cost Reduction Program.

ADDED VALUE:

- **Global Footprint:** Alpek is well prepared to adapt to current economic and geopolitical conditions to continue serving customer demand by leveraging both its domestic presence and global footprint as needed.
- **Circular Solutions:** The Company maintains its leadership positions by continuing to provide recycled solutions for its customers.
- **Process Innovation:** Alpek continues to optimize its product portfolio, looking for alternative solutions to meet current sustainable packaging trends.
  - Development of CaPETAll® during the year, creating the first bottle cap to be made entirely from PET, boosting bottle recyclability to 100%.

CASE STUDY:

- **Dairy Packaging** traditionally features non-recyclable aluminum lids and non-PET pots.
  - **Our PET Sheet** packaging technology offers a sustainable alternative substituting this material with high quality PET, making the product 100% recyclable.
  - Resistant to cracking when handled and processed while providing the ideal moisture and oxygen transmission for live cultured dairy products.
  - Longer shelf life compared to competitors.

Plastics & Chemicals

#1 EPS producer in the Americas

Alpek produces polypropylene (PP), expandable styrenics (EPS), fertilizers and specialty chemicals

ONLY PP PRODUCER IN MEXICO

1,277
Thousand tons in capacity

10 Plants

1,652 Employees

GRI: 2-6

The Plastics & Chemicals segment began 2024 maintaining levels seen at the end of 2023 as the construction sector remained under pressure impacting EPS results, while the Polypropylene market in the region remained under pressure from a ramp-up in installed capacity. However, as the year went on, EPS reference margins saw a recovery, benefiting from rising ocean freight costs alongside Polyester.

On average, EPS reference margins stood at 31 cents per pound, 11% lower than the previous year, yet closing the year at 43 cents per pound. North American PP reference margins remained flat at 15 cents per pound throughout the year but declined by 12% due to supply and demand dynamics.

However, demand remained consistent throughout the year. This resulted in a total volume of 834 thousand tons, down 2% from last year, particularly impacted by temporary restrictions on water supply seen during the second quarter at the Altamira facilities, which led to Comparable EBITDA resulting in $223 million, 4% lower than 2023.

For 2025, Alpek anticipates a continuation of steady demand in the segment, with a slight recovery for EPS, particularly in the construction sector. It is expected that overcapacity will continue to pressure relevant reference margins. Alpek maintains its emphasis on operational efficiency, footprint optimization, and additional cost saving opportunities to continue enhancing its competitiveness.

Relevant Events:

Footprint Optimization: Alpek continued with the implementation of its cost savings initiatives in the Plastics & Chemicals segment, resulting in the shutdown of its Beaver Valley plant and transferring its capacity to other more competitive sites in the Americas. This will result in an additional estimated $20 million in annualized cost savings.

ADDED VALUE:

- **Market Adaptability:** Alpek maintains a diversified portfolio, allowing it to capitalize opportunities in different markets.
- **Sustainable Development:** Innovation in recycled and biodegradable EPS options have begun commercialization, aligned with its sustainability track record.
- **Market Entry:** Continuing to explore new markets for unique solutions including the development of **Bivento®**, a bio-based fertilizer, which began commercialization during the year.

CASE STUDY:

- **Medical Applications:** In the medical industry high quality materials capable of meeting health standards are required. Alpek's various Polypropylene and EPS products provide the necessary qualifications to meet these demands and deliver safe and essential materials for medical applications.
  - Vaccines, gowns and other textile applications are made from PP, while coolers used to store these vaccines and tissues are made from EPS.
  - Polypropylene is a material that can be sterilized to obtain medical grade to ensure healthy applications on a day-to-day basis, such as diapers, facemasks and electrolyte beverages.

Ratings

Strategy & Execution

Alpek maintains an unwavering commitment to the highest standards of environmental, social, and governance (ESG) performance. To foster transparency and credibility among its stakeholders regarding its ESG performance, Alpek actively engages with leading ESG rating agencies, who consistently acknowledge Alpek as a benchmark within the chemical industry.

Progress 2024

During 2024, Alpek focused on improving key ESG topics such as governance, waste management, and water stewardship. As a result of these efforts, Alpek achieved an improvement in its MSCI and Sustainalytics ESG ratings, reflecting its commitment to transparency and continuous ESG performance enhancement.

> "Disclosure is far more than a box to tick. It's a tool to see clearly, act decisively and create change. If we are to solve the environmental crisis, disclosure data must be a tool every organization - large or small - has in their kit."
>
> **SIMON FISCHWEICHER**
> CEO CDP

CDP Supporter 2024

	S&P Global	Sustainalytics	CDP	CDP	MSCI
	ESG SCORE (SCORE IMPROVEMENT YOY)	ESG RISK RATING (RISK REDUCTION YOY. THE LESS RISK, THE BETTER)	CLIMATE CHANGE (SCORE IMPROVEMENT YOY)	WATER SECURITY (SCORE IMPROVEMENT YOY)	ESG RATING (SCORE IMPROVEMENT YOY)
2022	54	26	B	C	BB
2023	59	26	B	B-	BB
2024	59	20	B	B-	BBB
Chemical Industry's Average Score 2022	23	19	B-	B	BB
Chemical Industry's Average Score 2023	25	27	B	C	BB
Chemical Industry's Average Score 2024	28	31	-	-	BB

Note: For Sustainalytics, the reference row is "Chemical Industry's Average Risk Percentile".

Certifications

Strategy & Execution

As part of its corporate sustainability strategy, Alpek is committed to continuously adopting and maintaining recognized social and environmental standards. These certifications enable the Company to integrate best practices into its operations while ensuring compliance through external audits. This process helps Alpek identify opportunities for improvement, driving ongoing progress in sustainability.

ISO 14001:2015

Several Alpek facilities across its business segments in Mexico, Brazil, Argentina, Chile, and the United States maintain certification under the ISO 14001:2015 environmental management system standard. This ongoing commitment reflects the Company's dedication to environmental responsibility and continuous improvement in sustainable operations.

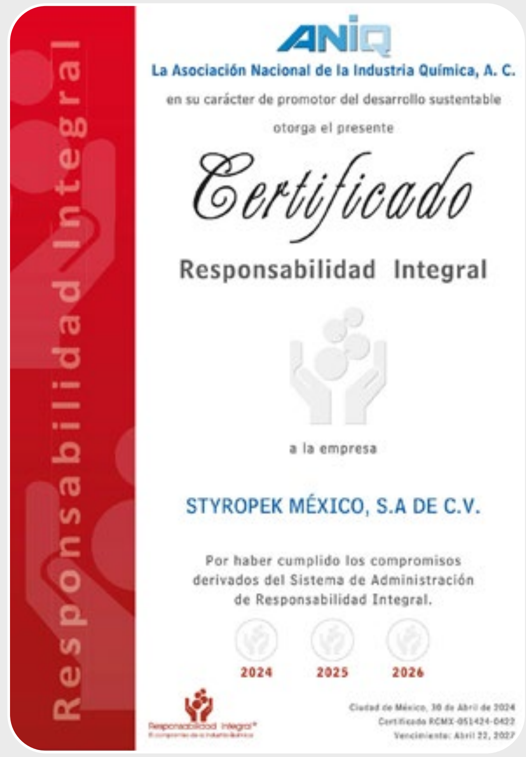
ISCC+ Certification

ISCC+ is a globally recognized sustainability certification that ensures the responsible sourcing and use of bio-based and circular materials, with a strong emphasis on traceability. In 2024, Alpek obtained ISCC+ recertification for its sustainable expandable polystyrene product line, further solidifying its commitment to circular economy principles and sustainable innovation.

ISO 9001

Alpek secured ISO 9001 quality management system certification at multiple facilities across its business segments, including sites in Mexico, Brazil, Argentina, and the United States. This certification encompasses the design, development, manufacturing, and distribution of its products, ensuring the highest quality standards and reinforcing Alpek's dedication to operational excellence.

RESPONSIBLE CARE CERTIFIED



In 2024, Alpek Mexico earned the prestigious Responsible Care (Sistema de Administración de Responsabilidad Integral, or SARI in Spanish) certification across multiple business segments. This globally recognized initiative within the chemical industry fosters continuous improvement in the safe handling of chemical products, prioritizing health, safety, and environmental protection.

Additional and detailed information for 2024 can be found in **the Annex section.**

Alliances & Commitments

GRI: 2-28, 2-29
CSA S&P: 1.5.1, 2.5.12

Alpek seeks to strengthen its alliances with entities and organizations that promote sustainable development.

Alpek reaffirmed its commitment to the Sustainability Development Goals (SDGs) by pledging to the Women Empowerment Principles (WEPs). It also collaborated further with Science Based Targets Initiative (SBTi) and UN Global Compact, inviting other companies in Mexico to join. Additionally, Alpek has proactively collaborated with several recycling promoters as it continues to build up its rPET portfolio.

In 2024, Alpek participated in **+85 associations and initiatives.**

Since 2021 Alpek has been committed to the UN Global Compact's corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anticorruption.

Alpek's Governance

Corporate Governance

GRI: 2-9, 2-10, 2-11, 2-12, 2-13

CSA S&P: 1.2

Board of Directors

The Board of Directors, together with the Audit and Corporate Practices Committee, implement and maintain the best practices and highest standards of Corporate Governance in the Company. As a public Company, Alpek has the obligation to keep its investors informed of all its financial activities under required standards, thus ensuring full transparency. Its Board of Directors is Alpek's highest governing body. Its members are chosen based on the alignment of their skills and previous experience with Alpek's strategic and ESG needs, as well as their integrity and standing in the global community.

Alpek's Board Members and Top Executive Team lead a top-down approach across all sustainability efforts throughout the Company. To ensure effective implementation of these initiatives, the Top Executive Team has appointed ESG Champions at the business unit level. These champions, in collaboration with the Corporate Sustainability Team led by the Sustainability Officer (CFO), have further developed Alpek's ESG Strategy and aligned it with the Company's business objectives

64% of Alpek's Board members are independent, and 100% of the committee members are independent.

5 Proprietary directors with no alternates

9 Independent Board members

14 Directors

21% of the Board members are women

Additional and detailed information for 2024 can be found in **the Annex section.**

Committees

GRI: 2-12, 2-13, 2-15
CSA S&P: 1.4.2

Sustainability Committee

Alpek firmly believes that the success of its sustainability strategy relies on active engagement and strong leadership within its top management. Through the implementation of a comprehensive organizational structure and the establishment of periodic committees across management levels, Alpek ensures effective guidance, accountability, and stewardship of its ESG material topics, risks, and objectives.

BOARD OF DIRECTORS

Board Meetings
ALL SUSTAINABILITY TOPICS*
Frequency: Quarterly

C-SUITE

ESG Executive Committee
ALL SUSTAINABILITY TOPICS*
Frequency: Quarterly

MANAGEMENT

Circularity Committee
- CLIMATE CHANGE
- CIRCULARITY
- INNOVATION
- VALUE CHAIN MANAGEMENT

Frequency: Quarterly

Operations Committee
- CLIMATE CHANGE
- WATER
- ENVIRONMENTAL MANAGEMENT
- OCCUPATIONAL SAFETY

Frequency: Quarterly

IT Committee
- CYBERSECURITY

Frequency: Bimonthly

* During Board Meetings, sustainability topics are reviewed.

Audit & Corporate Practices Committee

The Audit and Corporate Practices Committee supports the Board, and is entirely composed of independent members. They meet every quarter and oversee the following topics:

- Selection and determination of fees for the external auditor
- Coordination with the Company's internal audit committee
- Assessment of accounting policies, employment terms and severance payments, as well as compensation for senior executives
- Recommendations for succession plans and replacement options
- ESG issues review

Annual meetings may be called by the Board's chairman, the Audit and Corporate Practices Committee's chairman, the secretary or at least 25% of its members. At least one meeting is dedicated to defining the Company's medium- and long-term strategies. Any conflict of interest must be disclosed by involved parties and they must abstain from participating.

- The Company has internal control systems with general guidelines that are submitted to the Audit and Corporate Practices Committee for its opinion. In addition, the external auditor validates the effectiveness of the internal control system and issues the corresponding reports.
- The Board of Directors is advised by the planning and finance department when evaluating matters related to the feasibility of investments, strategic positioning of the Company, alignment of investing and financing policies, and reviewing investment projects. This is carried out in coordination with the finance and planning department of the holding company, Alfa, S.A.B. de C.V
- Alpek has a department that is specifically responsible for maintaining open communication with its Shareholders and investors. This ensures that they have the financial and general information required to assess the Company's progress in developing its activities. This function makes use of press releases, notifications of relevant events, conference calls for quarterly reports, investor meetings, its website, and other communication channels.
- Alpek promotes good corporate citizenship and adheres to the recommendations issued by its holding company, Alfa, S.A.B. de C.V. It has a mission, vision, values and a code of ethics that are promoted within the organization.

95.7% MEETING ATTENDANCE DURING 2024

Board of Directors

GRI: 2-9, 2-11, 2-17

Exceedingly Qualified Board of Directors

GENERAL · BOARD MEMBER TYPE · EXPERTISE · INDUSTRY

NAME	AGE	BOARD TENURE	CEO EXPERIENCE	INDEPENDENT	INDEPENDENT PROPRIETARY	RELATED PROPRIETARY	PATRIMONIAL	AUDIT & CORPORATE PRACTICES COMMITTEE	AUDIT & RISK MANAGEMENT	OPERATIONS	FINANCE	PUBLIC POLICY	STRATEGIC PLANNING	SUSTAINABILITY	INTERNATIONAL COMMERCE	PETCHEM	CONSUMER GOODS	AUTOMOTIVE	CONSTRUCTION	BANKING	ENERGY	AGRIBUSINESS
Mr. Álvaro Fernández Garza CHAIRMAN OF THE BOARD OF ALPEK	57	14	●			●				●	●		●			●	●	●				
Mr. Rodrigo Fernández Martínez PRESIDENT OF SIGMA ALIMENTOS, S.A. DE C.V.	49	13	●				●			●	●		●			●	●					
Mr. Armando Garza Sada CHAIRMAN OF THE BOARD OF NEMAK	67	14	●			●				●	●		●			●	●	●	●			
Dr. Ana Laura Magaloni Kerpel PARTNER AT MAGALONI ABOGADOS	61	3		●								●		●								
Mr. Francisco José Calderón Rojas PRESIDENT OF FRANCA INDUSTRIAS S.A. DE C.V. AND FRANCA SERVICIOS S.A. DE C.V.	58	13	●		●			●			●		●			●	●					
Mr. Andrés E. Garza Herrera VICEPRESIDENT OF THE BOARD OF QUALTIA	57	13	●	●				●			●		●				●	●				
Ms. Merici Garza Sada INVESTOR	66	13					●									●						
Mr. Pierre Francis Haas García INDEPENDENT ADVISOR	73	13	●	●							●		●	●	●	●		●			●	
Ms. Montserrat Ramiro Ximénez COUNTRY MANAGER AT UGT RENEWABLES	52	2		●							●	●	●			●	●				●	
Mr. José Antonio Rivero Larrea CHAIRMAN OF THE BOARD OF COMPAÑIA MINERA AUTLÁN S.A.B. DE C.V.	72	7	●	●						●	●			●					●		●	●
Mr. José De Jesús Valdez Simancas ADVISOR	72	2	●			●				●	●		●			●	●				●	
Dr. Alejandro Mariano Werner Wainfeld FOUNDING DIRECTOR AT GEORGETOWN AMERICAS INSTITUTE	58	2		●							●	●								●		
Dr. Jaime Enrique Zabludovsky Kuper VP OF IQOM INTELIGENCIA COMERCIAL	69	6		●								●			●	●	●					
Mr. Enrique Zambrano Benítez CHAIRMAN OF GROUP PROEZA, S.A. DE C.V.	69	13	●	●				●	●		●		●			●	●	●				●

Board of Directors

Álvaro Fernández Garza

CHAIRMAN OF THE BOARD

Position: CEO & President of ALFA, S.A.B. de C.V.

Age: 57
Tenure: 14 years (Since 2011)
Public boards (7):
- ALFA (President)
- Axtel (Co-Chairman)
- Nemak (Co-Chairman)
- CTAxtel (Co-president)
- Cydsa (Member)
- Vitro (Member)
- Consejo Mexicano de Negocios (Member)

Education:
- BA from Notre Dame University
- MBA from ITESM
- MBA from Georgetown University

Armando Garza Sada

Position: Member of the Board

Age: 67
Tenure: 14 years (Since 2011)
Public boards (9):
- ALFA (Member)
- Nemak (Member)
- CTAxtel (Member)
- Axtel (Member)
- Lamosa (Member)
- Liverpool (Member)
- CEMEX (Member)
- BBVA México (Member)
- Banco de México (Regional Member)

Education:
- BA from MIT
- MBA from Stanford

Francisco José Calderón Rojas

INDEPENDENT • Audit and Corporate Practices Committee

Position: President of Franca Industrias, S.A. de C.V. and Franca Servicios S.A. de C.V.

Age: 58
Tenure: 13 years (Since 2012)
Public boards (1):
- FEMSA (Member)

Education:
- BA from ITESM
- MBA from UCLA

Rodrigo Fernández Martínez

Position: President of Sigma Alimentos, S.A. de C.V.

Age: 49
Tenure: 13 years (Since 2012)
Public boards (0):

Education:
- BA from UVA
- MBA from Wharton

Andrés E. Garza Herrera

INDEPENDENT • Audit and Corporate Practices Committee

Position: Vicepresident of the Board of Qualtia

Age: 57
Tenure: 13 years (Since 2012)
Public boards (0):

Education:
- BA from ITESM
- MBA from San Diego University
- Global Leadership Program MD Switzerland

Board of Directors

Merici Garza Sada

Position: Investor

Age: 66
Tenure: 13 years (Since 2012)
Public boards (0):
Education:
- BA from ITESM
- MA from Stanford

Pierre Francis Haas García

INDEPENDENT

Position: Independent Advisor

Age: 73
Tenure: 13 years (Since 2012)
Public boards (0):
Education:
- BA from Vanderbilt University
- Masters in Economics from Cambridge University

Ana Laura Magaloni Kerpel

INDEPENDENT

Position: Partner at Magaloni Abogados • Editorialist for Grupo Reforma

Age: 61
Tenure: 3 years (Since 2022)
Public boards (1):
- BBVA México (Member)

Education:
- BA from ITAM
- PhD from Universidad Autónoma de Madrid
- Studies from the Judicial Specialization Center of the Mexican Supreme Court

Montserrat Ramiro Ximénez

INDEPENDENT

Position: Country Manager at UGT Renewables

Age: 52
Tenure: 2 years (Since 2023)
Public boards (2):
- BlackRock Mexico (Member)
- Fibra MX (Member)

Education:
- BA in Economics from ITAM
- MS in Economics from UCL
- GradDip in Finance from Harvard Extension School – Cambridge
- GradDip in Corporate Social Responsibility from Harvard Business School

José Antonio Rivero Larrea

INDEPENDENT

Position: Chairman of the Board of Compañía Minera Autlán • CEO of Serfimex

Age: 72
Tenure: 7 years (Since 2018)
Public boards (1):
- Compañía Minera Autlán (Chairman)

Education:
- BA from ITESM
- MBA from ITESM
- Sloan School MIT Program
- Owner/President Management at Harvard

Board of Directors

José de Jesús Valdez Simancas

Position: Advisor

Age: 72
Tenure: 2 years (Since 2023)
Public boards (1):
- Betterware de México (Member)

Education:
- BS and MBA from ITESM
- Master's Degree in Industrial Engineering from Stanford University

Alejandro Mariano Werner Wainfeld

INDEPENDENT

Position: Founding Director at Georgetown Americas Institute

Age: 58
Tenure: 2 years (Since 2023)
Public boards (1):
- Acciona Energia (Member)

Education:
- BA in Economics from ITAM
- PhD in Economics from MIT

Jaime Zabludovsky Kuper

INDEPENDENT

Position: VP of IQOM Inteligencia Comercial

Age: 69
Tenure: 6 years (Since 2019)
Public boards (1):
- Fibrahotel (Member)

Education:
- BA from ITAM
- PhD from Yale

Enrique De Jesús Zambrano Benítez

INDEPENDENT • Audit and Corporate Practices Committee

Position: Chairman of Grupo Proeza, S.A. de C.V.

Age: 69
Tenure: 13 years (Since 2012)
Public boards (1):
- BBVA México (Member)

Education:
- BS from ITESM & MIT
- MBA from Stanford

Management **Team**

JORGE P. YOUNG CERECEDO
Chief Executive Officer

TERESA QUINTERO MÁRMOL
Senior Vice President Human Capital

JOSÉ CARLOS PONS DE LA GARZA
Chief Financial Officer

ALEJANDRO LLOVERA ZAMBRANO
President of Polyester Business

ALEJANDRO ALANÍS FERNÁNDEZ
President of Polypropylene Business

ANDREAS PLETTNER RUTISHAUSER
President of Expandable Styrenics Business

DAVID COINDREAU GARZA
President of Specialty Chemicals Business

ROBERTO BLANCO SÁNCHEZ
President of Natural Gas Business

Risk Management

GRI: 201-2
CSA S&P: 1.4.1, 1.4.2

Strategy & Execution

Alpek has established and continuously updates various processes to identify, monitor, and develop action plans for potential short- and long-term risks. Findings and corresponding actions are reviewed upon in the Audit Committee and escalated to the Board Meetings when necessary.

The Company's risk management framework addresses ESG-related risks such as shortages in raw material and utilities, legal and regulatory challenges concerning plastics, cybersecurity attacks, among others. Alpek has also been actively working to incorporate threats derived from the effects of climate change into its risk management protocols, adhering to recommendations from Task Force on Climate-Related Financial Disclosures (TCFD) and SASB, aiming to quantify potential environmental and social impacts for effective mitigation.

Alpek's risk management structure is segmented by business unit to identify and address current and potential risks across operations. ESG risk management is regularly reviewed at Board meetings, strengthened in 2022 by adding a board member with expertise in auditing and risk management.

While risk management is primarily the responsibility of business unit directors and operators, an Audit Committee meets every six months to assess emerging risks, monitor existing ones, and ensure mitigation actions are effective. Findings from this meeting are reported directly to the CEO.

Additionally, the Corporate Audit Director oversees monitoring and auditing practices to validate risk management effectiveness. ESG material issues are reviewed quarterly by ESG committees in meetings held throughout the year. This process is illustrated in the diagram on the right.

MAIN PHYSICAL RISKS

NUMBER OF SITES LOCATED IN HIGH-RISK AREAS

- **21** Wildfire
- **14** River flood
- **11** Cyclone
- **9** Coastal flood
- **7** Extreme heat
- **5** Water Scarcity

Risk Management Process

Alpek classifies risks into three categories:

1. **Strategic risks:** Internal or external events affecting business goals and strategy.
2. **Emerging risks:** Unprecedented external events with potential for long-term impacts.
3. **Climate-related risks:** Climate change effects on operations, value chain and financial inputs.

Progress 2024

During 2024, Alpek continued analyzing its site-specific physical climate risks using the ThinkHazard platform, which asseses potential threats from climate such as cyclones, landslides, floods, and droughts at each site. The Company is updating and repeating this analysis to quantify the economic impact of these risks under various climate change scenarios, enabling more effective priotization and enhancement of existing mitigation measures.

Additionally, Alpek prioritized water risk management after a site experienced operational disruptions due to water shortages, leading to the establishment of a water target, furthered detailed in the Water section.

Additional and detailed information for 2024 can be found in **the Annex section.**

Strategic Risks

GRI: 2-22, 201-2
CSA S&P: 1.4.4

Alpek utilizes Alfa's Risk Portal as a third-party platform, facilitating the consolidation of strategic risks identified across its business units. This integration enables the Company to effectively manage and monitor all risks and their corresponding mitigation actions. The data collected includes the likelihood, impact, mitigation strategies, and the staff or role responsible for addressing each identified risk. The most significant risks within Alpek's business units are ranked by their likelihood and impact as determined.

Alpek consistently evaluates and updates its comprehensive strategic risk profile, which typically encompasses 30 to 35 ongoing operational risks.

Alpek's Top 10 Strategic Risks Identified for 2024

RISK ID	AREA	RISK	RISK DESCRIPTION
R1	IT	Cyberattack	Business disruption due to cybercrimes such as loss of privacy, data theft, and fraud
R2	Procurement	Dependence on Mexico's raw material supply	Mexico's production decrease impacts the availability of raw materials in some of Alpek's production processes
R3	Operations	Delays in permits for raw material imports	Delayed permits process with customs authorities for raw material importing
R4	Commercial	New competition, less margin	More competition for specific business units
R5	Commercial	Plastic pollution regulation and social pressure	Plastic Treaty resolution and new policies to minimize specific plastic usage
R6	Procurement	Raw material supply chain issues	Lack of availability of raw materials, utilities, and other supplies
R7	Safety	Access to potable water	Lack of water supply and droughts where some sites and offices are located
R8	Commercial	Business competitiveness vs. Asian market prices	Asian petrochemical products and raw materials with lower pricing
R9	Assets	Imported Fixed Assets Verification	Failure to provide the legal documentation required to verify imported fixed assets in the country
R10	Procurement	Specific supplier dependence	Lack of availability of healthy competition from suppliers

The risk heat map is structured in accordance with the COSO Framework and illustrates Alpek's prioritization of the risks reported by its Business Units.

Risk Heat Map

IMPACT

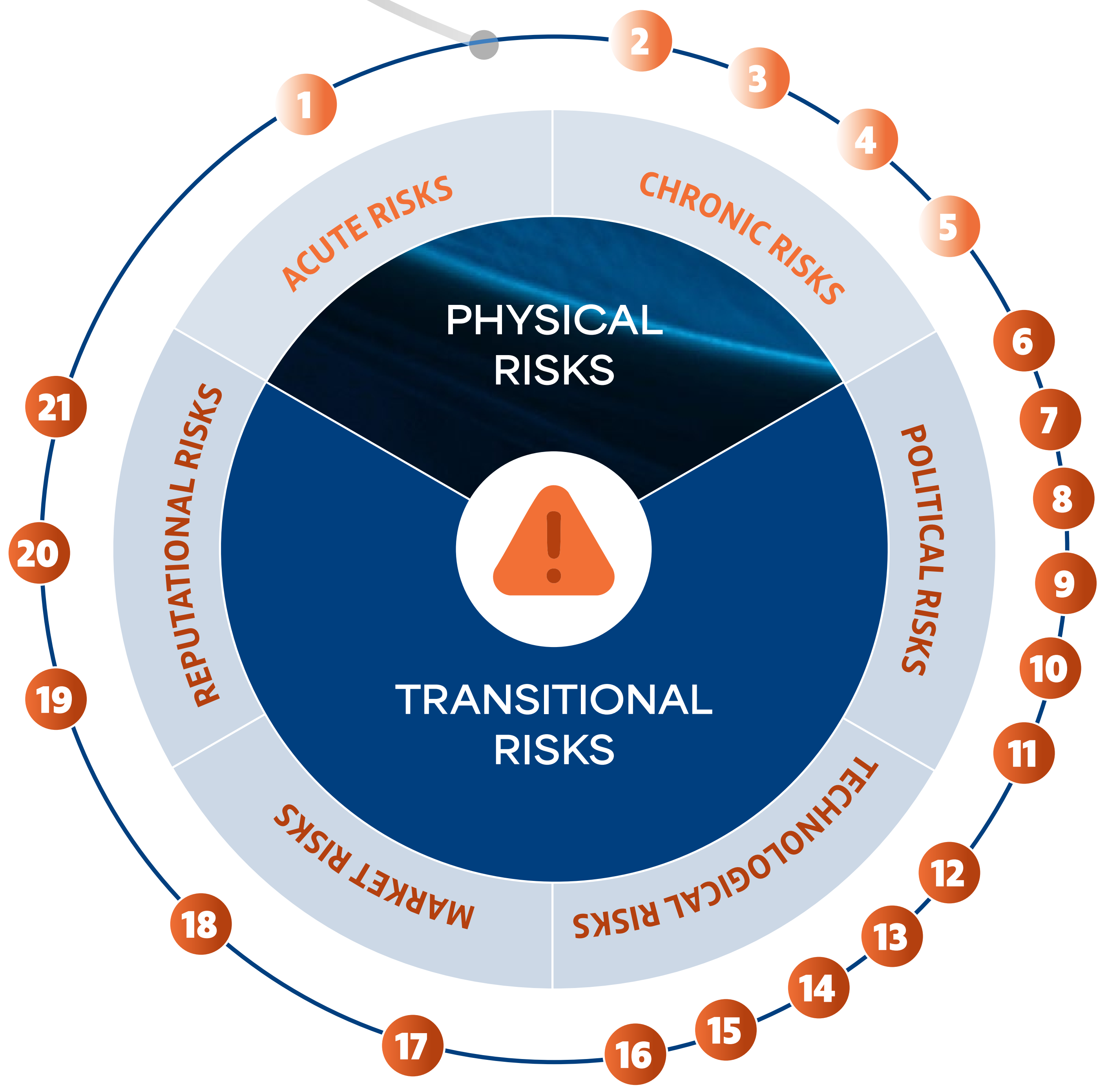
PROBABILITY	VERY LOW	LOW	MODERATE	HIGH	VERY HIGH
IMPROBABLE					
RARELY					R9 R10
OCCASIONALLY				R6 R7	
POSSIBLE			R8	R3 R2	R1
EXPECTED			R4 R5		

Mitigation Actions to Strategic Risks can be found in **the Annex Section.**

Climate-Related Risks

GRI: 201-2
CSA S&P: 1.4.2, 2.5.5, 2.5.8

1. Severity of weather events
2. Changing weather and precipitation patterns
3. Rising mean temperatures
4. Rising sea levels
5. Water stress
6. Greenhouse Gas Emissions above limiting regulations
7. Unsuccessful Greenhouse Gas Emissions Management: Long term and short-term
8. Increased pricing of GHG emissions
9. Enhanced emissions-reporting obligations
10. Mandates on and regulation of existing products and services
11. Exposure to litigation
12. Unsuccessful investments in new technologies
13. Transition to lower emissions technology costs
14. Substitution of existing products and services with lower emissions options
15. Energy Management on operations
16. Product Design for Use-phase Efficiency
17. Changing customer behavior
18. Increased cost of raw materials
19. Shifts in consumer preferences
20. Stigmatization of sector
21. Increased stakeholder concern or negative stakeholder feedback



Climate-Related Risks Identification

Alpek continues to strengthen its climate-related risk identification process by integrating insights from the TCFD, which provides a robust methodology for disclosing financial risks stemming from climate change. Additionally, the Company has integrated the SASB Climate Risk Framework, which offers industry-specific insights into relevant climate risks.

As a responsible company, Alpek recognizes the need to assess the specific impact of each identified risk and estimate when these risks might influence its value chain. These consider three time horizons: Short-term (0 to 3 years), medium-term (5 years) and long-term (7 years).

The potential financial impacts align with recommendations from the SASB and TCFD frameworks. Additionally, business impacts are evaluated based on the CDP framework and Alpek's internal analysis.

Climate-Related Risks Analysis

Alpek continues to rely on its quantitative assessment of climate-related risks conducted through the platform, Climanomics by S&P Group, estimating the financial impact of climate events resulting from climate change across its different scenarios. The risk modeling methodology is based on a Hazard-Vulnerability-Risk framework:

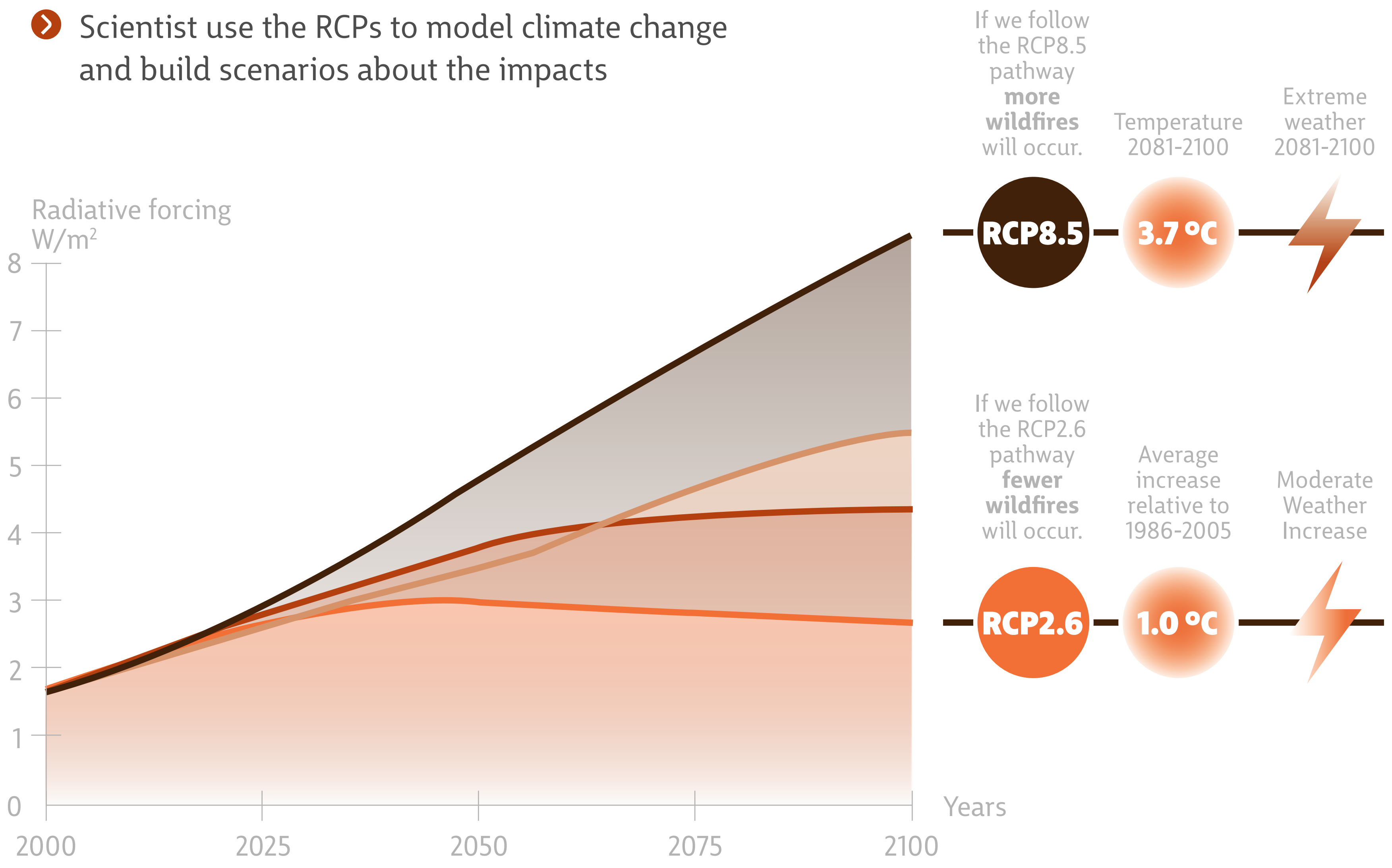
1. Identify Hazard – Changes in environmental or economic conditions associated with climate change.
2. Evaluate Vulnerability – Responses of an asset to changes in climate-related hazards.
3. Valuate Risk – Financial measures of impacts induced by the hazards via the vulnerabilities.

Climanomics quantifies the direct financial impacts caused by climate change through the Modeled Average Loss (MAAL) metric considering climate-related expenses, decreased revenue, and/or business interruption due to the climate risks.

Further climate risks for 2024 will be published at a later date.

REPRESENTATIVE CONCENTRATION PATHWAY (RCP)

- Scientist use the RCPs to model climate change and build scenarios about the impacts



SSP5 – 8.5		
Low mitigation scenario	›	Emissions tripled by 2075
Global average temperature rising by 3.3 – 5.7°C by 2100		
Aligned with business-as-usual projections		

SSP1 – 2.6		
Aggressive mitigation scenario	›	Net Zero Emissions by 2050
Global average temperature rising by 1.3 – 2.4°C by 2100		
Aligned with Paris Agreement		

Analysis Description

The analysis evaluated 28 production sites segmented into short, medium, and long-term horizons. To measure the magnitude of the financial impact risk, Alpek has outlined the following levels:

Low risk	Medium risk	High risk
Below 0.5% of Alpek's EBITDA	Between 0.5% and 1% of Alpek's EBITDA	Above 1% of Alpek's EBITDA

Additionally, Alpek analyzed climate risks based on Social-Economic Pathways (SSPs), ranging from SSPI - 2.6 and SSPS - 8.5. These scenarios provide comprehensive projections that consider different socio-economic developments and their potential impacts on climate change considering land use, energy use, population, emissions, and other factors.

Transition Climate Risks

Transition risks refer to businesses' financial and operational challenges as they move towards a lower-carbon future. These risks arise from changes in policies, regulations, market dynamics, technology, and societal expectations to address climate change. The assessment evaluated the following transitional climate risks under the two scenarios described previously:

Carbon Pricing	Litigation	Market	Reputation	Technology
Implement emerging policies and regulations that impose a carbon pricing mechanisms.	Face increasing costs to defend against climate-related legal proceedings.	Adapt to the impacts of the transition to a lower-carbon economy, affecting supply and demand for products.	Manage the perception of an organization's environmental impact.	Address the financial implications of transitioning to a lower-carbon economy through technological advancements.

In both climate scenarios (SSP1 – 2.6 and SSP5 – 8.5), all production sites remain at low risk throughout the 2020s. By 2030, most sites continue in the low-risk category. However, by the 2040s, the analysis indicates an increased financial risk, with five sites categorized as medium risk and eight sites as high risk. This trend is primarily driven by carbon pricing, which stands out as the most significant financial challenge across both scenarios.

Emerging Carbon Pricing Risks

Alpek has recognized the financial risk of emerging climate change regulations and their impacts. Examples include the UK Carbon Pricing Support, the Québec Cap and Trade, as well as the introduction of state-level environmental taxes in Mexico, such as the Mexico State Carbon Tax. Although the government has offered incentives and exemptions to help companies adapt to these new carbon pricing systems, the financial and operational impact remains significant.

Currently, four of Alpek's sites in Mexico are subject to these emission taxes, with the carbon tax expected to increase considerably each year. To mitigate these risks, Alpek has developed a carbon reduction target in line with the SBTi initiative and is working to reduce its CO_2e emissions. Additionally, Alpek has created a Net Zero Roadmap to identify potential decarbonization technologies and is currently evaluating the potential costs of these adaptations.

Emerging Risks can be found in **the Annex section.**

Operative Framework

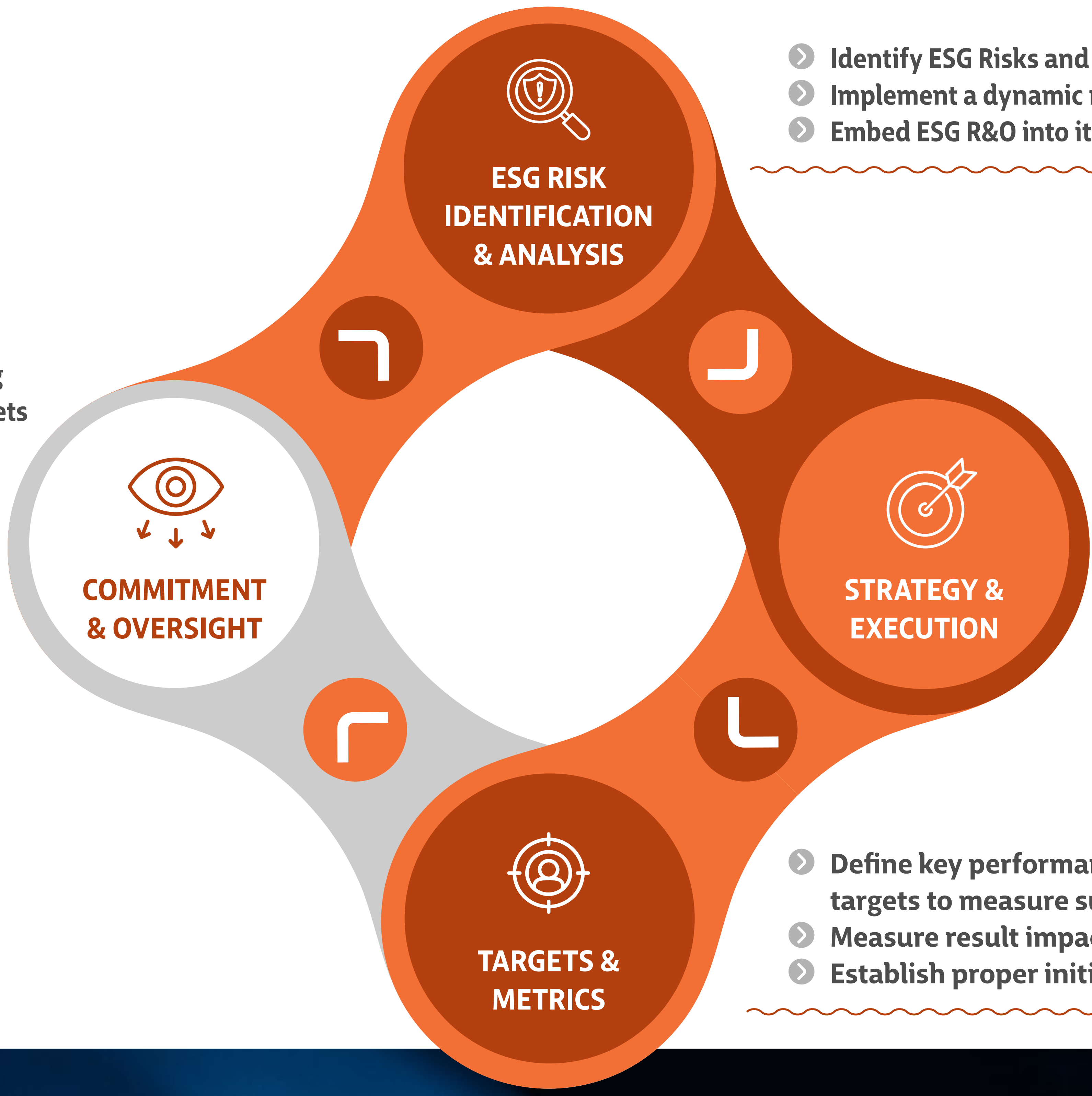
GRI: 2-23, 2-24
TCFD: Governance, Strategy & Risk Management

ESG Strategy

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

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

- **Assign the appropriate people for decision-making**
- **Set mechanisms to ensure the achievement of targets**
- **Communicate and report progress at organizational level**
- **Review and improve**



- **Identify ESG Risks and Opportunities (R&O)**
- **Implement a dynamic materiality analysis**
- **Embed ESG R&O into its business risk management strategy**

- **Identify the level of change needed to establish best-in class standards**
- **Build and improve internal capabilities to react quickly**
- **Implement the right initiatives to address R&O**
- **Identify partnerships that support improvement**

- **Define key performance indicators (KPIs) and set targets to measure success for each initiative**
- **Measure result impact**
- **Establish proper initiatives for targets to be achieved**

Materiality

In 2023, Alpek's dual materiality assessment evaluated risk exposure through comprehensive industry benchmarking and an analysis of ESG stewardship maturity. In 2024, the Company further strengthened this assessment by fully integrating the dual materiality approach across all the countries where it operates. Ongoing engagement with key stakeholders provided deeper insights into the positive and negative impacts of these material topics on both business operations and society.

This process enhanced risk awareness, enabling a more proactive approach to managing both financial and non-financial risks. To remain at the forefront of evolving global standards and stakeholder expectations, Alpek plans to update its dual materiality assessment in 2025.

Double Materiality Assessment Process

Alpek conducted its 2023 dual materiality assessment in collaboration with a third-party sustainability consulting firm, incorporating insights from clients, suppliers, and key industry players through public sustainability and financial data analysis. Internal stakeholders contributed through interviews and surveys, integrating financial risks with stakeholder insights to identify 14 material issues, which were approved by the ESG Executive Committee.

- Key ESG indicators aligned with leading frameworks: GRI, IFRS, SDGS, etc. were categorized into economic, governance, environmental, and social dimensions using Global Industry Classification Standard (GICS).
- Analysis of material issues' relevance for external stakeholders and alignment with internal strategy, ensuring a comprehensive understanding of their impact.

- Establish criteria evaluating external impacts of Alpek's operations and potential financial consequences for the Company.
- Alpek's business model, initiatives and commercial relationships were evaluated and compared with industry peers' performance. Market conditions, financial results and ESG-linked incentives were considered.
- Prioritization of material issues within a matrix based on the Company's maturity level and overall risk exposure.

Materiality Matrix

GRI: 3-2
TCFD: Governance, Strategy, Risk Management
CSA S&P: 1.3

14 Material Issues

GROW RESPONSIBLY

1. Climate Change Strategy
2. Circularity and Product Responsability
3. Environmental Management
4. Water Management

LEAD WITH EMPATHY

5. Occupational Safety
6. Human Rights
7. Diversity, Equity and Inclusion (DEI)
8. Social Impact

UPHOLD HIGHEST STANDARDS

9. Sustainable Corporate Governance
10. Cybersecurity
11. Compliance and Transparency

EMBRACE CHANGE

12. ESG Risk and Impact Management
13. Innovation and Sustainable Development
14. Value Chain Management

Main material issues can be found in **the Annex Section.**

GRI: 2-23, 2-24
TCFD: Governance, Strategy

ESG Model

Alpek's ESG Model is an internal platform to launch programs and initiatives that allows the tracking and development of its environmental, social, and governance objectives. Involving different functions at all levels of the organization, Alpek embraces a shared focus on its economic growth, development of stakeholders, promotion of social equity and the protection of the environment.

GROW RESPONSIBLY

Alpek strives to continue growing sustainably, making sure to minimize any adverse effects from its products and processes.

- Climate Change Strategy
- Circularity and Product Responsibility
- Water Management
- Environmental Management

LEAD WITH EMPATHY

Alpek empowers its people to create value for the Company and communities.

- Occupational Safety
- Diversity, Equity and Inclusion (DEI)
- Social Impact
- Human Rights

EMBRACE CHANGE

Alpek actively monitors its changing environment and develops new ways to tackle emerging challenges through its enablers.

- ESG Risk and Impact Management
- Innovation and Sustainable Development
- Value Chain Managemen

UPHOLD HIGHEST STANDARDS

Alpek is committed to meeting and exceeding the highest ESG standards. Its ongoing focus is on enhancing transparency and accountability of its performance.

- Sustainable Corporate Governance
- Compliance and Transparency
- Cybersecurity

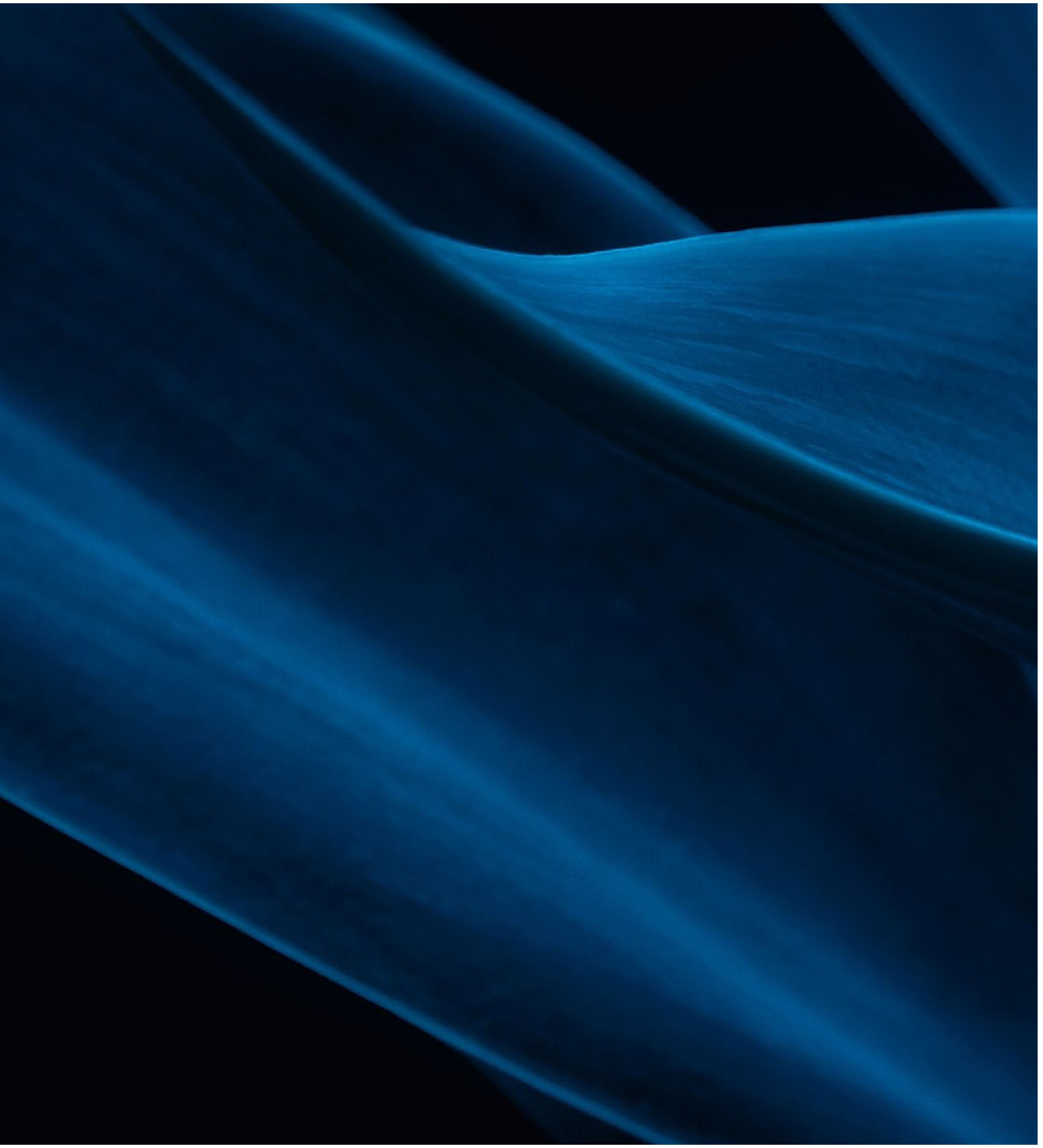
Corporate Policies

GRI: 2-23
CSA S&P: 1.4.2, 1.7.1, 1.8.1, 2.2,2. 3.4

As part of Alpek's Risk Management processes, the Company developed and published policies and initiatives that support compliance of its ESG Strategy across all operations.

Click on each circle to **visit the policy.**

- HUMAN RIGHTS
- DIVERSITY EQUITY AND INCLUSION (DEI)
- CODE OF ETHICS
- CODE OF CONDUCT
- CONFLICT OF INTEREST
- WHISTLEBLOWER
- ANTICORRUPTION
- TAX
- INFORMATION SECURITY
- ESG
- ENVIRONMENTAL
- WATER MANAGEMENT
- SAFETY, HEALTH AND WELL-BEING
- BOARD CODE OF ETHICS
- SUPPLIER CODE OF CONDUCT
- RESPONSIBLE INVESTMENT



GRI: 2-23
CSA S&P: 1.5.2

Code of Conduct

Alpek has a code of conduct for all employees, suppliers and any third party involved in its business. This document establishes the core values, standards and culture that regulates its daily behaviors. The most relevant topics the Code addresses are anticorruption practices (including bribes and gift policies), conflict of interests, proprietary information, intellectual property, Human Rights, environmental protection, community relations, and occupational health and safety.

All of Alpek's operations are carried out under a framework of legality, **respect for human rights and ethical conducts.**

For more information on the Code of Conduct, **please visit the website.**

Cybersecurity

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

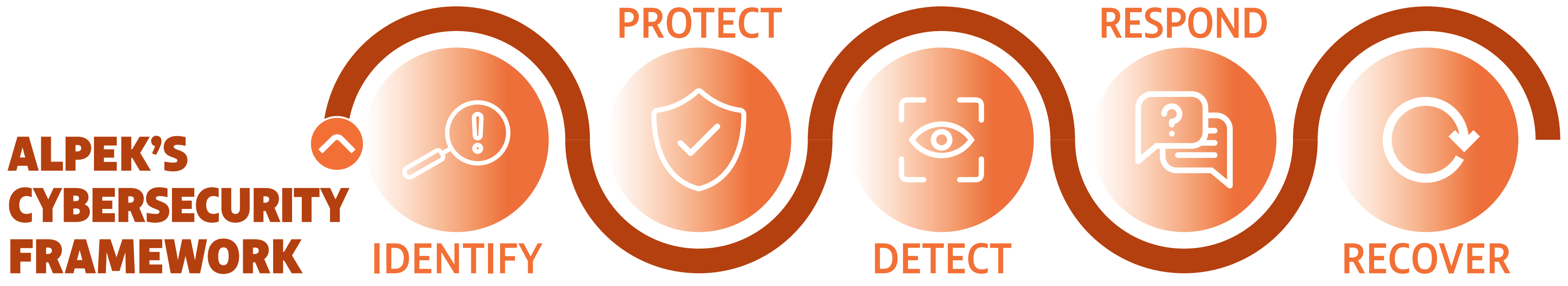
TCFD: Risk Management
CSA S&P: 1.9 Cybersecurity

Strategy & Execution

As cybersecurity challenges continue to evolve, Alpek acknowledges the importance and strategic priority of this material topic. In response, the Company's cybersecurity strategy relies on its Chief Information Security Officer, who ensures the effective development of diverse initiatives to enhance the safety of all information systems.

The cybersecurity strategy model has three focus areas:

1. Cybersecurity Framework NIST (National Institute of Standards and Technology)
2. Information Security Management
3. Defense Systems Assessment



Progress 2024

Throughout 2024, Alpek dedicated substantial time and resources to enhancing its cybersecurity framework. This critical initiative ensures the safety and continuity of its operations by implementing best practices across all business units. Collaboration and a deep understanding of potential risks are vital for Alpek's employees to act effectively.

Here are four key cybersecurity milestones achieved in 2024:

1. **Initial Cybersecurity Behavior Survey:** Alpek conducted a survey to assess the cybersecurity maturity level of its users, achieving an overall score of 4.0 out of 5. This indicates a high level of preparedness among employees.
2. **Cybersecurity Campaigns:** As part of the awareness program, Alpek distributed several specific case videos and newsletters to the general audience, key personnel, and their families.
3. **Awareness Program Compliance:** Alpek promoted educational materials and conducted phishing simulations across all business units to ensure compliance and enhance cybersecurity awareness.
4. **Specialized Training:** Alpek offered specialized training for technical audiences on topics such as "Defending Against AI-Enhanced Cyber Threats" and "Cybersecurity Leadership: Protecting High-Value Targets in the Digital Age." Additionally, Alpek provided general cybersecurity training for all employees using the KnowBe4 platform.

Alpek's PEOPLE

Alpek's Team

Employee Development Programs

At Alpek, development is a cornerstone of its corporate culture. The Company is dedicated to implementing and offering robust programs and initiatives that continuously enhance the skills of its workforce, fostering a dynamic environment of growth and innovation.

- **LEADERSHIP AND PROJECT MANAGEMENT CAPACITY BUILDING**
  The Company organized multiple training programs across its business units to develop or enhance soft skills related to team communication and leadership. These initiatives directly benefited almost 800 employees, fostering their professional development and enhancing organizational effectiveness.

- **ONGOING PROFESSIONAL EDUCATION**
  In 2024, Alpek provided employees with academic advancement opportunities through scholarships for various educational programs. These included professional certifications, diplomas, and master's degrees, enabling employees to enhance their skills, advance their careers, and contribute more effectively to the organization. Throughout the year, these initiatives benefited more than 40 employees.

Performance Appraisal

At Alpek, performance appraisals are crucial for evaluating workforce effectiveness and ensuring proper employee development. The Company employs various performance appraisal methods across its business units and employee levels, delivering accurate assessments that foster professional growth and align individual achievements with Alpek's strategic objectives. These evaluations take place at least annually at both the executive management and management levels.

- **HOW DOES IT WORK AT ALPEK?**

MANAGEMENT BY OBJECTIVES

- Each year, executive management and employees establish objectives aligned with departmental and organizational visions and targets.

360° FEEDBACK

- Alpek's 360° feedback process collects anonymous input from supervisors, peers, and subordinates, providing a comprehensive view of performance, identifying strengths and areas for improvement.

Quality of Life

GRI: 401-2
CSA S&P: 3.3.7

Strategy & Execution

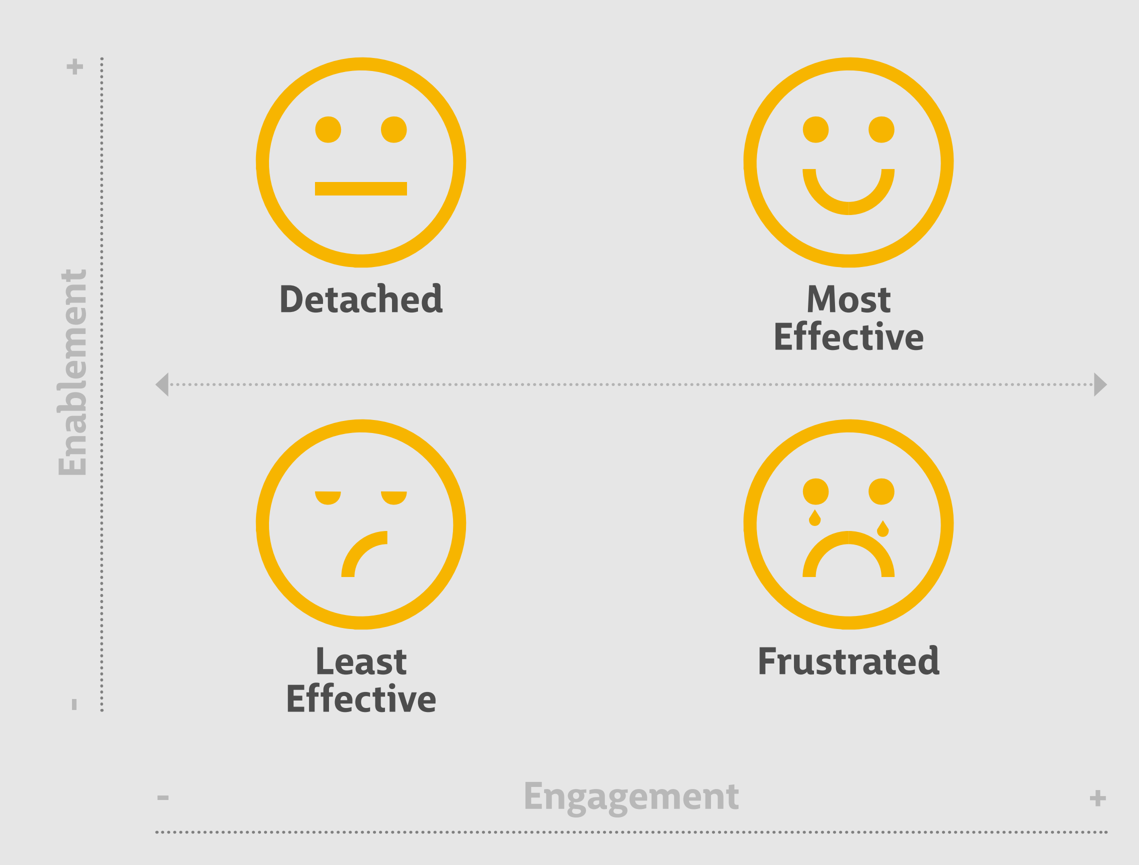
Alpek is committed to fostering a supportive and inclusive work environment that prioritizes employee well-being and professional growth. To achieve this, the Company implements various programs and policies designed to enhance work-life balance and career development.

Key Initiatives Include:

1. Flexible work arrangements, including remote work, part-time options, and adaptable schedules.
2. Comprehensive parental leave, granting paid leave to all employees, even in countries where it is not legally required. Female employees receive between 4 and 24 weeks of leave, while male employees are entitled to 5 days to 5 weeks, depending on local regulations.
3. Dedicated lactation facilities and support, ensuring a family-friendly workplace.
4. OrientaMe, offering access to professional therapy, personalized nutrition guidance, and expert financial and fiscal consultancy for all employees.

Through these initiatives and additional benefits, Alpek continues to promote a workplace culture that values employee well-being, engagement, and long-term success.

HIGH PERFORMANCE MODEL



HIGH PERFORMANCE COMPONENTS

ENGAGEMENT
Commited and loyal employees, illing to go extra mile

ENABLEMENT
The right people in the righ roles, in a productive work envorinment.

86%
response rate

Progress 2024

In 2024, Alpek developed and implemented a customized engagement survey tool to enhance the depth and relevance of employee insights. The Company conducted a comprehensive survey to assess the perceptions and experiences of over 5,000 employees across its operations in nine countries. Despite being the first year of implementation, the survey achieved an impressive 86% response rate, reflecting strong employee participation and commitment.

Diversity, Equity and Inclusion (DEI)

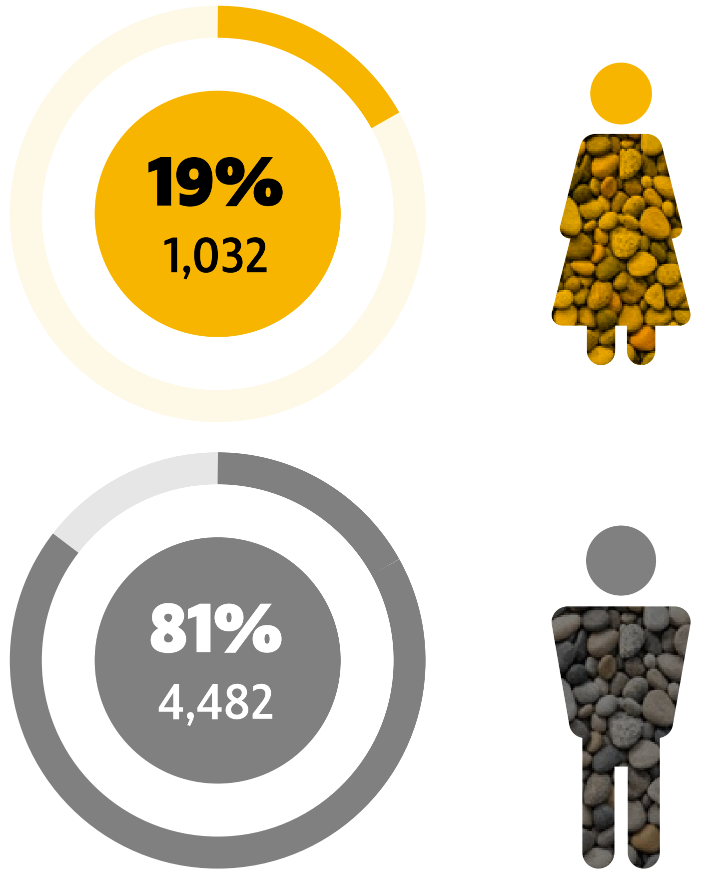
GRI: 405-1 to 2
CSA S&P: 3.1.3

Strategy & Execution

Alpek believes that a diverse representation of gender, cultures and perspectives across all organizational levels and an inclusive workplace promotes innovation, creativity, and enhanced decision-making.

Implementing inclusive recruitment processes, minority-focused development programs and DEI training are key initiatives to achieve a diversified workforce.

GENDER DIVERSITY



- 19% of Management positions are occupied by women.

Note: Management positions consider top, middle and junior management positions (from Jr. Management to Executives)

Progress 2024

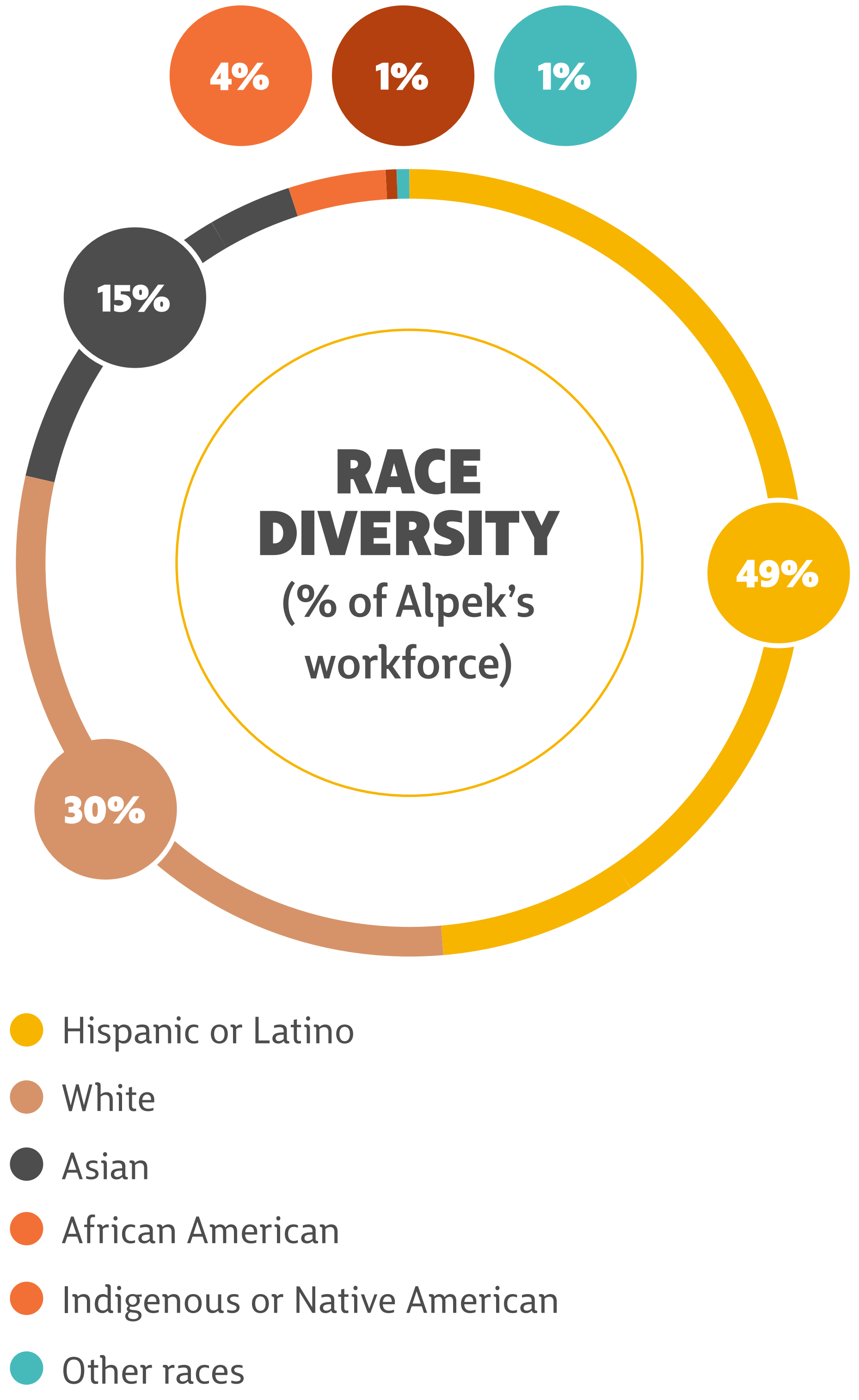
In 2024, Alpek reinforced its commitment to foster a more inclusive workforce by by endorsing two important causes: Women Empowerment Principles by the United Nations Global Compact and UN Women, dedicated to gender equality, as well as Movimiento Congruencia, focused on occupational inclusion of people with disabilities.

Throughtout the year, Alpek has implemented several initiatives aligned to its strategy:

- Sustained the implementation of women's network and mentoring programs.
- Continued hosting sessions on unconscious bias and gender gap to raise awareness among employees.
- Conducted training sessions that included unconscious bias and a focus on a management framework to spur acceleration.

Alpek's leadership team leads by example, striving to create an inclusive and collaborative environment where everyone can thrive, while also fostering a culture of continuous improvement, innovation, and growth.

This is only the beginning as Alpek embarks on a journey of cultural transformation and leadership development.



Note: Races classified according to S&P CSA report.

"We embrace women's contributions to our organization and society, acknowledging that equality is everyone's responsability. Alpek will further diversify its workforce through strategic hiring, retention, and organizational development. Our success relies on innovation that comes from having different strengths perspectives, and experiences."

JORGE YOUNG
ALPEK CEO

Additional and detailed information for 2024 can be found in **the Annex section.**

Gender Pay GAP

GRI: 405-2
CSA S&P: 3.1.4

Alpek is committed to achieving true gender parity in terms of salary and opportunities, continuously enhancing inclusivity across all business levels. For the first time, in 2023, the Company publicly disclosed its gender pay data. In 2024, Alpek further improved its analysis by segmenting the data by levels and regions, as well as creating an internal platform for the human resources team to continuously monitor variances.

As of December 31, 2024, across Alpek's global organization men earn 1% more than women at a median level and women earn 16% more than men on average, according to the United Kingdom government's methodology.

Alpek employs various layers of data analysis to understand structural salary differences and address root-level and individual impact issues. These layers include differences in salaries by Mercer level roles, bonuses, and other compensation differences, representation in top, middle, and lower management, gender segmentation by country, and salary percentage groups, among others.

While the Company is committed to transparency on this material issue, Alpek understands that true gender parity extends beyond high-level numbers. The Company is actively developing new strategies to ensure that all women and men within the organization feel represented, understood, and treated equitably.

1%
Difference at a median level

-16%
Difference at an average level

Occupational Safety

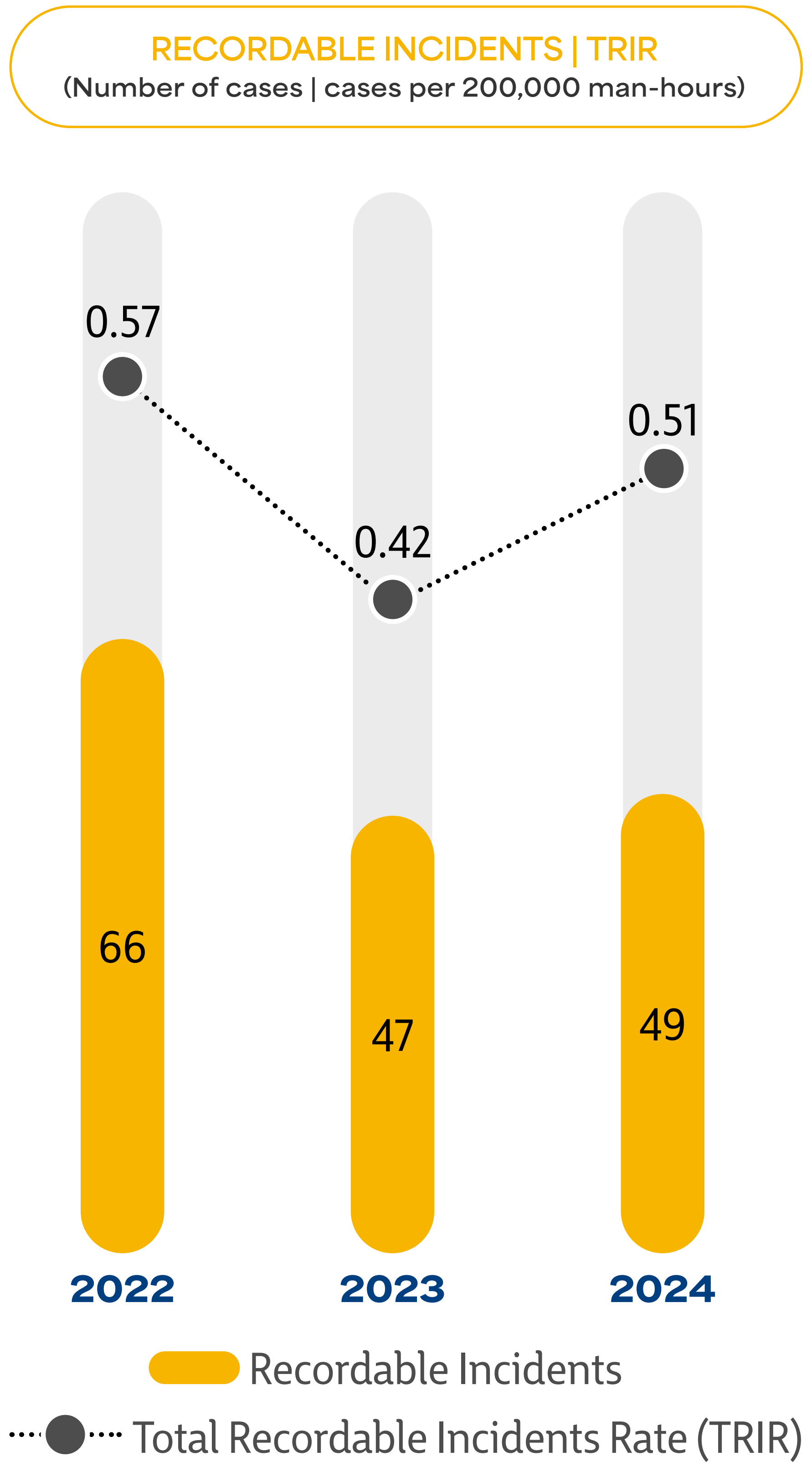
GRI: 403-1, 403-5, 403-9
SASB: RT-CH 320A.1
CSA S&P: 3.4

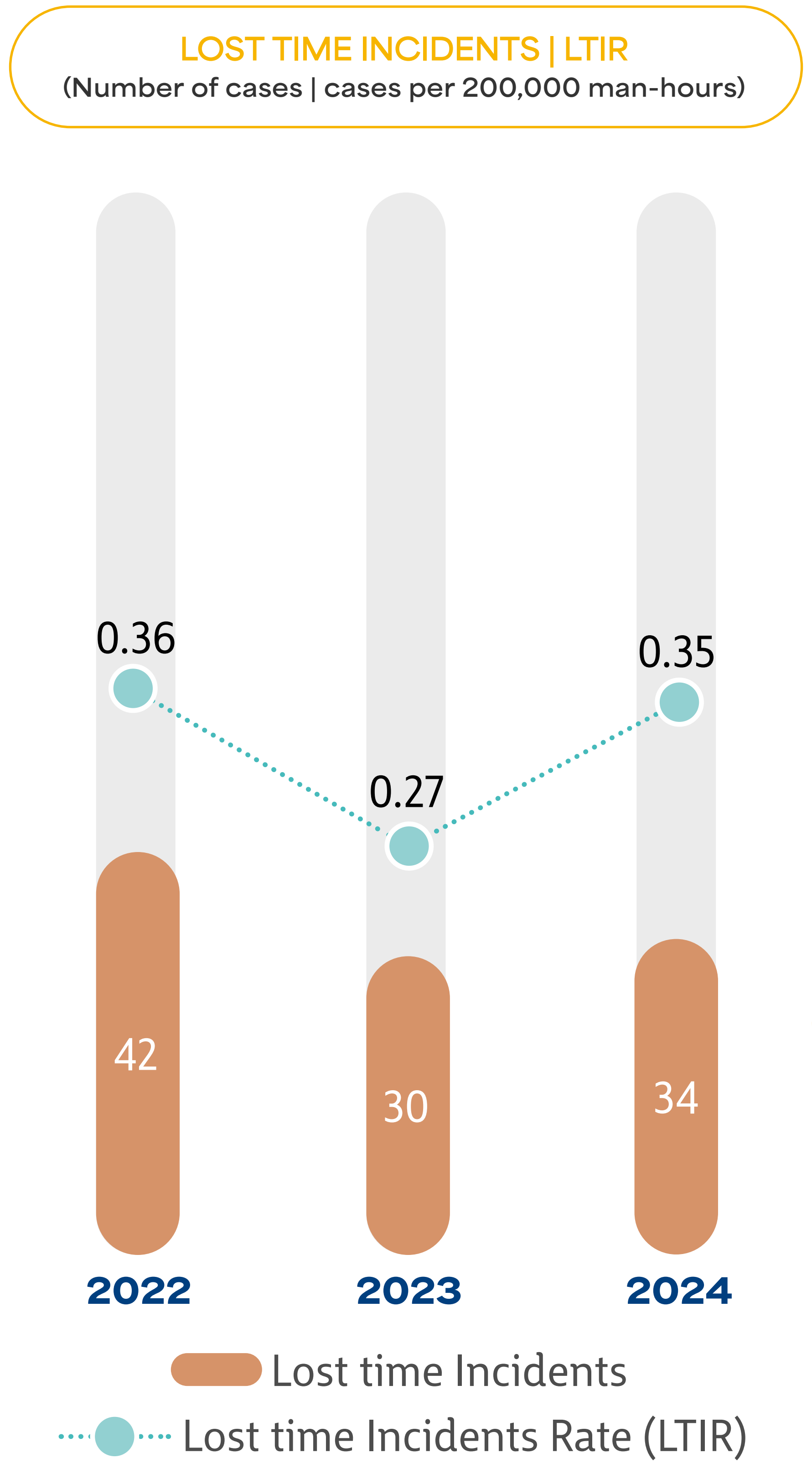
Strategy & Execution

Alpek consistently invests in maintaining a safe and healthy work environment for all its employees and contractors. Each of Alpek's facilities operates under a Health and Safety Management System that adheres to international standards or national regulations.

1,096

Initiatives and training programs were implemented, covering areas such as a safe workplace, facility improvements, and machine adaptations.





Progress 2024

During 2024, 10 sites achieved zero recordable incidents. By the end of the year, a total of 54 initiatives were carried out to boost health and safety in operations. Additionally, Alpek conducted 1,042 safety-related training programs, totaling more than 29,000 hours of training. Among the most relevant courses were Firefighting Training and Safe Forklift Operation.

Even though safety is a top priority for Alpek, regrettably, in 2024, the incident rates (TRIR & LTIR) increased against last year. The Company strives to learn from all incidents and improve the standard ways of working across the organization.

Additional and detailed information for 2024 can be found in **the Annex section.**

Human Rights

GRI: 2-23, 2-24, 2-25
CSA S&P: 1.5.4, 3.2.1, 3.2.2, 2.2.4

Strategy & Execution

Alpek commits to establish policies and practices dedicated to upholding fundamental human rights and principles across its operations, value chain and communities. This commitment is vital to the Company's success and reflects its dedication to contributing to societal well-being. Alpek implemented its Code of Ethics and Human Rights Policy to strengthen its commitment to the human rights of its employees and communities. The Company ensures that ethics are deeply embedded in its corporate culture and incorporates a detailed due diligence process for any perceived Human Rights violations.

Each business unit conducts its own Human Rights due diligence process, considering the following elements:

- Employment is freely chosen
- Safe and hygienic working conditions
- Prohibition of child labor
- Living wages are paid
- Working hours are not excessive
- No discrimination is practiced
- No harsh treatment is allowed

Through Alpek's Audit process, it proactively conducts assessments to identify any potential human rights issues, as the internal team thoroughly covers and visits all sites every 2 to 3 years. Each visit follows an approved risk process which follows up with a specific gap and improvement plan for each site.

Human Rights

GRI: 2-23, 2-24, 2-25, 2-26

Since 2021, Alpek has pledged to the UN Global Compact to advance the protection of human rights. To ensure adherence, Alpek has implemented a rigorous framework with sanctions for violations, well-defined reporting channels, and effective remediation processes. This approach guarantees compliance and accountability. Instances of human rights violations can be reported through the Integrity and Transparency Helpline, ensuring prompt and thorough resolution. Alpek's comprehensive strategy underscores its unwavering commitment to fostering a workplace and community that respects and upholds fundamental human rights.

Additional and detailed information for 2024 can be found in **the Annex section.**

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

1. Complaint Filing

IDENTIFIABLE

ANONYMOUS

2. Complaint Information gathering

EMAIL
Transparency@alfa.com.mx

TELEPHONES
1-800

WEB FORM
www.alfa.com.mx/transparency.html

WHATSAPP
+52 81 2353 9583

3. Investigation and resolution

MESSAGE CLASSIFICATION › **ANALYSIS AND ASSIGNMENT** › **RESOLUTION** › **CASE EVALUATION MEETING** › **REPORT TO AUDIT COMMITTEE**

1. Please refer to the "Code of Business Conduct" for further details on the Helpline process
2. Following the internal process, all complaints (verified or not) are analyzed in an equal manner by Alpek's auditing and human capital functions and are fully investigated in a step-by-step escalation procedure. Those complaints which are verified through the process, are then acted upon and escalated to action resolution are considered "verified".

Social IMPACT

Supporting Communities

GRI: 201-1, 413-1
CSA S&P: 3.6.2

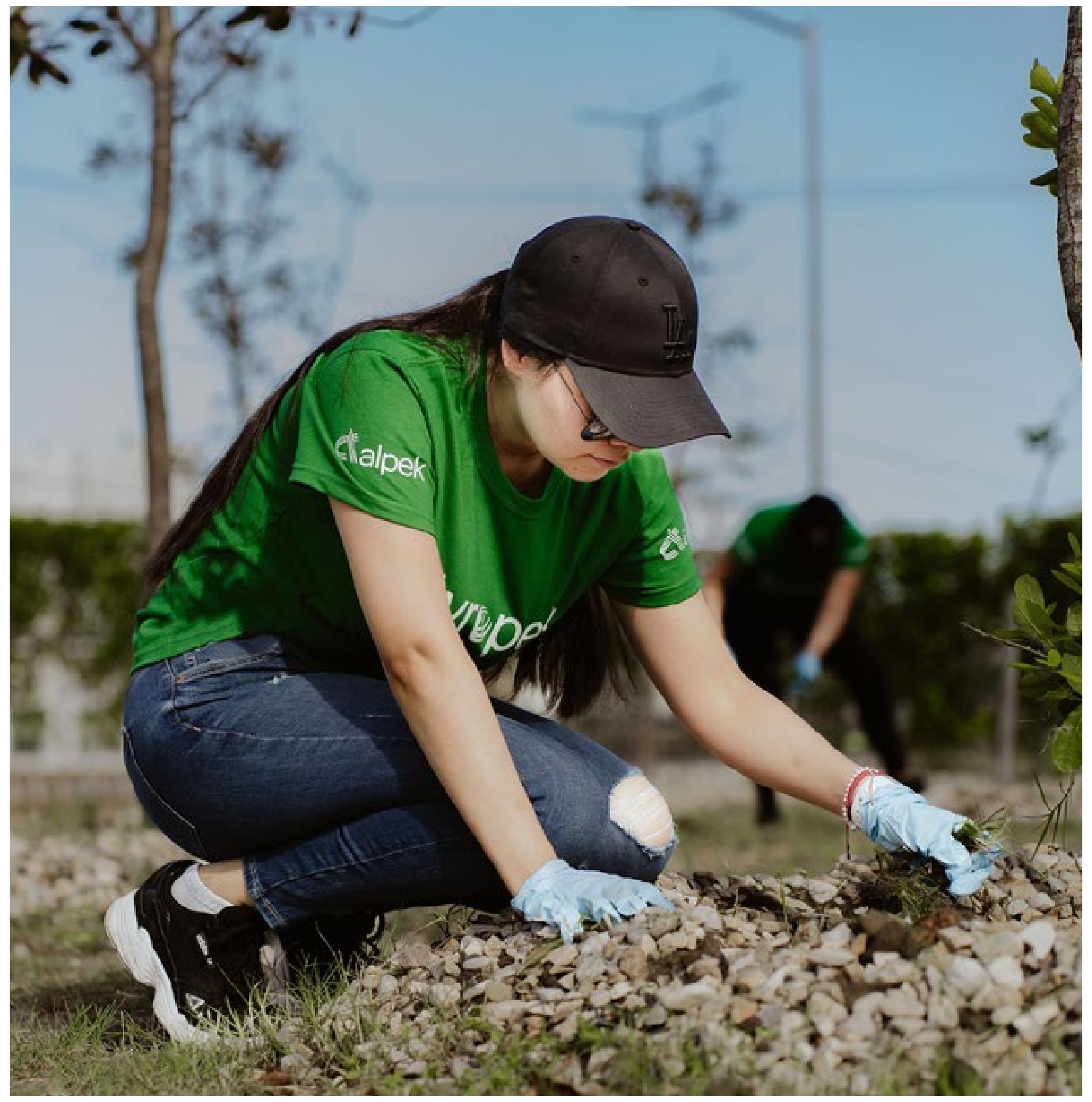
Strategy & Execution

Since the update to a dual materiality assessment, supporting local communities has become a central part of Alpek's strategy. While Alpek engages and supports in various forms, given the context of most of its local communities, it prioritizes education in all its forms. By enhancing social welfare, the Company realizes the "Lead with Empathy" pillar of its ESG Model.

+36,000
People benefitted

+3,500
Employees and external volunteers

+$73,000
in donations (cash, in-kind, etc).

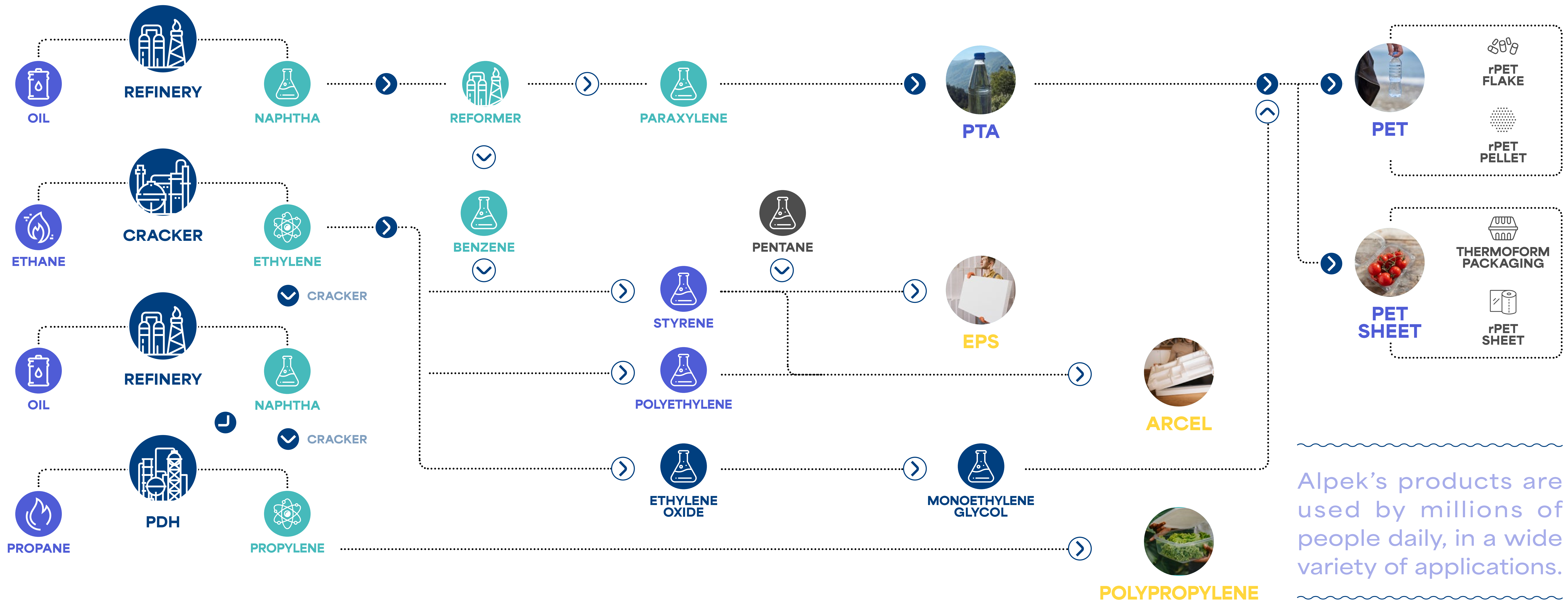


Progress 2024

Following its Lead with Empathy strategy, Alpek has made significant contributions to its communities by:

- **Building Educational Platforms for Youth:** Alpek actively promotes environmental education through school talks and reinforces its commitment to social development by supporting ALFA Fundación's Extra Academic Talent Centers. These centers provide high-quality education to young individuals from vulnerable communities, empowering them with the tools to achieve academic excellence. In 2024, 104 students from ALFA Fundación's high school program successfully graduated from college, demon- strating the program's lasting impact on their academic and professional growth.
- **Enhancing Community Safety:** All Alpek facilities conduct various safety training sessions for surrounding communities to prepare for potential emergencies related to the Company's operations.
- **Promoting Environmental Awareness:** Alpek spreads awareness through talks in schools, forums, and collaborations with local authorities and associations.

Alpek's Value Chain



Alpek's products are used by millions of people daily, in a wide variety of applications.

Value Chain

GRI: 2-6, 308-1
CSA S&P: 1.7

Strategy & Execution

Alpek acknowledges that achieving its sustainability vision and strategic goals requires aligning its core values through active collaboration across the entire value chain, especially with suppliers and customers.

Committed to promoting a sustainable value chain, Alpek has actively pursued ESG opportunities with its customers, including innovation projects aimed at reducing the environmental impact of products and processes. In response to the evolving landscape of sustainable supply chain management best practices, Alpek is dedicated to improving its relationships by developing a supplier program that ensures adherence to the highest ethical, social, and environmental standards.

Supplier Screening Results

Alpek maintains a network of over 3,500 Tier-1 suppliers, with more than 400 classified as critical. Due to the extensive supplier base, the initial screening process conducted in 2024 focused on 17 key suppliers across three SASB industries:

- **Oil & Gas – Exploration & Production**
- **Oil & Gas – Refining & Marketing**
- **Chemicals**

The screening revealed that 3 of the 17 key suppliers did not meet industry thresholds and were classified as significant suppliers for Alpek. This phase provided a broad understanding of the ESG progress among Alpek's key suppliers. Moving forward, Alpek aims to refine its methodology, expand supplier coverage, and gather more detailed data to better understand supply chain risks and align with its sustainability goals.

Supplier Screening Process

Alpek's supplier screening methodology is tailored to industry-specific standards, aiming to effectively identify and mitigate supply chain risks while promoting sustainability throughout its operations. **The process includes the following steps:**

SUPPLIER SCREENING PROCESS

1. Supplier Industry Mapping
Identify the industries of Alpek's suppliers using the Sustainable Accounting Standards Board's (SASB) industry classification standards.

2. SASB KPIs Identification
Compile a comprehensive list of ESG indicators recommended by SASB for each industry to measure performance and progress.

3. Significant Supplier Threshold
Select a subset of industry-specific ESG indicators to serve as thresholds, ensuring standardized comparability and risk identification. Establish minimum requirements for each ESG pillar (Environmental, Social and Governance).

4. Risk Level Assessment
Further assess suppliers that do not meet at least one industry-specific threshold. This assessment, combined with the supplier's business relevance, determines their significance and identifies major ESG risk aspects.

Supply Chain Management

GRI: 308-1
CSA S&P: 1.7.1, 1.7.2, 1.7.3, 1.7.4, 1.7.5, 1.7.6

Progress 2024

In 2024, Alpek conducted a comprehensive review of its Scope 3 emissions, which revealed that around 55% of these emissions are associated with Purchased Goods and the Processing of Sold Products. These emissions are directly linked to the activities of Alpek's suppliers and customers, respectively. As a result, Alpek has focused its efforts on addressing these key areas.

During the year, Alpek developed a decarbonization roadmap for Scope 3 emissions (Categories 1 and 10) targeting 2035. The roadmap includes a commitment to engage both suppliers and customers in efforts toward emissions reductions. On the supplier side, Alpek plans to take into consideration an optimization of its supplier mix and use of bio-based raw materials. On the customer side, Alpek aims to expand its customer base while encouraging commitments to sustainability. To support these objectives, Alpek has classified its supplier and customer base into a matrix with two key axes: volume and sustainability commitment. This classification allows Alpek to prioritize high-engagement stakeholders, fostering stronger sustainability relationships and identifying promising, highly engaged sustainability partners for expanding business contracts.

Looking ahead, Alpek intends to enhance its collection of accurate, first-hand data from its value chain through targeted surveys, leveraging specialized ESG software to strengthen its sustainability efforts.

Alpek has been improving its supply chain by making it more resource-efficient and environmentally friendly. One example of this is CaPETAll, a development of Alpek's polyester business that uses 100% PET Resin for cap closures for beverage containers. The technology supports a circular economy by making it easier to recycle post-consumer PET bottles. This reduction in waste, along with a focus on increasing material reuse, helps minimize environmental impact and promotes more sustainable packaging solutions. It enhances the overall efficiency and sustainability of the supply chain.

Another example is Polyfilter, where Alpek's polypropylene business, in partnership with its customer, developed a special resin for the mining industry, which sought sustainable and innovative solutions for its filtration process.

89% was the average satisfaction rate achieved in customer satisfaction assessments conducted by Alpek's business units.

These surveys evaluate overall satisfaction, product quality, customer service, supply reliability, and other aspects.

Note: The customer satisfaction assessment takes into account the surveys from 2023 and 2024.

SUPPLIER CODE OF CONDUCT

Alpek is committed to conducting business with the highest standards of integrity, ethical behavior, and sustainability. The Company's Supplier Code of Conduct outlines clear expectations for all suppliers to adhere to these values, ensuring compliance with applicable laws, anti-corruption measures, fair labor practices, and environmental stewardship. Alpek encourages its suppliers to promote human rights, safeguard health and safety, and uphold confidentiality standards. As part of its dedication to social responsibility, Alpek invites its customers and partners to join in fostering a culture of transparency and ethical business practices, working together to build a more sustainable and responsible future.

For more information, click here to access:
Alpek's Supplier Code of Conduct Policy

NATURAL CAPITAL

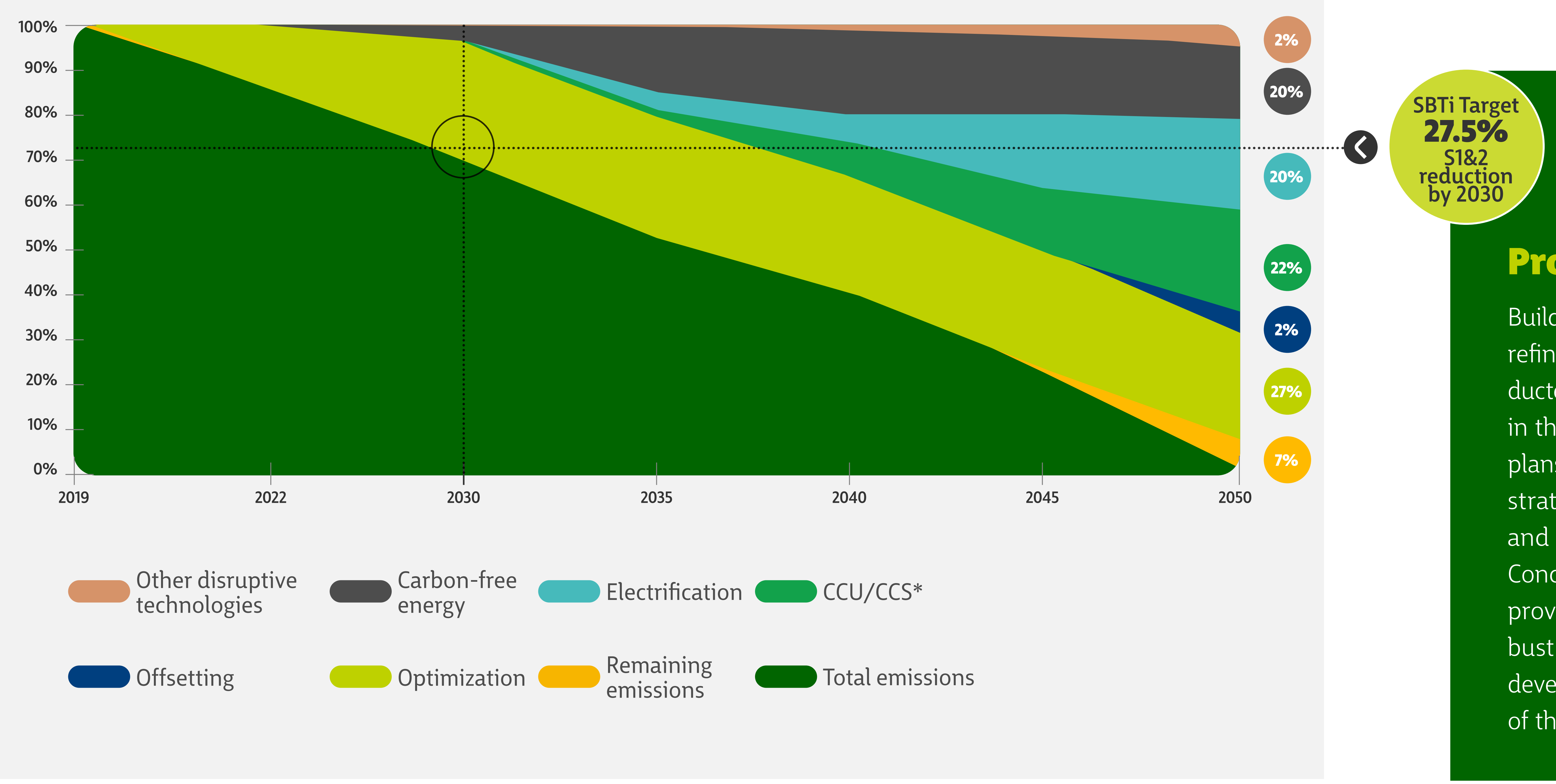
Climate Change & Net Zero Strategy

Strategy & Execution

In pursuit of its 2030 SBTi goal, Alpek has made significant progress, while steadfastly maintaining its long-term ambition of achieving carbon neutrality by 2050.

In 2023, Alpek embarked on the development of its Net Zero roadmap by conducting a thorough analysis of decarbonization strategies and solutions globally. This analysis identified the sites contributing the most to Alpek's Scope 1 and 2 emissions, representing over 90% of the total. Three key decarbonization pathways emerged as having the greatest potential:

- Electrification
- Renewable Energy
- Carbon Capture, Utilization, and Storage (CCUS)*



* Optimization considers process and site portfolio optimization.

Progress 2024

Building upon this foundation, 2024 witnessed a refinement of the roadmap. Site visits were conducted at the most strategic locations, culminating in the development of detailed decarbonization plans for each. These plans encompass proposed strategies, estimated investment requirements, and comprehensive implementation timelines. Concurrently, research efforts were expanded to provide a holistic overview of progress, and robust monitoring mechanisms are currently being developed to track the successful implementation of the roadmap at each site.

Climate Change & Net Zero Strategy

CSA S&P: 2.5.14

Internal Carbon Pricing

Alpek is exploring the implementation of an Internal Carbon Pricing (ICP) system to align its operations with carbon emissions reduction goals. In 2024, the Company paid an average of ~$3 USD per ton of CO_2 in regions with carbon taxes or Emissions Trading Systems (ETS).

During the year, Alpek conducted an ICP analysis based on future carbon pricing expectations, tailored to specific regions.

In the short term, Alpek is evaluating the potential adaptation of its Investment Review Process to incorporate the impact of carbon emissions.

These initiatives aim to integrate Alpek's sustainability strategy with its corporate objectives.

Potential Investment Review Process

CURRENT PROCESS	ADDITIONAL STEPS
Generate investment ideas by subsidiaries	
Definition of the potential benefits and/or additional costs	Identify if there is a decrease or increase in energy consumption
Assess economic viability	Calculate & add carbon emission impact
Present CAPEX to Top Management	
Request formal approval	Track approved projects that impact Alpek's CO_2 emissions

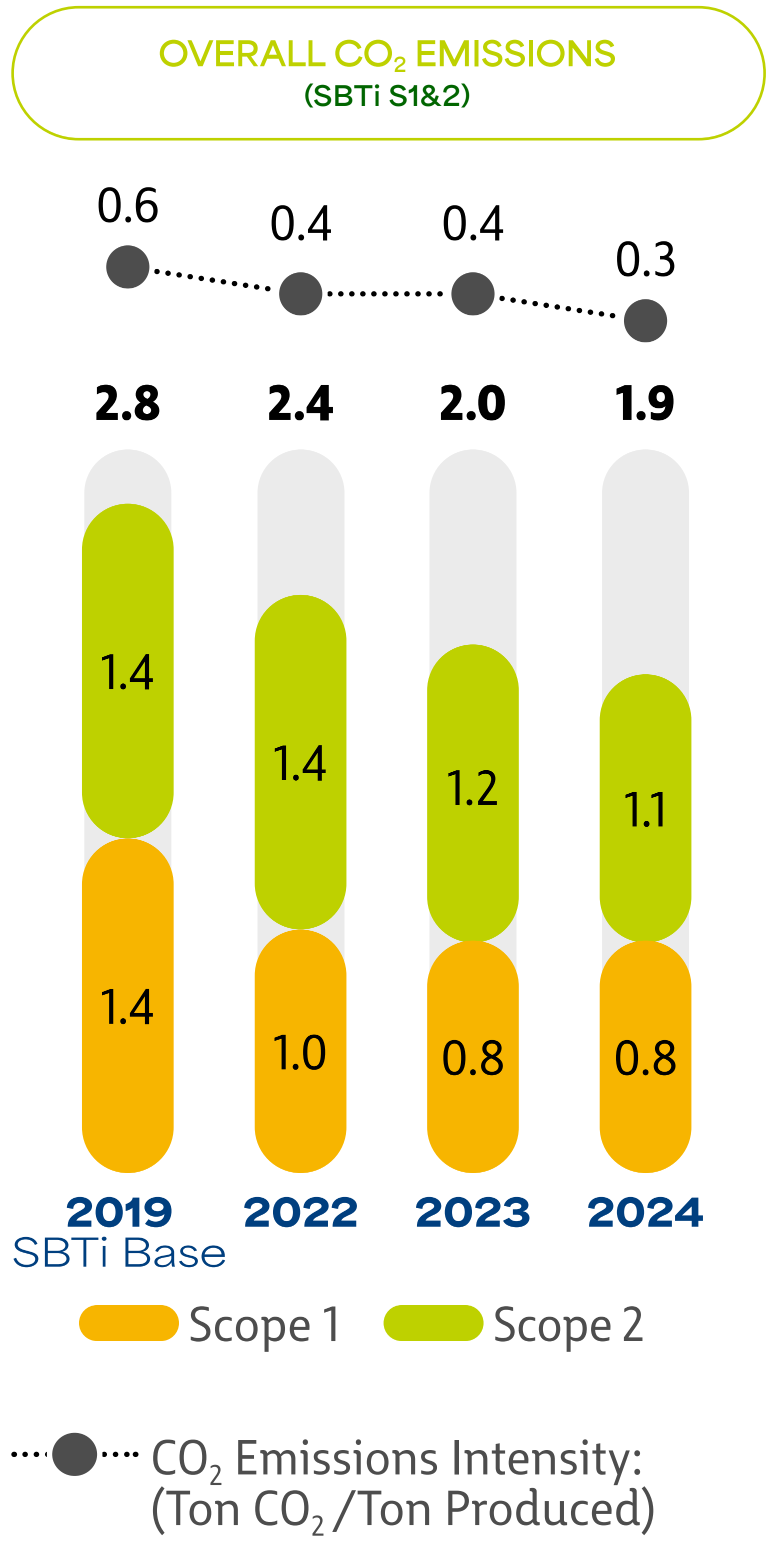
Energy & Emissions

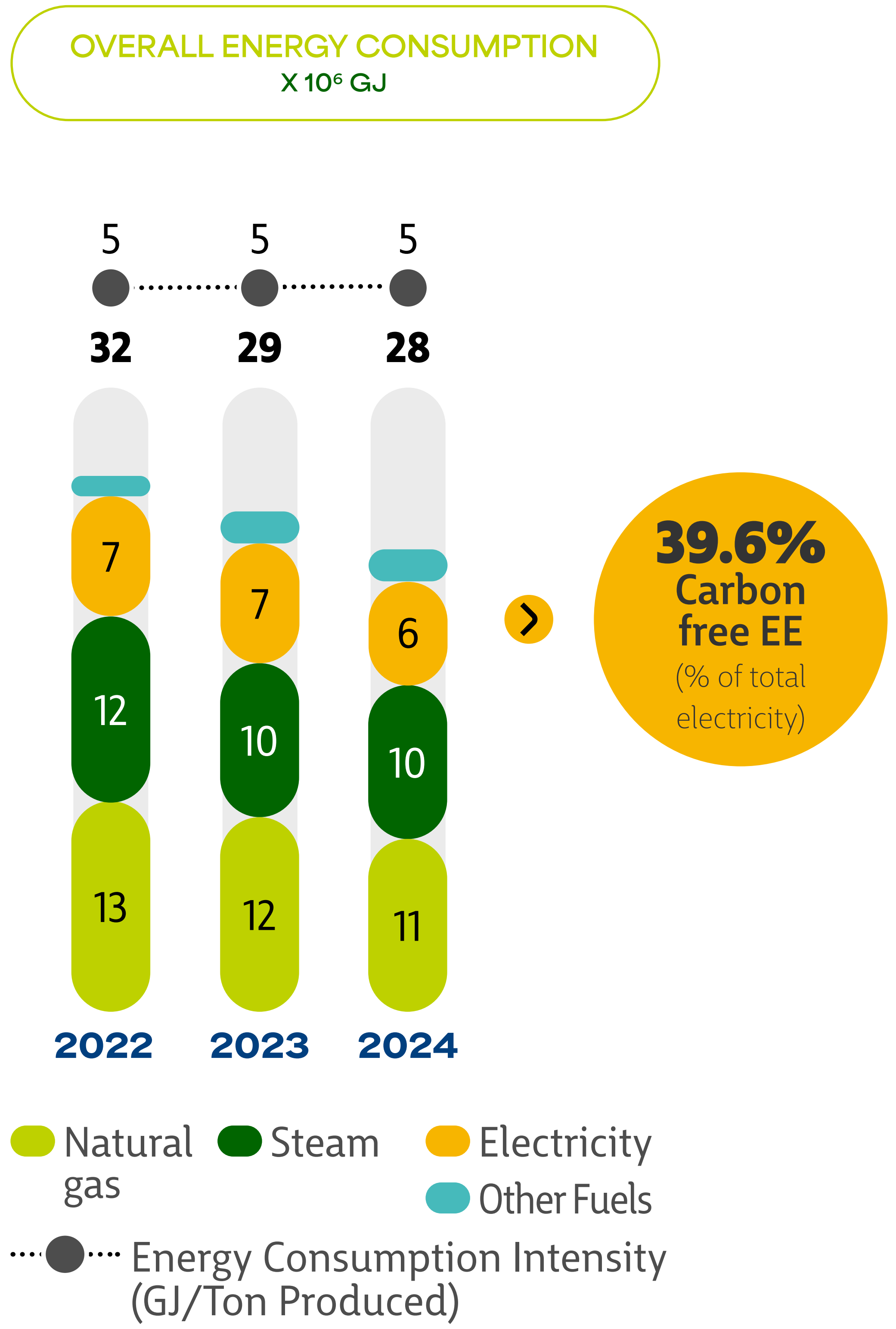
GRI: 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5
TCFD: All elements
SASB: RT-CH-110a.1, RT-CH-110a.2
CSA S&P: 2.2, 2.2.1

Execution & Strategy

Alpek's decarbonization commitments to 2030 have been approved by the Science Based Targets Initiative (SBTi) since 2022. To achieve this goal, Alpek has embraced a dual-front strategy based on its analysis of global decarbonization strategies and solutions.

- **Transition to Low or Zero-Emission Energy Sources:** Alpek is exploring energy alternatives with minimal or zero-carbon emissions, including nuclear and hydro energy.
- **Energy Utilization Efficiency Enhancement:** Alpek actively improves energy efficiency with measures like adopting efficient equipment, electrifying processes, and implementing procedures for optimal thermal energy use.





Note:
1. The emission figures provided adhere to the SBTi criteria, wherein the emissions from all plants acquired are taken into account, regardless of the year of acquisition.
2. The energy consumption figures accurately reflect the actual use of energy, respecting the dates of acquisitions.
3. Carbon-free electric energy is estimated considering the renewable energy mix of some country's electric grids.
4. 2023 data adjusted to reflect newly acquired sites.

Progress 2024

In 2024, despite achieving higher operating yields and acquiring full ownership of a recycling facility in Fayetteville, N.C., Alpek achieved a 6% reduction in total CO_2 emissions compared to 2023. This progress was driven by an increased share of nuclear energy at two sites in Mexico, the continued procurement of International Renewable Energy Certificates (IRECs) for select facilities in Chile, Argentina, Mexico, and Brazil, as well as targeted initiatives to optimize chemical processes and electrify key operational equipment across multiple sites.

Additionally, Alpek provides training programs to equip employees with expertise in energy efficiency, covering boilers, engines, low-pressure vapor recovery, optimal energy use, and renewable energy financing, amongst others. Meanwhile, its R&D department drives continuous improvements in energy optimization and reduction, including condensate return system redesigns, and boiler and pump efficiency upgrades.

Alpek has already surpassed its SBTi 2030 target of a 27.5% reduction in Scope 1 and 2 emissions. The next challenge is to consider aligning its emissions reductions with the 1.5°C climate pathway and ultimately achieve carbon neutrality by 2050.

Additional and detailed information for 2024 can be found in **the Annex section.**

Waste Management

GRI: 301-3, 306-1, 306-2, 306-3
TCFD: Governance
SASB: RT-CH-150a.1
CSA S&P: 2.3

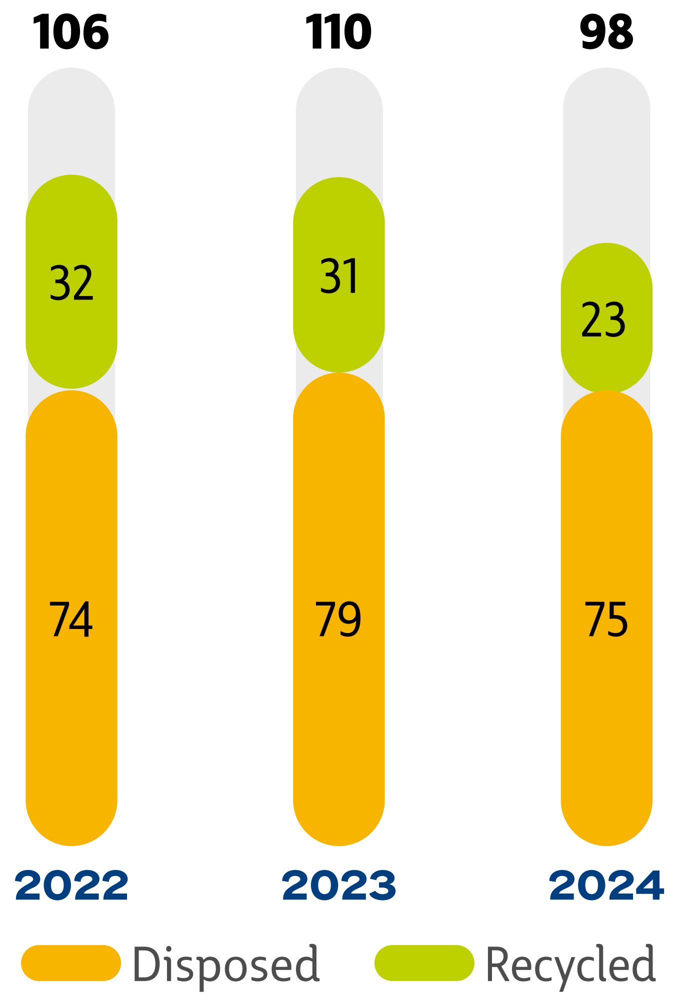
Strategy & Execution

Alpek's strategic focus on continuing to push for a more circular economy, particularly through its participation in the PET recycling industry, will continue to impact its post-industrial waste initiatives. However, it's crucial to recognize that the overall environmental impact is reduced compared to the alternative, for the purchased PET bottle bales to end up in a landfill. Investing in recycling operations allows the Company to provide a new lease on life to its product and ensure proper disposal of any impurities. As Alpek navigates these strategic priorities, it remains committed to pursuing innovative approaches to reduce waste landfill disposal, increase packaging material reuse, and minimize off-spec products.

1,980

participants in waste management and handling trainings

WASTE GENERATION
(Thousand Tons)



OUR TARGET

"Alpek will generate a waste diversion plan by 2028, focusing on sites generating ~90% of landfill waste, using 2023 as the baseline."

Progress 2024

In 2024, only 1.8% of Alpek's waste was deemed hazardous and required proper containment. Around 23.5% of the Company's waste is actively recycled, reused, or commercially utilized. Additionally, 41.1% of Alpek's generated waste originates directly from its recycling operations.

Alpek has increased its sorting capability in some of its recycling facilities by upgrading optical sorters and other specialized equipment. This allows the Company to decrease the potential impact of discarding valuable PET bottles and enhance the quality of the final recycled product.

To better understand Alpek's waste output, the Company introduced an enhanced indicator (Productive Waste over Landfill Ratio) to help better monitor the overall impact of its operation, due to the complexity of its recycling business.

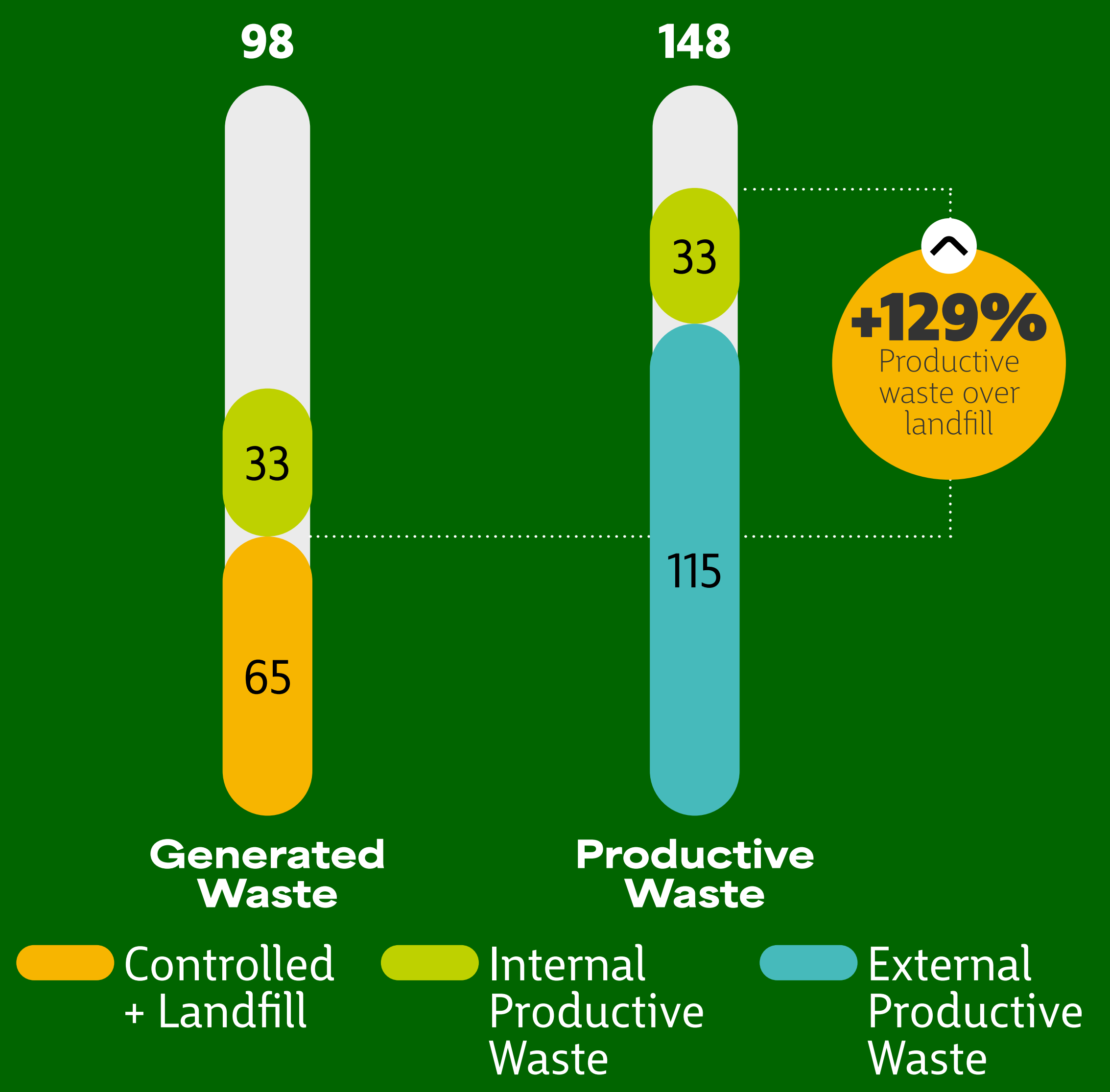
Definitions:

Productive Waste includes the waste that is utilized or repurposed in a way that contributes to productive activities or generates value.

Internal Productive Waste includes the waste that is reused and recycled or otherwise, directed to produce energy.

External Productive Waste includes the volume from PET Bales entering the Company's recycling sites discarding the volume sent to landfill from these sites.

2024 GENERATED VS. PRODUCTIVE WASTE
(Thousand Tons)



2.3 PRODUCTIVE WASTE OVER LANDFILL RATIO

Additional and detailed information for 2024 can be found in **the Annex section.**

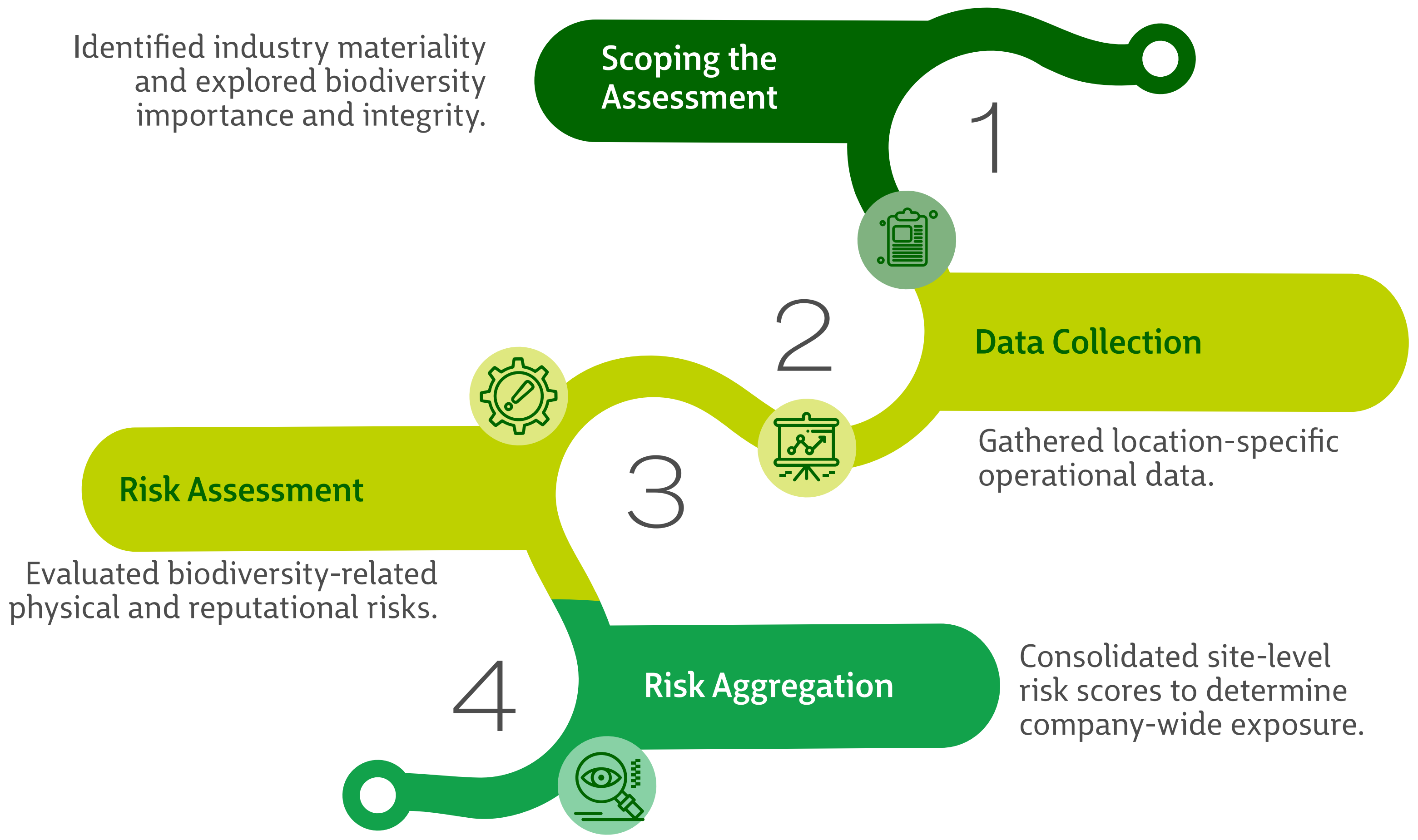
Biodiversity

GRI: 101-2, 101-4, 101-5, 101-6, 101-7
CSA S&P: 2.6.1

Strategy & Execution

Alpek recognizes the critical role of biodiversity in ensuring business continuity and mitigating operational and reputational risks. To address this, the Company conducted a Biodiversity Risk Assessment (BRA) using the World Wildlife Fund's Biodiversity Risk Framework (BRF). This framework evaluates physical and reputational risks by assigning numeric scores to operational sites based on industry-specific vulnerabilities and geographic factors.

BRF methodology follows the approach showed below



This proactive approach enables Alpek to identify high-risk sites and integrate biodiversity considerations into corporate risk management strategies.

Progress 2024

The initial BRA focused on Alpek's operational sites and adjacent areas, aligning with the BRF classification for the "Chemicals and Other Materials Production" industry. The assessment allowed to identify sites with high to very high biodiversity risks, scoring between 3.4 and 5 on the BRF vulnerability scale.

- **Elevated physical risks indicate potential disruptions due to environmental dependencies.**
- **Increased reputational risks highlight stakeholder concerns regarding biodiversity impact.**

Key findings:

- **Of Alpek's entire global operations, only 2 sites had a high or very high score.**

Moving forward, Alpek will develop and implement site-specific biodiversity risk management strategies, ensuring long-term resilience and responsible environmental stewardship.

Additional and detailed information for 2024 can be found in the **Annex section.**

Water Management

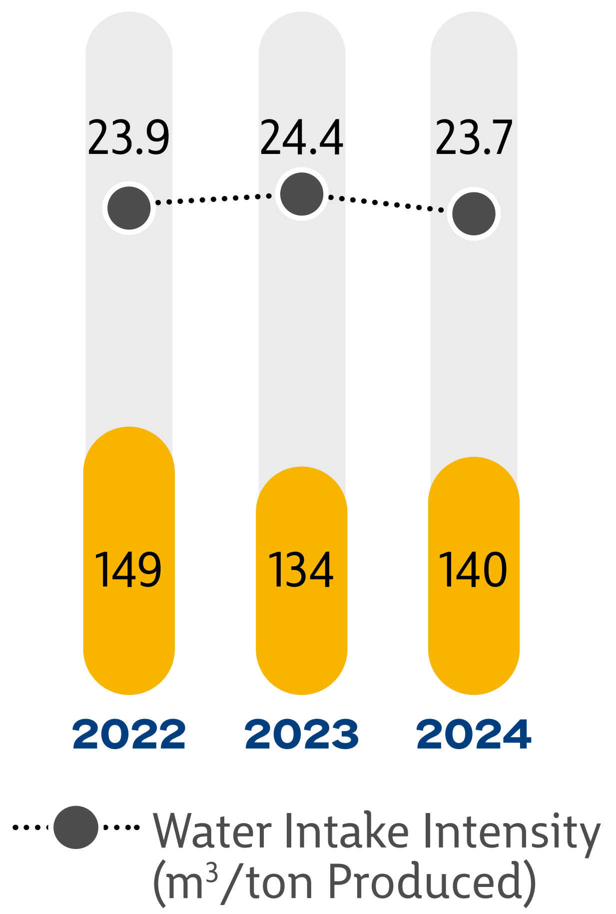
GRI: 303-1, 303-2, 303-3
CSA S&P: 2.4.1 , 2.4.6
SASB: RT-CH-140a.1, RT-CH-140a.3

Strategy & Execution

Alpek is committed to enhancing water efficiency across its operations while ensuring compliance with all state and federal requirements. Understanding the vital role of water for all living beings, the Company proactively addresses environmental challenges linked to this resource.

The organization routinely performs thorough water risk assessments using Aqueduct, which helps identify potential risks based on various indicators such as water quality, depletion, and stress. This strategy enables Alpek to effectively monitor and reduce water consumption in areas experiencing drought and freshwater shortages.

WATER INTAKE
(Million m³)



OUR TARGET

"All of Alpek's high water-stressed and water-scarce sites will have a water stewardship and mitigation action plan by 2028."

Progress 2024

After conducting a comprehensive analysis of its water-related challenges, Alpek has decided to prioritize sites located in regions with high and extremely high-water stress, as well as those facing water scarcity. As a result, Alpek will implement a water stewardship and mitigation action plan for these sites in the coming years.

Furthermore, Alpek continues to adopt practices aimed at reducing water consumption and maximizing resource utilization. For instance, the Company's expandable styrenics business has introduced a closed-loop reactor cooling system at its Argentina facility, resulting in an over 80% reduction in industrial water consumption of the site. In the United States, the Polyester business has installed a bottle batch wash reactor at one of its recycling facilities, with an expected reduction in domestic water intake and wastewater generation.

Additionally, Alpek remains committed to enhancing water quality by removing pollutants from effluents across its facilities.

Note: Water-stress in sites was assessed by Aqueduct in 2023, only active operational sites are displayed on the map.

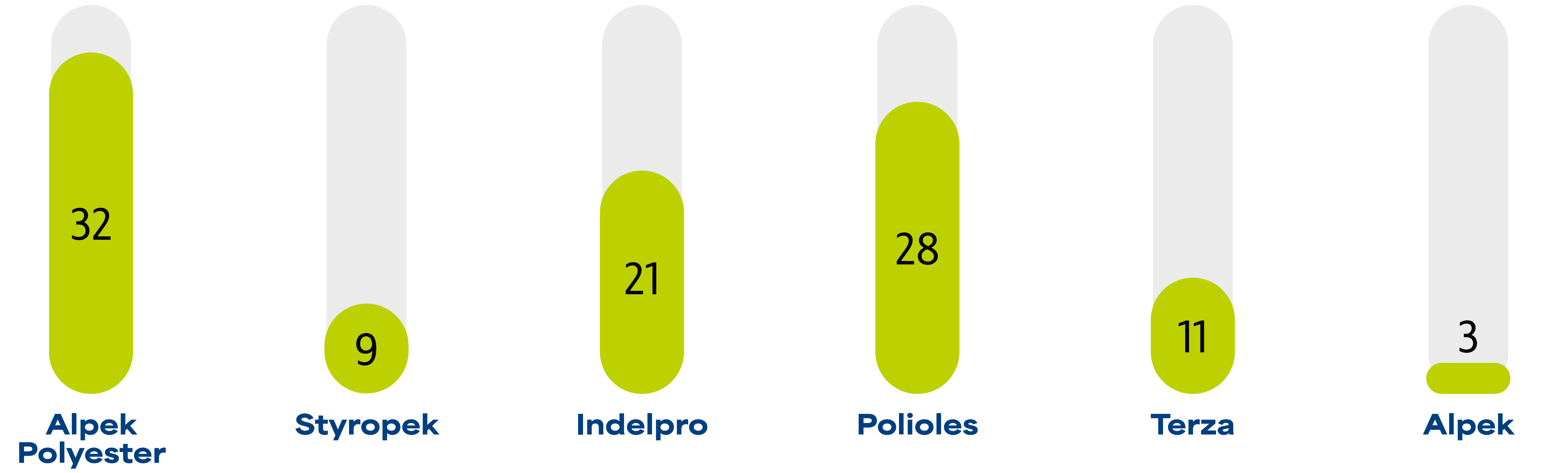
Additional and detailed information for 2024 can be found in **the Annex section.**

Innovation & Sustainable Development

GRI: 2-25, 306-2
TCFD: Risk Management

Strategy & Execution

Innovation is responsible for creating new value, resulting in top and/or bottom-line growth. Alpek's innovation strategy integrates optiminzation with research and development efforts to enhance operational efficiency and foster forward-thinking, positioning the Company as resilient in a dynamic business landscape. This year, innovation is driving transformation, including agile methodologies. As part of this commitment, each Business Unit contributes to Alpek's continuous evolution by developing and implementing various projects:



104 internal innovation projects are divided into two categories: operational and administrative efforts, and research and development initiatives

~ 1 M USD

EVALUATION: **42%**

IMPLEMENTATION: **25%**

FINISHED: **33%**

Progress 2024

In 2024, 33% of these projects were completed, generating about $1 million in revenue and cost savings. The remaining 67% are still in the evaluation or implementation phase and are expected to bring significant benefits once completed.

Innovation Awards

In 2024, Alpek celebrated its 2024 Innovation Awards in which 24 teams from 6 countries presented their projects. The results included:

- **Development of 10 new products which include a resin that makes bottle caps 100% from PET (CaPETall®), making it easier to recycle without losing any functionality.**
- **Cost reduction initiatives which yielded savings of approximately 10M USD.**

Alpek remains committed to driving innovation by promoting a culture of agility and continuously adapting to change.

RESEARCH

OPERATIVE

Circularity & Product Responsibility

GRI: 301-2

Strategy & Execution

Alpek, a leading plastics manufacturer, is committed to addressing pollution and the depletion of finite raw materials by promoting a circular economy. Its long-term strategy focuses on developing products and adapting operations to reduce environmental impact, emphasizing the integration of recycled and bio-based materials and optimizing recycling site efficiency to foster a circular economy.

Alongside, the Company has been committed to ensuring that its circular products comply with the highest standards of circularity practices. Alpek's expandable styrenics business holds three distinct certifications related to circularity:

Over 2,000 tons of EPS with biodegradable and recyclable content sold in the Americas region in 2024

OUR TARGETS

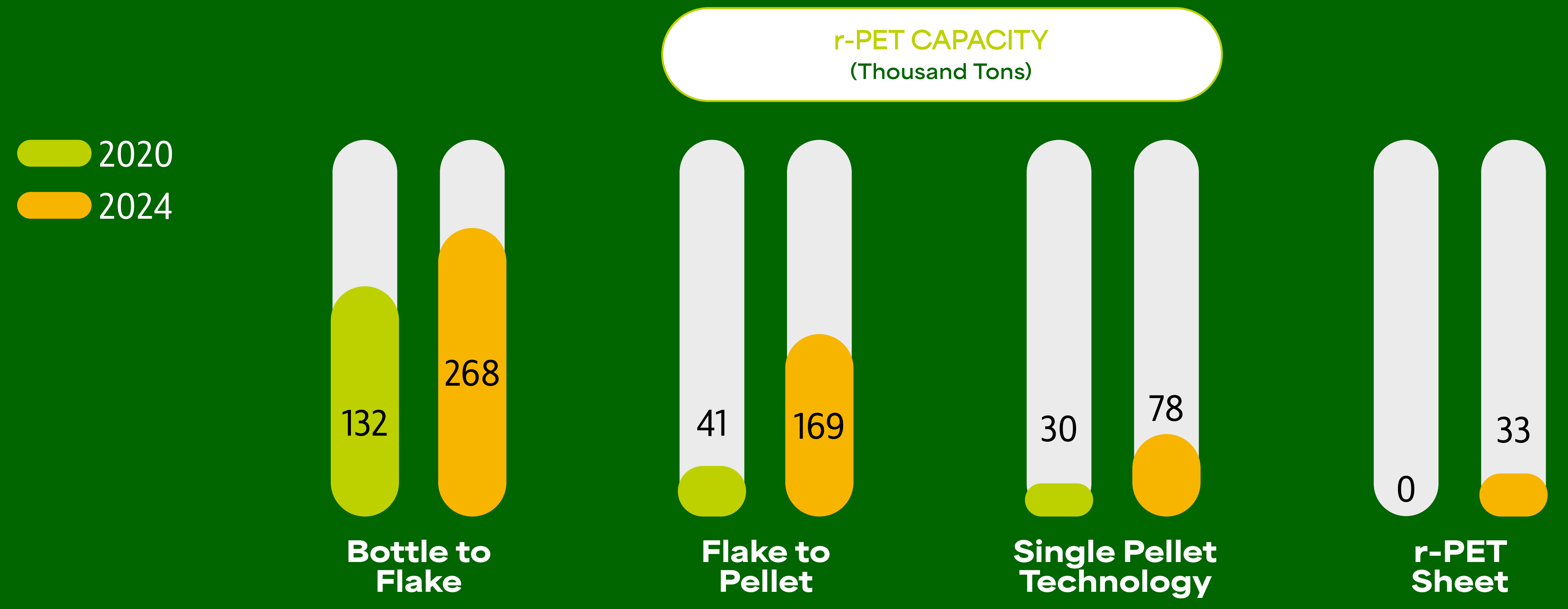
PP: "Alpek will leverage its partnerships to develop recycling solutions for Polypropylene and increase its share of Copolymers, employed in long-term usage applications."

EPS: "By 2030, Alpek commits to offer up to 30% of recycled and/or bio-based content in packing products, and expand its portfolio of highly energy-efficient products for thermal insulation applications in the construction sector up to 100%."

Progress 2024

Alpek acquired a 50% stake, ultimately gaining full ownership of Clear Path Recycling LLC, a recycling facility located in Fayetteville, NC, further reinforcing its commitment to contributing to a circular economy.

Throughout the year, Alpek focused on maximizing the efficiency of its existing recycling facilities through various projects aimed at improving recycling yield and enhancing the quality of the final recycled product. One notable initiative was the installation of a bottle batch wash reactor at Clear Path Recycling to improve the washing process and remove haze from the bottles. Another initiative was the upgrade of sorting equipment at various recycling sites. Additionally, the polyester division has been granted Third-Party Post-Consumer Recycled Content (PCR) Certification, recognized by the Association of Plastic Recyclers (APR), for products produced with recycled content at the Clear Path Recycling and Darlington facilities. As a result, all U.S. recycling sites hold valid certification for 2024.



Financial Review

Management Analysis

Unless otherwise specified, figures are expressed in millions of nominal pesos, while certain figures are expressed as millions of dollars (US$) due to the high dollarization of Alpek's revenues. Percentage variations are stated in nominal terms. All information is presented in accordance with International Financial Reporting Standards (IFRS).

Volume

Alpek experienced stable demand levels throughout the year which led to stronger volumes across its product portfolio, specially in the Polyester business, reaching Alpek total volume of 4,745 thousands tons in 2024, 2% higher than the 4,635 thousands tons in 2023.

Volume [Thousand of Tons]	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Polyester	3,911	3,785	4,099	3	-8
Plastics & Chemicals	834	849	966	-2	-12
Total Volume	**4,745**	**4,635**	**5,065**	**2**	**-8**

Average Price	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Polyester					
Millions of Pesos	26	27	34	-5	-21
Millions of Dollars	1	2	2	-8	-11
Plastics & Chemicals					
Millions of Pesos	35	33	48	8	-33
Millions of Dollars	2	2	2	6	-24
Total					
Millions of Pesos	**29**	**30**	**42**	**-3**	**-29**
Millions of Dollars	**2**	**2**	**2**	**-5**	**-20**

Revenues

- Alpek's total revenue in 2024 was $137,409 million (US $7,530 million), 1% lower than the $138,159 million (US $7,759 million) in 2023. This decrease was primarily due to decreased average prices of 3% and 5% in pesos and dollars, respectively, mainly from lower paraxylene feedstock prices partially offset by incremental volume.

Revenues	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Polyester					
Millions of Pesos	99,937	102,154	140,717	-2	-27
Millions of Dollars	5,483	5,739	6,991	-4	-18
Plastics & Chemicals					
Millions of Pesos	29,501	27,709	46,804	6	-41
Millions of Dollars	1,614	1,556	2,321	4	-33
Others					
Millions of Pesos	7,972	8,296	24,914	-4	-67
Millions of Dollars	433	464	1,243	-7	-63
Total					
Millions of Pesos	**137,409**	**138,159**	**212,435**	**-1**	**-35**
Millions of Dollars	**7,530**	**7,759**	**10,555**	**-3**	**-26**

Revenues by Business Segment

- Polyester's net revenues in 2024 were $99,937 million (US $5,483 million), 2% less than the $102,154 million (US $5,739 million), in 2023. This segment decreased 5% and 8% in average sale prices in pesos and dollars, respectively. Volume increased 3% when compared to 2023 mainly due to stable demand levels.

- Plastics & Chemicals posted revenues of $29,501 million (US$1,614 million) in 2024, in comparison to the $27,709 million (US$1,556 million) in 2023. The average sale prices in pesos and dollars increased by 8% and 6%, respectively, partially offset by volume decreased of 2% year-over-year, from PP overcapacity in the region and as construction remained under pressure due to high interest rates, resulting an overall 6% increase in revenues.

Operating Profit and EBITDA

- In 2024, the operating income was $5,170 million (US $295 million), 180% higher than the operating loss of $6,437 million (US $386 million) in 2023. As of December 31, 2024, consolidated EBITDA was $11,728 million (US $646 million) an increase of 27% compared to the $9,260 million (US $514 million) in 2023. The consolidated EBITDA includes a net negative effect from extraordinary items of $1,128 million (US $53 million), resulting in a Comparable EBITDA of $12,855 million (US $699 million), 2% lower than in 2023.

Operating Profit and EBITDA by Business Segment

- In 2024, the EBITDA for the Polyester segment increased by 52% to $7,707 million (US $426 million), including a net negative effect from extraordinary items of $818 million (US $38 million). Adjusting for these items, the Comparable EBITDA for the Polyester segment was $8,526 million (US $464 Million), a decrease of 4% year-over-year from lower average sales prices as feedstock prices decreased which was partially offset from stable demand levels.

- The EBITDA for the Plastics & Chemicals segment decreased 8% to $3,784 million (US $207 million), compared to $4,108 million (US $228 million) in 2023, including a net negative effect from extraordinary items of $325 million (US $15 million). Adjusting for these items, the Comparable EBITDA for the Plastics & Chemicals segment was $4,109 million (US $223 million), a decrease of 1% year-over-year, from greater influence from Asian imports in the Americas, lower construction demand from high interest rates and additional PP capacity in the region.

EBITDA [Millions of Dollars]	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Polyester	426	281	886	52	-68
Plastics & Chemicals	207	228	564	-9	-60
Others	13	5	5	135	-
Total	**646**	**514**	**1,455**	**26**	**-65**

EBITDA [Millions of Pesos]	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Polyester	7,707	5,062	17,923	52	-72
Plastics & Chemicals	3,784	4,108	11,391	-8	-64
Others	236	90	110	164	-19
Total	**11,728**	**9,260**	**29,424**	**27**	**-69**

Net Financial Result

- In 2024, the net financial cost was $5,920 million (US $321 million), 122%higher than in 2023. The net financing expenses that comprise this item increase from $2,665 million (US $149 million) in 2023, to $3,580 million (US $191 million) in 2024. In addition, variations in exchange rates resulted in the recognition of a non-cash foreign exchange loss of $2,340 million (US $130 million) in 2024, versus loss of $3 million (US $1 million) in 2023.

Financial Result, Net [Millions of Pesos]	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Financial expense	-4,449	-3,982	-3,224	-12	-23
Financial income	869	1,317	922	-34	43
Financial expenses, net	**-3,580**	**-2,665**	**-2,302**	**-34**	**-16**
Loss due to exchange fluctuation, net	**-2,340**	**-3**	**-695**	**-83,342**	**100**
Financial result, net	**-5,920**	**-2,668**	**-2,997**	**-122**	**11**

Taxes

- In 2024, an income tax was posted for $582 million (US $27 million) as a result of a decreased pretax income, while 2023 posted an income tax of -$727 million (US -$39 million).

Taxes [Millions of Pesos]	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Income (loss) before taxes	-794	-9,306	21,475	91	-143
Income tax rate	30%	30%	30%		
Statuory income tax rate (expenses) benefit	238	2,792	-6,443	-91	143
Taxes for permanent differences between accounting-taxable profit	344	-3,519	934	110	-477
Total income tax	**582**	**-727**	**-5,509**	**180**	**87**
Effective tax rate	**73%**	**8%**	**26%**		
Comprised as follows:					
Current income tax	-1,237	-2,358	-5,345	48	56
Deferred income tax	1,819	1,631	-164	12	1,095
Total income tax	**582**	**-727**	**-5,509**	**180**	**87**

Net (Loss) Income Attributable to the Controlling Interest

- In 2024, consolidated net loss attributable to the controlling interest was $765 million (US $33 million), from the consolidated net loss of $10,914 million (US $636 million) in the previous year.

Statement of Income [Millions of Pesos]	2024	2023	2022	'24 VS '23 [%]	'23 VS '22 [%]
Operating income	5,170	-6,437	24,539	180	-126
Financial result, net	-5,920	-2,668	-2,997	-122	11
Equity in income of associates and joint ventures	-44	-201	-67	78	-200
Income tax	582	-727	-5,509	180	87
Consolidated net income	**-212**	**-10,033**	**15,966**	**98**	**-163**
Income attributable to Controlling Interest	**-765**	**-10,914**	**13,744**	**93**	**-179**

Investments in Fixed and Intangible Assets

- In 2024, investments in fixed and intangible assets totaled $2,223 million (US $121 million), 55% lower than the $4,965 million (US $277 million) posted in 2023 as Alpek successfully prioritize free cash flow generation. A significant portion of the resources were allocated to schedule maintenance.

Net Debt[1]

- Net debt was $38,190 million (US $1,884 million) as of December 31, 2024, 31% below the $29,205 million (US $1,729 million) as of December 31, 2023. The cash balance and cash equivalents totaled $6,602 million (US $326 million) Including restricted cash at year end 2024.

Financial Indicators [Times]	2024	2023	2022
Net Debt / EBITDA	2.9	3.4	1.3
Interest Coverage	3.4	3.4	11.4
Total liabilities / Stockholder's equity	**2.5**	**2.1**	**1.6**

(1) Net Debt = Current debt plus non - current debt (excluding debt issuance costs), plus accrued interest payable, less cash and cash equivalents, less restricted cash and cash equivalents.

Debt Profile

Short and Long Term Debt[2]	2024	2023	'24 VS '23	Integrated 2024	Integrated 2023
Short term debt	81	41	98%	4%	2%
Current portion of LT Debt	120	-	-	-	-
2 years	120	-	100%	6%	-
3 years	503	133	278%	25%	7%
4 years	200	503	-60%	10%	25%
5 years	499	200	150%	25%	10%
6 years	-	499	-100%	-	25%
7 years	597	-	100%	30%	-
8+ years	8	605	-99%	0%	31%
Total	**2,007**	**1,981**	**1%**	**100%**	**100%**
Avg Maturity LT Debt (years)	**4.3**	**5.2**			
Avg Maturity Total Debt (years)	**4.1**	**5.2**			

(2) Exclude leases and lease interests

Annexes

Glossary

A

Arcel®

- A Polystyrene (PS) & Polyethylene (PE) copolymer used in protective packaging for high-end products like electronics. Due to its resistance to tearing, puncturing, cracking, and flaking, it absorbs shocks without decreasing its protection.

Areas of water stress and scarcity

- Includes areas of med-high, high, and very high-water stress based on World Resources Institute aqueduct data

C

Chemical Oxygen Demand (COD)

- The capacity of water to consume oxygen during the decomposition of organic matter and the oxidation of inorganic chemicals such as Ammonia and nitrite. COD measurements are commonly made on samples of waste waters or of natural waters contaminated by domestic or industrial wastes. In wastewater treatment, the COD is used as an index to assess the effect discharged wastewater will have on the receiving environment.

Circularity

- All products that have a circularity focus are manufactured in a way so they can be disassembled or come to their end-of-life and their materials will either be broken down by nature or returned to production. It means that these products are designed, and developed with their end-of-life taken into consideration.

Clean Industry Certification

- Certification granted by the Mexican environmental Protection agency (Profepa) to companies that comply with environmental legislation.

CO_2 emissions

- Unit to measure the carbon dioxide produced by the burning of solid, liquid and gaseous fuels, including natural gas.

Comprehensive responsibility administrative system (National Association of the Chemical Industry, ANIQ)

- Certification given to companies that comply with the six comprehensive responsibility requirements established by the ANIQ, covering Process safety, Health and safety in the workplace, Product safety, Transportation and distribution, Prevention and control of environmental pollution and Community protection.

E

ESG

- Environmental, Social and Governance.

Ethane

- Hydrocarbon part of the natural gas liquids, which at room temperature is colorless and odorless. It is used as a raw material to produce ethylene.

Ethylene

- Compound produced from ethane. It is the raw material used to produce vinyl acetate, ethyl chloride, styrene, ethylene oxide and polyethylenes.

Ethylene oxide

- Compound produced from ethylene and used as an intermediate in the production of MEG and other chemicals.

Expandable polystyrene (EPS)

- Light, rigid, cellular plastic, product of the polymerization of styrene monomer. EPS is a versatile material because of its properties as an impact reducer and thermal insulator, with customized molding capacity. These properties, combined withthe ease with which it can be processed, make EPS a popular packaging for impact-sensitive items and for protecting perishables. It is also widely used in construction systems, to lighten floor and roof structures, and as an insulator.

D

DPET

- Advanced Technology for PET Sheet Production with a 2% Lower Carbon Footprint Compared to Industry Standards.

F

Fatality

- A fatality is any death of an employee or contractor as a result of a work-related incident.

Glossary

G

Greenhouse gases (GHGs)

- Components of the atmosphere that absorb and emit radiation within the infrared range, causing the Earth's surface temperature to increase.

H

Hazardous waste

- Waste that is classified as hazardous (or the regulatory equivalent) by the local regulatory authority.

L

LTIR

- Lost Time Incident Rate is a standard OSHA metric that calculates the number of incidents that result in time away from work.

M

Major operating sites

- A site or grouping of sites that produce or manage petroleum, chemical, or manufactured products where such products, their production or their exploration processes have the potential to cause significant impact on the environment or the safety and health of employees, neighbors, or consumers.

Megawatt (MW)

- Unit of power, equal to 1 million watts.

N

Non-hazardous waste

- Waste that is not classified as hazardous (or the regulatory equivalent) by the local regulatory authority.

P

Paraxylene (PX)

- Hydrocarbon in the xylene family used to produce PTA. It is also a component of gasoline.

Polyethylene terephthalate (PET/vPET)

- Material widely used to manufacture bottles and other containers for liquids, food and personal hygiene, household and healthcare products. PET flakes and films are used to produce caps, trays and recipients. Because of its transparency, strength, durability and high protection barriers, PET presents no known health risks, is light and recyclable, and has a wide range of applications in reusable, temperature-sensitive packaging. PET has replaced glass and aluminum, as well as other plastics such as PVC and polyethylene, for making containers.

Polypropylene (PP)

- Thermoplastic polymer, produced from the polymerization of propylene monomer. Its properties include a low specific gravity, great rigidity, resistance to relatively high temperatures and good resistance to chemicals and fatigue. PP has diverse applications, including for packaging, textiles, recyclable plastic parts and different kinds of containers, autoparts and polymer (plastic) banknotes.

Propylene

- Unsaturated, 3-carbon hydrocarbon, coproduct of the cracking process at petrochemical complexes and a by-product at oil refineries. It is used in the petrochemical industry to produce PP, propylene oxide, cumene, isopropanol, acrylic acid and acrylonitrile. It is also converted into a gasoline component by alkylation with butanes or pentanes.

Propylene oxide

- Compound produced from propylene and used to manufacture commercial and industrial products, including polyols, glycols and glycol-ethers.

Protected areas

- Includes World Heritage Sites, Ramsar sites, IUCN Category I-II, Natura 2000 sites.

See bp.com/protectedareas **for details**

Purified terephthalic acid (PTA)

- Aromatic dicarboxylic acid, the main raw material in polyester production. PTA is produced by the oxidation of paraxylene. It is used to manufacture PET, which is then used to make bottles for water, soft drinks and other beverages, containers and other packaging, and polyester fiber for rugs, clothing, furniture and industrial applications, as well as other consumer products.

R

Recycled polyethylene Terephthalate (rPET)

- PET bottles are cleaned and crushed to produce new PET products. Other rPET uses include carpets, fabrics for the clothing industry, and fibers.

Glossary

S

SBTi

Science Based Targets initiative (SBTi) is a collaboration between the Climate Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) to help companies define a target of emissions reduction.

Scope 1, 2 and 3

- Scope 1 are emissions directly related to the operations, scope 2 are emissions related to utilities (indirectly) and scope 3 are emissions that are generated up and down the chain of a product creation and use (suppliers and customers).

SDGs

- Sustainable Development Goals.

Single-pellet technology™

- The Single-pellet Technology creates a pellet where mechanically Recycled PET (rPET) flake is used as a raw material feedstock in the virgin PET production process. Once injected into the PET manufacturing process, the rPET flake melts and the polymer is chemically integrated allowing the rebuilding of polymer chains to create a new PET resin pellet with an integrated recycle content of up to 25% with performance equal to that of virgin PET.

Styrene monomer

- Unsaturated hydrocarbon used to make a variety of plastics, synthetic rubber, protective coatings and resins. It is the main raw material in EPS production and used as a solvent and chemical intermediate.

Sustainable emissions reduction

- Sustainable Emission Reductions (SERs) result from actions or interventions that have led to ongoing reductions in Scope 1 (direct) and/or Scope 2 (indirect) GHG emissions (carbon dioxide and methane) such that GHG emissions would have been higher in the reporting year if the intervention had not taken place. SERs must meet three criteria: BP made a specific intervention that has reduced GHG emissions, BP must be able to quantify the reduction and it is expected to be ongoing. Reductions are reportable for a 12-month period from the start of the intervention/action.

T

Tier 1 process safety event

- Losses of primary containment of greatest consequence – causing harm to a member of the workforce, costly damage to equipment, or exceeding defined quantities.

TRIR

- “Total Recordable Incident Rate.” It is a calculation that takes into account how many OSHA recordable incidents your company has per number of hours worked.

Top management

- Includes employees who are group leaders, senior-level leaders or in other management positions.

W

Watt

- Unit of power in the International System of Units (SI).

WEPs

- Women’s Empowerment Principles.

GO BACK TO MARKET PRESENCE

Alpek's Footprint

CANADA (144)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Montreal		144								

USA (2,568)

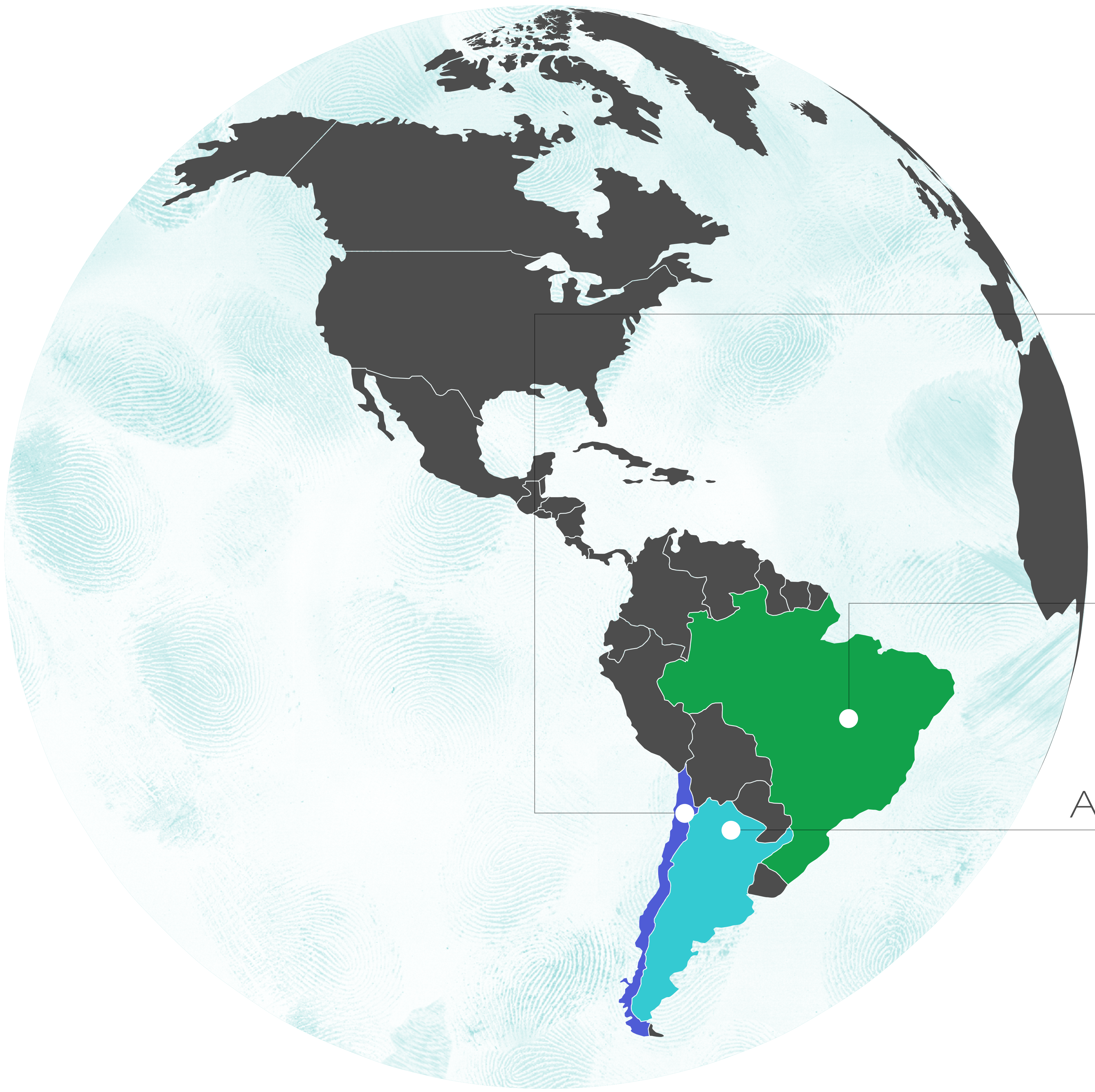
Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Fayetteville, NC		170		64						
Columbia, SC	640	725								
Bay St. Louis, MS		430				15				
Richmond, IN				66	31					
Darlington, SC					26					
Monaca, PA								123	36	
Cincinnati, OH			33					45		
Reading, PA				115	49					

MEXICO (2,790)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Altamira	1,000						640	240		
Cosoleacaque	610	185				15				
Lerma										100

Note: rPET flake capacity was modified to reflect inputs / totals and may reflect rounding.
Kta: Thousand tons per year.
Source: Alpek estimates.

GO BACK TO MARKET PRESENCE



CHILE
(28)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Santiago										5
Puerto Montt										2
Punta Arenas										1
Concón								20		

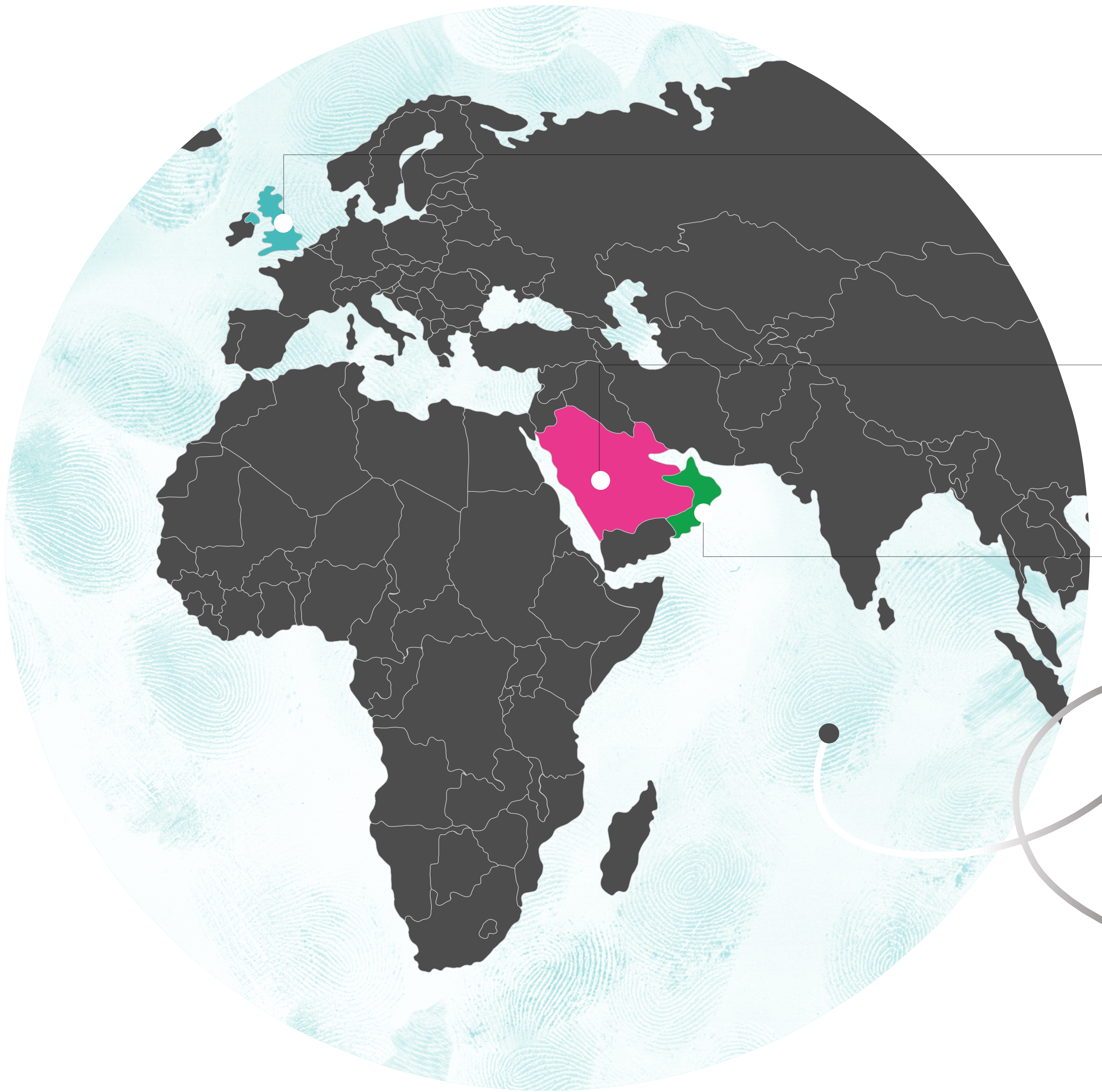
BRAZIL
(1,136)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Guaratingueta								46		
Ipojuca	640	450								

ARGENTINA
(246)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Zárate		190								
Pacheco				22	15					
General Lagos								19		

GO BACK TO MARKET PRESENCE



UK (220)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Wilton		220								

SAUDI ARABIA (11)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Riyadh										11

OMAN (1,072)

Site	PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
Salalah		574	400		48	48				

TOTAL (8,366)

PTA	Resin	Sheet	Flake	Pellet	SPT	PP	EPS	Arcel	Other
2,890	3,260	433	268	169	93	640	493	36	479

Approach to Reporting

In accordance with its commitment to sustainability, since 2015, Alpek has consistently reported its environmental, social, governance (ESG) information using the Global Reporting Initiative (GRI) methodology. In 2020, Alpek made a strategic shift on its reporting approach in order to provide accurate and meaningful reporting, adopting a framework that complies with disclosures from several sustainability institutions.

Striving for continuous improvement, this report is the first approach to an integrated report, and outlines its ESG, sustainability and financial performance for the period between January 1st and December 31, 2024 for all its global operations. It was prepared with reference to the GRI Standards 2021 and 2016 versions, ensuring compliance with the clarity, balance, comparability, completeness, and timeliness principles, as a minimum.

This document aims to provide clear and transparent information for Alpek's stakeholders on the priorities related to its material topics. There are no restatements of information unless otherwise identified.

Furthermore, Alpek participates in prominent sustainability indices, **including S&P CSA, CDP and FTSE4Good, among others.**

We describe the frameworks used for this report below.

GRI	SASB	TCFD	Sustainable Development Goals (SDGs)	CDP	S&P
The Global Reporting Initiative is an international independent standards organization that helps companies, governments and organizations understand and communicate their impact on relevant sustainability issues.	SASB enables businesses to identify, manage and communicate financially relevant sustainability information to their investors. This Board published standards with material topics for each industry. Alpek complies with SASB Standards for the Chemical Sector.	TCFD developed a framework to help public companies and other organizations disclose more effectively their climate-related risks and opportunities through their reporting processes.	The 2030 Agenda defined 17 SDGs to achieve a better and more sustainable future. They address global challenges every company and government face, including poverty, inequality, climate change, environmental protection, peace and justice, among others.	CDP is a non-profit organization that manages a global disclosure system for investors, companies, countries and regions to manage their environmental impacts.	S&P developed the Corporate Sustainability Assessment (CSA), which applies a best-in-class approach to evaluate management of ESG issues in companies and industries worldwide. Based on their performance, companies receive scores and percentile ratings for approximately 20 financially relevant sustainability criteria.

MAIN MATERIAL ISSUES

GRI: 3-2, 3-3 | **CSA S&P:** 1.3.2, 1.3.4, 1.3.5

Material Risk	Climate Change Strategy	Circularity & Product Responsibility	Sustainability Risk & Impact Management
Business Case	Helps mitigate operational and financial risks, ensures regulatory compliance, reduces future costs, and meets investor and stakeholder expectations. By reducing carbon emissions and improving energy efficiency, companies can save costs and enhance their brand reputation. Investing in renewable energy attracts conscious consumers and investors, fosters innovation, and drives competitive advantage, ensuring long-term business resilience and sustainability.	It reduces costs, enhances resource efficiency, ensures regulatory compliance, meets consumer demand for sustainable products, and bolsters reputation. By integrating circular economy principles, Alpek will minimize waste, maximize resource use, and drive innovation in product design and business models. This approach reduces supply chain dependency, fortifies resilience, and differentiates brands in the market.	Properly integrated across the organization, Sustainability Risk and Impact Management will ensure long-term business continuity by mitigating risks, enhancing operational resilience, increasing adaptation, building stakeholder trust, attracting investment, and fostering innovation.
Business Impact	• Save on operating and tax costs in the long term • First-mover advantage in carbon abatement will lead to cost reductions as well • Minimization of acute physical climate risks by enhancing operational and organizational preparedness	• Achieve cost reductions by maximizing resource use and minimizing waste expenditures • Differentiate offerings with circular products, enhancing business continuity and capturing growing market opportunities, which will translate into increased revenues	• The most significant impact is risk reduction through strategic foresight and operational preparedness, resulting in cost avoidance and potential revenue generation from new market opportunities
Business Strategies	• Identify more CO_2 reduction projects at business units • Optimize energy usage through best practices and smart technologies • Transition to greater electrification and adoption of renewable/less carbon-intensive energy sources • Identify CO_2 reduction projects at business units • Evaluate and adopt CO_2 offsetting technologies • Conduct large-scale training exercises to raise climate change awareness and its connection to operational continuity	• Assess technologies for chemical recycling & biodegradability • Expand capacities for recycling post-industrial (EPS/PP) and post-consumer (PET) waste • Advocate for circularity and promote Alpek's sustainable products • Identify and implement additional post-industrial waste and wastewater reduction projects at business units • Conduct Lifecycle Assessments for Alpek's main products	• Align compensation structures with ESG goals • Establish ESG Committees at the Board, C-Suite, and business unit levels with clear objectives • Provide training to familiarize the organization with new ESG frameworks • Standardize and enhance data collection, review processes, and communication efforts
Target or Metric	• 27.5% absolute emissions reduction for Scope 1 and Scope 2 • 13% absolute emissions reduction for Scope 3	• rPET capacity of 300,000 tons across Alpek's operations • rPET capacity of 268,000 tons, which represents 89% of progress towards the 2025 goal	• Target yet to be established due to the material issue's novelty
Target Year (if applicable)	• 2030	• 2025	• Not Applicable

RISK ANALYSIS

RISK MANAGEMENT PROCESS

GRI: 201-2 | **CSA S&P:** 1.4.2

The company counts with several measures, processes and platforms to overview and manage its risks and mitigating actions.

Risk Exposure Review	• **Annually:** The company conducts a strategic review of each business unit, analyzing market conditions, energy sourcing, new legislation, the global economic situation, and overall expectations. • **On-demand:** For each strategic decision, the company assesses potential risks to execution and profitability and identifies mitigation strategies.
Risk Culture	• For the development of products, the company evaluates the projects and investments based on determined guidelines and methodologies which encompass risk assessment. Based on this need, the company ensures that its management employees receive training to identify and quantify the risks related. • Everyone working at Alpek has the responsibility and authority to report potential risks through the company. They can do it by the superior or use our hotline and give their concern. The risk potential is then evaluated, and measures are taken. • In Alpek, we have different protocols to provide objective identification of situations and activities in our facilities that pose a risk to personnel health and safety. • Executive and line managers link some of their financial incentives to the most critical identified risks by monitoring these risks and developing mitigating actions.

STRATEGIC RISKS

MITIGATION ACTIONS

GRI: 3-3 | **CSA S&P:** 1.4.3

To minimize the potential impacts of the top 10 identified strategic risks, Alpek established and implemented a mitigation action plan for each risk among all potentially affected Business Units. Alpek's Audit Team monitors the status of each mitigating plan throughout the year. All mitigating actions must be validated by the Audit Team to ensure the action plans are appropriate. The risks and mitigating actions are regularly discussed and approved by Alpek's Board and Top Executive Team Committees.

R1 Cyberattacks	R2 Dependence on Mexico's Raw Material Supply	R3 Delays and Permits of Raw Material Imports	R4 New Competition, Less Margin	R5 Plastic Pollution Regulation and Social Pressure
• Infrastructure update • Security Policy • Employee Awareness Campaigns • Insurance contract	• Continous search of national and foreign supply contracts	• Follow-up to import permit paperwork with Custom Authorities	• Increase the sale contract percentage • Cost structure optimization	• Recycling strategy • Development of alternative products • Awareness campaigns on the benefits of "recyclable at scale" plastics • Analysis of recycling and CCUS* technologies

R6 Raw Material Supply Chain Issues	R7 Access to Potable Water	R8 Business Competitiveness vs. Asian Market Prices	R9 Imported Fixed Assets Verification	R10 Specific Supplier Dependence
• Monitoring of raw material markets • Preserve optimal inventory levels and critical materials • Continous searching for alternative raw materials	• Procurement and development of specialized personnel • Government relationship to monitor and support the situation	• Continuous monitoring of studies and indicators • Analyze potential measures against disloyal practices • Business competitiveness analysis • Footprint optimization	• Implementation of a control system to track the documentation • Decommissioning and removal of assets	• Negotiation with new suppliers • Assure contracts with existing key suppliers

* Carbon Capture, Utilization, and Storage

EMERGING RISKS

CSA S&P: 1.4.3

Alpek recognizes the importance of identifying and assessing emerging risks that could impact its operations and supply chain in the medium and long term. The company has proactively implemented strategies to better understand and mitigate these risks.

Impact of Ukraine-Russia Conflict on Raw Material Supply

- The Russia-Ukraine conflict has significantly disrupted global energy markets and supply chains, presenting challenges for petrochemical companies, including rising feedstock costs driven by energy price volatility. These increased costs elevate operational expenses and weaken overall competitiveness.
- To mitigate these risks, Alpek has implemented strategic measures, such as diversifying its procurement sources beyond a single region and expanding its supplier base. Looking ahead, the company plans to establish strategic partnerships with key producers, enhance storage capacity, and diversify transportation networks. Furthermore, Alpek conducts regular monitoring of raw material costs and market dynamics, enabling agile responses to market shifts and safeguarding its competitive position.

Global Supply Chain Impact Due to Red Sea Instability

- Alpek operates within a complex global supply chain, with exposure to international markets. Ongoing geopolitical tensions in the Middle East due to the Israel-Hamas conflict continued to escalate during 2024 disrupting maritime trade routes, notably affecting the Red Sea and transit through the Suez Canal, a key passage between East and West. These disruptions introduced logistical challenges, including delayed transit times due to rerouted shipping, stock shortages, and elevated logistics costs, which could impact Alpek's operational efficiency and competitiveness.
- To address these challenges, Alpek has implemented proactive measures, including maintaining close communication with shipping companies, optimizing logistics by adjusting reorder points, and closely monitoring container pricing. These actions are designed to strengthen supply chain resilience, minimize operational risks, and sustain the company's competitive position in a volatile global environment.

MITIGATION ACTIONS FOR CLIMATE-RELATED RISKS

CSA S&P: 2.5.11

Alpek has implemented comprehensive mitigation measures at all sites located near coastal zones to anticipate and minimize the impacts of climate events, particularly those involving high water levels such as coastal, river, and urban flooding, cyclones, tsunamis, and more.

These mitigation measures consist of a tiered response plan based on rising water levels, ensuring a systematic and effective approach to managing risks.

The process includes:

- Reducing Operational Expenditures: The initial step involves scaling back non-essential operations to minimize costs and focus resources on critical activities.
- Minimizing Operational Workforce: As conditions worsen, the company reduces the number of on-site personnel to ensure their safety while maintaining essential functions.
- Scheduled Shutdown of Site: If water levels continue to rise, a planned shutdown of the site is initiated, ensuring all processes are safely halted.
- Removing Reactor Contents and Final Shutdown: In extreme scenarios, the contents of reactors are removed to prevent potential hazards, followed by a complete site shutdown.

However, the company is further understanding the results of the physical climate risk assessment to determine a mitigation plan for the other potential risks evaluated in the analysis.

SOCIAL

EMPLOYEE BREAKDOWN BY POSITION

GRI: 2-7, 405-1 | **CSA S&P:** 3.1.2, 3.1.3

Employee Breakdown by Type	(Number of Employees)		
	2022	2023	2024
Total Employees	7,259	5,930	5,514
Management	334	365	319
Administrative	1,954	1,790	1,752
Operative	4,971	3,775	3,443
Female	1,191	1,090	1,032
Management	55	68	62
Administrative	615	587	591
Operative	521	435	379
Male	6,068	4,840	4,482
Management	279	297	257
Administrative	1,339	1,203	1,161
Operative	4,450	3,340	3,064

EMPLOYEE BREAKDOWN BY COUNTRY

GRI: 2-7, 405-1 | **CSA S&P:** 3.1.3

Employee Breakdown by Country	(Number of Employees)		
	2022	2023	2024
Total Employees	7,259	5,930	5,514
Management	334	365	319
Administrative	1,954	1,790	1,752
Operative	4,971	3,775	3,443
Mexico	3,331	2,171	2,092
Management	143	143	130
Administrative	907	868	936
Operative	2,281	1,160	1,026
Canada	69	71	64
Management	2	9	6
Administrative	23	18	21
Operative	44	44	37
United States	1,712	1,566	1,375
Management	99	124	101
Administrative	501	438	375
Operative	1,112	1,004	899

Employee Breakdown by Country	(Number of Employees)		
	2022	2023	2024
Argentina	413	419	**370**
Management	20	18	**17**
Administrative	108	119	**109**
Operative	285	282	**244**
Chile	267	276	**251**
Management	1	5	**3**
Administrative	70	42	**41**
Operative	196	229	**207**
Brazil	624	548	**507**
Management	14	14	**14**
Administrative	159	162	**133**
Operative	451	372	**360**
United Kingdom	103	106	**101**
Management	7	10	**9**
Administrative	31	45	**47**
Operative	65	51	**45**
Oman	620	627	**607**
Management	32	18	**11**
Administrative	112	58	**52**
Operative	314	551	**544**

Employee Breakdown by Country	(Number of Employees)		
	2022	2023	2024
Saudi Arabia	64	68	**68**
Management	4	2	**2**
Administrative	8	6	**5**
Operative	52	60	**61**
Other Countries - Management	56	78	**79**
United Arab Emirates	45	66	**70**
Ireland	1	1	**-**
Spain	1	1	**-**
Germany	1	1	**1**
Austria	1	1	**1**
Shanghai	6	6	**6**
Singapore	1	1	**-**
Peru	-	-	**1**
Denmark	-	1	**1**

EMPLOYEE BREAKDOWN BY AGE

GRI: 2-7

Employee Breakdown by Type	(Number of Employees)		
	2022	2023	2024
Total Employees	**7,259**	**5,930**	**5,514**
Over 50 years old	1,816	1,364	**1,268**
Male	1,625	1,194	**1,116**
Female	191	170	**152**
30-50 years old	4,121	3,547	**3,319**
Male	3,380	2,865	**2,664**
Female	741	682	**655**
Under 30 years old	1,322	1,019	**927**
Male	1,063	781	**702**
Female	259	238	**225**

DIVERSITY, EQUITY & INCLUSION

WORKFORCE BREAKDOWN BY GENDER

GRI: 2-7 | **CSA S&P:** 3.1.2

Female Employee Breakdown by Position	(As % of Total Employees)		
	2022	2023	2024
Total Female Employees	**16%**	**18%**	**19%**
Management (Junior, Middle and Top Management)	16%	19%	**19%**
In Top Management	5%	6%	**6%**
In Middle Management	10%	12%	**10%**
In Junior Management	21%	23%	**25%**
Administrative	31%	33%	**34%**
Operative	10%	12%	**11%**
Share of women in management positions in revenue-generating functions (as % of all such managers)	12%	27%	**30%**
Share of women in STEM-related positions (as % of total STEM positions)	14%	15%	**16%**

WORKFORCE BREAKDOWN BY RACE

GRI: 405-1 | **CSA S&P:** 3.1.3

Total Workforce Distribution	(As % of Total Employees)		
	2022	2023	2024
Asian	1%	13%	**15%**
White	22%	35%	**30%**
Hispanic or Latino	57%	45%	**49%**
Indigenous or Native American	0%	1%	**1%**
African American or Black	4%	5%	**4%**
Others, two or more races	14%	1%	**1%**
Non-Identified	1%	0%	**0%**
Total Alpek Workforce (%)	**100%**	**100%**	**100%**

WORKFORCE BREAKDOWN BY RACE AT MANAGEMENT LEVEL

GRI: 405-1 | **CSA S&P:** 3.1.3

Junior, Middle, and Senior Management Workforce Distribution	(As % of Junior, Middle, and Senior Management Employees)		
	2022	2023	2024
Asian	1%	11%	**10%**
White	30%	32%	**32%**
Hispanic or Latino	54%	45%	**52%**
Indigenous or Native American	0%	1%	**1%**
African American or Black	1%	1%	**1%**
Others, two or more races	15%	7%	**4%**
Non-Identified	-	-	**0%**
Total %	**100%**	**100%**	**100%**
(Total Alpek's junior, middle, and senior management identified in 2024: 319 employees)			

WORKFORCE BREAKDOWN BY DISABILITY

Alpek Employees with a Disability	(Number of Employees)		
	2022	2023	2024
With a disability	15	16	**20**

HUMAN CAPITAL MANAGEMENT

TRAINING AND DEVELOPMENT

GRI: 404-1 I **CSA S&P:** 3.3.1

Training & Development	(Average Training Hours per Employee)		
	2022	2023	2024
Average Training Hours | Employees	**22**	**34**	**29**
Female	37	32	**24**
Male	19	34	**30**
Operative	11	25	**26**
Administrative and Management	41	49	**32**
Average amount spent per FTE, USD	**425**	**388**	**271**

HUMAN CAPITAL RETURN ON INVESTMENT

CSA S&P: 3.3.3

Human Capital Return on Investment	($ Million MXN)		
	2022	2023	2024
Total Revenue	212,435	138,159	**137,409**
Total Operating Expenses	188,344	133,713	**131,730**
Total employee-related expenses (salaries + benefits)	7,538	6,976	**6,996**
Human Capital ROI[1]	**4.2**	**1.6**	**1.8**
Total Employees	**7,259**	**5,930**	**5,514**

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

EMPLOYEE HIRING BREAKDOWN BY AGE

GRI: 401-1 | **CSA S&P:** 3.3.4

Employee Hiring by Age	(Number of Employees)					
	2022		2023		2024	
Total filled vacancy positions	**1,557**	**21%**	**1,087**	**18%**	**778**	**14%**
Over 50 years old	170	2%	121	2%	**54**	**1%**
Male	132	2%	97	2%	**41**	**1%**
Female	38	1%	24	0%	**13**	**0%**
30-50 years old	724	10%	461	8%	**304**	**6%**
Male	580	8%	349	6%	**250**	**5%**
Female	144	2%	112	2%	**54**	**1%**
Under 30 years old	663	9%	505	9%	**420**	**8%**
Male	497	7%	384	6%	**231**	**4%**
Female	166	2%	121	2%	**189**	**3%**

INTERNAL AND EXTERNAL EMPLOYEE HIRING

External and Internal Employee Hiring	(Number of Employees)					
	2022		2023		2024	
Total filled vacancy positions	**1,557**	**21%**	**1,087**	**18%**	**673**	**12%**
Internal Hiring	633	9%	307	5%	**252**	**5%**
Male	511	7%	225	4%	**194**	**4%**
Female	122	2%	82	1%	**58**	**1%**
External Hiring	924	13%	780	13%	**421**	**8%**
Male	698	10%	605	10%	**328**	**6%**
Female	226	3%	175	3%	**93**	**2%**

MATERNITY & PATERNITY LEAVE CASES

GRI: 401-3

Maternity and Paternity Leave	(Number of Cases)		
	2022	2023	2024
Maternity leave	55	36	**35**
Paternity leave	102	67	**107**
Reincorporation after Maternity or Paternity leave	**87**	**86**	**122**
Reincorporation Rate	**55%**	**83%**	**86%**

TOTAL EMPLOYEE TURNOVER

GRI: 401-1 I **CSA S&P:** 3.3.8

Total Employee Turnover Rate[1]	(% of Total Employees)		
	2022	2023[2]	2024
Total	**15.90%**	**36.60%**	**11.75%**
Over 50 years old	2.90%	10.00%	**2.94%**
Male	2.50%	9.40%	**2.61%**
Female	0.40%	0.60%	**0.33%**
Between 30 and 50 years old	7.10%	15.80%	**5.93%**
Male	5.80%	13.10%	**4.97%**
Female	1.30%	2.70%	**0.96%**
Below 30 years old	5.90%	10.80%	**2.88%**
Male	5.00%	9.20%	**1.99%**
Female	0.90%	1.60%	**0.89%**

1. There was a change in the calculation methodology for this indicator in 2022. It is calculated based on the total of employees who leave the organization divided by the total of employees at the end of the year.
2. Increased turnover rate due to closure of manufacturing sites in 2023.

VOLUNTARY EMPLOYMENT TURNOVER RATE

GRI: 401-1 I **CSA S&P:** 3.3.8

Voluntary Employee Turnover Rate	(% of Total Employees)		
	2022	2023	2024
Total	**10.80%**	**11.90%**	**5.48%**
Over 50 years old	1.90%	1.90%	**1.20%**
Male	1.60%	1.70%	**1.03%**
Female	0.30%	0.20%	**0.16%**
Between 30 and 50 years old	4.60%	5.20%	**2.58%**
Male	3.60%	4.30%	**2.25%**
Female	1.00%	0.90%	**0.33%**
Below 30 years old	4.40%	4.80%	**1.70%**
Male	3.70%	4.10%	**1.09%**
Female	0.80%	0.70%	**0.62%**

EMPLOYEE ENGAGEMENT RATE

CSA S&P: 3.3.9

New 2024 Engagement Tool: HUGO		
High Performance Components	**Korn Ferry Model Dimensions**	**Customized Dimensions**
Engagement	• Clear & Promising Direction • Confidence in Leaders • Quality & Customer focus • Respect & Recognition • Development opportunities • Pay & Benefits	• Diversity and Inclusion • Corporate Social Responsibility • Wellbeing
Enablement	• Performance Management • Authority & Empowerment • Resources • Training • Collaboration • Work, Structure, & Process	

CSA S&P: 3.3.9

Employee Highly Engagement [1]	(% Actively Engaged Employees)					
	2019	2020	2021	2022[2]	2023	2024
Employees with top level of Engagement	70%	82%	74%	74%	71%	**71%**
Data coverage of Alpek Employees	87%	78%	68%	68%	86%	**86%**

1. Scores from 4 to 5 on a 5-point scale are considered highly engaged employees.
2. In 2021, Alpek started to carry out its employee engagement assessments every two years to develop and implement action plans to improve employee engagement. Therefore, 2023 and 2024 have the same score.

FREEDOM OF ASSOCIATION

GRI: 2-30 I **CSA S&P:** 3.1.5

Employee Freedom of Association	(% of Employees)		
	2022	2023	2024
Employees represented by an independent trade union or by collective bargaining	52%	35%	**36%**

CHAMBERS & ASSOCIATIONS PARTICIPATION

GRI: 2-28 I **CSA S&P:** 3.6.2

Chambers and Associations Participation	(Name of the Institutions)
Argentina	
Asociación Argentina de Poliestireno (AAPE)	Cámara de exportadores (CERA)
Cámara Comercio Argentina-Mexicana	Comité industrial Medio Ambiente Campana-Zarate (CICACZ)
Asociación Nacional de Industrias de Materiales Aislantes (ANDIMA)	Cámara de la Industria Química
Asociación Civil Argentina Pro-Reciclado del PET (ARPET)	Cámara de Industria Química y Petroquímica (CIQyP)
Cámara Argentina de Industria Plástica (CAIP)	Instituto Petroquímico Argentino (IPA)
Cámara Argentina de la Industria de reciclados plásticos (CAIRPLAS)	
Brazil	
Associação Brasileira da Indústria do PET (ABIPET)	Sindicato das Indústrias de Produtos Químicos para Fins Industriais,
Asociación Industrial Química Brasileña (ABIQUIM)	
Canada	
Montreal East Industry Association	Engineering Association - Quebec
Chile	
Cámara Chilena de la Construcción (CChC)	Asociación Gremial de Industriales del Plástico
Cámara Chileno-Mexicana	Centro de Envases y Embalajes de Chile (CENEM)
Mexico	
AISTAC – Asociación de Industriales del Sur de Tamaulipas	ASOLMEX (Asociación Mexicana de Energía Solar)
Asociación Nacional de Industrias del Plástico (ANIPAC)	AMH2 (Asociación Mexicana de Hidrógeno)
Asociación Nacional de la Industria Química (ANIQ)	Ecología y Compromiso Empresarial A. C.
Alianza por la Eficiencia Energética (ALENER)	Eriac Capital Humano, A.C.
Asociación Petroquímica y Química Latinoamericana (APLA)	Red Circular / Plan de Manejo de Residuos
Cámara de la Industria de Transformación de Nuevo León (CAINTRA)	Comisión de la Industria del Plástico, Responsabilidad y Desarrollo Sustentable (CIPRES)

Chambers and Associations Participation	(Name of the Institutions)
Mexico	
Asociación Nacional de Fabricantes de Pintura y Tintas (ANAFAPYT)	CESPEDES (Comisión de Estudios del Sector Privado para el Desarrollo Sustentable)
ACE (Asociación de Comercializadores de Energía)	AMGN (Asociación Mexicana de Gas Natural)
ISSC International Sustainability and Carbon Certification	Red del Pacto Mundial (UN Global Compact)
Confederación de Cámaras Industriales (CONCAMIN)	Movimiento Congruencia, A.C.
Oman and Saudi Arabia	
Oman American Business Center	Environment Society of Oman
Chartered Institute of Management Accountant	Omani Society for Human Resources Management
Association of Chartered Certified Accountants UK	Saudi Organization for Chartered and Professional Accountants
Saudi Council of Engineers	Saudi Engineering Council (SEC)
United Kingdom	
British Plastics Federation	Northeast England Process Industry Cluster
Chemical Industry Association	Northeast England Chamber of Commerce
Committee of PET Manufacturers in Europe	RECOUP Plastics Recycling
United States	
Carolinas Recycling Association	National Association for PET Container Resources
EPS Industry Alliance (EPSIA)	The Recycling Partnership
MS Economic Council	Wayne County IN Chamber of Commerce
Indiana Chamber of Commerce	PET Resin Association
Plastic Industry Association	American Chemistry Council (ACC)
United Way of Beaver County & Lake County	Ameripen
SCS (Styrenics Circular Solutions)	Sustainability Packaging Association
Association of Plastic Recycling	South Carolina Manufacturers Alliance
Pennsylvania Resources Council	Circular Indiana (Indiana Recycling Coalition)

SAFETY PROGRAMS

OHS PROGRAMS

GRI: 403-1, 403-2, 403-7, 403-8, 403-9 | **CSA S&P:** 3.4.2

Alpek's business units have all implemented Occupational Health and Safety (OHS) programs to comply with safety requirements in their operations. These activities include:

- Hazard identification and analysis
- Action plans to reduce, mitigate, and eliminate safety hazards
- Internal and external emergency action plans
- Measuring the Total Recordable Incident Rate (TRIR)

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

- Internal Commission for Accident Prevention
- Participation in campaigns and SMS awareness training
- Effective participation in recording deviations
- Effective participation in behavioral audits
- Participation in daily safety dialogues
- Participation in the disclosure of hazard and risk assessments
- Disclosure and consultation of the PCMSO Program (Occupational Health Medical Control Program)
- Dissemination and Consultation of the PPRA Program (Environmental Risk Prevention Program)
- Disclosure and consultation of preliminary risk analysis
- Preparation and consultation of task safety analysis
- Transparency Channel – for reporting, complaints, and inquiries regarding integrity, ethics, and transparency in the company

Some of the activities covered by the OHS programs include:

- Industrial Activities (operational maneuvers, equipment inspection, maintenance, electricity services, process control, activity releases, sample collection)
- Mechanical Workshop Activities (maintenance, cargo handling, lubrication, calibration, repair, cutting and welding)
- Transport (internal and external movement of employees)
- Logistics (storage, material handling, packaging, production planning, supply and distribution)
- Laboratory (chemical, physico-chemical analysis, control of materials, processes, and products)
- Engineering (project design, construction monitoring, construction inspection, and process optimization techniques)
- Patrimonial (preservation of company assets, access control, and internal security)
- Health Service (urgent and emergency care, occupational medical care, periodic examinations, issuance of technical reports, and health program monitoring)
- Emergency Assistance (incident response, fire, explosions, leaks, spills, and occupational accidents)
- Warehousing (Receipt of materials, product storage, material movement, and distribution)

TOTAL WORKFORCE SAFETY

GRI: 403-9, 403-10 | **SASB:** RT-CH-320a.1 | **CSA S&P:** 3.4.3, 3.4.4, 3.4.5

Total Personal Safety Overview (Employees + Contractors)	2020[1]	2021[1]	2022	2023	2024
Total Recordable Incidents (number of incidents)	68	63	66	47	**49**
Incapacitating Incidents (number of incidents)	40	42	42	30	**34**
Non incapacitating Incidents (number of incidents)	28	21	24	17	**15**
Fatalities (number of incidents)	0	0	1	0	**0**
Lost days (number of days)	1,931	1,102	1,228	1,005	**1,150**
TRIR – Total Recordable Incident Rate (200,000 hours worked)	0.73	0.61	0.57	0.42	**0.51**
LTIR – Lost Time Incident Rate (200,000 hours worked)	0.43	0.40	0.36	0.27	**0.35**
Hours Worked by Alpek Employees & Contractors (number of hours)	18,540,338	21,077,638	23,156,390	22,565,712	**19,379,039**

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

EMPLOYEES BREAKDOWN (INCIDENTS)

Employee Safety Overview	2020[1]	2021[1]	2022	2023	2024
Total Recordable Incidents (number of incidents)	48	49	48	34	**39**
Incapacitating Incidents (number of incidents)	28	33	33	23	**28**
Non incapacitating Incidents (number of incidents)	20	16	15	11	**11**
Fatalities (number of incidents)	0	0	0	0	**0**
TRIR – Total Recordable Incident Rate (200,000 hours worked)	0.72	0.70	0.65	0.46	**0.62**
LTIR – Lost Time Incident Rate (200,000 hours worked)	0.42	0.47	0.45	0.31	**0.44**
Hours Worked by Employees (number of hours)	13,287,314	14,003,671	14,764,474	14,806,171	**12,626,830**

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

CONTRACTORS BREAKDOWN (INCIDENTS)

GRI: 403-7, 403-9, 403-10 | **SASB:** RT-CH-320a.1 | **CSA S&P:** 3.4.3, 3.4.4, 3.4.5

Contractors Safety Overview	2020[1]	2021[1]	2022	2023	2024
Total Recordable Incidents (number of incidents)	20	14	18	13	**10**
Incapacitating Incidents (number of incidents)	12	9	9	7	**6**
Non incapacitating Incidents (number of incidents)	8	5	9	6	**4**
Fatalities (number of incidents)	0	0	1	0	**0**
TRIR – Total Recordable Incident Rate (200,000 hours worked)	0.76	0.40	0.43	0.34	**0.30**
LTIR – Lost Time Incident Rate (200,000 hours worked)	0.46	0.25	0.21	0.18	**0.18**
Hours Worked by Contractors (number of hours)	5,253,024	7,073,967	8,391,916	7,759,541	**6,752,209**

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

PROCESS SAFETY EVENTS TIER 1

CSA S&P: 3.4.6

Alpek has thoroughly identified the Process Safety Events that have occurred at its sites during 2024, in accordance with the definition established by the Center for Chemical Process Safety ("CCPS").

Process Safety Events Tier 1	2022	2023	2024
Number of tier 1 process safety events per 1,000,000 hours	0.73	0.04	**0.00**

HUMAN RIGHTS AND CODE OF ETHICS

HUMAN RIGHTS

CSA S&P: 3.2.1, 3.2.2

Alpek has implemented a Human Rights Policy as a public document to mitigate any potential human rights violations within its operations.

As part of this mitigation process, Alpek ensures full compliance with national and international labor regulations, commits to the UN Global Compact Principles, and adheres to the ILO Convention recommendations. This ensures that all Alpek sites have the necessary measures in place to respect the human rights of employees and nearby communities.

All cases of human rights violations can be reported through the Integrity and Transparency Helpline and are addressed promptly.

Additionally, in 2023, Alpek published its Supplier Code of Conduct, which specifically references human rights in its "Principles" (5 vi.) as follows:

a. At Alpek, we support and respect the principles established in the United Nations Universal Declaration of Human Rights. We encourage Suppliers to have a diverse workforce and provide a workplace free from discrimination or any other form of abuse.
b. Harassment, including unwelcome verbal, visual, physical, or other conduct of any kind that creates an intimidating, offensive, or hostile work environment will not be tolerated. Employment decisions shall be based on qualifications, skills, performance, and experience.
c. Supplier employees shall receive compensation and benefits that comply with Applicable legal regulations, ensuring that they work in compliance with all Applicable legal regulations and industry standards regarding the number of hours and days worked. The supplier employees will have clear written employment information for all employees that define remuneration, deductions, and terms of employment.
d. This policy (Code) is supported by Alpek's Humans Right Policy (PO-ALPEK-CH-04).

The scope of this Supplier Code of Conduct applies to all suppliers, who must respect and adhere to the Code when conducting business with or on behalf of Alpek. Suppliers are also expected to apply this Code and their relevant policies throughout their supply chain, ensuring compliance by their parent company, affiliates, employees, agents, suppliers, contractors, sub-contractors, and related third parties. The Code sets out guidelines for these business partners to ensure that all interactions can be monitored and reviewed for improvement.

Alpek also ensures that employees who become new parents have access to leave time benefits with their newborn or adopted children.

CODE OF ETHICS AND HUMAN RIGHTS BREACHES

GRI: 2-26, 2-27, 205-3, 406-1 | **CSA S&P:** 1.5.3, 1.5.4, 1.5.5, 3.2.3, 3.2.4

The following are the results from Alpek's Integrity and Transparency Helpline[1]:

Breaches To Human Rights and Code of Ethics	(Number of Complaints and/or Issues)		
	2022	2023	2024
Human Rights	**2**	**2**	**1**
Forced Labor	0	0	**0**
Human Trafficking	0	0	**0**
Child Labor	0	0	**0**
Freedom of association	0	0	**0**
Right to collective bargaining	0	0	**0**
Equal Remuneration	2	2	**1**
Code of Ethics	**9**	**10**	**5**
Corruption – Bribery against the Government	0	0	**0**
Corruption – Bribery against the Company	3	2	**2**
Discrimination - Harassment	4	4	**2**
Customer Privacy Data	0	1	**0**
Conflicts of Interest	2	2	**1**
Money Laundering or Insider trading	0	0	**0**
Total of Verified and Actionable Complaints[2]	**11**	**11**	**5**
Total Complaints received[2]	14	20	**15**
Resolution during the year in analysis of Total Complaints received[2]	89%	100%	**80%[3]**

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

- **Equal remuneration.** Action: Detailed verbal feedback.
- **Corruption – Bribery against the Company.** Action: Detailed verbal feedback, collaborator dismissal.
- **Discrimination – Harassment.** Action: Detailed verbal feedback, collaborator dismissal, commitment letter, and personnel training.
- **Conflict of Interest.** Action: Detailed verbal feedback.

Additionally, as stated in the Due Diligence process, there is also a thorough mitigation plan set forth for every "verified" case before it concludes. Depending on the severity of the case, the assigned responsible for the case makes a recommendation, based on procedure, to have the local site handle mitigating actions, or escalate it to the top management, to instigate a potential business unit training, culture, and mitigation action (for example, in case of Harassment).

1. Please refer to the "Code of Business Conduct" for further details on the Helpline process.
2. Following the internal process, all complaints (verified or not) are analyzed in an equal manner by Alpek's auditing and human capital functions and are fully investigated in a step-by-step escalation procedure. Those complaints which are verified through the process, are then acted upon and escalated to action resolution are considered "verified". "Total Complaints received" references all information sent through the integrity and transparency helpline, both anonymous or identifiable, which then goes through the process and is categorized as "verified" or "non-verified". "Non-verified" refers to those complaints that are concluded without action after a case evaluation and resolution by the assigned responsible.
3. All non resolved complaints were due to timing, being received on the last 2 months of the year.

ENVIRONMENTAL

ENVIRONMENTAL INVESTMENTS

CSA S&P: 2.1.4

Alpek is committed to investing in environmental initiatives focused on reducing emissions through energy optimization, as well as minimizing waste generation, conserving water, promoting recycling, developing sustainable products, and implementing environmental remediation and prevention measures.

Environmental Investments	($ Million USD)		
	2022	2023	2024
CAPEX Disbursed	NA	NA	26.8

Note: NA stands for information not available.

SIGNIFICANT ENVIRONMENTAL AND WATER RELATED INCIDENTS

GRI: 2-27 I **SASB:** RT-CH-140a.2 I **CSA S&P:** 2.15, 2.5.6

Alpek is committed to ensuring that its operations do not harm the environment or the water bodies surrounding its sites. A violation is deemed to have occurred when a recognized authority (e.g., a governmental agency, an independent commercial or non-commercial regulator, etc.) determines that a law, regulation, or code related to environmental or ecological matters has been breached. "Significant" incidents that result in fines or penalties are defined as those exceeding $10,000 USD (or the equivalent amount in local currency).

Significant Environmental and Water- Related Incidents or Situations	(Number of Incidents)		
	2022	2023	2024
Non-compliance associated with environmental permits, standards, and regulations	0	0	0
Governed by national, state, and local statuary permits and regulations	0	0	0

BIODIVERSITY RISK ASSESSMENT

GRI: 101-2, 101-4, 101-5, 101-6, 101-7 | **CSA S&P:** 2.6.1

"Chemicals and Other Materials Production" Industry				
Risk Type	**Impact/ Dependency**	**Ecosystem Service Type**	**BRF Indicators**	**Vulnerability Level**
Physical	Dependency	Provisioning Services	1.1 Water Scarcity	4
Physical	Dependency	Regulating & Supporting Services - Enabling	2.2 Water condition	3
Physical	Dependency	Regulating Services - Mitigating	3.1 Landslides	4
Physical	Dependency	Regulating Services - Mitigating	3.2 Wildlife Hazard	3
Physical	Dependency	Regulating Services - Mitigating	3.5 Extreme Heat	3
Physical	Dependency	Regulating Services - Mitigating	3.6 Tropical Cyclones	4
Reputational	Impact	Pressures on Biodiversity	5.4 Pollution	5
Reputational	Impact	Environmental Factors	6.1 Protected/Conserved Areas	3
Reputational	Impact	Socioeconomic Factors	7.1 Indigenous Peoples (Ips); Local Communities (LCs); Lands & Territories	3
Reputational	Impact	Additional Reputational Factors	8.1 Media Scrutiny	5

BRA Results		
Description	**Number of Sites**	**Material Biodiversity Risks**
Total number of Alpek's sites with a high or very high Physical Scape Risk score	2	Water Scarcity, Water Condition, Air Condition, Landslides, Fire Hazards, Extreme Heat, Tropical Cyclones and Pollution
Total number of Alpek's sites with a high or very high Reputational Scape Risk score	0	Media Scrutiny

EMISSIONS

REPORTED EMISSIONS

GRI: 305-1 to 5 | **TCFD:** All elements | **SASB:** RT-CH-110a-1 | **CSA S&P:** 2.5.1 to 4

The following section includes the emissions reported in previous years; however, the emissions from newly acquired sites emissions are reported following their acquisition and aligns with the financial consolidation of the Company.

CO_2 Emissions by Scope (GHGP based)	(Millions of tons)					
	2019	2020	2021	2022	2023	2024
Scope 1	1.17	0.94	1.08	0.91	0.80	**0.80**
Scope 2	1.30	1.29	1.27	1.36	1.19	**1.07**
Total Scope 1 & 2	**2.47**	**2.24**	**2.35**	**2.27**	**1.99**	**1.87**

The data in the following table may vary due to the integration of emissions from all acquired plants, regardless of the year, in order to meet the SBTi criteria

CO_2 Emissions by Scope (SBTi based)	(Millions of tons)					
	2019	2020	2021	2022	2023	2024
Scope 1	1.33	1.10	1.16	0.95	0.81	**0.81**
Scope 2	1.47	1.43	1.47	1.40	1.20	**1.08**
Total Scope 1 & 2	**2.80**	**2.54**	**2.63**	**2.35**	**2.02**	**1.89**
Scope 3	**20.95**	**21.31**	**24.65**	**25.11**	**22.24**	**24.43**

TOTAL CO_2 EMISSIONS INTENSITY

Scope 1 and 2 Emissions Intensity	2019	2020	2021	2022	2023	2024
Intensity (Tons CO_2 Emissions / Tons Produced)	0.56	0.35	0.37	0.36	0.37	**0.31**
Intensity (ktons CO_2 Emissions / MUSD Revenues)	0.40	0.42	0.31	0.22	0.26	**0.25**

SCOPE 3 EMISSIONS BREAKDOWN

GRI: 305-3 I **CSA S&P:** 2.5.3

Scope 3 Emissions	(Millions of tons CO_2e)					
	2019	2020	2021	2022	2023[1]	2024
Purchased Goods and Services	7.27	7.37	7.80	7.69	6.92[2]	**6.99**
Capital Goods	0.29	0.12	0.14	0.19	0.04	**0.04**
Fuel-and-energy-related- activities (not included in Scope 1 or 2)	0.19	0.19	0.21	0.20	0.44	**0.43**
Upstream transportation and distribution	0.97	0.91	0.76	0.66	0.96	**1.01**
Waste generated in operations	0.02	0.02	0.02	0.04	0.03	**0.03**
Business travel	0.0003	0.0001	0.0001	0.0007	0.0006[2]	**0.0005**
Employee commuting	0.01	0.01	0.01	0.01	0.003	**0.003**
Upstream leased assets	-	-	-	-	-	**-**
Downstream transportation and distribution	0.08	0.08	0.08	0.08	0.06	**0.03**
Processing of sold products	7.78	7.64	7.76	7.56	6.15	**6.42**
Use of sold products	2.23	2.88	5.81	6.76	5.97	**7.64**
End-of-life treatment of sold products	1.96	1.95	1.92	1.82	1.64	**1.82**
Downstream leased assets	-	-	-	-	-	**-**
Franchises	-	-	-	-	-	**-**
Investments	0.16	0.14	0.14	0.11	0.02	**0.001**
Other upstream	-	-	-	-	-	**-**
Other downstream	-	-	-	-	-	**-**
Total Scope 3	**20.95**	**21.31**	**24.65**	**25.11**	**22.22[2]**	**24.43**

1. Scope 3 emissions from 2023 onward may differ from results of 2022, since the calculation methodology was reviewed by a third party consultant.
2. Adjustment was made from LY report to show improved verifiable data.

OTHER GHG EMISSIONS & POLLUTANTS

GRI: 305-7 | **CSA S&P:** 2.3.4, 2.3.5, 2.3.6, 2.3.7 | **SASB:** RT-CH-110a.1 & RT-CH-120a.1

GHG Emissions by Gas	(tons)					
	2019	2020	2021	2022	2023	2024
NOx	779	455	498	405	308	**457**
SOx	95	263	30	94	84	**76**
Volatile Organic Compounds (VOCs)	816	674	711	984	807	**801**
Chemical Oxygen Demand	295	292	296	5,247	4,182	**1,507**

GHG EMISSIONS 3RD PARTY VERIFICATIONS

CSA S&P: 2.1.3

KPI	Location	Third Party	2019	2020	2021	2022	2023	2024
GHG emissions CO_2 Scope 1 & 2, CH_4, N_2O, HFCs, PCFs, NF, SF	Cosoleacaque, Ver., Mexico	The Climate Registry	Verified	Verified	Verified	Verified	Verified, waiting for certificate	Verified, waiting for certificate
	Montreal, Quebec, Canada	The Climate Registry	-	Verified	Verified	Verified	Verified, waiting for certificate	Under current verification
	Fayetteville, NC, USA	The Climate Registry	Verified	Verified	Verified	Verified	Verified, waiting for certificate	Under current verification
	Columbia, SC, USA	The Climate Registry	Verified	Verified	Verified	Verified	Verified, waiting for certificate	Under current verification
	Bay St. Louis, MS, USA	The Climate Registry	Verified	Verified	Verified	Verified	Verified, waiting for certificate	Under current verification
	Charleston, SC, USA	The Climate Registry	Verified	Verified	Verified	Verified	Verified, waiting for certificate	Under current verification
	Richmond, IN, USA	The Climate Registry	-	-	Verified	Verified	Verified, waiting for certificate	Under current verification
	Reading, PA, USA	The Climate Registry	-	-	Verified	Verified	Verified, waiting for certificate	Under current verification
	Altamira, TS, Mexico	The Climate Registry	-	-	-	Verified	Verified, waiting for certificate	Under current verification
	Ipojuca, PE, Brazil	The Climate Registry	-	-	-	Verified	Verified, waiting for certificate	Under current verification
	Zárate, Argentina	The Climate Registry	-	-	-	-	Verified, waiting for certificate	Under current verification
	Pacheco, Argentina	The Climate Registry	-	-	-	-	Verified, waiting for certificate	Under current verification
	Wilton, United Kingdom	The Climate Registry	-	-	-	-	Verified, waiting for certificate	Under current verification
	Cincinnati, OH, USA	The Climate Registry	-	-	-	-	-	Under current verification
	Salalah, Oman	The Climate Registry	-	-	-	-	-	Under current verification
	Riyadh, Saudia Arabia	The Climate Registry	-	-	-	-	-	Under current verification

WASTE MANAGEMENT

NON-HAZARDOUS WASTE GENERATION

GRI: 306-3, 306-4 I **CSA S&P:** 2.3.1

Non-Hazardous Waste	(ktons)		
	2022	2023	2024
Total Generated	103.7	108.3	**96.2**
Total Recycled / Reused	30.9	30.0	**22.3**
Total Disposed	**72.8**	**78.3**	**73.9**

HAZARDOUS WASTE GENERATION

GRI: 306-3, 306-4 | **CSA S&P:** 2.3.3 | **SASB:** RT-CH-150a.1

Hazardous Waste Disposal	(Thousand tons)		
	2022	2023	2024
Total Generated	1.8	1.8	**1.8**
Total Recycled / Reused	0.5	0.5	**0.7**
Total Disposed	**1.3**	**1.2**	**1.1**

NON-HAZARDOUS WASTE DISPOSAL DESTINATION

GRI: 306-5 | **SASB:** RT-CH-150a.1

Non- Hazardous Waste Disposal Destination	(ktons)		
	2022	2023	2024
Landfill	60.0	66.3	**64.4**
Incineration with energy recovery	3.8	0.0	**8.8**
Composted	8.7	-[1]	**-[1]**
Confined	0.2	3.8	**0.0**
Other	0.1	8.2	**0.6**
Total Disposed	**72.8**	**78.3**	**73.9**

[1] According to CSA definition, Composted waste is considered recycled waste.

HAZARDOUS WASTE DISPOSAL METHOD

GRI: 306-5 | **SASB:** RT-CH-150a.1

Hazardous Waste Disposal Destination	(ktons)		
	2022	2023	2024
Landfill	0.3	0.1	**0.1**
Incineration with energy recovery	0.07	0.7	**0.8**
Composted	0.05	-[1]	**-[1]**
Confined	0.2	0.2	**0.0**
Other	0.7	0.3	**0.2**
Total Disposed	**1.3**	**1.2**	**1.1**

Note: NA stands for information not previously disclosed.

[1] According to CSA definition, Composted waste is considered recycled waste.

WASTE GENERATION BREAKDOWN

GRI: 306-3 I **CSA S&P:** 2.3.1

Waste Generation Breakdown	(% Over Total Waste Generation)		
	2022	2023	2024
Hazardous Waste Generated	1.7%	1.6%	**1.8%**
Non-Hazardous Waste Generated	98.3%	98.4%	**98.2%**
Total Waste Generated	**100.0%**	**100.0%**	**100.0%**

WASTE INTENSITY

Hazardous & Non-Hazardous Waste Intensity	(Tons Total Waste / ktons Produced)		
	2022	2023	2024
Waste Generated	16.9	20.0	**16.5**
Waste Used/recycled/sold	5.0	5.6	**3.9**
Waste Disposed	**11.9**	**14.5**	**12.6**

ENERGY

ENERGY CONSUMPTION

GRI: 302-1, 302-3, 302-4 | **CSA S&P:** 2.2.2

Energy Consumption by Segment	(Million GJ)					
	2019[1]	2020[1,2]	2021[1,2]	2022	2023	2024
Polyester	28.0	29.1	29.2	29.7	25.6	**25.2**
Plastics & Chemicals	5.3	3.8	5.5	3.7	3.1	**3.1**
Total	**33.4**	**33.0**	**34.7**	**33.4**	**28.7**	**28.2**

ENERGY INTENSITY

Energy Consumption intensity	(GJ / Ton Produced)					
	2019	2020	2021	2022	2023	2024
Intensity	7.6	5.2	5.5	5.3	5.3	**4.7**

ENERGY CONSUMPTION BY FUEL TYPE

CSA S&P: 2.2.2

Energy Consumption by Fuel	(Million GJ)					
	2019[1]	2020[1,2]	2021[1,2]	2022	2023	2024
Natural gas	14.6	13.3	15.2	13.8	12.0	**11.4**
Coal	0.3	-	-	-	-	**-**
Diesel	0.1	0.4	0.4	0.1	0.1	**0.1**
Fuel oil	0.0	0.0	0.0	0.3	0.2	**0.2**
Gasoline	0.0	0.0	0.0	0.0	0.0	**0.0**
Ethanol	0.1	0.1	0.0	0.0	0.0	**0.0**
Others	0.0	0.0	0.0	0.0	0.0	**0.2**
Total Direct Consumption	**15.1**	**13.8**	**15.7**	**14.3**	**12.3**	**11.9**
Electricity	7.0	7.1	7.6	7.5	6.6	**6.2**
% Carbon-free Electricity[3]	NA	NA	13%	19.7%	27.1%	**39.6%**
% of Renewable Electricity[4]	NA	NA	NA	NA	17.1%	**18.1%**
Steam	11.2	12.0	11.5	11.6	9.8	**10.1**
Indirect Energy Consumption	**18.3**	**19.1**	**19.1**	**19.1**	**16.4**	**16.3**
Total Energy Consumption	**33.4**	**33.0**	**34.7**	**33.4**	**28.7**	**28.2**

1. Due to M&A at the end of 2020 and some changes in the current methodology, this information has been revised and adjusted.
2. The addition of 2 new plants at the end of 2020 (M&A NOVA EPS business) and the higher production of CPL, resulted in an increase in the total energy consumption for 2021 vs. 2020.
3. Carbon-free electricity is estimated based on the mix of renewable energy from the electricity grids of some countries. Carbon-free electricity includes nuclear energy.
4. According to CSA definition, renewable energy is generated through inexhaustible sources, excluding nuclear energy. iRECs are considered.

WATER MANAGEMENT

GRI: 303-1, 303-2 I **CSA S&P:** 2.4.1

Alpek has various water management strategies. It has water treatment plants on most sites to ensure that discharged water is of optimal quality. They measure quality parameters from a daily to monthly basis such as temperature, pH, Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Suspended Solids, among other pollutants. Approximately 75% of Alpek's withdrawals are dedicated to cooling processes, and this water is subsequently returned to its sources in compliance with applicable discharge quality standards.

WATER CONSUMPTION

GRI: 303-5 | **CSA S&P:** 2.4.2 | **SASB:** RT-CH-140a.1

Water Consumption	(Million m³)		
	2022	2023[1,2]	2024
Total Withdrawals	149.2	133.9	**140.4**
Total Discharges	93.8	113.8	**144.2**
Total Consumption	**55.4**	**20.2**	**-3.8**

1. The variation in consumption between 2024 & 2023 against 2022 is attributed to inconsistencies in the discharge measurement systems at certain plants.
2. Update based on number reassessment.

WATER WITHDRAWAL BY SOURCE

GRI: 303-3 | **CSA S&P:** 2.4.2 I **SASB:** RT-CH-140a.1

Water Withdrawal by Source	(Million m³)		
	2022	2023	2024
Fresh surface water, including rainwater, rivers, and lakes	141.7	126.9	**134.0**
Municipal Water	1.5	1.5	**1.5**
Brackish surface water	-	-	**0.0**
Groundwater – renewable	0.9	0.7	**0.5**
Groundwater - non-renewable	-	-	**0.0**
Produced/Entrained water	1.1	0.9	**1.0**
Third-party sources	4.1	3.9	**3.4**
Total	**149.2**	**133.9**	**140.4**

WATER DISCHARGE BY DESTINATION

GRI: 303-4 | **CSA S&P:** 2.4.2 I **SASB:** RT-CH-140a.1

Water Discharge by Destination	(Million m³)		
	2022	2023	2024
Fresh surface water	86.2	101.4	**132.6**
Brackish surface water	5.0	7.4	**6.8**
Groundwater	-	0.0	**0.0**
Third-party destinations	2.6	5.0	**4.8**
Total	**93.8**	**113.8**	**144.2**

WATER TREATMENT

Water Management	(Million Cubic Meters)		
	2022	2023	2024
Treated	93.3	90.8	**109.3**
Recycled	0.2	0.2	**0.1**
Total Treated water	**93.5**	**91.0**	**109.4**

WATER INTENSITY

Water Intensity	(m³/ Tons Produced)		
	2022	2023	2024
Total Withdrawals	23.9	24.4	**23.7**
Total Consumption	8.9	3.7	**-0.6**

WATER RISK MANAGEMENT

GRI: 303-1 I **CSA S&P:** 2.4.5, 2.4.6 I **SASB:** RT-CH-140a.1

Alpek diligently monitors the water risk across its sites using the WRI Aqueduct platform. Based on the analysis results, Alpek formulates strategies to reduce water consumption and withdrawals at these locations.

Water Risk Management	(Million m³)		
	2022	2023	2024
Operating Sites in Extremely High-Water Stress Areas (Number)	5	5	**4**
Water Withdrawals in Extremely High-Water Stress Operating Sites			
million cubic meters	1.0	0.6	**0.5**
% of total withdrawals	0.7%	0.4%	**0.37%**
Water Consumptions in Extremely High-Water Stress Operating Sites			
million cubic meters	0.4	0.2	**0.2**
% of total consumption	0.7%	1.0%	**-4.5%**

MATERIALS

GRI: 301-1 | CSA S&P: 2.7.4

Main Raw Materials Used by Weight	(Thousands of tons)		
	2022	2023	2024[1]
PTA	2,929	1,303	1,113
Paraxylene	1,690	1,391	1,464
MEG	1,009	993	997
Propylene	454	397	416
Styrene	405	329	350
Acetic Acid	82	83	97
Main Raw Materials	**6,569**	**4,496**	**4,437**

1. In 2024, 0.03% of the raw materials came from 100% renewable resources.

GREEN PRODUCTS

GRI: 301-2 I CSA S&P: 2.7.3

Green Products Input and Capacities	(Thousands of tons)		
	2022	2023	2024
Input (bottles)	121.7	145.3	150.5
Capacity- Bottle to Flake	268	268	268
Capacity- Flake to Pellet	137	169	169
Capacity- Pellet to Single Pellet	70	93	78
Capacity- rPET sheet	33	33	33

LOW CARBON & AVOIDED EMISSIONS

CSA S&P: 2.5.13

Alpek classifies the following products as low-carbon options: rPET, PET, and PET Sheet. These products exhibit minimal embedded emissions and contribute to the transition toward a low-carbon economy. Additionally, Alpek designates EPS for construction as an emissions-avoidance product. By leveraging its insulation properties, this product enables clients to reduce their environmental impact by minimizing greenhouse gas emissions associated with heating and cooling energy consumption in buildings and houses.

Low-Carbon & Avoided Emissions Products	%		
	2022[1]	2023[2]	2024[2]
% of total revenue	52%	61%	60%

1. Includes only rPET, PET and EPS for construction.
2. Includes rPET, PET, PET Sheet and EPS for construction.

LCAs

GRI: 416-1 I **CSA S&P:** 2.7.2

Life Cycle Assessment Approach	(% of Total Main Family Products[1])		
	2022	**2023**	**2024**
Full LCAs	9%	12%	**12%**
Simplified LCAs	6%	3%	**6%**
Other externally recognized tools (e.g. material flow accounting, ecological footprint, MIPS)	0%	0%	**0%**

1. Alpek has 33 main families' products across its business units

EXPOSURE TO HAZARDOUS SUBSTANCES

CSA S&P: 2.7.5 & 2.7.6

In 2024, Alpek enhanced its company-wide hazardous substances assessment, leveraging the ICCA Guidance on Chemical Risk Assessment as a reference. The assessment encompassed products accounting for 99.9% of the Company's total revenue.

- The assessment revealed that 12 products contain restricted substances in the Annex XVII REACH Regulation, representing 0.6% of Alpek's revenue.
- The assessment revealed that 5 products contain substances on the Candidate List of substances of very high concern (SBHC) for authorization above 0.1% by weight, representing 0.1% of Alpek's revenue.

To address this issue, Alpek is actively pursuing two innovative solutions aimed at eliminating hazardous substances from its products:

- Biosolvents
- Biosurfactants

PRODUCT DESIGN CRITERIA

GRI: 2-25 | **CSA S&P:** 2.7.1

Alpek's R&D teams are dedicated not only to improving existing products but also to innovating new ones that align with sustainable practices. The company's unwavering dedication to sustainability drives all R&D efforts, positioning Alpek at the forefront of environmentally responsible innovation.

When creating a new product, several key criteria are meticulously considered:

1. **Incorporation of Low Environmental Footprint Raw Materials:** Alpek prioritizes biodegradable and circular solutions as raw materials, aiming to minimize environmental impact.
2. **Resource Efficiency Across the Lifecycle:** From production to end use, Alpek ensures that its products are resource-efficient. This includes minimizing water and energy consumption as well as emissions.
3. **Optimized Value Chain Impact:** Alpek designs products with transportation, distribution, and storage efficiency in mind, reducing environmental impacts throughout the value chain.
4. **Circular Economy Focus:** Alpek emphasizes effective end-of-life management for its products, contributing to a circular economy.

A clear example of the application of this Product Design Criteria is the development of a Bio-fertilizer.

Design Criteria	Bio-fertilizer Development
Sustainable Raw Materials	Incorporates an active ingredient that captures CO_2 during its growth process and remains GHG-neutral after application, unlike synthetic fertilizers.
Resource-efficient Product	Achieves low GHG emissions, utilizes less equipment and human resources than a synthetic process and recirculates water.
Transportation, Distribution and Storage	Supplies nitrogen using 14% less material than Urea, reducing storage demands for customers. Comparing it to synthetic fertilizers, it requires lower capital expenditure to construct new production plants, enabling installation in high-demand areas closer to crops. This proximity eases distribution and minimizes emissions.
Fostering Circular Economy	Delivers a product that is 100% biodegradable.

GOVERNANCE

BOARD OF DIRECTORS COMPOSITION & INDEPENDENCE

GRI: 2-9, 405-1 | **CSA S&P:** 1.2.1, 1.2.5

Board of Directors Composition	(Number of Board Members)		
	2022	2023	2024
Female	2	3	3
Male	9	11	11
Total	11	14	14

Board of Directors Independence Composition	(Number of Board Members)		
	2022	2023	2024
Independent	5	8	8
Independent Proprietary	2	1	1
Related Proprietary	2	2	3
Patrimonial	2	3	2
Total	11	14	14
Audit and Corporate Practices Committee	3	3	3

BOARD OF DIRECTORS ATTENDANCE

CSA S&P: 1.2.6

Board of Directors Attendance	(% of Attendance)		
	2022	2023	2024
Board Meetings	98%	98%	96%
Audit and Corporate Practices Committee	92%	92%	100%

BOARD OF DIRECTORS TENURE

CSA S&P: 1.2.7

Board of Directors Tenure	(Board Members Distribution)		
	2022	2023	2024
10+	8	8	8
8-10	0	0	0
6-7	0	0	2
3-5	2	2	1
0-2	1	4	3

NON-EXECUTIVE BOARD MEMBER REMUNERATION

GRI: 2-19

Non-Executive Board Member Remuneration Total	($ Million MXN)		
	2022	2023	2024
Non-Executive Board Members	424	410	**410**

Non-Executive Remuneration / Committee Meeting	($ Thousand MXN)		
	2022	2023	2024
Board Meetings	70		
Mexican Residence or Nationality		115	**115**
Foreign Residence or Nationality ($ thousand USD)		15	**15**
Audit and Corporate Practices Committee	50	75	**75**

BOARD OF DIRECTORS BREAKDOWN

GRI: 2-9, 2-11 I **CSA S&P:** 1.2.2, 1.2.3, 1.2.6, 1.2.7

Name	Gender	Age (Years)	Tenure (Years)	Type (Independent, Related, Patrimonial)	Attendance Board Meetings	Attendance CPC[1]
Alejandro Mariano Werner	M	58	2	Independent	100%	-
Álvaro Fernández Garza (Chairman of the Board)	M	56	14	Related Propietary	100%	-
Ana Laura Magaloni Kerpel	F	61	3	Independent	100%	-
Andrés E. Garza Herrera (Member of Audit and CPC)	M	57	13	Independent	100%	100%
Armando Garza Sada	M	67	14	Related Propietary	100%	-
Cecilia Montserrat Ramiro Ximénez	F	52	2	Independent	100%	-
Enrique Zambrano Benítez (Chairman of Audit and CPC)	M	69	13	Independent	100%	100%
Francisco José Calderón Rojas (Member of Audit and CPC)	M	58	13	Independent Propietary	100%	100%
Jaime Zabludovsky Kuper	M	68	6	Independent	100%	-
José Antonio Rivero Larrea	M	72	7	Independent	80%	-
José de Jesús Valdez Simancas	M	72	2	Related Propietary	100%	-
Merici Garza Sada	F	66	13	Patrimonial	60%	-
Pierre Francis Haas García	M	73	13	Independent	100%	-
Rodrigo Fernández Martínez	M	49	13	Patrimonial	100%	-

1. CPC: Corporate Practices Committee

To ensure the effectiveness of Alpek's board of directors, internal guidelines dictate a minimum of 75% attendance for all board members during the year and the board itself is considered a one-tier system.

BOARD CODE OF ETHICS

GRI: 2-23

Alpek's Code of Ethics for the Board is periodically reviewed and revised, following the guidelines of the Mexican Stock Exchange's recommended code of professional ethics for all public companies participating in the stock market. This Code of Ethics adheres to strict global ethical principles and guides the actions of both the company and its individual board members. As the code of ethics is reliant on the country's market guideline, where the native language is Spanish, you will be able to find a copy of the Spanish version of the document in the following **link.**

BOARD OVERSIGHT

GRI: 2-12, 2-13, 2-14, 2-16

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

The Board and its Chairman oversee all relevant ESG-related progress, with the CEO leading the company's ESG strategy. Alpek's CFO, who also serves as the appointed Sustainability Officer, is responsible for the effective management and execution of the strategy across all business units.

To support this effort, the company has established an ESG Taskforce, managed by the Sustainability Officer, Sustainability Director, Senior Vice President of Human Capital, and the Presidents of all business units. The objective of this group is to determine and oversee ESG initiatives and metrics, identify and mitigate ESG risks, and align opportunities for the company's growth.

During Alpek's Board of Directors meetings, the management team presents progress on all strategic initiatives and objectives, including those impacting ESG priority issues. Examples include: Alpek's rPET capacity growth, efforts to foster a circular economy in collaboration with partners, tracking decarbonization goals, and innovation projects aimed at making processes and products across all business units more sustainable.

BOARD MEMBERS WITH CLIMATE OVERSIGHT/RESPONSIBILITY

GRI: 2-13, 2-17 | **CSA S&P:** 2.5.4, 2.5.5 I **CDP:** C1.1a

Position of individuals on the board with responsibility for climate-related issues	
Board Chair	Alpek's Chairman is independent of the management and has the highest authority on the board of directors to provide the vision, direction, and strategies for the company. Alpek's Chairman ensures that the business has a clear knowledge of its exposure to climate-related risks.
Board-Level Committee	Alpek's Audit & Corporate Practices Committee, appointed by the Board of Directors, consists of three independent members of the board and has the direct responsibility of supervising the effective strategies to address Climate Change issues and risks (including circular economy, energy eco-efficiency, and CO_2 emissions). The Committee is also in charge of financial and administrative issues and is evaluating the supervision of all other ESG-related matters.
Chief Executive Officer (CEO)	Alpek's CEO leads business continuity, opportunities, and impacts, and is actively involved in managing climate-related risks and opportunities. Alpek's CEO has has highlighted sustainability as a key growth pillar for the company. He has been a critical leader in enforcing ESG KPI goals throughout the organization and advocating for greater transparency and visibility. With a special focus on climate-related risks and opportunities, Alpek continues to pursue a sustainable future, with its CEO and top management leading efforts towards more sustainable operations.
Chief Financial Officer (CFO)	Alpek has appointed its CFO as the Sustainability Officer to implement and coordinate the company's ESG strategy. Additionally, the company has consolidated an ESG Taskforce, comprising top executives from each business unit. Together with the Sustainability Officer, the ESG Taskforce is responsible for establishing and overseeing environmental initiatives and metrics, identifying financial and other risks and opportunities, developing and implementing strategies, and gathering and analyzing information for reporting to Alpek's Board of Directors. The Innovation and Sustainability Departments, which report to the CFO, are continuously working on improving and developing products and solutions to enhance Alpek's sustainable portfolio and operations..

CLIMATE-RELATED MANAGEMENT INCENTIVES

GRI: 2-24 I **CSA S&P:** 2.5.6

As part of its annual company-wide target-setting activity, Alpek follows a top-down objective process where various KPIs are established for all business units and Executive Management. These KPIs are directly linked to potential monetary remuneration at the end of the year. The KPIs differ across businesses, covering priorities such as financial, operational, sales, safety, environmental, budget, and strategic projects.

Below is a table showcasing the types of KPIs related to Environmental, Social, or Governance that have been authorized for each individual's objectives and are in effect for 2024. All C-Suite objectives are reviewed and approved by Alpek's CEO, while the CEO's objectives are reviewed by the Company's Board of Directors.

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

1. Green cell denotes the person has at least one KPI related to sustainability which is tied to their end-of-year remuneration. These KPIs, among others, are then cascaded to all individual business units and senior teams.

CODE OF BUSINESS CONDUCT

GRI: 2-23 I **CSA S&P:** 1.5.2

Alpek's Code of Conduct is the main document that dictates the guidelines for all the company's and employees' behavior. This document is closely tied to policies on Human Rights and the Code of Ethics, to ensure proper attention to employee wellbeing. Please refer to the "Human Rights and Code of Ethics" section for further details that support the Code of Business Conduct.

INTEGRITY AND TRANSPARENCY HELPLINE (HUMAN RIGHTS & CODE OF CONDUCT)

GRI: 2-26, 406-1 | **CSA S&P:** 1.5.4, 1.5.5

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

Alfa and Alpek Policy Highlight

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

All business units are supported by the Alfa Integrity and Transparency Helpline

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

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

CEO COMPENSATION - SUCCESS METRICS

CSA S&P: 1.2.9

Short-term compensation for Alpek's CEO is measured through a formula that uses three multiplied factors to calculate the result at the end of the year. These factors are the following:

1) The number of months' salary - fixed
2) The company bonus factor (CBF)
3) The performance matrix considers the results of the strategic objectives set forth at the beginning of the year

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

The performance matrix considers Environmental, Social, and Governance objectives set at the beginning of the year and cascaded down to the rest of the executive level. Please reference above, in the climate-related management incentives section, for a clearer understanding of the ESG objectives for the CEO and each C-suite member.

CEO LONG-TERM PERFORMANCE ALIGNMENT

CSA S&P: 1.2.10

Salaries and benefits for all senior officers at Alpek include base salary, benefits, and variable compensation programs. Alpek has a stock plan for the CEO and top Executive Officers, under which awards are granted and payable over five years. The cash amounts payable during this period are based on quantitative and qualitative metrics such as financial results, the stock value of Alpek and Alfa, and executive tenure in the company, among others. The Board of Directors of Alfa has appointed a technical committee to manage the plan, which reviews the estimated cash settlement of this compensation at the end of each year.

MANAGEMENT OWNERSHIP

CSA S&P: 1.2.11, 1.2.12

Alpek does not have any specific stock ownership requirements, and none of its officers, nor its CEO, own more than 1% of Alpek's common shares.

DUAL-CLASS SHARES	There are no dual-class shares in the company.
STOCK SERIES AND RIGHTS	Alpek only have 1 series "A", all the shares have the same rights.

GOVERNMENT OWNERSHIP

CSA S&P: 1.2.13

There is no government ownership in Alpek. If any individual government officials hold shares, their ownership does not exceed 5%. Additionally, there are no golden shares in the company.

FAMILY OWNERSHIP

CSA S&P: 1.2.14

Alpek Shareholders meeting is held on April 1, 2025, the only Shareholder holding more than 5% of the shares representing the capital stock of Alpek is Controladora Alpek S.A.B. de C.V, with 82.09% of the total number of shares. To the best knowledge of Alpek, after due inquiry, no other Shareholder represents 5% or more of the total number of shares issued and outstanding, as of April 1, 2025.

BOARD STRUCTURE

GRI: 2-9, 2-10 | **CSA S&P:** 1.2.1, 1.2.2, 1.2.3

Alpek's Board oversees its responsible corporate citizenship, ensuring that its business conduct is ethical and properly governed. The company is comprised of a 1 tier system consisting of executive, non-executive and independent directors.

Board Members type | Independent "Board Independence Statement"

Alpek defines independent directors in accordance with the Mexican Security Law (article 29) and the code of corporate best practices published by the Mexican Securities Commission and the Mexican CEE (Advisory Corporate Council).

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

I. The relevant managers or employees of the company or of the legal entities that make up the business group or consortium to which it belongs, as well as the commissioners of the latter.

II. Have been an employee or manager of the company during the last twelve months prior to the date of his appointment.

III. Without being an employee or manager of the company, have significant influence[1] or power of command[2] over the managers of the same.

IV. Being an advisor to the company or partner or employee of firms that act as advisers or consultants to the company or its affiliates and whose income depends significantly[3] on this contractual relationship.

V. Clients, service providers, suppliers, debtors, creditors, partners, directors or employees of a company that is a client, service provider, supplier, debtor or major creditor[4]. It is considered that a client, service provider or supplier is important, when the company's sales represent more than ten percent of the total sales of the client, the service provider or the supplier, during the twelve months prior to the date of the appointment. Likewise, it is considered that a debtor or creditor is important when the amount of the credit is greater than fifteen percent of the assets of the company itself or of its counterpart.

VI. Being an employee of a foundation, university, civil association, or civil society that receives important donations from society[5].

VII. Being a General Director or high-level official of a company in whose board of directors the General Director or a high-level official of the company in question participates;

VIII. Those who are relative[6] or related by consanguinity, affinity, or civil up to the fourth degree, as well as the spouses, the common-law wife, and the common-law partner, of any of the natural persons referred to in sections I to IV of this article.

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

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

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

BOARD DIVERSITY

CSA S&P: 1.2.5

Regarding diversity on the Board, in early 2023, Alpek welcomed Montserrat Ramiro as a new independent member, following the previous year's addition of Dr. Ana Laura Magaloni. This addition helps prioritize and focus Alpek's business strategy with a sustainability outlook. Dr. Magaloni, a renowned lawyer with extensive knowledge of Human Rights and Diversity, Equity, and Inclusion (DEI), and Ms. Ramiro, an expert in energy and renewable sources with over 25 years of experience, bring valuable expertise to the Board. This action aligns with Alpek's commitment to diversifying the Board's scope and expertise and improving its composition and effectiveness. Currently, Alpek's Board of Directors is comprised of 21% female members.

BOARD EFFECTIVENESS

CSA S&P: 1.2.6

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

BOARD ELECTION PROCESS

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

Board Election Process Results	(% of Votes)	
	2022	2023
In favour	97.6%	96.2%
Abstention	0.8%	0.6%
Against	2.6%	3.3%

ORGANIZATION CONTRIBUTIONS

CSA S&P: 1.6.1, 1.6.2, 1.6.3

Alpek's Contributions and Other Spendings	($M USD)		
	2022	2023	2024
Interest representation / Stakeholder Engagement	0	0	**0**
Local, regional, or national political campaigns/ organizations /candidates	0	0	**0**
Trade associations or tax-exempt groups	1.92	1.47	**2.10**
Other	0	0	**0**
Total contributions ($USD)	**1.92**	**1.47**	**2.10**
Data Coverage (% of sites)	**100%**	**100%**	**100%**

POLITICAL INVOLVEMENT

GRI: 415-1 | **CSA S&P:** 1.6.1

Alpek does not make contributions from corporate funds to political campaigns, super political action committees, or political parties. The company ensures full transparency by publishing the aggregate dues paid to trade associations that engage in lobbying activities and lists trade associations to which it makes yearly payments of $5,000 or more.

The Government Affairs (GA) team regularly assesses and evaluates Alpek's relationships with all current trade associations to ensure alignment with the company's strategies and positions. The GA team actively participates in and communicates with trade associations to help shape their agendas and priorities (e.g., serving on trade associations' boards and committees) and to maintain real-time knowledge of their advocacy positions and policies.

Alpek does not participate in any political action or spending in the United States and focuses solely on engaging with governments for educational purposes.

MOST RELEVANT CONTRIBUTIONS

CSA S&P: 1.6.2

Support Sustainable Development of Chemical Industries

Alpek supports several institutions that promote sustainable economic and environmental development in the packaging and chemical industry across the countries where it currently operates. These contributions assist associations such as National Association for PET Container Resources, British Plastics Federation, Asociación Nacional de Ingeniería Química (ANIQ), among others. In 2024, Alpek has contributed nearly $950,000 USD.

Recycling and Circular Economy

Alpek strengthens its commitment to circularity by actively supporting various institutions, including the Recycling Partnership, Ecología y Compromiso Empresarial A. C. (ECOCE), Comisión de la Industria del Plástico, Responsabilidad y Desarrollo Sustentable in Mexico, and others. These institutions promote synergy among their members to enhance recycling systems, showcase emerging technologies for recycling, and foster the adoption of best recycling practices. In 2024, Alpek made a financial contribution of approximately $660,000 USD to organizations that support this matter.

COVERAGE

CSA S&P: 1.1.1

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

COVERAGE OF SOCIAL INDICATORS

Social Indicators	(% of Sites)		
	2022	2023	2024
Workforce	100%	100%	**100%**
Diversity, Equity, & Inclusion	NA	100%	**100%**
Human Capital Management			
Training & Development	NA	88%	**97%**
Human Capital Return on Investment	NA	100%	**100%**
Talent Attraction & Retention			
Employee Hiring	NA	97%	**94%**
Maternity & Paternity Leave Cases	NA	73%	**97%**
Employee Turnover Rate	NA	94%	**97%**
Employee Engagement Rate	NA	86%	**86%**
Freedom of Association	NA	100%	**100%**
Community Engagement	NA	91%	**100%**
Safety	100%	100%	**100%**
Human Rights & Code of Ethics	NA	100%	**100%**
Customer Satisfaction	NA	NA	**91%**

COVERAGE OF ENVIRONMENTAL INDICATORS

Environmental Indicators	(% of Sites)		
	2022	2023	2024
Biodiversity	NA	100%	**100%**
Emissions			
Reported Emissions (Scope 1 & Scope 2)	100%	100%	**100%**
Emissions Intensity	100%	100%	**100%**
Scope 3 emissions	100%	100%	**100%**
Other GHG Emissions except. COD	100%	100%	**100%**
Chemical Oxygen Demand	100%	83%	**100%**
Waste Management			
Non-hazardous Waste	100%	100%	**100%**
Hazardous Waste	100%	100%	**100%**
Energy			
Energy Consumption	100%	100%	**100%**
Energy Intensity	100%	100%	**100%**
Water Management	100%	100%	**100%**
Materials	100%	100%	**100%**
Production	100%	100%	**100%**

CERTIFICATIONS

CSA S&P: 2.1.3

Product	Location	Certification
PTA	Altamira, TS, Mexico	ISO 9001, ISO 14001, Clean Industry
	Columbia, SC, USA	SMETA, ISO 14001
	Ipojuca, PE, Brazil	ISO 9001, ISO 14001, Responsible Care, Eco Vadis
	Cosoleacaque, Ver, Mexico	ISO 9001, ISO 14001, Industria Limpia
PET Resin[1]	Columbia, SC, USA	ISO 9001, ISO 14001 BRCGS 6, SMETA
	Ipojuca, PE, Brazil	ISO 9001, ISO 14001, Responsible Care, FSSC 22000, Eco Vadis
	Bay St. Louis, MS, USA	ISO 9001, ISO 14001, BRCGS 6, SMETA
	Wilton, UK	ISO 9001, ISO 14001, EcoVadis, FSSC 22000
	Zárate, BA, Argentina	ISO 9001, SMETA, FSSC 22000
	Cosoleacaque, Ver, Mexico	ISO 9001, BRCGS 6, TCCC SGP
	Fayetteville, NC, USA	ISO 9001, BRCGS 6, ISO 14001
	Montréal, Québec, Canada	FSSC 22000, SMETA
	Salalah, Oman	ISO 9001, ISO 14001, ISO 45001, ISO 17025
PET Sheet	Salalah, Oman	ISO 9001, ISO 14001, ISO 45001, ISO 17025, BRCGS 6, Halal, Kosher
	Cincinnati, OH, United States	-
PET Packaging	Riyadh, Saudi Arabia	ISO 9001, BRCGS 6
rPET	Pacheco, BA, Argentina	SMETA
	Fayetteville, NC, USA	SMETA, UL 2809
	Richmond, IN, USA	SMETA, UL2809, ISO 14001
	Reading, PA, USA	UL 2809

Product	Location	Certification
PP	Altamira, TS, Mexico	ISO 9001, ISO 14001, Clean Industry, Responsible Care, ESR, GEI, EcoVadis Bronze
EPS	Altamira, TS, Mexico	ISO 9001, UL GreenGuard Cert., FM approved, ICC ES. Responsabilidad Integral, Gestión de crisis ALFA, International Sustainability & Carbon Certification (ISCC Plus), ISO 14001, SCS (Recycled Content Standard)
	Monaca, Pennsylvania, USA	ISO 9001, ISO 14001, Factory Mutual (FM) Approvals; UL/ICC-ES, International Sustainability & Carbon Certification (ISCC Plus)
	Guarantinguetá, SP, Brazil	ISO 9001
	Painesville, OH, USA	ISO 9001, ISO 14001, Factory Mutual (FM) Approvals; UL/ICC-ES
	Concón, Valpo, Chile	ISO 9001, HACCP
	Gral. Lagos, SF, Argentina	ISO 9001
ARCEL®	Monaca, Pennsylvania, USA	ISO 9001, ISO 14001
Molded EPS	Santiago, RM, Chile	ISO 9001, PEC, SEDEX
	Puerto Montt, Lagos, Chile	ISO 9001, BRCGS 6
	Punta Arenas, Patagonia, Chile	-
Other Chemicals	Lerma, MC, Mexico	ISO 9001, Sistemas de Gestión de Calidad Sistema de Administración de Responsabilidad Integral OEA, C-TPAT

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

GRI Index

STATEMENT OF USE	Alpek, S.A.B. de C.V. has reported the information cited in this GRI content index for the period from January 1st to December 31, 2024 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
GRI 2: GENERAL DISCLOSURES 2021				
2-1	Organizational details	ALPEK S.A.B de C.V. Page 7.		
2-2	Entities included in the organization's sustainability reporting	All financial-controlled entities. Pages 3 and 75.		
2-3	Reporting period, frequency and contact point	The period covered is Jan 1st to Dec 31st 2024. Alpek publishes its report annually. Contact: mcoindreau@alpek.com Page 75.		
2-4	Restatements of information	Any restatement of information is indicated throughout the report. Page 75.		
2-5	External assurance	Some key sustainability data is in the process of being assured by an external party, the letter of assurance will be reported once available.		
2-6	Activities, value chain and other business relationships	Pages 7, 14 and 50.		
2-7	Employees	Pages 80, 82 and 83.	Diversity, Equity and Inclusion	
2-8	Workers who are not employees	Not applicable. Alpek does not have workers who are not employed formally by the Company.		

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
2-9	Governance structure and composition	Pages 21, 23, 110, 111 and 116.	Sustainable Corporate Governance	
2-10	Nomination and selection of the highest governance body	The Board of Directors of Alpek is currently composed of 14 members, all of them appointed as full-fledged directors, with no alternate directors in place. The current directors were elected for the year 2024 at the Annual General Shareholders' Meeting that took place on March 7th of that same year. The members of the Board of Directors are chosen based on their professionalism, business trajectory, leadership, experience and alignment with Alpek's values. No distinction is made for diversity factors such as gender, race, nationality and / or personal beliefs. Pages 21 and 116.	Sustainable Corporate Governance	
2-11	Chair of the highest governance body	Pages 21, 23 and 111.		
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 21, 22 and 112.	Sustainable Corporate Governance ESG Risk and Impact Management	Goal 17: Partnerships for the goals
2-13	Delegation of responsibility for managing impacts	Pages 21, 22, 112 and 113.	Sustainable Corporate Governance ESG Risk and Impact Management	Goal 17: Partnerships for the goals
2-14	Role of the highest governance body in sustainability reporting	Page 112.	Sustainable Corporate Governance ESG Risk and Impact Management	

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
2-15	Conflicts of interest	Alpek has a Conflict of Interest policy for the members of the Board of Directors and for its employees. This establishes that the responsibilities and duties of the members of the Board are governed by the Mexican Securities Market Law (LMV), applicable in Mexico to securities issuers, considering the Code of Professional Ethics of the Mexican Stock Market Community, the Code of Best Corporate Practices, and the internal regulations of the Mexican Stock Exchange. In accordance with the LMV, the members of the Board have a duty of diligence, so they must always act in good faith in the best interest of the company. They must keep confidentiality with respect to information and / or public matters of the company, as well as refrain from participating and being present in the deliberation and voting on matters that represent a conflict of interest. By policy, those members of the Board who may have a conflict of interest in the decision on any matter, must inform the Chairman and the other members, as well as refrain from participating in the discussion and exercising their vote at the meetings. In the case of employees, Alpek's policy states that they should avoid any situation in which their interests differ from those of the company. All employees who may have interests or relationships with current or potential suppliers or customers should inform their immediate supervisor. Page 22.	Sustainable Corporate Governance	
2-16	Communication of critical concerns	Page 112.	Sustainable Corporate Governance	
2-17	Collective knowledge of the highest governance body	Each year, the learning dynamic within Alpek is strengthened in all areas of the company, including Alpek's management team. Alpek aims to continue with this practice, improving in every ESG area. Pages 23 and 113.		

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
2-18	Evaluation of the performance of the highest governance body	There are several evaluation methods for directors that measure various factors: attendance to meetings of the Board and the committees to which they belong, up to their participation in the deliberations and the effectiveness of the strategic decisions taken.	Sustainable Corporate Governance	
2-19	Remunearation Policies	Page 111.		
2-20	Process to determine remuneration	This information is confidential for safety reasons.		
2-21	Annual total compensation ratio	This information is confidential for safety reasons.		
2-22	Statement on sustainable development strategy	Page 3 and 29.	ESG Risk and Impact Management	
2-23	Policy commitments	Pages 32, 35, 36, 37, 45, 46, 112 and 114.	ESG Risk and Impact Management	
2-24	Embedding policy commitments	Pages 32, 35, 45, 46 and 113. Supplementary Sustainability Performance Report.	ESG Risk and Impact Management	
2-25	Processes to remediate negative impacts	Pages 45, 46, 59 and 109.	ESG Risk and Impact Management	
2-26	Mechanisms for seeking advice and raising concerns	Pages 46, 96 and 114.	ESG Risk and Impact Management	
2-27	Compliance with laws and regulations	Alpek complies strictly with all laws and regulations that pertain to its industry. Pages 17, 96 and 97.	Compliance and Transparency	
2-28	Membership in associations	Pages 19 and 90.	Compliance and Transparency	
2-29	Approach to stakeholder engagement	Pages 19 and 33.	ESG Risk and Impact Management	
2-30	Collective bargaining agreements	Page 89.	Human Rights	

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
GRI 3 Material Topics 2021				
3-1	Process to determine material topics	Page 33.	Sustainable Corporate Governance ESG Risk and Impact Management	
3-2	List of material topics	Pages 34 and 76.	ESG Risk and Impact Management	
3-3	Management of material topics	Pages 76 and 78.	ESG Risk and Impact Management	
GRI 200: ECONOMIC STANDARDS				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Pages 12, 29 and 48.		Goal 2: Zero Hunger Goal 5: Gender equality Goal 7: Affordable and clean energy Goal 8: Decent work and economic growth Goal 9: Industry, innovation and infrastructure
201-2	Financial implications and other risks & opportunities due to climate change	Pages 28, 29, 30 and 77. Supplementary Sustainability Performance Report.	Climate Change Strategy	Goal 13: Climate action
201-3	Defined benefit plan obligations and other retirement plans	The pension plans, support for education and medical assistance are available to 100% of Alpek's employees. The pension system is a fixed contribution plan to which the company and employees contribute the same amount, which ranges from 4 to 17% of the employee's total salary and varies according to applicable labor regulations. The resources to cover these benefits are covered 100% by the company. Indelpro: Started in 2007 a fund called "grow" by 4%. Alpek Polyester: Started in 2007 a program through "Skandia" where the company considers a 4% of the base salary. Polioles: Started in 2007 a fund with "Skandia" and is a contribution between 4% to 13.44%.	Occupational Safety	Goal 8: Decent work and economic growth

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
201-4	Financial assistance received from government	Alpek does not receive any financial aid from governments.		
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Country Minimum wage ratio - Alpek vs. legal minimum wage: Mexico 1.17 to 1, United States 2.11 to 1.	Diversity, Equity and Inclusion	Goal 5: Gender equality
202-2	Proportion of senior management hired from the local community	Approximately 90% of managers come from the same community where the operation is located.	Social Impact	Goal 8: Decent work and economic growth
GRI 204: Procurement Process 2016				
204-1	Proportion of spending on local suppliers	Approximately 33% of Alpek's volume comes from local supply.	Value Chain Management	Goal 12: Responsible consumption and production
GRI 205: Anti-Corruption 2016				
205-1	Operations assessed for risks related to corruption	All of Alpek's plants.	ESG Risk and Impact Management	Goal 16: Peace, justice and strong institutions
205-3	Confirmed incidents of corruption and actions taken	Page 96.	ESG Risk and Impact Management	Goal 16: Peace, justice and strong institutions
GRI 206: Anti-Competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2024 there was no legal action against Alpek related to this aspect.		Goal 16: Peace, justice and strong institutions

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
GRI 300: ENVIRONMENTAL STANDARDS				
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	Page 107.	Circularity and Product Responsibility	Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production
301-2	Recycled input materials used	Pages 60 and 107.	Circularity and Product Responsibility Innovation and Sustainable Development	Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production
301-3	Reclaimed products and their packaging materials	Page 56. Please refer to External Productive Waste concept.	Circularity and Product Responsibility Environmental Management	Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Pages 55 and 104.	Climate Change Strategy	Goal 13: Climate Action
302-3	Energy intensity	Pages 55 and 104.	Climate Change Strategy	Goal 13: Climate action
302-4	Reduction of energy consumption	Page 55 and 104.	Climate Change Strategy	Goal 13: Climate action
GRI 303: Water and effluents 2018				
303-1	Interactions with water as a shared resource	Alpek collaborates with authorities and complies with water-related regulations in all operations. Pages 58, 105 and 106.	Water Management Environmental Management	Goal 6: Clean water and sanitation

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
303-2	Management of water discharge-related impacts	Pages 58 and 105.	Water Management	Goal 6: Clean water and sanitation
303-3	Water withdrawal	Page 58 and 105.	Water Management	Goal 6: Clean water and sanitation
303-4	Water discharge	Page 106.	Water Management	Goal 6: Clean water and sanitation
303-5	Water consumption	Page 105.	Water Management	Goal 6: Clean water and sanitation
GRI 101: Biodiversity 2021				
101-1	Policies to halt and reverse biodiversity loss	Certain Alpek operations are located close to areas of high biodiversity. In the United States, Columbia plant is located 24 km from the Congaree National Park, while the Zárate plant in Argentina, is less than 25 km from the Paraná Delta Biosphere Reserve. Given that these are high-value areas for water and biodiversity, these facilities implement activities that contribute to water conservation and nearby habitats, such as funding habitat recovery and giving talks on species conservation. Biodiversity care is included in our Environmental Management Policy.	Environmental Management	Goal 6: Clean water and sanitation Goal 14: Life below water Goal 15: Life on land
101-2	Management of biodiversity impacts	Pages 57 and 98. Supplementary Sustainabiblity Perfromance Report.	Environmental Management	Goal 6: Clean water and sanitation Goal 14: Life below water Goal 15: Life on land
101-4	Identification of biodiversity impacts	Pages 57 and 98. Supplementary Sustainabiblity Perfromance Report.	Environmental Management	Goal 6: Clean water and sanitation Goal 14: Life below water Goal 15: Life on land
101-5	Locations with biodiversity impacts	Pages 57 and 98. Supplementary Sustainabiblity Perfromance Report.	Environmental Management	Goal 6: Clean water and sanitation Goal 14: Life below water Goal 15: Life on land

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
101-6	Direct drivers of biodiversity loss	Pages 57 and 98. Supplementary Sustainabiblity Perfromance Report.	Environmental Management	Goal 6: Clean water and sanitation Goal 14: Life below water Goal 15: Life on land
101-7	Changes to the state of biodiversity	Pages 57 and 98. Supplementary Sustainabiblity Perfromance Report.	Environmental Management	Goal 6: Clean water and sanitation Goal 14: Life below water Goal 15: Life on land
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Pages 55 and 99.	Climate Change Strategy	Goal 13: Climate action
305-2	Energy indirect (Scope 2) GHG emissions	Pages 55 and 99.	Climate Change Strategy	Goal 13: Climate action
305-3	Other indirect (Scope 3) GHG emissions	Pages 99 and 100.	Climate Change Strategy	Goal 13: Climate action
305-4	GHG emissions intensity	Pages 55 and 99.	Climate Change Strategy	Goal 13: Climate action
305-5	Reduction of GHG emissions	Pages 53, 55 and 99.	Climate Change Strategy	Goal 13: Climate action
305-6	Emissions of ozone-depleting substances (ODS)	Alpek does not emit these substances.	Climate Change Strategy	Goal 13: Climate action
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Page 100.	Climate Change Strategy	Goal 13: Climate action
GRI 306 Waste 2020				
306-1	Waste generation and significant waste-related impacts	Page 56.	Circularity and Product Responsibility	Goal 12: Responsible consumption and production

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
306-2	Management of significant waste-related impacts	Pages 56 and 59.	Circularity and Product Responsibility	Goal 12: Responsible consumption and production
306-3	Waste generated	Pages 56, 102 and 103.		
306-4	Waste diverted from disposal	Page 102.	Circularity and Product Responsibility	Goal 12: Responsible consumption and production
306-5	Waste directed to disposal	Page 102.	Circularity and Product Responsibility	Goal 12: Responsible consumption and production
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	Pages 50 and 51.	Value Chain Management	Goal 12: Responsible consumption and production Goal 13: Climate Action
GRI 400: SOCIAL STANDARDS				
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Pages 86, 87 and 88.		Goal 5: Gender equality Goal 8: Decent work and economic growth
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Non-management workers have bonuses, vacation bonuses, pantry bonuses, savings funds, recognition for years of service, and pension plan. Temporary and part-time employees do not have the pension plan. Pages 40 and 41.		Goal 8: Decent work and economic growth
401-3	Parental leave	Page 87.		Goal 5: Gender equality Goal 8: Decent work and economic growth

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
		GRI 402: Labor / Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	The minimum term is two weeks.		Goal 8: Decent work and economic growth
		GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	All Alpek's plants have certifications in health and safety management systems, according to the health and safety regulations of their countries. Pages 44 and 92.	Occupational Safety	Goal 8: Decent work and economic growth
403-2	Hazard identification, risk assessment, and incident investigation	In accordance with the established management systems, the appropriate risk identification procedure is carried out at each plant. For direct workers, some of these actions are: start the day with the identification that the safety equipment is complete and in optimal conditions; Walk through the plant for risk identification; Documented procedures on how to act if one is detected; Review Checklist (Pause, Think, Act). For indirect workers who are at its facilities, the same applies, in addition to having evaluations that Alpek performs on their employers so that they provide adequate safety measures. Not all plants carry out this exercise with indirect workers. All workers must report the incident or risk immediately to take corrective action. Page 92.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-3	Occupational health services	Alpek is committed to safeguarding employee well-being and workplace safety through comprehensive occupational health services. These include regular medical check-ups, assistance programs, and on-site medical specialists, with a strong focus on preventive care and compliance with industry best practices. While internal records are maintained, Alpek is actively working to standardize its data collection processes to enhance consistency and comparability.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
403-4	Worker participation, consultation, and communication on occupational health and safety	Workers have various means of communication to convey any concern or need in occupational health and safety issues. No worker starts working at the plant if he does not take an induction course for his job and the risks that it may have.	Occupational Safety	Goal 8: Decent work and economic growth
403-5	Worker training on occupational health and safety	Page 44.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-6	Promotion of worker health	Alpek promotes employee health and well-being through a range of initiatives, including wellness programs, health fairs, educational sessions, and awareness campaigns, with a particular emphasis on women's health. These initiatives are continuously monitored to assess their impact; however, detailed quantitative data is not included in this report.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 92 and 94.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-8	Workers covered by an occupational health and safety management system	100% of Alpek's employees are covered by its plans established in the health and safety systems. Page 92.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-9	Work-related injuries	Page 44, 92, 93 and 94.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth
403-10	Work-related ill health	Pages 93 and 94.	Occupational Safety	Goal 3: Good health and well-being Goal 8: Decent work and economic growth

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
		GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 85.		Goal 4: Quality education Goal 5: Gender equality Goal 8: Decent work and economic growth
404-2	Programs for upgrading employee skills and transition assistance programs	Page 40.		Goal 8: Decent work and economic growth
404-3	Percentage of employees receiving regular performance and career development reviews	As highlighted in the "Alpek's Team" section (page 40), the company fosters professional growth through structured performance and career development reviews as part of its talent management strategy. While approximately 60% of employees receive some form of review annually, variations in review types prevent precise reporting at this time. Alpek remains committed to refining its tracking mechanisms to provide more accurate data in the future.		Goal 5: Gender equality
		GRI 405: Diversity and Equal Opportunities 2016		
405-1	Diversity of governance bodies and employees	Pages 42, 80, 83, 84 and 110.	Diversity, Equity and Inclusion	Goal 5: Gender equality
405-2	Ratio of basic salary and remuneration of women to men	Pages 42 and 43.	Diversity, Equity and Inclusion	Goal 5: Gender equality
		GRI 406: Non-Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Pages 96 and 114.		Goal 5: Gender equality Goal 16: Peace, justice and strong institutions

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
		GRI 407: Freedom of Associations and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Alpek has not identified any supplier or operation with this risk.	Value Chain Management	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions
		GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor.	Alpek has not identified any supplier or operation with this risk.	Value Chain Management	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions
		GRI 409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Alpek has not identified any supplier or operation with this risk.	Value Chain Management	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions
		GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Alpek does not currently conduct trainings in human rights policies.	Human Rights	Goal 8: Decent work and economic growth Goal 16: Peace, justice and strong institutions
		GRI 411: Rights of Indigenous People 2016		
411-1	Incidents of violations involving rights of indigenous people	In 2024, there were no incidents or violations related to indigenous people.	Social Impact	

Standard #	Standard	Answer/Location	Material Aspect	SDG 2030
		GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	A majority of Alpek's operations have its own local community engagement programs and processes. However, Alpek is currently working on developing an engagement policy at the corporate level so its entire operations have the necessary guidelines to build a successful relationship with their communities. Page 48.	Social Impact	Goal 17: Partnerships for the goals
		GRI 415: Public Policy 2016		
415-1	Political contributions	Alpek does not grant contributions to parties or political representatives. Page 118.		Goal 16: Peace, justice and strong institutions
		GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Page 108.	Value Chain Management	Goal 16: Peace, justice and strong institutions
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2024 there were no cases of non-compliance with this concept.	Value Chain Management	Goal 16: Peace, justice and strong institutions
		GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	In 2024 there were no claims related to the violation of privacy or customer data breaches.	Value Chain Management Cybersecurity	Goal 16: Peace, justice and strong institutions

Consolidated Financial Statements

As of and for the Years Ended December 31, 2024, 2023 and 2022,
and Independent Auditors' Report Dated January 31, 2025.

Independent Auditors' Report to the Board of Directors and Stockholders of Alpek, S. A. B. de C. V. and Subsidiaries

(Figures in millions of Mexican pesos "$" and millions of U.S. dollars "US$")

Opinion

We have audited the consolidated financial statements of Alpek, S. A. B. de C. V. and Subsidiaries ("Alpek" or the "Company"), which comprise the consolidated statements of financial position as of December 31, 2024, 2023 and 2022, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Alpek, S. A. B. de C. V. and Subsidiaries as of December 31, 2024, 2023 and 2022, and their consolidated financial performance and consolidated cash flows for the years then ended, in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the Code of Ethics issued by the Mexican Institute of Public Accountants ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and with the IMCP Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The accompanying consolidated financial statements have been translated from Spanish to English for the convenience of readers.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matter described below is the key audit matter that should be reported in our report.

Recognition of revenue in subsidiaries

The amount of the Company's revenue has a high degree of dependence on the adequacy of management's assessment regarding the point in time when control of the goods is considered to have been transferred to its customers, which is highly related to the contractually agreed-upon terms of sale, said terms vary among Alpek's subsidiaries.

Due to the significance of the evaluation that the Company's management must perform at each reporting period to identify the moment when the performance obligation is satisfied for revenue recognition, we consider this to represent a key audit matter.

How our audit addressed this key audit matter:

To carry out audit procedures that mitigate the identified risk in a reasonable manner, we include, among others, the following procedures:

- We identified and assessed the risks of material misstatement related to revenue recognition, including the risk of fraud.
- We tested design and implementation, as well as operating effectiveness of relevant controls that mitigate the risks.
- We determined the scope for subsidiaries aiming to of reduce the risk to an acceptably low level.
- We designed and performed substantive tests of details and substantive analytical procedures.
- We directed, supervised, and reviewed the work of component auditors.
- We reviewed compliance with the presentation and disclosure requirements set forth in the accounting standard IFRS 15, *Revenue from Contracts with Customers.*

The results of our procedures were satisfactory.

Information other than the consolidated financial statements and auditor's report thereon

The Company's management is responsible for the additional information presented. Additional information includes: i) the information incorporated in the annual report that the Company is required to prepare in accordance with Article 33, section I, subsection b) of Title Four, Chapter One of the General Provisions Applicable to Issuers and other Participants of the Stock Market in México and the Instructions that accompany these provisions (the "Provisions"), which is expected that the Annual Stock Exchange Filling and the annual report to be available for reading after the date of this audit report; and ii) other additional information, which is a measure that is not required by IFRS Accounting Standards of accounting, and has been incorporated for the purpose of providing additional explanation to its investors and main readers of its consolidated financial statements to evaluate the performance of each of the operating segments and other indicators on the capacity to meet obligations regarding the earnings before interest, taxes, depreciation, amortization and non-current asset impairment ("adjusted EBITDA") of the Company; this information is presented in Note 29.

Our opinion of the consolidated financial statements will not cover the additional information and we will not express any form of assurance about it.

In connection with our audit of the consolidated financial statements, our responsibility will be to read the additional information, when it becomes available, and when we do so, to consider whether the additional information contained therein is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or appears to contain a material misstatement. When we read the Annual Report, we will issue the declaration on its reading, required in Article 33, Section I, subsection b) number 1.2 of the Provisions. Also, and in connection with our audit of the consolidated financial statements, our responsibility is to read and recalculate the additional information, which in this case is the measure not required by IFRS Accounting Standards of accounting, and in doing so, consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the additional information; we would be required to report that fact. As of the date of this report, we have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards of accounting issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those responsible with Company´s governance are responsible for overseeing the Company's consolidated financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Plan and perform the group audit to obtain sufficient audit evidence regarding the financial information of the entities or business units within Alpek as a basis for forming an opinion on the group's financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of Alpek's group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance in the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance in the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance in the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Affiliate of a member firm of Deloitte Touche Tohmatsu Limited

C. P. C. JESÚS ISRAEL ALMAGUER GÁMEZ

Monterrey, Nuevo León, México
January 31, 2025

Consolidated Statements of Financial Position

As of December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	Note	2024	2023	2022
Assets				
Current assets:				
Cash and cash equivalents	6	$ 6,216	$ 7,391	$ 6,319
Restricted cash	6	386	8	193
Trade and other accounts receivable, net	7	18,431	17,473	23,248
Inventories	8	28,244	23,322	33,893
Derivative financial instruments	4	10	86	7
Prepayments	9	885	744	765
Total current assets		54,172	49,024	64,425
Non-current assets:				
Restricted cash	6	-	314	360
Property, plant and equipment, net	10	46,317	40,952	48,451
Right-of-use asset, net	11	3,737	3,170	3,452
Goodwill and intangible assets, net	12	3,675	3,494	4,425
Deferred income taxes	20	4,140	1,334	1,709
Derivative financial instruments	4	5	9	3
Prepayments	9	12	6	7
Investments accounted for using the equity method and other non-current assets	13	4,659	4,381	13,987
Total non-current assets		62,545	53,660	72,394
Total assets		$ 116,717	$ 102,684	$ 136,819

	Note	2024	2023	2022
Liabilities and Stockholders' Equity				
Current liabilities:				
Debt	16	$ 1,636	$ 689	$ 7,712
Lease liability	17	944	701	821
Trade and other accounts payable	15	31,336	27,129	31,985
Income taxes payable	20	433	390	1,410
Derivative financial instruments	4	802	253	1,220
Provisions	18	199	749	794
Total current liabilities		35,350	29,911	43,942
Non-current liabilities:				
Debt	16	38,934	32,648	31,369
Lease liability	17	3,160	2,755	2,803
Derivative financial instruments	4	37	12	21
Provisions	18	1,651	739	1,060
Deferred income taxes	20	3,075	2,024	3,845
Employee benefits	19	854	880	1,025
Other non-current liabilities	21	151	493	560
Total non-current liabilities		47,862	39,551	40,683
Total liabilities		83,212	69,462	84,625
Stockholders' equity				
Controlling interest:				
Capital stock	22	6,019	6,019	6,021
Share premium		8,908	8,909	8,917
Retained earnings		13,777	17,298	31,032
Other reserves		(451)	(3,534)	933
Total controlling interest		28,253	28,692	46,903
Non-controlling interest	14	5,252	4,530	5,291
Total stockholders' equity		33,505	33,222	52,194
Total liabilities and stockholders' equity		$ 116,717	$ 102,684	$ 136,819

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos, except for earnings (losses) per share amounts

	Note	2024	2023	2022
Revenues	29	$ 137,409	$ 138,159	$ 212,435
Cost of sales	24	(125,721)	(127,863)	(181,401)
Gross profit		11,688	10,296	31,034
Selling expenses	24	(2,012)	(2,132)	(3,144)
Administrative expenses	24	(3,997)	(3,718)	(3,799)
Other (loss) income, net	25	(509)	(10,883)	448
Operating income (loss)		5,170	(6,437)	24,539
Financial income	26	869	1,317	922
Financial expenses	26	(4,449)	(3,982)	(3,224)
Loss due to exchange fluctuation, net	26	(2,340)	(3)	(695)
Financial result, net		(5,920)	(2,668)	(2,997)
Equity in loss of associates and joint ventures recognized using the equity method		(44)	(201)	(67)
(Loss) income before taxes		(794)	(9,306)	21,475
Income taxes	20	582	(727)	(5,509)
Net consolidated (loss) income		$ (212)	$ (10,033)	$ 15,966
(Loss) income attributable to:				
Controlling interest		$ (765)	$ (10,914)	$ 13,744
Non-controlling interest		553	881	2,222
		$ (212)	$ (10,033)	$ 15,966
(Losses) earnings per basic and diluted share, in Mexican pesos		$ (0.36)	$ (5.18)	$ 6.52
Weighted average outstanding shares (millions of shares)		2,107	2,107	2,108

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	Note		2024		2023		2022
Net consolidated (loss) income		$	(212)	$	(10,033)	$	15,966
Other comprehensive (loss) income for the year:							
Items that will not be reclassified to the statement of income:							
Remeasurement of employee benefit obligations, net of taxes	19, 20		98		5		(19)
Items that will be reclassified to the statement of income:							
Equity in other comprehensive income of associates and joint ventures recognized through the equity method			1		(1)		1
Effect of derivative financial instruments designated as cash flow hedges, net of taxes	4, 20		(452)		765		(855)
Translation effect of foreign entities	4, 20		4,345		(5,923)		(2,652)
Total other comprehensive (loss) income for the year			3,992		(5,154)		(3,525)
Consolidated comprehensive (loss) income		$	3,780	$	(15,187)	$	12,441
Attributable to:							
Controlling interest		$	2,318	$	(15,381)	$	10,556
Non-controlling interest			1,462		194		1,885
Comprehensive (loss) income for the year		$	3,780	$	(15,187)	$	12,441

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	Capital stock	Share premium	Retained earnings	Other reserves	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balance as of January 1, 2022	$ 6,028	$ 8,976	$ 24,591	$ 4,121	$ 43,716	$ 5,870	$ 49,586
Net income	-	-	13,744	-	13,744	2,222	15,966
Total other comprehensive loss for the year	-	-	-	(3,188)	(3,188)	(337)	(3,525)
Comprehensive income	-	-	13,744	(3,188)	10,556	1,885	12,441
Dividends declared	-	-	(7,515)	-	(7,515)	(2,464)	(9,979)
Reissuance of shares	19	161	-	-	180	-	180
Repurchase of shares	(26)	(220)	-	-	(246)	-	(246)
Other	-	-	212	-	212	-	212
Balance as of December 31, 2022	6,021	8,917	31,032	933	46,903	5,291	52,194
Net loss	-	-	(10,914)	-	(10,914)	881	(10,033)
Total other comprehensive loss for the year	-	-	-	(4,467)	(4,467)	(687)	(5,154)
Comprehensive loss	-	-	(10,914)	(4,467)	(15,381)	194	(15,187)
Dividends declared	-	-	(2,866)	-	(2,866)	(955)	(3,821)
Reissuance of shares	36	176	-	-	212	-	212
Repurchase of shares	(38)	(184)	-	-	(222)	-	(222)
Other	-	-	46	-	46	-	46
Balance as of December 31, 2023	6,019	8,909	17,298	(3,534)	28,692	4,530	33,222
Net loss	-	-	(765)	-	(765)	553	(212)
Total other comprehensive loss for the year	-	-	-	3,083	3,083	909	3,992
Comprehensive loss	-	-	(765)	3,083	2,318	1,462	3,780
Dividends declared	-	-	(2,634)	-	(2,634)	(776)	(3,410)
Reissuance of shares	31	108	-	-	139	-	139
Repurchase of shares	(31)	(109)	-	-	(140)	-	(140)
Other	-	-	(122)	-	(122)	36	(86)
Balance as of December 31, 2024	$ 6,019	$ 8,908	$ 13,777	$ (451)	$ 28,253	$ 5,252	$ 33,505

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

For the years ended December 31, 2024, 2023 and 2022
In millions of Mexican pesos

	2024	2023	2022
Cash flows from operating activities			
(Loss) income before income taxes	$ (794)	$ (9,306)	$ 21,475
Depreciation and amortization	4,767	4,619	4,639
Impairment of long-lived assets	1,791	11,078	246
Allowance for doubtful accounts	(17)	(101)	(163)
Financial result, net	4,678	2,007	2,699
Gain on business combinations	(47)	-	(425)
(Gain) loss on sale of property, plant and equipment	(27)	66	74
Statutory employee profit sharing, provisions and other items	(403)	2,247	764
Subtotal	9,948	10,610	29,309
Movements in working capital			
(Increase) decrease in trade receivables and other assets	2,910	(2,107)	365
Decrease (increase) in inventories	(2,482)	6,623	(5,525)
Increase (decrease) in trade and other accounts payable	(2,746)	4,296	(3,218)
Income taxes paid	(1,372)	(4,398)	(5,721)
Net cash flows generated from operating activities	6,258	15,024	15,210
Cash flows from investing activities			
Interest collected	670	1,258	511
Cash flows in acquisition of property, plant and equipment	(2,016)	(2,501)	(3,068)
Cash flows in sale of property, plant and equipment	61	13	93
Cash flows in acquisition of intangible assets	(18)	(40)	(11)
Cash flows in business acquisition, net of cash acquired	1	(512)	(10,198)
Cash flows paid in investment in associates and joint ventures	(250)	(1,925)	(831)
Loans granted to related parties	(216)	(65)	-
Notes receivable	(67)	-	(35)
Collection of notes	128	273	883
Restricted cash	1	179	(252)
Net cash flows used in investing activities	(1,706)	(3,320)	(12,908)
Cash flows from financing activities			
Proceeds from debt	16,470	36,732	15,600
Payments of debt	(15,966)	(37,104)	(7,474)
Lease payments	(1,269)	(1,170)	(1,109)
Interest paid	(2,595)	(3,059)	(2,541)
Dividends paid by Alpek, S. A. B. de C. V.	(2,537)	(2,966)	(7,443)
Dividends paid by subsidiaries to non-controlling interest	(776)	(955)	(2,464)
Repurchase of shares	(140)	(222)	(246)
Reissuance of shares	139	212	180
Loan payments to related parties and others	-	-	(118)
Net cash flows used in financing activities	(6,674)	(8,532)	(5,615)
(Decrease) increase in cash and cash equivalents	(2,122)	3,172	(3,313)
Effect of changes in exchange rates	947	(2,100)	(909)
Cash and cash equivalents at the beginning of the year	7,391	6,319	10,541
Cash and cash equivalents at the end of the year	$ 6,216	$ 7,391	$ 6,319

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

As of and for the years ended December 31, 2024, 2023 and 2022
Millions of Mexican pesos, except where otherwise indicated

1. GENERAL INFORMATION

Alpek, S. A. B. de C. V. and Subsidiaries ("Alpek" or the "Company") is a petrochemical company with operations through two major business segments: "Polyester" and "Plastics and Chemicals". The Polyester segment comprises the production of purified terephthalic acid ("PTA"), polyethylene terephthalate ("PET"), recycled PET ("rPET"), and polyester fibers, which are mainly used for food and beverage packaging, textile and industrial filament markets. The Plastics & Chemicals business segment comprises the production of polypropylene ("PP"), expandable styrene ("EPS" and "Arcel®"), fertilizers and other chemicals, which serves a wide range of markets, including the consumer goods, automotive, construction, agriculture, pharmaceutical and other markets.

Alpek is one of the largest petrochemical companies in México and the second largest in Latin America. Additionally, it is the main integrated producer of polyester and one of the main producers of rPET in America. It operates the largest EPS plant in the continent, and one of the largest PP plants in North America.

When reference is made to the controlling entity Alpek, S.A.B. of C.V. as an individual legal entity, it will be referred to as "Alpek SAB".

The shares of Alpek SAB are traded on the Mexican Stock Exchange ("MSE") and has Alfa, S. A. B. de C. V. ("Alfa") as its main holding company. As of December 31, 2024, 2023 and 2022, the percentage of shares that traded on the MSE was 17.37%, 17.37%, and 17.39%, respectively.

Alpek SAB is located at Avenida Gómez Morín Sur No. 1111, Col. Carrizalejo, San Pedro Garza García, Nuevo León, México and operates productive plants located in México, the United States of America, Oman, Saudi Arabia, Canada, Argentina, Chile, Brazil and United Kingdom.

In the following notes to the financial statements when referring to pesos or "$", it means millions of Mexican pesos. When referring to dollars or "US$", it means millions of dollars from the United States of America. When referring to Euros or "€" it means millions of Euros.

2. SIGNIFICANT EVENTS

2024

a. *Approval of the spin-off of Alfa´s equity interest in Alpek and the creation of Controladora Alpek*

On October 24, 2024, the Shareholders' Meeting of Alfa SAB approved the spin-off of its entire equity interest in Alpek.

The process was subject to certain suspensive conditions, including the registration of Controladora Alpek as a listed issuer on the Stock Exchange, which has not been completed as of December 31, 2024.

b. *Suspension of EPS operations in Beaver Valley*

On November 4, 2024, the Company announced its plans to suspend production at its Beaver Valley EPS facility in Monaca, Pennsylvania, by January 2025.

The Company recognized impairment of inventories and fixed assets amounting to $96.5 (US$4.8) and $1,191 (US$58.7), respectively, for the year ended December 31, 2024.

2023

c. *Interruption for an indefinite term of Cooper River's PET resin production*

On March 1, 2023, the Company announced the indefinite interruption of PET resin production at its Cooper River plant, located in Charleston, South Carolina. The plant had an installed capacity of 170,000 tons of PET resin.

The Company started the process of decommissioning and dismantling of assets, as well as environmental cleanup and remediation, which is why, the Company registered provisions for these concepts for $379 (US$20.8). Additionally, the Company had other direct costs attributable to the closure, mainly for severance pay and cancellation of contracts for $169 (US$9.1).

Derived from the interruption in production, the Company performed impairment tests on the fixed assets associated with the plant and recorded an impairment charge related to these assets of $950 (US$51.9). Additionally, it recognized and inventory impairment of $63 (US$3.4).

d. *US$200 million loan linked to sustainability*

On August 3, 2023, Alpek announced that it refinanced the outstanding balance of the bond due in August 2023, with bank debt that includes a US$200 Sustainability Linked Credit maturing in 2028.

The loan incorporates a pricing mechanism that incentivizes progress on two of the Company's ESG objectives:

- Reduction in carbon emissions Scope 1, 2 and 3.
- Reduction in its incidence rate for its employees and contractors.

e. *Closure of the filament production plant*

On August 18, 2023, the Company announced the closure of its textile and industrial fiber production plant located in Monterrey. Alpek made the decision to close operations at these facilities and not replace their production because the excess production experienced worldwide in recent years has represented a significant reduction in its profitability for the filament industry and it is not expected that this situation will change in the near future.

The Company recognized an impairment of inventories and fixed assets for $121 (US$7) and $409 (US$23.7), respectively, for the year ended December 31, 2023. Additionally, it had impacts due to employee terminations for $193 (US$11.1).

f. *Corpus Christi Polymers construction pause*

On September 27, 2023, Alpek announced that Corpus Christi Polymers ("CCP") temporarily paused construction of the integrated PTA-PET plant in Corpus Christi, Texas. The partners decided to pause it because high inflation rates and other factors caused construction and labor costs to exceed initial expectations. Options will also be evaluated to optimize the project's costs and schedule. This site will be adequately preserved so that construction can resume in the future.

Based on the requirements of IAS 28 and IAS 36, the Company identified that the pause in construction of the plant generated signs of impairment on its investment in the joint venture. Alpek determined through the discounted cash flow model and considering the decisions of its Board of Directors, to recognize an impairment of its investment in the joint venture of $9,591 (US$557) for the year ended December 31, 2023.

As of December 31, 2024, construction of the integrated PTA-PET plant in Corpus Christi, Texas, remains on pause.

2022

g. *OCTAL Acquisition*

On January 31, 2022, a subsidiary of Alpek signed an agreement to acquire the Octal business (see Note 3b). This acquisition represents a growth through vertical integration for Alpek into the high value PET sheet business. Octal is a major global producer of PET sheet through a strategically centered logistics position in Oman.

Alpek acquired Octal for a consideration of $12,147 (US$620). On June 1, 2022, Alpek assumed control of Octal's operations.

From the acquisition date, working capital and recovery of cost adjustments related to the transaction were made, and together reduced the initial consideration by $186.1 (US$9.5); additionally, an adjustment was made for cash surplus against debt which increased the initial consideration by $1,782.9 (US$91). The contract includes a contingent consideration based on future business results and other considerations, which, in compliance with the requirements of IFRS 3, *Business Combinations* ("NIIF 3"), was valued at $914.9 (US$46.7) and that together with the aforementioned adjustments derived in a total consideration that was equivalent to $14,658.7 (US$748.2).

Total cash flows paid for the acquisition amounted to $13,397.1 (US$682.9), which were made by wire transfer. Financing for the acquisition was through a combination of free cash flow generated from existing businesses and dedicated bank loans.

The amount pending payment as of December 31, 2022 retained by Alpek pursuant to the agreement for possible litigation is $360.1 (US$18.6), was deposited in a trust, and is presented within restricted cash and its corresponding liability.

The acquisition of Octal met the criteria for a business combination in accordance with the requirements of IFRS 3; therefore, the Company applied the acquisition method to measure the acquired assets and assumed liabilities in the transaction. The fair values are as follows:

Current assets (1)	US$	551.4
Non-current assets (2)		604.8
Intangible assets (3)		83.4
Current liabilities (4)		(432.2)
Non-current liabilities (5)		(37.5)
Net assets acquired		769.9
Gain on business combination		(21.7)
Final consideration		748.2
Cash surplus net of debt		(91)
Total consideration net of cash surplus	US$	657.2

(1) Current assets consist of cash, restricted cash, accounts receivable, inventories and other assets for US$160.6, US$14.9 US$118.8, US$252.7 and US$4.4, respectively.

(2) Non-current assets consist of property, plant and equipment and right of use assets of US$591.6 and US$13.2, respectively.

(3) Intangible assets consist of patents.

(4) Current liabilities consist of suppliers and other accounts payable, current portion of debt, and other liabilities for US$388.2, US$41.0 and US$3.0, respectively.

(5) Non-current liabilities consist of debt, lease liability and other liabilities for US$20.6, US$13.7 and US$3.2, respectively.

As a result of this transaction, a gain associated with the business combination was recognized for an amount of $425.0 (US$21.7), recognized in 2022 in the other income (expenses), net item (see Note 25). Under the terms of IFRS 3, the gain associated with the business combination was primarily generated because the sale of the business followed the strategy maintained by the selling Shareholders of taking the opportunity to exit, even sacrificing the value of the assets at that time.

Revenues and net income for the seven-month period ended December 31, 2022, contributed by Octal amounted to $17,174 (US$858) and $3,013 (US$150), respectively.

The results of the acquired operations have been included in the consolidated financial statements since the acquisition date, therefore, the consolidated financial statements as of and for the year ended December 31, 2022 are not comparable with previous years. The consolidated statement of cash flows for the year ended December 31, 2022, presents the disbursement for the acquisition of Octal in a single line within investment activities, net of the cash acquired.

If the acquisition had occurred on January 1, 2022, proforma consolidated revenues and net income for the year ended December 31, 2022, would have been $29,317 (US$1,455) and $4,805 (US$238), respectively. These amounts were calculated using the results of the subsidiary and adjusting them for the additional depreciation and amortization that would have been recognized assuming the fair value of the adjustments of property, plant and equipment and intangible assets as of January 1, 2022.

h. Corpus Christi Polymers resumes construction

On July 18, 2022, Alpek announced that the three partners of Corpus Christi Polymers LLC ("CCP") would resume the construction of the plant in August 2022 with completion expected in early 2025. The project will have a total capacity of 1.1 million tons and 1.3 million tons per year of PET and PTA, respectively, with which Alpek would have approximately 367,000 tons of PET and 433,000 tons of PTA. CCP expects to have the most competitive state-of-the-art plant in the Americas, which will use Alpek's IntegRex technology for PTA processes, among others.

During the year ended December 31, 2022 the investments made were for $733 (US$36.5). During the year ended December 31, 2023, construction of the plant was temporarily paused (see Note 2f).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies followed by the Company and its subsidiaries, which have been consistently applied in the preparation of their financial information in the years presented, unless otherwise specified:

a) Basis of preparation

The consolidated financial statements of Alpek have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). IFRS include all International Accounting Standards ("IAS") in force and all related interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), including those previously issued by the Standing Interpretations Committee (“SIC”).

The consolidated financial statements have been prepared on a historical cost basis, except for the cash flow hedges, which are measured at fair value, and for the financial assets and liabilities at fair value through profit or loss with changes reflected in the consolidated statement of income and for financial assets available for sale.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. Additionally, it requires Management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where judgments and estimates are significant to the consolidated financial statements are disclosed in Note 5.

b) Consolidation

i. Subsidiaries

The subsidiaries are all the entities over which the Company has control. The Company controls an entity when it is exposed or has the right to variable returns from its interest in the entity and it is capable of affecting the returns through its power over the entity. When the Company's participation in subsidiaries is less than 100%, the share attributed to outside stockholders is reflected as non-controlling interest. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and up to the date it loses such control.

The accounting method used by the Company for business combinations is the acquisition method. The Company defines a business combination as a transaction through which it obtains control over a business, whereby it has the power to steer and manage the relevant operations of all assets and liabilities of the business with the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable acquired assets and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree based on the share of the non-controlling interest in the net identifiable assets of the acquired entity.

The Company accounts for business combinations of entities using the predecessor method in a jointly controlled entity. The predecessor method involves the incorporation of the carrying amounts of the acquired entity, which includes the goodwill recognized at the consolidated level with respect to the acquiree. Any difference between the carrying value of the net assets acquired at the level of the subsidiary and its carrying amount at the level of the Company is recognized in stockholders' equity.

The acquisition-related costs are recognized as expenses in the consolidated statement of income when incurred.

Goodwill is initially measured as excess of the sum of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets and liabilities assured. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of income.

If the business combination is achieved in stages, the value in books at the acquisition date of the equity previously held by the Company in the acquired entity is remeasured at its fair value at the acquisition date. Any loss or gain resulting from such remeasurement is recorded in the consolidated income of the year.

Transactions, intercompany balances and unrealized gains on transactions between Alpek's companies are eliminated in preparing the consolidated financial statements. Alpek's subsidiaries consistently apply the accounting policies as those disclosed in these consolidated financial statements.

As of December 31, 2024, 2023 and 2022, the main companies that comprise the consolidated financial statements of the Company are as follows:

		Shareholding (%) [2]			Functional Currency
	Country [1]	**2024**	2023	2022	
Alpek, S. A. B. de C. V. (Holding Company)					Mexican peso
Alpek Polyester, S. A. de C. V. (Holding Company)		100	100	100	US dollar
Alpek Polyester USA, LLC [9]	USA	100	100	100	US dollar
Alpek Polyester México, S.A. de C.V. [10]		100	100	100	US dollar
DAK Américas Exterior, S. L. (Holding Company)	Spain	100	100	100	US dollar
Alpek Polyester Argentina S. A. [3]	Argentina	100	100	100	US dollar
Compagnie Alpek Polyester Canada (Selenis) [4] [5]	Canada	100	100	100	US dollar
Tereftalatos Mexicanos, S. A. de C. V. (Temex)		91	91	91	US dollar
Akra Polyester, S. A. de C. V.		93	93	93	US dollar
Alpek Polyester Pernambuco S. A. [6]	Brazil	100	100	100	Brazilian real
Alpek Polyester Brasil S. A. [7]	Brazil	100	100	100	Brazilian real
Indelpro, S. A. de C. V. (Indelpro)		51	51	51	US dollar
Polioles, S. A. de C. V. (Polioles)		50	50	50	US dollar
Grupo Styropek, S. A. de C. V. (Holding Company)		100	100	100	Mexican peso
Styropek México, S. A. de C. V.		100	100	100	US dollar
Styropek, S. A.	Argentina	100	100	100	Argentine peso
Aislapol, S. A.	Chile	100	100	100	Chilean peso
Styropek do Brasil, LTD	Brazil	100	100	100	Brazilian real

	Country [1]	Shareholding [2] 2024	2023	2022	Functional Currency
Unimor, S. A. de C. V. (Holding Company)			100	100	Mexican peso
Univex, S. A.		100	100	100	Mexican peso
Alpek Polyester UK LTD	United Kingdom	100	100	100	Pound sterling
BVPV Styrenics LLC	USA	100	100	100	US dollar
Octal [8]	Oman	100	100	100	US dollar
Clear Path Recycling, LLC [11]	USA	100	-	-	US dollar
Agua Industrial del Poniente, S.A. de C.V. [12]		56	-	-	Mexican peso

(1) Companies incorporated in México, except those indicated.

(2) Ownership percentage that Alpek has in the holding companies and ownership percentage that such holding companies have in the companies integrating the groups. Ownership percentages and the voting rights are the same.

(3) During 2022, DAK Américas Argentina, S. A. changed its legal name to Alpek Polyester Argentina S. A. On March 1, 2024, Alpek Polyester Argentina, S.A. changed its functional currency. As of and for the years ended December 31, 2023 and 2022, the functional currency was the Argentine peso.

(4) On August 25, 2022, Alpek acquired the remaining 50% - 1 share of the shareholding in this entity in exchange for a consideration of $119.6 (US$6); derived from the negotiation for the acquisition of the remaining shares, the contingent liability that Alpek had for the earn-out for 149.5 (US$7.5) was canceled, together with a compensation asset for $25.9 (US$1.3), both came from the sale and purchase agreement. The net effects of these transactions were recognized within "Other income (expenses), net" in the consolidated statement of comprehensive income for the year ended December 31, 2022.

(5) During 2022, DAK Compagnie Selenis Canada changed its legal name to Compagnie Alpek Polyester Canada.

(6) During 2022, Companhia Petroquímica de Pernambuco-PetroquímicaSuape changed its legal name to Alpek Polyester Pernambuco S. A.

(7) During 2022, Companhia Integrada Têxtil de Pernambuco- CITEPE changed its legal name to Alpek Polyester Brasil S. A.

(8) Group of entities acquired in 2022 and integrates the following entities: Octal Holding UK LTD, Octal Holding SAOC, Octal SAOC FZC, Crystal Pack FZC LLC, Crystal Packing Solutions LLC, Octal DMCC, Octal Inc, Octal Extrusion Corp, Octal Saudi Arabia Plant LLC and OCTAL FINANCE BV (liquidated in 2023). (Note 2g)

(9) During 2023, DAK Americas LLC changed its legal name to Alpek Polyester USA, LLC.

(10) During 2023, Dak Resinas Américas México, S.A. de C.V. changed its legal name to Alpek Polyester México, S.A. de C.V.

(11) On September 1, 2024, Alpek obtained control over this investment in associates, holding 100% of the shareholding as of December 31, 2024. The shareholding as of December 31, 2023 and 2022 was 49.9%.

(12) On June 13, 2024, Alpek obtained control over this investment in associates, holding 55.6% of the shareholding as of December 31, 2024. The shareholding as of December 31, 2023 and 2022 was 47.6%.

As of December 31, 2024, 2023 and 2022, there are no significant restrictions for investment in shares of subsidiary companies mentioned above.

ii. Absorption (dilution) of control in subsidiaries

The effect of absorption (dilution) of control in subsidiaries, in example, an increase or decrease in the percentage of control, is recorded in stockholders' equity, directly in retained earnings, in the period in which the transactions that cause such effects occur. The effect of absorption (dilution) of control is determined by comparing the book value of the investment before the event of dilution or absorption against the book value after the relevant event. In the case of loss of control, the dilution effect is recognized in the consolidated income.

When the Company issues purchase obligations on certain non-controlling interests in a consolidated subsidiary and non-controlling stockholders retain the risks and awards on these shares in the consolidated subsidiary, these are recognized as financial liabilities for the present value of the refundable amount of the options, initially recorded with a corresponding reduction in the stockholders' equity, and subsequently accruing through financial charges to income during the contractual period.

iii. Sale or disposal of subsidiaries

When the Company ceases to have control any retained interest in the entity is re-measured at fair value, and the change in the carrying amount is recognized in the consolidated statement of income. The fair value is the initial carrying value for the purposes of accounting for any subsequent retained interest in the associate, joint venture or financial asset. Any amount previously recognized in comprehensive income in respect of that entity is accounted for as if the Company had directly disposed of the related assets and liabilities. This results in the amounts previously recognized in the consolidated comprehensive income being reclassified to the consolidated income for the year.

iv. Associates

Associates are all entities over which the Company has significant influence but not control. Generally, an investor must hold between 20% and 50% of the voting rights in an investee for it to be an associate. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Company's investment in associates includes goodwill identified at acquisition, net of any accumulated impairment loss.

If the equity in an associate is reduced but significant influence is maintained, only a portion of the amounts recognized in the consolidated comprehensive income are reclassified to the consolidated income for the year, where appropriate.

The Company's share of profits or losses of associates post-acquisition is recognized in the consolidated statement of income and its share in the consolidated other comprehensive income of associates is recognized as other consolidated comprehensive income. When the Company's share of losses in an associate, equals or exceeds its equity in the associate, including unsecured receivables, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate.

The Company assesses at each reporting date whether there is objective evidence that the investment in the associate is impaired.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's equity in such gains. Unrealized losses are also eliminated unless the transaction provides evidence that the asset transferred is impaired. In order to ensure consistency with the policies adopted by the Company, the accounting policies of associates have been modified. When the Company ceases to have significant influence over an associate, any difference between the fair value of the remaining investment, including any consideration received from the partial disposal of the investment and the book value of the investment is recognized in the consolidated statement of income.

v. Joint ventures

Joint arrangements are those where there is joint control since the decisions over relevant activities require the unanimous consent of each one of the parties sharing control.

Investments in joint arrangements are classified in accordance with the contractual rights and obligations of each investor such as: joint operations or joint ventures. When the Company holds the right over assets and obligations for related assets under a joint arrangement, this is classified as a joint operation. When the company holds rights over net assets of the joint arrangement, this is classified as a joint venture. The Company has assessed the nature of its joint arrangements and classified them as joint ventures. Joint ventures are accounted for by using the equity method applied to an investment in associates.

The Company evaluates at each reporting date whether there is objective evidence that there are indications of impairment on the joint agreement. If there are indications, it determines the recoverable value based on the requirements of IAS 36 and recognizes an impairment if such recoverable value is below the carrying amount of the joint agreement.

c) Foreign currency translation

i. Functional and presentation currency

The amounts included in the financial statements of each of the Company's subsidiaries, associates and joint ventures should be measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Mexican pesos.

When there is a change in the functional currency of one of the subsidiaries, according to International Accounting Standard 21, *Effects of Changes in Foreign Exchange Rates* ("IAS 21"), this change is accounted for prospectively, translating at the date of the functional currency change, all assets, liabilities, equity, and income items at the exchange rate of that date.

ii. Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the foreign exchange rates prevailing at the transaction date or valuation date when the amounts are re-measured. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates are recognized as foreign exchange gain or loss in the consolidated statement of income, except for those which are deferred in comprehensive income and qualify as cash flow hedges.

Changes in the fair value of securities or monetary financial assets denominated in foreign currency classified as available for sale are divided between fluctuations resulting from changes in the amortized cost of such securities and other changes in value. Subsequently, currency fluctuations are recognized in income and changes in the carrying amount arising from any other circumstances are recognized as part of comprehensive income.

iii. Translation of subsidiaries with recording currency other than the functional currency

The financial statements of foreign subsidiaries having a recording currency different from their functional currency were translated into the functional currency in accordance with the following procedure:

a) The balances of monetary assets and liabilities denominated in the recording currency were translated at the closing exchange rate.

b) To the historical balances of monetary assets and liabilities and stockholders' equity translated into the functional currency the movements that occurred during the period were added, which were translated at the historical exchange rates. In the case of the movements of non-monetary items recognized at fair value, which occurred during the period, stated in the recording currency, these were translated using the historical exchange rates in effect on the date when the fair value was determined.

c) The income, costs and expenses of the periods, expressed in the recording currency, were translated at the historical exchange rate of the date they were accrued and recognized in the consolidated statement of income, except when they arose from non-monetary items, in which case the historical exchange rate of the non-monetary items was used.

d) The exchange differences were recognized as income or expense in the consolidated statement of income in the period they arose.

iv. Translation of subsidiaries with functional currency other than the presentation currency

The results and financial position of all Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows, depending on whether the functional currency comes from a non-hyperinflationary or hyperinflationary environment:

Non-hyperinflationary environment

a) Assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of the statement of financial position;

b) Stockholders' equity of each statement of financial position presented is translated at historical exchange rate;

c) Income and expenses for each statement of income are translated at average exchange rate (when the average exchange rate is not a reasonable approximation of the cumulative effect of the rates of the transaction, the exchange rate at the date of the transaction is used); and

d) The resulting exchange differences are recognized in the consolidated statement of other comprehensive income as translation effect.

Hyperinflationary environment

a) Assets, liabilities and equity in the statement of financial position, as well as income and expenses in the income statement, are translated at the closing exchange rate of the statement of financial position, after being restated in its functional currency (Note 3d); and

b) Assets, liabilities, equity, income and expenses of the comparative period, are maintained according to the amount obtained in the translation of the year in question, that is, the financial statements of the preceding period. These amounts are not adjusted to subsequent exchange rates because the Company presents its financial information in Mexican pesos, which correspond to a currency of a non-hyperinflationary environment.

The primary exchange rates in the various translation processes are listed below:

	Local currency to Mexican pesos					
	Closing exchange rate as of December 31,			Average annual exchange rate		
Currency	**2024**	2023	2022	**2024**	2023	2022
US dollar	**20.27**	16.89	19.36	**18.52**	17.61	20.06
Argentine peso	**0.02**	0.02	0.11	**0.02**	0.07	0.15
Brazilian real	**3.28**	3.48	3.66	**3.39**	3.53	3.91
Chilean peso	**0.02**	0.02	0.02	**0.02**	0.02	0,02
Pound sterling	**25.39**	21.53	23.29	**23.70**	21.96	24.71

d) *Hyperinflationary effects*

As of July 1, 2018, the cumulative inflation from the prior 3 years in Argentina exceeded 100%; consequently, the Argentine peso was classified as a currency of a hyperinflationary economic environment. As a result, the financial statements of the subsidiaries located in that country, whose functional currency was the Argentine peso, were restated and adjusted for inflation in accordance with the requirements of the International Accounting Standard 29, *Financial Information in Hyperinflationary Economies* ("IAS 29"), and have been consolidated in compliance with the requirements of IAS 21. The purpose of applying these requirements is to consider changes in the general purchasing power of the Argentine peso in order to present the financial statements in the measuring unit current at the date of the statement of financial position. The financial statements before including any inflation adjustments were prepared using the historical cost method.

The Company determined the inflation adjustments in its consolidated financial statements in the following manner:

a. The amounts corresponding to non-monetary items of each statement of financial position, which are not measured at the date of the statement of financial position at their fair value or net realizable value, as the case may be, are restated by applying to their historical cost the change of a general price index from the date of acquisition or the date of its last measurement at fair value, to the date of the statement of financial position;

b. The amounts corresponding to monetary items of the statement of financial position are not restated;

c. The components of stockholders' equity of each statement of financial position are restated:
   1) At the beginning of the first period of application of IAS 29, except for retained earnings, by applying the change of a general price index from the dates the components were originated to the date of restatement. Restated retained earnings are derived from all the other balances in the statement of financial position;
   2) At the end of the first period and in subsequent periods, all components of stockholders' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

d. Revenues and expenses are restated by applying the change in the general price index, from the date on which the expenses and revenues were recognized, up to the reporting date.

e. Gains or losses arising from the net monetary position are recognized in the consolidated statement of income.

The Company reflects the effects of hyperinflation on the financial information of its subsidiaries in Argentina using price indexes that are considered appropriate in accordance with Resolution JG 539/18 (the "Resolution") of the Argentine Federation of Professional Councils of Economic Sciences. This resolution establishes that a combination of price indexes should be used in the calculation of the effects of restatement of financial statements. Therefore, the Company has decided to use the Consumer Price Index ("CPI") to restate balances and transactions.

The net effects of the restatement of the financial statements of the subsidiaries located in Argentina were not material and are presented under the heading of "Financial result, net" for the years ended December 31, 2024, 2023 and 2022.

As of March 1, 2024, Alpek Polyester Argentina, S.A., subsidiary of the Company, changed its functional currency from the Argentine peso to the U.S. dollar as it has changed the way it operates, actively seeking risk coverage against future devaluations of the Argentine peso, contemplating a greater operation in U.S. dollars, likewise, there has been less restriction to enter into agreements and collect in a currency other than the Argentine peso, as a result of the elimination of barriers and restrictions that are triggered by Decree 70/2023 that strengthen the nature of the operation in US dollars, among other factors.

From the change in the functional currency, all transactions in currencies other than the functional currency are considered "foreign currency transactions". In accordance with the requirements of IAS 21, this change was applied prospectively, therefore Alpek Polyester Argentina converted its assets and liabilities to the new functional currency at the exchange rate of March 1, 2024, and ceased to apply the requirements of IAS 29, considering that the U.S. dollar is not a currency in a hyperinflationary environment.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits available for operations and other short-term investments of high liquidity and high credit quality with original maturities of three months or less, all of which are subject to insignificant risk of changes in value. Bank overdrafts are presented as loans as part of the current liabilities.

f) Financial instruments

Financial assets

The Company subsequently classifies and measures its financial assets based on the Company's business model to manage financial assets, and on the characteristics of the contractual cash flows of such assets. This way financial assets can be classified at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss. Management determines the classification of its financial assets upon initial recognition. Purchases and sales of financial assets are recognized at settlement date.

Financial assets are entirely written off when the right to receive the related cash flows expires or is transferred, and the Company also has substantially transferred all the risks and rewards of its ownership, as well as the control of the financial asset.

Classes of financial assets

i. *Financial assets at amortized cost*

Financial assets at amortized cost are those that i) are held within a business model whose objective is to hold said assets in order to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of outstanding principal.

ii. *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is mainly acquired for the purpose of being sold in the short term.

Derivatives are also classified as held for trading unless they are designated as hedges. In addition are those that do not meet the characteristics to be measured at amortized cost or fair value through other comprehensive income, since: i) they have a business model different to those that seek to collect contractual cash flows or collect contractual cash flows and sell the financial assets, or otherwise ii) the generated cash flows are not solely payments of principal and interest on the amount of outstanding principal.

Impairment of financial assets

The Company uses an impairment model based on expected credit losses rather than losses incurred, applicable to financial assets subject to such assessment (i.e. financial assets measured at amortized cost and at fair value through other comprehensive income), as well as lease receivables, contract assets, certain written loan commitments, and financial guarantee contracts. The expected credit losses on these financial assets are estimated from the initial recognition of the asset at each reporting date, using as a reference the past experience of the Company's credit losses, adjusted for factors that are specific to the debtors or groups of debtors, general economic conditions, and an assessment of both the current direction and the forecast of future conditions.

a. Trade receivables

The Company adopted the simplified expected loss calculation model, through which expected credit losses during the account receivable's lifetime are recognized.

The Company performs an analysis of its portfolio of customer receivables, in order to determine if there are significant customers for whom it requires an individual assessment; meanwhile, customers with similar characteristics that share credit risks (participation in the portfolio of accounts receivable, type of market, sector, geographic area, etc.), are grouped to be evaluated collectively.

In its impairment assessment, the Company may include indications that the debtors or a group of debtors are experiencing significant financial difficulties, and also observable data indicating that there is a significant decrease in the estimated cash flows to be received, including arrears.

For purposes of the historical estimate, the Company considers that the following constitutes an event of default, since historical experience indicates that financial assets are not recoverable when they meet any of the following criteria:

- The debtor does not fulfill its financial agreements; or
- Information obtained internally or from external sources indicates that it is unlikely that the debtor will pay its creditors, including the Company, in its entirety (without considering any guarantee held by the Company).

  The Company defined the breach threshold as the period from which the recovery of the account receivable subjected to analysis is marginal, which is in line with internal risk management.

b. Other financial instruments

The Company recognizes credit losses expected during the asset's lifetime of all financial instruments for which credit risk has significantly increased since its initial recognition (assessed on a collective or individual basis), considering all the reasonable and sustainable information, including the one referring to the future. If at the presentation date, the credit risk a financial instrument has not significantly increased since its initial recognition, the Company calculates the loss allowance for that financial instrument as the amount of expected credit losses in the following 12 months.

In both cases, the Company recognizes in profit or loss of the period the decrease or increase in the expected credit loss allowance at the end of the period.

Management assesses the impairment model and the inputs used therein at least once every 3 months, in order to ensure that they remain in effect based on the current situation of the portfolio.

Financial liabilities

Non-derivative financial liabilities are initially recognized at fair value and are subsequently valued at amortized cost using the effective interest method. Liabilities in this category are classified as current liabilities if expected to be settled within the next 12 months, otherwise they are classified as non-current.

Trade payables are obligations to pay for goods or services that have been acquired or received from suppliers in the ordinary course of business. Loans are initially recognized at fair value, net of transaction costs incurred. Loans are subsequently carried at amortized cost; any difference between the funds received (net of transaction costs) and the settlement value is recognized in the consolidated statement of income over the term of the loan using the effective interest method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities if, and only if, the obligations of the Company are fulfilled, cancelled or have expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss.

Additionally, when the Company carries out a refinancing transaction and the previous liability qualifies to be derecognized, the costs incurred in the refinancing are recognized immediately in profit or loss at the date of termination of the previous financial liability.

Offsetting financial assets and liabilities

Assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when the right to offset the recognized amounts is legally enforceable and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

g) Derivative financial instruments and hedging activities

All derivative financial instruments are identified and classified as fair value hedges or cash flow hedges, for trading or the hedging of market risks and are recognized in the consolidated statement of financial position as assets and/or liabilities at fair value and similarly measured subsequently at fair value. The fair value is determined based on recognized market prices and its fair value is determined using valuation techniques accepted in the financial sector.

The fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Derivative financial instruments classified as hedges are contracted for risk hedging purposes and meet all hedging requirements; their designation at the beginning of the hedging operation is documented, describing the objective, primary position, risks to be hedged and the effectiveness of the hedging relationship, characteristics, accounting recognition and how the effectiveness is to be measured.

Cash flow hedges

The changes in the fair value of derivative instruments associated to cash flow hedges are recorded in stockholders' equity. The effective portion is temporarily recorded in comprehensive income, within stockholders' equity and is reclassified to profit or loss when the hedged position affects these. The ineffective portion is immediately recorded in income.

Net investment hedge in a foreign transaction

The Company applies the hedge accounting to currency risk arising from its investments in foreign transactions for variations in exchange rates arising between the functional currency of such transaction and the functional currency of the holding entity, regardless of whether the investment is maintained directly or through a sub-holding entity. Variation in exchange rates is recognized in the other items of comprehensive income as part of the translation effect, when the foreign transaction is consolidated.

To this end, the Company designates the debt denominated in a foreign currency as a hedging instrument; therefore, the exchange rate effects caused by the debt are recognized in other components of comprehensive income, on the translation effects line item, to the extent that the hedge is effective. When the hedge is not effective, exchange differences are recognized in profit or loss.

Suspension of hedge accounting

The Company suspends hedge accounting when the derivative financial instrument or the non-derivative financial instrument has expired, is cancelled or exercised, when the derivative or non-derivative financial instrument is not highly effective to offset the changes in the fair value or cash flows of the hedged item. The replacement or successive renewal of a hedging instrument for another one is not an expiration or resolution if such replacement or renewal is part of the Company's documented risk management objective, and it is consistent with this.

On suspending hedge accounting, in the case of fair value hedges, the adjustment to the carrying amount of a hedged amount for which the effective interest rate method is used, is amortized to income over the period to maturity. In the case of cash flow hedges, the amounts accumulated in equity as a part of comprehensive income remain in equity until the time when the effects of the forecasted transaction affect income. In the event the forecasted transaction is not likely to occur, the income or loss accumulated in comprehensive income are immediately recognized in the consolidated statement of income. When the hedge of a forecasted transaction appears satisfactory and subsequently does not meet the effectiveness test, the cumulative effects in comprehensive income in stockholders' equity are transferred proportionally to the consolidated statement of income, to the extent the forecasted transaction impacts it.

The fair value of derivative financial instruments reflected in the consolidated financial statements of the Company is a mathematical approximation of their fair value. It is computed using proprietary models of independent third parties using assumptions based on past and present market conditions and future expectations at the closing date.

h) *Inventories*

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the average cost method. The cost of finished goods and work-in-progress includes cost of product design, raw materials, direct labor, other direct costs and production overheads (based on normal operating capacity).

It excludes borrowing costs. The net realizable value is the estimated selling price in the normal course of business, less the applicable variable selling expenses. Costs of inventories include any gain or loss transferred from other comprehensive income corresponding to raw material purchases that qualify as cash flow hedges.

i) *Property, plant and equipment*

Items of property, plant and equipment are recorded at cost less the accumulated depreciation and any accrued impairment losses. The costs include expenses directly attributable to the asset acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognized. Repairs and maintenance are recognized in the consolidated statement of income during the year they are incurred. Major improvements are depreciated over the remaining useful life of the related asset.

When the Company carries out major repairs or maintenance of its property, plant and equipment assets, the cost is recognized in the book value of the corresponding asset as a replacement, provided that the recognition criteria are met. The remaining portion of any major repair or maintenance is derecognized. The Company subsequently depreciates the recognized cost in the useful life assigned to it, based on its best estimate of useful life.

Depreciation is calculated using the straight-line method, considering separately each of the asset's components, except for land, which is not subject to depreciation. The estimated useful lives of the classes of assets are as follows:

Buildings and constructions	40 to 50 years
Machinery and equipment	10 to 40 years
Vehicles	15 years
Furniture and lab and IT equipment	2 to 13 years
Other	20 years

The spare parts to be used after one year and attributable to specific machinery are classified as property, plant and equipment in other fixed assets.

Borrowing costs related to financing of property, plant and equipment whose acquisition or construction requires a substantial period (nine months), are capitalized as part of the cost of acquiring such qualifying assets, up to the moment when they are suitable for their intended use or sale.

Assets classified as property, plant and equipment are subject to impairment tests when events or circumstances occur indicating that the carrying amount of the assets may not be recoverable. An impairment loss is recognized in the consolidated statement of income in other expenses, net, for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

The residual value and useful lives of assets are reviewed at least at the end of each reporting period and, if expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

Gains and losses on disposal of assets are determined by comparing the sale value with the carrying amount and are recognized in other expenses, net, in the consolidated statement of income.

j) Leases

The Company as lessee

The Company evaluates whether a contract is or contains a lease agreement at inception of a contract. A lease is defined as an agreement or part of an agreement that conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Company recognizes an asset for right-of-use and the corresponding lease liability, for all lease agreements in which it acts as lessee, except in the following cases: short-term leases (defined as leases with a lease term of less than 12 months); leases of low-value assets (defined as leases of assets with an individual market value of less than US$5,000 (five thousand dollars)); and, lease agreements whose payments are variable (without any contractually defined fixed payment). For these agreements, which exempt the recognition of an asset for right-of-use and a lease liability, the Company recognizes the rent payments as an operating expense in a straight-line method over the lease period.

The right-of-use asset comprises all lease payments discounted at present value; the direct costs to obtain a lease; the advance lease payments; and the obligations of dismantling or removal of assets. The Company depreciates the right-of-use asset over the shorter of the lease term or the useful life of the underlying asset; therefore, when the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Depreciation begins on the lease commencement date.

The lease liability is initially measured at the present value of the future minimum lease payments that have not been paid at that date, using a discount rate that reflects the cost of obtaining funds for an amount similar to the value of the lease payments, for the acquisition of the underlying asset, in the same currency and for a similar period to the corresponding contract (incremental borrowing rate). When lease payments contain non-lease components (services), the Company has chosen, for some class of assets, not to separate them and measure all payments as a single lease component; however, for the rest of the class of assets, the Company measures the lease liability only considering lease payments, while all of the services implicit in the payments, are recognized directly in the consolidated statement of income as operating expenses.

To determine the lease term, the Company considers the non-cancellable period, including the probability to exercise any right to extend and/or terminate the lease term.

Subsequently, the lease liability is measured increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

When there is a modification in future lease payments resulting from changes in an index or a rate used to determine those payments, the Company remeasures the lease liability when the adjustment to the lease payments takes effect, without reassessing the discount rate. However, if the modifications are related to the lease term or exercising a purchase option, the Company reassesses the discount rate during the liability's remeasurement. Any increase or decrease in the value of the lease liability subsequent to this remeasurement is recognized as an adjustment to the right-of-use asset to the same extent.

Finally, the lease liability is derecognized when the Company fulfills all lease payments. When the Company determines that it is probable that it will exercise an early termination of the contract that leads to a cash disbursement, such disbursement is accounted as part of the liability's remeasurement mentioned in the previous paragraph; however, in cases in which the early termination does not involve a cash disbursement, the Company cancels the lease liability and the corresponding right-of-use asset, recognizing the difference immediately in the consolidated statement of income.

k) *Intangible assets*

Intangible assets are recognized in the consolidated statement of financial position when they meet the following conditions: they are identifiable, provide future economic benefits and the Company has control over such benefits.

Intangible assets are classified as follows:

i. *Indefinite useful life*

These intangible assets are not amortized and are subject to annual impairment assessment. As of December 31, 2024, 2023 and 2022, no factors have been identified limiting the life of these intangible assets.

ii. *Finite useful life*

These assets are recognized at cost less the accumulated amortization and impairment losses recognized. They are amortized on a straight-line basis over their estimated useful life, determined based on the expectation of generating future economic benefits, and are subject to impairment tests when triggering events of impairment are identified.

Development costs	15.5 years
Non-compete agreements	5 to 10 years
Customer relationships	6 to 7 years
Patents	10 years
Software and licenses	3 to 7 years
Intellectual property	20 to 25 years
Defined life brands	5 to 22 years

Development costs

Research costs are recognized in income as incurred. Expenditures for development activities are recognized as intangible assets when such costs can be reliably measured, the product or process is technically and commercially feasible, potential future economic benefits are obtained and the Company intends and also has sufficient resources to complete the development and to use or sell the asset. Their amortization is recognized in income by the straight-line method over the estimated useful life of the asset. Development expenditures that do not qualify for capitalization are recognized in income as incurred.

Licenses

Licenses acquired in a separate transaction are recorded at acquisition cost, while those acquired in a business combination are recognized at fair value at acquisition date.

Licenses that have a defined useful life are presented at cost less accumulated amortization. Amortization is recorded by the straight-line method over its estimated useful life.

The acquisition of software licenses is capitalized based on the costs incurred to acquire and use the specific software.

Software development

Costs associated with the maintenance of software are recorded as expenses as incurred.

Development costs directly related with the design and tests of unique and identifiable software products controlled by the Company are recorded as intangible assets when they fulfill the following criteria:

- Technically, it is possible to complete the intangible asset so that it may be available for its use or sale;
- The intangible asset is to be completed for use or sale;
- The ability to use or sell the intangible asset;
- The way in which the intangible asset is to generate probable future economic benefits;
- The availability of adequate technical, financial or other type of resources, to complete the development and use or sell the intangible asset; and
- The ability to reliably calculate the disbursement attributable to the intangible asset during its development.

The amount initially recognized for an intangible asset generated internally will be the sum of disbursements incurred from the moment the element fulfills the conditions for recording, as established above. When no intangible asset internally generated may be recognized, the disbursements for development are charged to income in the period they are incurred.

l) *Goodwill*

Goodwill represents the excess of the acquisition cost of a subsidiary over the Company's equity in the fair value of the identifiable net assets acquired, determined at the date of acquisition, and is not subject to amortization. Goodwill is shown under goodwill and intangible assets and is recognized at cost less accumulated impairment losses, which are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

m) *Impairment of non-financial assets*

Assets that have an indefinite useful life, for example, goodwill, are not amortizable or depreciable and are subject to annual impairment tests. Assets that are subject to amortization and depreciation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels at which separately identifiable cash flows exist (cash generating units). Non-financial long-term assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

When an impairment loss is reversed, the carrying amount of the asset or cash generating unit, is increased to the revised estimated value of its recoverable amount, in such a way that the adjusted carrying amount does not exceed the carrying amount that would have been determined if an impairment loss had not been recognized for that asset or cash generating unit in previous years. The reversal of an impairment loss is recognized immediately in the consolidated statement of income.

n) *Income tax*

The amount of income taxes in the consolidated statement of income represents the sum of the current and deferred income taxes.

The amount of income taxes included in the consolidated statement of income represents the current tax and the effects of deferred income tax assets determined in each subsidiary by the asset and liability method, applying the rate established by the legislation enacted or substantially enacted at the consolidated statement of financial position date, wherever the Company operates and generates taxable income. The applicable rates are applied to the total temporary differences resulting from comparing the accounting and tax bases of assets and liabilities, and that are expected to be applied when the deferred tax asset is realized or the deferred tax liability is expected to be settled, considering, when applicable, any tax-loss carryforwards, prior to the recovery analysis. The effect of the change in current tax rates is recognized in current income of the period in which the rate change is determined.

Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable law is subject to interpretation. Provisions are recognized when appropriate, based on the amounts expected to be paid to the tax authorities.

Deferred tax assets are recognized only when it is probable that future taxable profits will exist against which the deductions for temporary differences can be taken.

The deferred income tax on temporary differences arising from investments in subsidiaries and associates is recognized, unless the period of reversal of temporary differences is controlled by the Company and it is probable that the temporary differences will not reverse in the near future.

Deferred tax assets and liabilities are offset when a legal right exists, and when the taxes are levied by the same tax authority.

o) *Employee benefits*

i. *Pension plans*

Defined contribution plans:

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their service in the current and past periods. The contributions are recognized as employee benefit expense on the date that is required the contribution.

Defined benefit plans:

A defined benefit plan is a plan, which specifies the amount of the pension an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the consolidated statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates in conformity with IAS 19, *Employee Benefits*, that are denominated in the currency in which the benefits will be paid and have maturities that approximate the terms of the pension liability.

Actuarial gains and losses from adjustments and changes in actuarial assumptions are recognized directly in other items of the comprehensive income in the year they occur and will not be reclassified to the results of the period.

The Company determines the net finance expense (income) by applying the discount rate to the liabilities (assets) from net defined benefits.

Past-service costs are recognized immediately in the consolidated statement of income.

ii. *Post-employment medical benefits*

The Company provides medical benefits to retired employees after termination of employment. The right to access these benefits usually depends on the employee's having worked until retirement age and completing a minimum of years of service. The expected costs of these benefits are accrued over the period of employment using the same criteria as those described for defined benefit pension plans.

iii. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or when an employee accepts voluntary termination of employment in exchange for these benefits. The Company recognizes termination benefits in the first of the following dates: (a) when the Company can no longer withdraw the offer of these benefits, and (b) when the Company recognizes the costs from restructuring within the scope of the IAS 37 and it involves the payment of termination benefits. If there is an offer that promotes the termination of the employment relationship voluntarily by employees, termination benefits are valued based on the number of employees expected to accept the offer. The benefits that will be paid in the long term are discounted at their present value.

iv. Short-term benefits

The Company grants benefits to employees in the short term, which may include wages, salaries, annual compensation and bonuses payable within 12 months. The Company recognizes an undiscounted provision when it is contractually obligated or when past practice has created an obligation.

v. Employee participation in profit and bonuses

The Company recognizes a liability and an expense for bonuses and employee participation in profits when it has a legal or assumed obligation to pay these benefits and determines the amount to be recognized based on the profit for the year after certain adjustments.

p) Provisions

Provisions represent a present legal obligation or a constructive obligation as a result of past events where an outflow of resources to meet the obligation is likely and where the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the value of money over time and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A restructuring provision is recorded when the Company has developed a formal detailed plan for the restructure, and a valid expectation for the restructure has been created between the people affected, possibly for having started the plan implementation or for having announced its main characteristics to them.

q) Share based payment

The Company's compensation plans are based 50% on the market value of the shares of its holding entity and the other 50% on the market value of the shares of Alpek SAB, granted to certain senior executives of the Company and its subsidiaries. The conditions for granting such compensation to the eligible executives include compliance with certain financial metrics such as the level of profit achieved and remaining in the Company for up to 5 years, among other requirements. The Board of Directors of Alfa has appointed a technical committee to manage the plan, and it reviews the estimated cash settlement of this compensation at the end of the year. The payment plan is subject to the discretion of Alfa's senior Management. Adjustments to this estimate are charged or credited to the consolidated statement of income.

The fair value of the amount payable to employees in respect of share-based payments which are settled in cash is recognized as an expense, with a corresponding increase in liabilities, over the period of service required. The liability is included within other liabilities and is adjusted at each reporting date and the settlement date. Any change in the fair value of the liability is recognized as compensation expense in the consolidated statement of income.

r) Capital stock

When treasury shares are repurchased, they are converted into treasury shares and the amount is charged to stockholders' equity at their purchase price. These amounts are expressed at their historical value.

Alpek SAB's common shares are classified as capital stock within stockholders' equity. Incremental costs directly attributable to the issuance of new shares are included in equity as a reduction from the consideration received, net of tax.

s) Revenue recognition

Revenues comprise the fair value of the consideration received or to receive for the sale of goods and services in the ordinary course of the transactions, and are presented in the consolidated statement of income, net of the amount of variable considerations, which comprise the estimated amount of returns from customers, rebates and similar discounts and payments made to customers with the objective that goods are accommodated in attractive and favorable spaces at their facilities.

To recognize revenues from contracts with customers, the comprehensive model for revenue recognition is used, which is based on a five-step approach consisting of the following: (1) identify the contract; (2) identify performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when the Company satisfies a performance obligation.

i. *Revenue from the sale of goods and products*

Contracts with customers are formalized by commercial agreements complemented by purchase orders, whose costs comprise the promises to produce, distribute and deliver goods based on the contractual terms and conditions set forth, which do not imply a significant judgment to be determined. When there are payments related to obtaining contracts, they are capitalized and amortized over the term of the contract.

Performance obligations held by the Company are not separable, and are not partially satisfied, since they are satisfied at a point in time, when the customer accepts the products. Moreover, the payment terms identified in most sources of revenue are short-term, with variable considerations including discounts given to customers, without financing components or guarantees. These discounts are recognized as a reduction in revenue; therefore, the allocation of the price is directly on the performance obligations of production, distribution and delivery, including the effects of variable consideration.

The Company recognizes revenue at a point in time, when control of sold goods has been transferred to the customer, which is given upon delivery of the goods promised to the customer according to the negotiated contractual terms. The Company recognizes an account receivable when the performance obligations have been met, recognizing the corresponding revenue; moreover, the considerations received before completing the performance obligations of production and distribution are recognized as customer advances.

Dividend income from investments is recognized once the rights of stockholders to receive this payment have been established (when it is probable that the economic benefits will flow to the Company and the revenue can be reliably determined).

t) *Earnings per share*

Earnings per share are calculated by dividing the profit attributable to the stockholders of the controlling interest by the weighted average number of common shares outstanding during the year. As of December 31, 2024, 2023 and 2022, there are no dilutive effects from financial instruments potentially convertible into shares.

u) *Changes in accounting policies and disclosures*

i. *New standards and changes adopted*

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2024. The conclusions related to their adoption are described as follows:

Amendments to IFRS 16 — Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16, adding subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The Company evaluated the amendments to IFRS 16 and determined that the implementation of these amendments had no effect on its financial information, since it does not have any sale and leaseback transactions.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to clarify the characteristics of supplier financing arrangements and require additional disclosures about such arrangements.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Company applies the amendments.

The Company applied these amendments to disclose the impact on its liabilities and cash flows, specifically addressing liquidity risk and associated risk management in Note 4 to its consolidated financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
In January 2020 and November 2022, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current and the classification of debt with covenants.

The amendments affect the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of assets, liabilities, income or expenses, or the information disclosed about those items.

The amendments seeks to clarify that liabilities are classified as current or non-current based on rights that exists at the end of the reporting period and that classification is unaffected by the entity's expectations to defer settlement of a liability, explains that rights exist if covenants are met at the end of the reporting period, and introduces a definition of 'settlement' to clarify that it refers to the transfer of cash, equity instruments, or other assets or services to the counterparty.

The amendments also specify that only covenants that an entity must meet at or after the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and should be considered in assessing the liability's classification as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed after the reporting date.

The Company evaluated the amendments to IAS 1 and reviewed the classification of its liabilities as necessary to reclassify between current and non-current and did not identify that these amendments to IAS 1 affected its current accounting policies applicable to its financial information, since it already classifies its liabilities according to contractual terms, without considering future refinancing plans defined in its liquidity financial risk management strategy.

Amendments to IAS 1 – Non-current Liabilities with Covenants
The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity is only required to comply with the covenant after the reporting date. However, if the entity's right to defer payment of a liability is subject to compliance with covenants within twelve months after the reporting date, it should disclose information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of the related liabilities, and the facts and circumstances, if any, that indicate that the entity may have problems complying with the covenants.

The Company evaluated the amendments to IAS 1 and classifies liabilities as current or non-current based on what is expected to occur at the end of the period and discloses information about its covenants in Note 16 to its consolidated financial statements.

ii. *New, revised and issued IFRS, but not yet effective*
As of the date of these consolidated financial statements, the Company had not applied the following amendments to the IFRS that have been issued, but are not yet effective, and the adoption of these amendments, except for IFRS 18, is not expected to have a material impact on the consolidated financial statements in future periods, considering that they are not of significant applicability. The amendments to the IFRS are included below:

- Amendments to IAS 21– Lack of Exchangeability (1)
- Amendments to IFRS 7 and IFRS 9 - Classification and Measurement of Financial Instruments (2)
- Amendments to IFRS 7 and IFRS 9 – Nature-dependent Electricity Contracts (2)
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (3)

(1) *Effective for annual periods beginning on or after January 1, 2025.*

(2) *Effective for annual periods beginning on or after January 1, 2026.*

(3) *Effective for annual periods beginning on or after January 1, 2027.*

IFRS 18 – Presentation and Disclosure in Financial Statements
IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33.

IFRS 18 introduces new requirements to:
- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation

The IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments to IAS 7, IAS 33, IAS 8 and IFRS 7 are effective when an entity first adopts IFRS 18. An entity is required to apply IFRS 18 retrospectively by applying the temporary specific terms.

The Company is conducting an analysis to determine the applicable amendments to the presentation of the consolidated income statement and the consolidated statement of cash flows, and to identify the MPMs to be disclosed within its consolidated financial statements.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to various financial risks: market risk (including exchange rate risk, price risk and interest rate variation risk), credit risk and liquidity risk.

The Company has a general risk management program focused on the unpredictability of financial markets and seeks to minimize the potential adverse effects on its financial performance.

The objective of the risk management program is to protect the financial health of its business, taking into account the volatility associated with foreign exchange and interest rates. Sometimes, the Company uses derivative financial instruments to hedge certain exposures to risks. In addition, due to the nature of the industries in which it participates, the Company has performed hedges of input prices with derivative financial instruments.

Alfa has a Risk Management Committee ("RMC"), comprised of the Board's Chairman, the Chief Executive Officer, Chief Financial Officer and a Risk Management Officer acting as technical secretary. The RMC reviews derivative transactions proposed by the subsidiaries of Alfa, including Alpek, in which a potential loss analysis surpasses US$1. This Committee supports both the CEO and the President of Board of Alfa. All new derivative transactions which the Company proposes to enter into, as well as the renewal or cancellation of derivative arrangements, must be approved by both Alpek's and Alfa's CEO, according to the following schedule of authorizations:

	Maximum possible loss US$1	
	Individual transaction	Annual cumulative transactions
Chief Executive Officer of the Company	1	5
Risk Management Committee of Alfa	30	100
Finance Committee	100	300
Board of Directors of Alfa	>100	>300

The proposed transactions must meet certain criteria, including that the hedges are lower than established risk parameters, that they are the result of a detailed analysis and are properly documented.

In addition, sensitivity analysis and other risk analyses should be performed and documented prior to the operation.

Alfa's risk management policy indicates that hedging positions should always be less than the projected exposure to allow an acceptable margin of uncertainty. Exposed transactions are expressly prohibited. The Company's policy indicates that the further the exposure is, the lower the coverage, based on the following table:

	Maximum coverage (as a percentage of the projected exposure)
	Current year
Commodities	100
Energy costs	75
Exchange rate for operating transactions	80
Exchange rate for financial transactions	100
Interest rates	100

Capital management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to stockholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to stockholders, return equity to stockholders, issue new shares or sell assets to reduce debt.

Alpek reviews capital based on a leverage ratio. This percentage is calculated by dividing total liabilities by total stockholders' equity.

The financial ratio of total liabilities/total equity was 2.48, 2.09 and 1.62 as of December 31, 2024, 2023 and 2022, respectively, resulting in a leverage ratio that meets the Company's management and risk policies.

Financial instruments by category

The following are the Company's financial instruments by category.

As of December 31, 2024, 2023 and 2022, financial assets and liabilities consist of the following:

	As of December 31, 2024	2023	2022
Cash and cash equivalents	$ 6,216	$ 7,391	$ 6,319
Restricted cash	386	322	553
Financial assets measured at amortized cost:			
Trade and other accounts receivable	14,481	13,236	19,669
Other non-current assets	3,763	3,140	3,960
Financial assets measured at fair value through profit or loss			
Derivate financial instruments (1)	14	95	10
	$ 24,860	$ 24,184	$ 30,511
Financial liabilities measured at amortized cost:			
Debt	$ 40,570	$ 33,337	$ 39,081
Trade and other accounts payable	29,529	25,995	30,505
Lease liability	4,104	3,456	3,624
Financial liabilities measured at fair value:			
Derivative financial instruments (1)	839	265	1,241
	$ 75,042	$ 63,053	$ 74,451

(1) The Company designated the derivative financial instruments that comprise this balance as accounting hedges, in accordance with what is described later in this note.

Fair value of financial assets and liabilities valued at amortized cost

The amount of cash and cash equivalents, restricted cash, trade and other accounts receivable, other current assets, trade and other accounts payable, current debt and other current liabilities approximate their fair value, due to their short maturity. The net carrying amount of these accounts represents the expected cash flows to be received as of December 31, 2024, 2023 and 2022.

The carrying amount and estimated fair value of assets and liabilities valued at amortized cost is presented below:

	As of December 31, 2024		As of December 31, 2023		As of December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:						
Non-current accounts receivable	$ 3,148	$ 3,148	$ 2,456	$ 2,453	$ 3,344	$ 3,339
Financial liabilities:						
Non-current debt	38,956	36,277	32,702	30,484	37,344	34,519

The carrying amount of the debt, for the purpose of computing its fair value, is presented gross of interest payable and issuance costs.

The estimated fair values as of December 31, 2024, 2023, and 2022, of the Senior Notes are based on quoted prices (unadjusted) in active markets for identical assets or liabilities; therefore, they have been classified within Level 1 of the fair value measurement hierarchy. On the other hand, the estimated fair value of bank loans as of December 31, 2024, 2023, and 2022, was determined based on discounted cash flows, using the Interbank Equilibrium Interest Rate ("TIIE") for instruments in pesos, the Secured Overnight Financing Rate ("SOFR") for term instruments in U.S. dollars, and the Euro Interbank Offered Rate ("Euribor") for instruments in euros. The fair value measurement of bank loans is considered within Level 2 of the fair value hierarchy. Measurement at fair value for non-current accounts receivable is deemed within Level 3 of the fair value hierarchy.

Market risks

(i) Exchange rate risk

The Company is exposed to foreign exchange risk, primarily derived from the transactions and balances that the subsidiaries conduct and have in foreign currency, respectively. A foreign currency is that which is different from the functional currency of an entity. In addition, the Company is exposed to changes in the value of foreign investments (subsidiary entities that have a functional currency different from that of the ultimate holding company), which arise from changes in the exchange rates between the functional currency of the foreign operation and the functional currency of the holding company (pesos); therefore, the Company applies hedge accounting to mitigate this risk, designating financial liabilities as hedging instruments, regardless of whether the foreign investment is directly or indirectly maintained through a subholding.

The behavior of the exchange rates fluctuations between the Mexican peso, U.S. dollar and the euro represents an important factor for the Company due to the effect that such currencies have on its consolidated results, and because, in addition, Alpek has no interference in its determination. Historically, in certain times when the Mexican peso has appreciated against other currencies, such as the U.S. dollar, the Company's profit margins have been reduced. On the other hand, when the Mexican peso has lost value, Alpek's profit margins have been increased. However, there is no assurance that this correlation will be repeated in case the exchange rate between the Mexican peso and any other currency fluctuates again, because these effects also depend on the balances in foreign currency that the entities of the Company hold.

Accordingly, the Company sometimes enters into derivative financial instruments in order to keep under control the integrated total cost of its financing and the volatility associated with exchange rates. Additionally, as most of the Company' revenues are in U.S. dollars, there is a natural hedge against its obligations in U.S. dollars.

The Company has the following assets and liabilities in foreign currency in relation to the functional currency of the subsidiary entities, translated to millions of Mexican pesos at the closing exchange rate as of December 31, 2024:

	MXN	USD	EUR
Financial assets	$ 28,830	$ 2,594	$ 1,094
Financial liabilities	(28,977)	(11,823)	(359)
Foreign exchange financial position	$ (147)	$ (9,229)	$ 735

The exchange rates used to translate the foreign currency financial positions to Mexican pesos are those described in Note 3c.

Based on the financial positions in foreign currency maintained by the Company, a hypothetical variation of 10% in the MXN/USD and MXN/EUR exchange rate and keeping all other variables constant, would result in an effect of $864 on the consolidated statement of income and consolidated stockholders' equity.

Financial instruments to hedge net investments in foreign transactions

The Company designated certain non-current debt instruments as hedging instruments to net investments in foreign transactions, in order to mitigate the variations in exchange rates arising between the functional currency for such transactions and the functional currency of the holding or sub-holding company that maintains these investments.

The Company formally designated and documented each hedging relationship establishing objectives, strategy to hedge the risk, the identification of the hedging instrument, the hedged item, the nature of the risk to be hedged, and the methodology to assess the effectiveness. Given that the exchange rate hedging relationship is clear, the method that the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items.

The hedge will be effective as long as the notional debt designated as a hedging instrument is equal to or less than the value of the net assets of the covered foreign operation. On the other hand, when the value of the net assets of the foreign operation is less than the notional value of the designated debt, the Company rebalances the hedging relationship and recognizes the ineffectiveness in the income statement.

As of December 31, 2024, 2023 and 2022, Alpek maintains the following hedging relationships:

As of December 31, 2024

Holding	Functional Currency	Hedging Instrument	Notional Value	Hedged Item	Net assets of the hedged item
Alpek SAB	MXN	Bank loan	US$ 200	Indelpro	US$ 214
		Bank loan	96	Temex	82
		Senior Notes 144A fixed rate	22	Alpek Polyester Ms	239
		Senior Notes 144A fixed rate	100	Alpek Polyester México	12
				Akra Polyester	107
			US$ 418		US$ 654

As of December 31, 2023

Holding	Functional Currency	Hedging Instrument	Notional Value	Hedged Item	Net assets of the hedged item
Alpek SAB	MXN	Bank loan	US$ 200	Indelpro	US$ 254
		Bank loan	100	Temex	22
		Senior Notes 144A fixed rate	22	Alpek Polyester Ms	251
		Senior Notes 144A fixed rate	100	Alpek Polyester México	95
				Akra Polyester	120
			US$ 422		US$ 742

As of December 31, 2022					
Holding	Functional Currency	Hedging Instrument	Notional Value	Hedged Item	Net assets of the hedged item
Alpek SAB	MXN	Senior Notes 144A fixed rate	US$ -	Indelpro	US$ 240
		Senior Notes 144A fixed rate	300	Temex	68
		Senior Notes 144A fixed rate	22	Alpek Polyester Ms	232
		Senior Notes 144A fixed rate	100	Alpek Polyester México	82
				Akra Polyester	195
			US$ 422		US$ 817

For the years ended December 31, 2024, 2023 and 2022, the Company's average hedging ratio amounted to 57.9%, 56.3%, and 48.9%, respectively. Therefore, the exchange rate fluctuation generated by the hedging instruments for the years ended December 31, 2024, 2023 and 2022 amounted to a net (loss) gain of $(1,325), $873, and $545, respectively, which was recognized in other comprehensive income, offsetting the translation effect generated by each foreign investment. The hedging effectiveness results confirm that the hedging relationships are highly effective due to the economic relationship between the hedging instrument and the hedged items.

Derivative financial instruments to hedge exchange rate risks

As of December 31, 2023 and 2022, the Company holds forwards (EUR/USD) and during 2023 contracted forwards (GBP/USD), to hedge different needs. For 2023 and 2022, these forwards are mirrored to an entity with the functional currency of pound sterling (GBP), because part of its revenue is received in euros and part of its purchases are made in US dollars. Therefore, a highly probable forecasted transaction related to budgeted sales and purchases in each corresponding currency has been documented as a hedged item. As of December 31, 2024, these hedges expired naturally.

For accounting purposes, the Company has designated such forwards as cash flow hedging relationships to hedge the aforementioned items, and has formally documented these relationships, setting the objectives, management's strategy to hedge the risk, identification of hedging instruments, hedged items, the nature of the risk to be hedged and the methodology of the effectiveness assessment.

The conditions of the derivative financial instruments and the considerations of their valuation as hedging instruments are mentioned below:

	Forwards EUR/USD		
Characteristics	2023	2023	2022
Currency	GBP	EUR	EUR
Notional amount	10	29	24
Strike (average)	1.2639	1.0877	1.0738
Maturity	Monthly through December 30, 2024	Monthly through December 30, 2024	Monthly through December 30, 2023
Carrying amount	$(0)	$(8)	$(2)
Change in the fair value to measure ineffectiveness	$(2)	$(10)	$1.6
Reclassification from OCI to profit or loss	-	-	-
Recognized in OCI, net of reclassifications	$(0)	$(8)	$(2.3)
Change in the fair value of the hedged item to measure ineffectiveness	$2	$10	$(1.6)
Change in the fair value of the forward	$(0)	$(5.7)	$(18.8)

As of December 31, 2023 and 2022, the Company held EUR/USD forwards that were contracted with the objective of reducing transaction costs; therefore, for accounting purposes and for hedge evaluation, derivatives are divided into synthetic derivatives to hedge each hedged item individually (revenue in euros and purchases in dollars). During 2023, the Company also contracted EUR/GBP forwards directly for this same hedging relationship. The Company determined that they are highly effective according to the characteristics and modeling of both hedged items, resulting in 99% effectiveness for 2023, and 2022. Furthermore, both the credit profile of the Company and the counterparty are adequate and are not expected to change in the medium term, so the credit risk component is not considered to dominate the hedging relationship.

In accordance with the reference amounts described and the way in which the flows of the derivatives are exchanged, the average coverage ratio for the EUR/USD and GBP/USD exchange rate for 2023 is 68%, and for 2022 is 25%.

The source of ineffectiveness may be caused by the difference in the settlement date of the derivative and the hedged item, and that the expected amount becomes a lower amount than the hedging instruments, as well as the credit risk. For the years ended December 31, 2023 and 2022, no ineffectiveness was recognized in profit or loss.

(ii) Price risk

In carrying out its activities, the Company depends on the supply of raw materials provided by its suppliers, both in México and abroad, among which are intermediate petrochemicals, principally.

In recent years, the price of certain inputs has shown volatility, especially those related to oil and natural gas.

In order to fix the selling prices of certain of its products, the Company has entered into agreements with certain customers. At the same time, it has entered into transactions involving derivatives on natural gas that seek to reduce price volatility of the prices of this input.

Additionally, the Company has entered into derivative financial instruments transactions to hedge purchases of certain raw materials, since these inputs have a direct or indirect relationship with the prices of its products.

The derivative financial operations have been privately contracted with various financial institutions, whose financial strength was highly rated at the time by rating agencies. The documentation used to formalize the contract operations is that based generally on the "Master Agreement", generated by the "International Swaps & Derivatives Association" ("ISDA"), which is accompanied by various accessory documents known in generic terms as "Schedule", "Credit Support Appendix" and "Confirmation".

Regarding natural gas, Pemex is the only supplier in México. The selling price of natural gas is determined based by the price of that product on the “spot” market in South Texas, USA, which has experienced volatility. For its part, the Mexican Electric Commission is a decentralized public company in charge of producing and distributing electricity in México. Electricity rates have also been influenced by the volatility of natural gas, since most power plants are gas-based.

The Company entered into various derivative agreements with various counterparties to protect it against increases in prices of natural gas and other raw materials. In the case of natural gas derivatives, hedging strategies for products were designed to mitigate the impact of potential increases in prices. The purpose is to protect the price from volatility by taking positions that provide stable cash flow expectations, and thus avoid price uncertainty. The reference market price for natural gas is the Henry Hub New York Mercantile Exchange (NYMEX).

The average price in US dollars per MMBTU for 2024, 2023 and 2022 was $2.2, $2.5, and $6.4, respectively.

As of December 31, 2024, 2023 and 2022, the Company had hedges of natural gas prices for a portion expected of consumption needs in México and the United States.

Derivative contracts to hedge adverse changes in commodity prices

The Company uses natural gas to operate, as well as some of its main raw materials are paraxylene, ethylene and monoethylene glycol (MEG). Therefore, an increase in the prices of natural gas, paraxylene, ethylene, monoethylene glycol (MEG), or propylene, would have negative effects on the cash flow of the operation. The objective of the Company's designated hedge is to mitigate against exposure to price increases of the aforementioned generic goods for future purchases, by contracting swaps where a variable price is received and a fixed price is paid. In the case of PET, the Company uses these derivatives to hedge sales related to this asset. The Company has implemented strategies called roll-over, through which it analyzes monthly if more derivatives are contracted to expand the time or amount of coverage; currently, coverage contracted until December 2026 is maintained. Commodity derivatives are mirrored to Alpek Polyester USA, Alpek Polyester Mexico, Alpek Polyester Brazil and Alpek Polyester UK, since the risk is in these entities and the derivative instruments are contracted by Alpek Polyester; this process is carried out through the formalization of internal derivatives in order to apply hedge accounting.

These derivative financial instruments have been classified as cash flow hedges for accounting purposes. In this sense, management has documented, as a hedged item, a highly probable transaction in relation to the budget for purchases of these commodities. The conditions of the derivative financial instruments and the considerations of their valuation as hedging instruments are mentioned below:

	As of December 31, 2024		
Characteristics	Natural Gas Swaps	Paraxylene Swaps	MEG Swaps
Total notional	29,262,179	308,220	63,157
Units	MMBtu	MT	MT
Price received	Fair value	Fair value	Fair value
Price paid (average)	$3.9/MMBtu	$952/MT	$554/MT
Maturity (monthly)	December 2026	January 2026	January 2026
Net position of the swap [1]	(204)	(634)	14
Ineffectiveness recognized in the statement of income	-	-	-
Change in the fair value to measure ineffectiveness	(180)	(655)	5
Reclassification from OCI to profit or loss	-	(78)	6
Balance recognized in OCI, net of reclassifications	(204)	(556)	8
Change in the fair value to measure ineffectiveness of hedge item	181	656	(6)
Effectiveness test results	99.74%	99.79%	99.80%

Characteristics	As of December 31, 2023 Natural Gas Swaps	Paraxylene Swaps	MEG Swaps	Ethylene Swaps	Propylene Swaps
Total notional	24,042,090	277,280	157,474	3,304,623	3,261,920
Units	MMBtu	MT	MT	LB	LB
Price received	Fair value	Fair value	Fair value	Fair value	Fair value
Price paid (average)	$3.9/MMBtu	$1,019/MT	$520/MT	$.19/LB	$.43/LB
Maturity (monthly)	January 2025	January 2025	January 2025	January 2024	August 2024
Net position of the swap [(1)]	$(200)	$28	$8	$1	$2
Ineffectiveness recognized in the statement of income	-	-	-	-	-
Change in the fair value to measure ineffectiveness	(189)	36	26	-	-
Reclassification from OCI to profit or loss	-	4	(16)	1	-
Balance recognized in OCI, net of reclassifications	(200)	24	24	-	2
Change in the fair value to measure ineffectiveness of hedge item	190	(36)	(26)	-	-
Effectiveness test results	99.92%	99.89%	99.89%	99.92%	99.93%

Characteristics	As of December 31, 2022 Natural Gas Swaps	Paraxylene Swaps	MEG Swaps
Total notional	70,973,855	272,650	136,350
Units	MMBtu	MT	MT
Price received	Fair value	Fair value	Fair value
Price paid (average)	$4.43/MMBtu	$970/MT	$586/MT
Maturity (monthly)	December 2024	January 2024	January 2024
Net position of the swap [(1)]	$(950.3)	$(140.8)	$(137.6)
Ineffectiveness recognized in the statement of income	-	-	-
Change in the fair value to measure ineffectiveness	(1,086.2)	(219.1)	(213.8)
Reclassification from OCI to profit or loss	-	31.2	(49.6)
Balance recognized in OCI, net of reclassifications	(950.3)	(172.0)	(88.1)
Change in the fair value to measure ineffectiveness of hedge item	1,086.5	219.3	213.9
Effectiveness test results	99.97%	99.92%	99.92%

(1) Due to the high volume of operations, the net position of derivative financial instruments is presented; however, since these instruments do not meet the criteria for the offsetting of financial instruments, they are presented in their gross amounts in the consolidated statement of financial position.

The change in the fair value of the derivative financial instruments recognized in OCI for the year ended December 31, 2024, 2023 and 2022 is $(596), $1,056, and $(1,182), respectively.

The fair value of the derivate financial instruments according to their classification in the consolidated statement of financial position is as follows:

As of December 31, 2024	Asset	Liability	Total
Natural Gas	$ -	$ (204)	$ (204)
Paraxylene	-	(634)	(634)
MEG/Ethylene	15	(1)	14
Total	$ 15	$ (839)	$ (824)

As of December 31, 2023	Asset	Liability	Total
Natural Gas	$ -	$ (200)	$ (200)
Paraxylene	54	(26)	28
Propylene	2	-	2
MEG/Ethylene	36	(27)	9
Forward	3	(12)	(9)
Total	$ 95	$ (265)	$ (170)

As of December 31, 2022	Asset	Liability	Total
Natural Gas	$ -	$ (950)	$ (950)
Paraxylene	10	(151)	(141)
MEG	-	(138)	(138)
Forward	-	(2)	(2)
Total	$ 10	$ (1,241)	$ (1,231)

With the reference amounts of these derivative financial instruments, the Company offsets the fluctuation of the prices of these commodities that are used as raw material in the production processes of the entities.

For commodity hedging relationships, management is designating as a hedged item a specific risk, which is defined by the underlying assets that are clearly determined that the risk component is separable, it can be reliably measured and is also highly correlated.

On the other hand, in the measurement of the effectiveness of these hedges, the Company determined that they are highly effective because the changes in the fair value and cash flows of each hedged item are compensated within the range of effectiveness established by management. Due to the results shown on the effectiveness tests, it is confirmed that there is an economic relationship between the hedging instruments and the hedged item. The method used by the Company is to offset cash flows using a hypothetical derivative, which consists of comparing the changes in the fair value of the hedging instrument with the changes in the fair value of the hypothetical derivative that would result in a perfect hedge.

As of December 31, 2024, according to the reference amounts described and the way in which the flows of the derivatives are exchanged, the average coverage ratio for the natural gas, paraxylene, ethylene and ethane, PTA and PET for 2024, 2023 and 2022 are shown below and, if necessary, a rebalancing will be done to maintain this relationship for the strategy.

Average coverage ratio	2024	2023	2022
Natural gas	20%	17%	29%
Paraxylene	61%	46%	45%
Ethylene/MEG	18%	32%	37%
Propylene	-	25%	-

The source of ineffectiveness can be caused mainly by the difference in the settlement date of the hedging instruments and the hedged items, and that the budget becomes less than the hedging instruments. For the years ended December 31, 2024, 2023 and 2022, there was no ineffectiveness recognized in profit or loss.

(iii) Interest rate risk

The Company is exposed to interest rate risk mainly for long-term loans bearing interest at variable rates. Fixed-interest loans expose the Company to interest rate risk at fair value, which reflects that Alpek might be paying interest at rates significantly different from those of an observable market.

As of December 31, 2024, 57% of the financing is denominated at a fixed rate, and 43% at a variable rate.

As of December 31, 2024, if interest rates on variable rate loans are increased or decreased by 100 basis points in relation to the rate in effect, the income and stockholders' equity of the Company would change by $391.

Credit risk

Credit risk represents the potential loss due to non-compliance of counterparts in their payment obligations. Credit risk is generated from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposure to customers, including receivables and committed transactions.

The Company determines, from a business standpoint and credit risk profile, the significant customers with whom it maintains an account receivable, distinguishing those that require an individual credit risk assessment. For the rest of the customers, the company carries out its classification according to the type of market in which they operate (domestic or foreign), according with the business and internal risk administration. Each subsidiary is responsible for managing and analyzing credit risk for each of its new customers before setting the terms and conditions of payment. If wholesale customers are rated independent, these are the ratings used. If there is no independent rating, the Company's risk control group evaluates the creditworthiness of the customer, taking into account their financial position, past experience and other factors. The maximum exposure to credit risk is given by the balances of these items as presented in the consolidated state of financial position.

Individual risk limits are determined based on internal and external ratings in accordance with limits set by the Board of Directors. The use of credit risk is monitored regularly. Sales to retail customers are in cash or by credit card. During the years ended December 31, 2024, 2023 and 2022, credit limits were not exceeded.

In addition, the Company performs a qualitative evaluation of economic projections, with the purpose of determining the possible impact on probabilities of default and the rate of recovery that it assigns to its clients.

During the year ended December 31, 2024, there have been no changes in the techniques of estimation or assumption.

Liquidity risk

Projected cash flows are determined at each operating entity of the Company and subsequently the finance department consolidates this information. The finance department of the Company continuously monitors the cash flow projections and liquidity requirements of the Company ensuring that sufficient cash and highly liquid investments are maintained to meet operating needs, and it's that some flexibility is maintained through open and committed credit lines. The Company regularly monitors and makes decisions ensuring that the limits or covenants set forth in debt contracts are not violated. The projections consider the financing plans of the Company, compliance with covenants, compliance with minimum liquidity ratios and internal legal or regulatory requirements.

The Company's treasury department invests those funds in time deposits and marketable securities whose maturities or liquidity allow flexibility to meet the cash needs of the Company.

The following table analyzes the derivative and non-derivative financial liabilities of the Company, grouped according to their maturity, from the date of the consolidated statement of financial position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are required to understand the timing of the Company's cash flows. The amounts disclosed in the table are contractual undiscounted cash flows.

	Less than a year	From 1 to 5 years	More than 5 years
As of December 31, 2024			
Trade and other accounts payable	$ 29,529	$ -	$ -
Current and non-current debt (excluding debt issuance costs and including non-accrued interest payable)	3,029	31,417	12,863
Derivative financial instruments	802	37	-
As of December 31, 2023			
Trade and other accounts payable	$ 25,996	$ -	$ -
Current and non-current debt (excluding debt issuance costs and including non-accrued interest payable)	1,981	18,770	19,837
Derivative financial instruments	253	12	-
As of December 31, 2022			
Trade and other accounts payable	$ 30,505	$ -	$ -
Current and non-current debt (excluding debt issuance costs and including non-accrued interest payable)	8,445	19,183	23,515
Derivative financial instruments	1,220	21	-

Supplier finance arrangements

In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Company has entered into supplier finance arrangements that permit the suppliers to obtain advance payment from the banks, financing that they can access in an average of 16 days from the issuance of their invoices. This program generates a transactional discount cost, which is stipulated according to the currency and the term of the invoice to be discounted, which are based on a variable reference rate with a margin. The Company repays the banks the full invoice amount on the scheduled payment date as required by the invoice. As the arrangements do not permit the Company to extend finance from the banks by paying them later than the Company would have paid its suppliers, the Company considers amounts payable to the banks should be presented as part of "Trade and other accounts payable". As of December 31, 2024, 30.6% of the "Trade accounts payable" line item, as detailed in Note 15, were amounts owed under these arrangements.

Below is a detailed account of supplier financing agreements and their presentation within the consolidated statement of financial position:

	December 31	
	2024	2023
Presented as part of Trade and other accounts payable, including:	$ 8,442	$ 8,993
Trade accounts payable for which suppliers have already received payment from the financial institution	$ 8,386	

Below is a breakdown of the payment date ranges for supplier financing agreements as of December 31, 2024:

	Days
For liabilities presented as part of Trade and other accounts payable:	
Liabilities that are part of supplier finance arrangements	60- 150
Comparable trade accounts payable that are not part of supplier finance arrangements	30-90

The changes in liabilities that are subject to supplier financing agreements are attributable primarily to additions resulting from purchases of goods and services, and subsequent cash settlements. There were no material non-monetary changes in these liabilities.

The Company does not face a significant liquidity risk as a result of its supplier financing arrangements given the limited amount of liabilities subject to supplier financing arrangements and the Company´s access to other sources of financing on similar terms.

Fair value hierarchy

The following is an analysis of financial instruments measured in accordance with the fair value hierarchy. The 3 different levels used are presented below:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Other valuations including quoted prices for similar instruments in active markets that are directly or indirectly observable.
- Level 3: Valuations made through techniques where one or more of their significant data inputs are unobservable.

The derivative financial instruments of the Company that are measured at fair value as of December 31, 2024, 2023 and 2022, are located within Level 2 of the fair value hierarchy.

There were no transfers between levels of the fair value hierarchy during the period.

The specific valuation techniques used to value financial instruments include:

- Market quotations or trader quotations for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- The fair value of forward exchange agreements is determined using exchange rates at the closing balance date, with the resulting value discounted at present value.
- Other techniques such as the analysis of discounted cash flows, which are used to determine fair value of the remaining financial instruments.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) *Estimated impairment of goodwill and intangible assets with indefinite useful lives*
The Company performs annual tests to determine whether goodwill and intangible assets with indefinite useful lives have suffered any impairment (see Note 12). For impairment testing, goodwill and intangible assets with indefinite lives are allocated to those gr oups of cash-generating units ("CGUs") from which the Company has considered that economic and operational synergies of business combinations are generated. The recoverable amounts of the CGUs have been determined based on the calculations of their value in use, which require the use of estimates. The most significant of these estimates are as follows:

   - Estimates of future gross and operating margins, according with the historical performance and industry expectations for each CGU group.
   - Discount rate based on the weighted average cost of capital ("WACC") of each CGU or group of CGUs.
   - Long-term growth rates.

b) *Recoverability of deferred tax assets*
Alpek has tax loss carryforwards, which can be used in the following years until maturity expires. Based on the projections of taxable income that Alpek will generate in the subsequent years through a structured and robust business plan, management has determined that current tax losses will be used before they expire and, therefore, it was considered probable that the deferred tax assets for such losses will be recovered.

c) *Long-lived assets*
The Company estimates the useful lives of long-lived assets in order to determine the depreciation and amortization expenses to be recorded during the reporting period. The useful life of an asset is calculated when the asset is acquired and is based on past experience with similar assets, considering anticipated technological changes or any other type of changes; or in the case of the right-of-use assets, based on the term of the lease agreement. Were technological changes to occur faster than estimated, or differently than anticipated, the useful lives assigned to these assets could have to be reduced. This would lead to the recognition of a greater depreciation and amortization expense in future periods. Alternatively, these types of technological changes could result in the recognition of a charge for impairment to reflect the reduction in the expected future economic benefits associated with the assets.

The Company reviews depreciable and amortizable assets on an annual basis for signs of impairment, or when certain events or circumstances indicate that the book value may not be recovered during the remaining useful life of the assets. For intangible assets with an indefinite useful life, the Company performs impairment tests annually and at any time that there is an indication that the asset may be impaired.

To test for impairment, the Company uses projected cash flows, which consider the estimates of future transactions, including estimates of revenues, costs, operating expenses, capital expenses and debt service. In accordance with IFRS, discounted future cash flows associated with an asset or CGU are compared to the book value of the asset or CGU being tested to determine if impairment or a reversal of impairment exist.

d) *Estimation of default probabilities and recovery rate to apply the model of expected losses in the calculation of impairment of financial assets*
The Company assigns to customers with whom it maintains an account receivable at each reporting date, either individually or as a group, an estimate of the probability of default on the payment of accounts receivable and the estimated recovery rate, with the purpose of reflecting the cash flows expected to be received from the outstanding balances on such reporting date.

e) *Business combinations*

When business combinations are concluded, the acquisition method is required to recognize the identifiable net assets acquired at fair value, at the date of acquisition; any excess of the consideration paid, which may include over the identified net assets, is recognized as goodwill, which is subject to impairment tests at least once a year. On the other hand, any excess of the net assets acquired over the consideration paid is recognized as a gain in profit or loss.

To estimate the fair value of the assets acquired and liabilities assumed, the Company uses observable market data to the extent it is available. When the input data of Level 1 is not available, the Company hires an independent qualified appraiser to perform the valuation. Management works closely with the independent qualified appraiser to establish the valuation techniques, the premises, the appropriate input data and the criteria to be used in the valuation models.

f) *Estimation of the discount rate to calculate the present value of future minimum lease payments*

The Company estimates the discount rate to be used in determining the lease liability, based on the incremental borrowing rate (“IBR”).

The Company uses a three-tier model, with which it determines the three elements that make up the discount rate: (i) reference rate, (ii) credit risk component and (iii) adjustment for characteristics of the underlying asset. In this model, management also considers its policies and practices to obtain financing, distinguishing between that obtained at the corporate level (that is, by the parent), or at the level of each subsidiary. Finally, for real estate leases, or, in which there is significant and observable evidence of the residual value, the Company estimates and evaluates an adjustment for characteristics of the underlying asset, taking into account the possibility that said asset is granted as collateral or guarantee against the risk of default.

g) *Estimation of the lease term*

The Company defines the lease term as the period for which there is a contractual payment commitment, considering the non-cancelable period of the contract, as well as the renewal and early termination options that are likely to be exercised. To measure the lease liability, the Company estimates the term of the contracts considering their contractual rights and limitations, their business plan, as well as management’s intentions for the use of the underlying asset.

Additionally, the Company considers the early termination clauses of its contracts and the probability of exercising them, as part of its estimate of the lease term.

5.2 Critical judgments in applying the entity's accounting policies

a) *Determination of exercise of control over certain investments in shares*

The Company has evaluated critical control factors and has concluded that it should consolidate the financial statements of its subsidiaries Polioles and Indelpro. The analysis performed by the Company included the assessment of the substantive decision making rights of the respective Shareholders set forth in their bylaws, resulting in management’s conclusion that it has the power to govern their relevant activities.

b) *Acquisitions of assets and business combinations*

Management uses its professional judgment to determine whether the acquisition of a group of assets represents a business combination or an acquisition of assets. Such determination could have a significant impact on how acquired assets and assumed liabilities are accounted for, both in their initial recognition and in subsequent years.

6. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The cash and cash equivalents are comprised as follows:

	As of December 31,		
	2024	2023	2022
Cash on hand and in banks	$ 4,802	$ 5,898	$ 4,787
Short-term bank deposits	1,414	1,493	1,532
Total cash and cash equivalents	$ 6,216	$ 7,391	$ 6,319

Restricted cash

The restricted cash balance is made up of cash whose restrictions cause the definition of cash and cash equivalents not to be met. As of December 31, 2023 and 2022, the restricted cash balance is classified as current and non-current assets in the consolidated statement of financial position, based on the expiration date of the restriction.

As of December 31, 2024, 2023 and 2022, the Company has restricted cash of approximately $386, $322, and $553, respectively. As of December 31, 2024, the increase compared to the previous year is mainly related to translation effect. As of December 31, 2023, the decrease is compared to the previous year is primarily related to the release of cash restrictions in Octal, derived from the revocation of anti-dumping measures applicable to PET. As of December 31, 2022, the increase compared to the previous year relates primarily to funds that were restricted as part of the Octal acquisition.

7. TRADE AND OTHER RECEIVABLES, NET

Trade and other accounts receivable, net are comprised as follows:

	As of December 31,		
	2024	2023	2022
Trade accounts receivable	$ 16,060	$ 14,594	$ 21,377
Trade and other accounts receivable from related parties (Note 28)	182	454	497
Recoverable taxes	3,950	4,237	3,579
Notes receivable	32	7	12
Interest receivable	10	4	14
Sundry debtors	502	264	300
Other investments	166	-	-
Allowance for impairment of trade and other accounts receivable	(2,471)	(2,087)	(2,531)
Total	$ 18,431	$ 17,473	$ 23,248

The changes in the impairment allowance for trade and other receivables in 2024, 2023 and 2022, with the expected losses model used by the Company, are as follows:

For the year ended December 31, 2024:

Customers or customer groups	Default probability range	Loss given default range	Opening balance – Impairment allowance	Increases in the allowance	Cancellations in the allowance	Translation effect	Ending balance – Impairment allowance
Alpek Polyester [1]	0%-100%	0%-100%	$ (2,061)	$ (101)	$ 91	$ (369)	$ (2,440)
Grupo Styropek [1]	0%	0%-10%	(4)	(2)	3	(1)	(4)
Polioles	0%	0%-5%	(6)	(2)	6	-	(2)
Indelpro and other [1]	0.61%	4.56%	(16)	(10)	1	-	(25)
Total			$ (2,087)	$ (115)	$ 101	$ (370)	$ (2,471)

[1] The default probability range does not consider customers and groups of customers for which the probability is 100%.

For the year ended December 31, 2023:

Customers or customer groups	Default probability range	Loss given default range	Opening balance – Impairment allowance	Increases in the allowance	Cancellations in the allowance	Translation effect	Ending balance – Impairment allowance
Alpek Polyester [1]	0%-100%	0%-100%	$ (2,362)	$ (165)	$ 63	$ 403	$ (2,061)
Grupo Styropek [1]	0%	0%-10%	(109)	(6)	102	9	(4)
Polioles	0%	0%-5%	(29)	(8)	28	3	(6)
Indelpro and other [1]	0.65%	3.42%	(31)	(1)	16	-	(16)
Total			$ (2,531)	$ (180)	$ 209	$ 415	$ (2,087)

[1] The default probability range does not consider customers and groups of customers for which the probability is 100%.

For the year ended December 31, 2022:

Customers or customer groups	Default probability range	Loss given default range	Opening balance – Impairment allowance	Increases in the allowance	Cancellations in the allowance	Translation effect	Ending balance – Impairment allowance
Alpek Polyester [1]	0%-81%	0%-99%	$ (2,596)	$ (87)	$ 159	$ 162	$ (2,362)
Grupo Styropek [1]	0%	0%-10%	(232)	(25)	115	33	(109)
Polioles	0%	0%-5%	(23)	(7)	-	1	(29)
Indelpro and other [1]	0.81%	8.22%	(77)	-	46	-	(31)
Total			$ (2,928)	$ (119)	$ 320	$ 196	$ (2,531)

[1] The default probability range does not consider customers and groups of customers for which the probability is 100%.

As of December 31, 2024, 2023 and 2022, the Company has guaranteed accounts receivable of $1,761, $1,540, and $2,322, respectively.

The net change in the allowance for impairment of trade and other receivables of $384 and $(444) in the years ended December 31, 2024 and 2023, was primarily due to the increase and decrease, respectively, in the probability of default in certain customers compared to the beginning of the year, as well as the translation effect.

The Company has long-term receivables that are guaranteed with the properties of M&G México's PET production plant in Altamira, México, which have been used by Management to mitigate the exposure to credit risk of such financial assets, and therefore has not recognized an impairment in their carrying amount.

8. INVENTORIES

	As of December 31, 2024	2023	2022
Finished good	$ 13,542	$ 11,358	$ 16,229
Raw material and other consumables	11,408	9,020	14,320
Materials and tools	2,609	2,383	2,585
Production in progress	685	561	759
	$ 28,244	$ 23,322	$ 33,893

For the years ended December 31, 2024, 2023 and 2022, a provision amounting to $23, $125, and $255, respectively, related to damaged, slow-moving and obsolete inventory was recognized in the consolidated statement of income.

As of December 31, 2024, 2023 and 2022, there were no inventories pledged as collateral.

9. PREPAYMENTS

The current portion and non-current portion of prepaid expenses is summarized as follows:

	As of December 31, 2024	2023	2022
Current portion (1)	$ 885	$ 744	$ 765
Non-current portion	12	6	7
Total prepayments	$ 897	$ 750	$ 772

(1) This item mainly consists of advance payments for raw materials and prepaid insurance.

10. PROPERTY, PLANT AND EQUIPMENT, NET

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Furniture, lab and information technology equipment	Construction in progress	Other fixed assets	Total
For the year ended December 31, 2022								
Opening balance	$ 3,995	$ 5,273	$ 24,581	$ 139	$ 735	$ 3,276	$ 1,406	$ 39,405
Additions	-	-	11	1	4	2,986	413	3,415
Additions for business acquisitions	-	4,569	6,904	2	10	335	-	11,820
Disposals	-	-	(150)	-	(1)	(10)	(80)	(241)
Impairment	-	(6)	(135)	-	-	(5)	-	(146)
Restatement and translation effect	(142)	(327)	(1,574)	(9)	(64)	(322)	(101)	(2,539)
Depreciation charges recognized in the year	-	(352)	(2,756)	(16)	(110)	-	-	(3,234)
Transfers	-	199	2,599	14	161	(3,002)	-	(29)
Ending balance as of December 31, 2022	$ 3,853	$ 9,356	$ 29,480	$ 131	$ 735	$ 3,258	$ 1,638	$ 48,451
As of December 31, 2022								
Cost	$ 3,853	$ 23,569	$ 88,533	$ 440	$ 2,617	$ 3,258	$ 1,638	$ 123,908
Accumulated depreciation and accumulated impairment	-	(14,213)	(59,053)	(309)	(1,882)	-	-	(75,457)
Net carrying amount as of December 31, 2022	$ 3,853	$ 9,356	$ 29,480	$ 131	$ 735	$ 3,258	$ 1,638	$ 48,451
For the year ended December 31, 2023								
Opening balance	$ 3,853	$ 9,356	$ 29,480	$ 131	$ 735	$ 3,258	$ 1,638	$ 48,451
Additions	-	-	15	1	7	2,881	162	3,066
Disposals	(8)	(10)	(72)	-	(1)	(16)	(179)	(286)
Impairment (1)	(56)	(93)	(831)	(3)	(26)	(404)	(35)	(1,448)
Restatement and translation effect	(338)	(844)	(3,791)	(18)	(88)	(384)	(190)	(5,653)
Depreciation charges recognized in the year	-	(370)	(2,689)	(18)	(112)	-	-	(3,189)
Transfers	-	(1,261)	3,548	31	101	(2,408)	-	11
Ending balance as of December 31, 2023	$ 3,451	$ 6,778	$ 25,660	$ 124	$ 616	$ 2,927	$ 1,396	$ 40,952
As of December 31, 2023								
Cost	$ 3,451	$ 17,460	$ 76,364	$ 369	$ 2,233	$ 2,927	$ 1,396	$ 104,200
Accumulated depreciation and accumulated impairment	-	(10,682)	(50,704)	(245)	(1,617)	-	-	(63,248)
Net carrying amount as of December 31, 2023	$ 3,451	$ 6,778	$ 25,660	$ 124	$ 616	$ 2,927	$ 1,396	$ 40,952

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Furniture, lab and information technology equipment	Construction in progress	Other fixed assets	Total
For the year ended December 31, 2024	$ 3,451	$ 6,778	$ 25,660	$ 124	$ 616	$ 2,927	$ 1,396	$ 40,952
Opening balance	-	-	855	3	1	1,983	341	3,183
Additions	90	42	60	1	-	100	-	293
Disposals	-	(1)	(39)	(6)	(8)	1	(4)	(57)
Impairment (2)	-	(29)	(1,421)	(13)	(1)	(11)	(15)	(1,490)
Restatement and translation effect	406	952	4,660	23	121	327	181	6,670
Depreciation charges recognized in the year	-	(392)	(2,722)	(19)	(121)	-	-	(3,254)
Transfers	20	118	2,166	29	131	(2,529)	85	20
Ending balance as of December 31, 2024	$ 3,967	$ 7,468	$ 29,219	$ 142	$ 739	$ 2,798	$ 1,984	$ 46,317
As of December 31, 2024								
Cost	$ 3,967	$ 20,398	$ 92,488	$ 463	$ 2,763	$ 2,798	$ 1,984	$ 124,861
Accumulated depreciation and accumulated impairment	-	(12,930)	(63,269)	(321)	(2,024)	-	-	(78,544)
Net carrying amount as of December 31, 2024	$ 3,967	$ 7,468	$ 29,219	$ 142	$ 739	$ 2,798	$ 1,984	$ 46,317

(1) Mainly corresponds to $950 from the closure of the PET resin production operations at the Cooper River site, $409 from the closure of the filament production plant and the remainder to the Company's normal operations.

(2) Mainly corresponds to $1,191 from the suspension of EPS operations in Beaver Valley and the remainder to the Company's normal operation.

Depreciation expenses of $3,195, $3,134, and $3,176 were recorded in cost of sales, $11, $12, and $11, in selling expenses and $48, $43, and $47, in administrative expenses in 2024, 2023 and 2022, respectively.

11. RIGHT-OF-USE ASSET, NET

Alpek has leases of fixed assets including buildings, machinery and equipment, transportation equipment, and computer equipment. As of December 31, 2024, the average term of the lease contracts is 8 years.

The right-of-use recognized in the consolidated statement of financial position as of December 31, 2024, 2023 and 2022, is integrated as follows:

	Land	Buildings	Machinery and equipment	Rail cars	Ships and other leased assets	Total
Net carrying amount:						
Balance as of December 31, 2022	$ 368	$ 661	$ 781	$ 1,584	$ 58	$ 3,452
Balance as of December 31, 2023	$ 294	$ 576	$ 472	$ 1,775	$ 53	$ 3,170
Balance as of December 31, 2024	$ 397	$ 499	$ 875	$ 1,877	$ 89	$ 3,737
Depreciation for the year 2022	$ (29)	$ (60)	$ (309)	$ (426)	$ (166)	$ (990)
Depreciation for the year 2023	$ (31)	$ (85)	$ (294)	$ (436)	$ (150)	$ (996)
Depreciation for the year 2024	$ (88)	$ (68)	$ (267)	$ (457)	$ (190)	$ (1,070)

During the years ended December 31, 2024, 2023 and 2022, the Company recognized a lease expense of $704, $559, $780, respectively, related to low value and short-term lease agreements.

Additions derived from business acquisitions, new contracts and modifications to the lease liability, reflected in the net book value of the right-of-use asset as of December 31, 2024, 2023 and 2022 amounted to $1,327, $1,409, and $1,075, respectively.

As of December 31, 2024, 2023 and 2022, the Company does not have any commitments related to short-term lease agreements.

The Company has not signed lease contracts, which at the date of the consolidated financial statements have not started.

During the year, the Company did not execute significant extensions to the term of its lease contracts.

12. GOODWILL AND INTANGIBLE ASSETS, NET

Cost	Definite life							Indefinite life		
	Development costs	Non-compete agreements	Customer relationships	Patent	Software and licenses	Trademarks with definite life	Intellectual property, and others	Goodwill	Other	Total
As of January 1, 2022	$ 995	$ 77	$ 1,044	$ -	$ 307	$ 235	$ 3,898	$ 412	$ 10	$ 6,978
Additions	10	-	-	-	1	-	1	-	-	12
Additions for business acquisitions	5	-	-	1,638	3	-	-	-	-	1,646
Disposals	-	-	-	-	(31)	-	-	-	-	(31)
Impairment	-	-	-	-	(53)	-	(16)	-	-	(69)
Transfers	5	-	-	-	60	(30)	-	-	-	35
Translation effect	(63)	(3)	(47)	(30)	(10)	(7)	(215)	(25)	(1)	(401)
As of December 31, 2022	952	74	997	1,608	277	198	3,668	387	9	8,170
Additions	7	-	-	-	24	-	-	-	-	31
Disposals	-	-	-	-	(1)	-	-	-	-	(1)
Transfers	2	-	-	-	9	-	-	-	-	11
Translation effect	(120)	(3)	(104)	(216)	(17)	(17)	(482)	(49)	(1)	(1,009)
As of December 31, 2023	841	71	893	1,392	292	181	3,186	338	8	7,202
Additions	7	3	-	-	8	-	-	-	-	18
Additions for business acquisitions	-	-	-	-	2	-	-	-	-	2
Impairment	-	-	-	-	(10)	-	-	-	-	(10)
Disposals	-	-	(1)	-	-	-	-	-	-	(1)
Transfers	5	-	-	-	-	-	-	-	-	5
Translation effect	168	2	107	296	30	10	627	67	2	1,309
As of December 31, 2024	$ 1,021	$ 76	$ 999	$ 1,688	$ 322	$ 191	$ 3,813	$ 405	$ 10	$ 8,525

Amortization and Impairment	Definite life: Development costs	Definite life: Non-compete agreements	Definite life: Customer relationships	Definite life: Patent	Definite life: Software and licenses	Definite life: Trademarks with definite life	Definite life: Intellectual property, and others	Indefinite life: Goodwill	Indefinite life: Other	Total
As of January 1, 2022	$ (632)	$ (77)	$ (635)	$ -	$ (236)	$ (153)	$ (1,897)	$ -	$ -	$ (3,630)
Amortization	(26)	-	(59)	(98)	(11)	(5)	(216)	-	-	(415)
Transfers	-	-	-	-	(30)	30	-	-	-	-
Disposals	-	-	-	-	31	-	-	-	-	31
Impairment	-	-	-	-	53	-	4	-	-	57
Additions for business acquisitions	(4)	-	-	(7)	(2)	-	-	-	-	(13)
Translation effect	43	3	37	12	9	3	118	-	-	225
As of December 31, 2022	(619)	(74)	(657)	(93)	(186)	(125)	(1,991)	-	-	(3,745)
Amortization	(24)	-	(53)	(151)	(8)	(4)	(194)	-		(434)
Disposals	-	-	-	-	1	-	-	-	-	1
Translation effect	82	3	80	27	12	8	258	-	-	470
As of December 31, 2023	(561)	(71)	(630)	(217)	(181)	(121)	(1,927)	-	-	(3,708)
Amortization	(22)	-	(53)	(156)	(17)	(4)	(191)	-	-	(443)
Additions for business acquisitions	-	-	-	-	(2)	-	-	-	-	(2)
Impairment	-	-	-	-	9	-	-	-	-	9
Disposals	-	-	1	-	-	-	-	-	-	1
Translation effect	(113)	(2)	(107)	(72)	(17)	1	(397)	-	-	(707)
As of December 31, 2024	$ (696)	$ (73)	$ (789)	$ (445)	$ (208)	$ (124)	$ (2,515)	$ -	$ -	$ (4,850)

Net carrying amount	Development costs	Non-compete agreements	Customer relationships	Patent	Software and licenses	Trademarks with definite life	Intellectual property, and others	Goodwill	Other	Total
Cost	$ 952	$ 74	$ 997	$ 1,608	$ 277	$ 198	$ 3,668	$ 387	$ 9	$ 8,170
Amortization	(619)	(74)	(657)	(93)	(186)	(125)	(1,991)	-	-	(3,745)
As of December 31, 2022	$ 333	$ -	$ 340	$ 1,515	$ 91	$ 73	$ 1,677	$ 387	$ 9	$ 4,425
Cost	$ 841	$ 71	$ 893	$ 1,392	$ 292	$ 181	$ 3,186	$ 338	$ 8	$ 7,202
Amortization	(561)	(71)	(630)	(217)	(181)	(121)	(1,927)	-	-	(3,708)
As of December 31, 2023	$ 280	$ -	$ 263	$ 1,175	$ 111	$ 60	$ 1,259	$ 338	$ 8	$ 3,494
Cost	$ 1,021	$ 76	$ 999	$ 1,688	$ 322	$ 191	$ 3,813	$ 405	$ 10	$ 8,525
Amortization and impairment	(696)	(73)	(789)	(445)	(208)	(124)	(2,515)	-	-	(4,850)
As of December 31, 2024	$ 325	$ 3	$ 210	$ 1,243	$ 114	$ 67	$ 1,298	$ 405	$ 10	$ 3,675

Of the total amortization expense, $438, $425, and $401 have been recorded in cost of sales and $5, $9, and $14 in administrative and selling expenses in 2024, 2023 and 2022, respectively.

Incurred research and development expenses that have been recorded in the 2024, 2023 and 2022 consolidated statements of income were $52, $68, and $68, respectively.

Impairment testing of goodwill and indefinite lived intangible assets

As mentioned in Note 5, goodwill is allocated to operating segments that are expected to benefit from the synergies of the business combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units or groups of units. As of December 31, 2024, 2023 and 2022, goodwill of $405, $338, and $387, respectively, arises primarily from the Polyester segment.

The recoverable amount from each group of CGU has been determined based on calculations of values in use, which are formed by after-tax cash flow projections based on financial budgets approved by Management covering a period of 5 years.

The gross and operating margins included in the estimates of value in use have been estimated based on the historical performance and the growth expectations of the market in which each group of CGUs operates. The long-term growth rate used in estimating the value in use is consistent with the projections included in industry reports. The present value of the cash flows was discounted using a specific discount rate after taxes for each group of CGU and reflects the specific risks associated with each of them.

The key assumptions used in calculating the value in use in 2024, 2023 and 2022, were as follows:

	2024	2023	2022
Estimated gross margin	8.5%	8.3%	8.3%
Growth rate	2.6%	2%	2.1%
Discount rate	9.1%	9.1%	8.9%

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER NON-CURRENT ASSETS

	As of December 31,		
	2024	2023	2022
Notes receivable (1)	$ 1,970	$ 1,693	$ 2,495
Due from related parties (Note 28)	1,178	763	849
Trade receivables related with business acquisitions	615	684	616
Total other non-current financial assets	3,763	3,140	3,960
Investment in associates and joint ventures	63	261	9,162
Recoverable taxes	753	886	765
Other	80	94	100
Total investments accounted for using the equity method and other non-current assets	$ 4,659	$ 4,381	$ 13,987

(1) As of December 31, 2024, 2023 and 2022, this item mainly consisted of the financing provided to M&G Polímeros México, S.A. de C.V.

The Company's account of investments in associates and joint ventures consists of the following:

	Shareholding %	2024	2023	2022
Terminal Petroquímica Altamira, S.A. de C.V.	42.04%	$ 63	$ 61	$ 55
Clear Path Recycling, LLC (2)	-%	-	105	201
Agua Industrial del Poniente, S.A. de C.V. (3)	-%	-	95	88
Corpus Christi Polymers LLC (1)	33.33%	-	-	8,818
Investment in associates and joint ventures as of December 31		$ 63	$ 261	$ 9,162

(1) As a result of the temporary pause in the construction of the plant described in Note 2f, the Company determined that there were indications of impairment in its investment, therefore, based on the requirements of IAS 36, Impairment of Assets, the Company recognized an impairment of its investment in the joint venture of $9,591 during the year ended December 31, 2023.

(2) On September 1, 2024, the Company obtained control over this investment in associates, holding 100% of the shareholding as of December 31, 2024. The shareholding as of December 31, 2023 and 2022 was 49.9%. The acquisition was considered a staged business combination based on IFRS 3 requirements; fair value adjustments to assets acquired and liabilities assumed, as well as required disclosures, were not considered significant.

(3) On June 13, 2024, the Company obtained control over this investment in associates, holding 55.6% of the shereholding as of December 31, 2024. The shareholding as of December 31, 2023 and 2022 was 47.6%. The acquisition was considered a staged business combination based on IFRS 3 requirements; fair value adjustments to assets acquired and liabilities assumed, as well as required disclosures, were not considered significant.

Below is summarized the net loss of investments in associates and joint ventures, which are accounted for by the equity method of the Company:

	2024	2023	2022
Net comprehensive income (loss)	$ 1	$ (557)	$ (175)

There are neither commitments nor contingent liabilities regarding the Company's investment in associates and joint ventures as of December 31, 2024, 2023 or 2022.

14. SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTEREST

The significant non-controlling interest is integrated as follows:

	Non-controlling ownership percentage	Non-controlling net interest income (loss) for the period			Non-controlling interest as of December 31,		
		2024	2023	2022	2024	2023	2022
Indelpro, S. A. de C. V. and subsidiary	49%	$ 371	$ 885	$ 1,967	$ 4,205	$ 3,887	$ 4,461
Polioles, S. A. de C. V. and subsidiary	50%	65	145	120	624	487	438
Other		117	(149)	135	423	156	392
		$ 553	$ 881	$ 2,222	$ 5,252	$ 4,530	$ 5,291

The summarized consolidated financial information as of December 31, 2024, 2023 and 2022, and for the years then ended, corresponding to each subsidiary with a significant non-controlling interest is shown below:

	Indelpro, S. A. de C. V. and subsidiary			Polioles, S. A. de C. V. and subsidiary		
	2024	2023	2022	2024	2023	2022
Statement of financial position						
Current assets	$ 4,461	$ 3,972	$ 4,210	$ 1,193	$ 962	$ 1,250
Non-current assets	7,762	6,605	7,769	965	815	932
Current liabilities	1,811	1,211	1,038	670	508	648
Non-current liabilities	1,831	1,433	1,836	242	295	659
Stockholders' equity	8,581	7,933	9,105	1,246	974	875
Statements of income						
Revenues	11,660	10,442	18,553	3,055	3,023	3,546
Consolidated net income	757	1,807	4,015	131	289	240
Total comprehensive income of the year	2,321	636	3,459	328	152	164
Comprehensive income attributable to non-controlling interest	1,137	312	1,695	164	76	82
Dividends paid to non-controlling interest	749	886	2,394	27	27	10
Statements of cash flows						
Net cash flows generated by operating activities	1,969	1,838	5,215	220	206	346
Net cash flows (used in) generated by investing activities	(176)	(134)	(193)	(53)	(47)	(64)
Net cash flows used in financing activities	(1,819)	(2,057)	(5,162)	(150)	(351)	(164)
Net increase (decrease) in cash and cash equivalents	100	(422)	(132)	16	(220)	90

15. TRADE AND OTHER ACCOUNTS PAYABLE

	As of December 31,		
	2024	2023	2022
Trade accounts payable	$ 27,618	$ 24,650	$ 28,493
Short-term employee benefits	1,094	709	827
Advances from customers	36	54	76
Taxes other than income taxes	677	371	577
Due to related parties (Note 28)	168	153	224
Other accrued accounts and expenses payable	1,743	1,192	1,788
	$ 31,336	$ 27,129	$ 31,985

16. DEBT

	As of December 31,		
	2024	2023	2022
Current:			
Bank loans [1]	$ 1,263	$ 343	$ 1,466
Current portion of non-current debt	-	-	5,803
Interest payable	373	346	443
Current debt [2]	$ 1,636	$ 689	$ 7,712

	As of December 31,		
	2024	2023	2022
Non-current:			
Senior Notes	$ 22,405	$ 18,648	$ 27,271
Unsecured bank loans	16,729	14,177	10,177
Other loans	153	127	147
Total	39,287	32,952	37,595
Less: current portion of non-current debt	-	-	(5,803)
Less: interest generated by non-current debt	(353)	(304)	(423)
Non-current debt	$ 38,934	$ 32,648	$ 31,369

[1] As of December 31, 2024, 2023 and 2022, short-term bank loans and notes payable incurred interest at an annual average rate of 5.35%, 9.56%, and 6.15%, respectively.

[2] The fair value of bank loans and notes payable approximates their current carrying amount because of their short maturity.

The carrying amounts, terms and conditions of non-current debt are as follows:

Description	Currency	Outstanding Balance	Debt issuance costs	Interest payable	Balance as of December 31, 2024[1]	Balance as of December 31, 2023[1]	Balance as of December 31, 2022[1]	Maturity date	Interest rate
Senior Notes 144A/ Reg. S / fixed rate	USD	$ -	$ -	$ -	$ -	$ -	$ 5,926	08-aug-23	5.38%
Senior Notes 144A/ Reg. S / fixed rate	USD	10,121	(42)	125	10,204	8,493	9,722	18-sep-29	4.25%
Senior Notes 144A/ Reg. S / fixed rate	USD	12,118	(55)	138	12,201	10,155	11,623	25-feb-31	3.25%
Total Senior Notes		22,239	(97)	263	22,405	18,648	27,271		
Bank loan, LIBOR + 2.60%	USD	-	-	-	-	-	486	3-dec-24	2.77%
Bank loan, SOFR + 1.00%	USD	2,331	-	1	2,332	2,112	-	01-may-26	4.57%
Bank loan, SOFR + 1.71%	USD	81	-	-	81	85	-	29-jun-27	6.03%
Bank loan, SOFR + 1.6%	USD	60	-	1	61	98	-	20-jun-26	5.93%
Bank loan, SOFR + 1.05%	USD	4,054	-	35	4,089	3,416	-	21-jul-28	4.53%
Bank loan, SOFR +1.00%	USD	2,027	(5)	10	2,032	1,692	1,936	6-apr-27	4.51%
Bank loan, SOFR +1.05%	USD	4,053	(5)	23	4,071	3,391	3,882	7-apr-27	4.52%
Bank loan, SOFR +1.00%	USD	2,027	(6)	10	2,031	1,691	1,936	6-may-27	4.51%
Bank loan, SOFR +1.00%	USD	2,027	(5)	10	2,032	1,692	1,937	6-apr-27	4.51%
Total unsecured bank loans		16,660	(21)	90	16,729	14,177	10,177		
Other loans	USD	153	-	-	153	127	147	Various	Various
Total		39,052	(118)	353	39,287	32,952	37,595		
Less: current portion and interest of non-current debt		-	-	(353)	(353)	(304)	(6,226)		
Non-current debt		$ 39,052	$ (118)	$ -	$ 38,934	$ 32,648	$ 31,369		

[1] As of December 31, 2024, 2023 and 2022, issuance costs of the debt pending amortization were $118, $125, and $171, respectively.

As of December 31, 2024, the annual maturities of non-current debt, including current portion and interest payable, and gross from issuance costs are as follows:

	2025	2026	2027	2028 and thereafter	Total
Senior Notes	$ 263	$ -	$ -	$ 22,239	$ 22,502
Bank loans	90	2,391	10,215	4,054	16,750
Other loans	-	-	-	153	153
	$ 353	$ 2,391	$ 10,215	$ 26,446	$ 39,405

As of December 31, 2024, 2023 and 2022, the Company has committed unused lines of credit totaling US$587, US$584, and US$610, respectively.

Covenants:
Loan contracts and debt agreements contain restrictions, primarily relating to compliance with financial ratios, which include the following:

a) Interest hedge ratio: it is calculated by dividing the profit before financial result, net, share of result of associates and joint ventures, income taxes, depreciation and amortization (EBITDA) by the net interest charges for the last four quarters of the analyzed period. This ratio cannot be less than 2.5 times.

b) Leverage ratio: defined as the result of dividing the consolidated net debt (current and non-current debt, excluding debt issuance costs less restricted and unrestricted cash and cash equivalents) by the EBITDA of the last four quarters of the period analyzed. This ratio cannot be greater than 4 times.

Additionally, there are other restrictions in regards of incurring additional debt or making loans that require mortgaging assets, dividend payments and submission of financial information, which if not met or remedied within a specified period to the satisfaction of creditors may cause the debt to become payable immediately. During 2024, 2023 and 2022, the financial ratios were calculated according with the formulas set forth in the loan agreements. As of December 31, 2024 and the date of issuance of these consolidated financial statements, the Company complied satisfactorily with such covenants and restrictions.

17. LEASE LIABILITY

	As of December 31,		
	2024	2023	2022
Current portion:			
USD	$ 623	$ 454	$ 537
MXN	197	128	121
Other currencies	124	119	163
Current lease liability	$ 944	$ 701	$ 821
Non-current portion:			
USD	$ 3,090	$ 2,671	$ 2,686
MXN	410	261	308
Other currencies	604	524	630
	4,104	3,456	3,624
Less: Current portion of lease liability	(944)	(701)	(821)
Non-current lease liability	$ 3,160	$ 2,755	$ 2,803

As of December 31, 2024, 2023 and 2022, respectively, changes in the lease lability related to finance activities in accordance with the consolidated statement of cash flow are integrated as follows:

	2024	2023	2022
Beginning balance	$ 3,456	$ 3,624	$ 3,608
New contracts [1]	1,327	1,409	1,147
Write-offs	(30)	(251)	(8)
Adjustment to liability balance	(191)	51	(23)
Interest expense from lease liability	259	231	206
Lease payments	(1,269)	(1,170)	(1,109)
Exchange loss (gain), net	552	(438)	(197)
Ending balance	$ 4,104	$ 3,456	$ 3,624

(1) Includes lease liabilities assumed in business acquisitions.

The maturity of the lease liability is analyzed as follows:

	As of December 31, 2024	2023	2022
Less than a year	$ 944	$ 701	$ 821
Over 1 year and less than 5 years	2,072	1,579	1,669
Over 5 years	1,088	1,176	1,134
Total	$ 4,104	$ 3,456	$ 3,624

18. PROVISIONS

	Dismantling, demolition and environmental remediation	Legal contingencies	Other [1]	Total
As of January 1, 2022	$ 134	$ 878	$ 369	$ 1,381
Increases	-	78	1,166	1,244
Payments	(74)	(145)	(235)	(454)
Write-offs	-	(214)	(76)	(290)
Translation effect	(4)	8	(31)	(27)
As of December 31, 2022	56	605	1,193	1,854
Increases	379	138	241	758
Payments	(112)	-	(745)	(857)
Write-offs	(1)	(40)	(35)	(76)
Translation effect	(28)	(29)	(134)	(191)
As of December 31, 2023	294	674	520	1,488
Increases	844	87	196	1,127
Payments	(174)	-	(338)	(512)
Write-offs	(94)	(105)	(73)	(272)
Translation effect	32	(37)	24	19
As of December 31, 2024	$ 902	$ 619	$ 329	$ 1,850

[1] As of December 31, 2023 and 2022, the increases in "others" are mainly made up of the contingent consideration for the acquisition of Octal businesses for $904 (see Note 2), as well as reimbursement for taxes to be recovered from Petrobras $215.

	2024	2023	2022
Short-term provisions	$ 199	$ 749	$ 794
Long-term provisions	1,651	739	1,060
As of December 31	$ 1,850	$ 1,488	$ 1,854

As of December 31, 2024, 2023 and 2022, the provisions shown in the table above mainly include $43 (US$2), $103 (US$6), and $215 (US$11), respectively, related to the obligation to give back to Petrobras certain tax credits, in case they are recovered by Alpek Polyester Pernambuco and Alpek Polyester Brasil, as well as $605 (US$30). $673, (US$40), and $595 (US$31) for labor, civil and tax contingencies also derived from the acquisition of Alpek Polyester Pernambuco and Alpek Polyester Brasil, for which the Company holds an account receivable, included in other non-current assets, for $616 (US$30), $684, (US$40), and $616 (US$32) as of December 31, 2024, 2023 and 2022, respectively.

Additionally, during the years ended December 31, 2024 and 2023, the Company made partial payments related to the contingent consideration for the payment of future benefits (earn-out) related to the acquisition of Octal for $201 (US$11.4) and $512 (US$28.4), respectively. As of December 31, 2024, 2023 and 2022, the contingent consideration is $72 (US$3.5), $308 (US$18.3) and $904 (US$46.7).

19. EMPLOYEE BENEFITS

The valuation of retirement plan employee benefits includes formal plans and constructive obligations that covers all employees and is based primarily on their years of service, current age, and estimated salary at retirement date.

The subsidiaries of the Company have established irrevocable trust funds for payment of pensions and seniority premiums and health-care expenses.

Below is a summary of the main financial data of such employee benefits:

	As of December 31, 2024	2023	2022
Employee benefit obligations:			
Pension benefits	$ 333	$ 439	$ 612
Post-employment medical benefits	58	61	64
	391	500	676
Defined contribution plans	463	380	349
Employee benefits in the consolidated statement of financial position	$ 854	$ 880	$ 1,025
Charge to the consolidated statement of income for:			
Pension benefits	$ 6	$ (271)	$ (76)
Post-employment medical benefits	(2)	(4)	(3)
	$ 4	$ (275)	$ (79)
Remeasurements of employee benefit obligations recognized in other comprehensive income of the year	$ 129	$ (5)	(39)
Remeasurements of accrued employee benefit obligations recognized in other comprehensive income	$ 414	$ 285	$ 290

Pension and post-employment medical benefits

The Company operates defined benefit pension plans based on employees' pensionable remuneration and length of service. Most plans are externally funded. Plan assets are held in trusts, foundations or similar entities, governed by local regulations and practice in each country, as is the nature of the relationship between the Company and the respective trustees (or equivalent) and their composition. The Company operates post-employment medical benefit schemes mainly in its subsidiary Alpek Polyester USA. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes. Most of these plans are not being funded.

Amounts recognized in the consolidated statement of financial position are determined as follows:

	As of December 31, 2024	2023	2022
Present value of defined benefit obligations	$ 2,234	$ 2,535	$ 3,107
Fair value of plan assets	(1,843)	(2,035)	(2,431)
Liability in the statement of financial position	$ 391	$ 500	$ 676

The movements of defined benefit obligations are as follows:

	2024	2023	2022
As of January l,	$ 2,535	$ 3,107	$ 4,329
Service cost	8	44	69
Interest cost	129	147	98
Contributions from plan participants	36	3	4
Remeasurements:			
(Gains) losses from changes in financial assumptions	(78)	78	(715)
Losses (gains) from changes in demographic assumptions and experience adjustments	-	-	1
Translation effect	434	(323)	(219)
Benefits paid	(823)	(501)	(461)
Transfer of personnel	-	-	2
Plan curtailments	(7)	(20)	(1)
As of December 31,	$ 2,234	$ 2,535	$ 3,107

The movement in the fair value of plan assets for the year is as follows:

	2024	2023	2022
As of January 1	$ (2,035)	$ (2,431)	$ (3,632)
Interest income	(97)	(104)	(87)
Remeasurements – return on plan assets, excluding interest income	(51)	(83)	754
Translation effect	(340)	257	183
Contributions	(22)	(6)	-
Benefits paid	702	332	351
As of December 31	$ (1,843)	$ (2,035)	$ (2,431)

The amounts recorded in the consolidated statement of income for the years ended December 31 are the following:

	2024	2023	2022
Service cost	$ (8)	$ (43)	$ (69)
Interest cost, net	6	(251)	(10)
Effect of plan curtailments and/or settlements	6	19	-
Total included in personnel cost	$ 4	$ (275)	$ (79)

The principal actuarial assumptions are as follows:

	As of December 31,		
	2024	2023	2022
Discount rate Mexico	10.50%	9.75%	9.25%
Discount rate United States	5.41%	4.83%	4.96%-5.06%
Inflation rate Mexico	3.75%	3.50%	3.50%
Wage increase rate Mexico	6.00%	5.50%	5.00%
Medical inflation rate Mexico	7.00%	7.00%	7.00%

The sensitivity analysis of the discount rate for defined benefit obligations is as follows:

	Effect in defined benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	MX 1%	Decrease by $21	Increase by $24

Sensibility analyses are based on a change in assumptions, while all the other assumptions remain constant. In practice, this is slightly probable, and the changes in some assumptions may be correlated. In calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of calculated defined benefit obligation with the projected unit credit method at reporting period) has been applied as in the calculation of liabilities for pensions recognized within the consolidated statement of financial position.

Defined benefit plan assets

Plan assets are comprised as follows:

	As of December 31,		
	2024	2023	2022
Equity instruments	$ 1,488	$ 1,590	$ 1,899
Fixed income	355	445	532
Fair value of plan assets	$ 1,843	$ 2,035	$ 2,431

20. INCOME TAXES

The Company is subject to income tax, whose rate is 30% in México. The statutory income tax rates applicable to the main foreign subsidiaries were as follows:

	2024	2023	2022
United States	21%	21%	21%
Brazil	34%	34%	34%
Argentina	35%	35%	35%
Chile	27%	27%	27%
Canada	26.5%	26.5%	26.5%
Spain	25%	25%	25%
United Kingdom	25%	25%	19%
Oman [(1)]	15%	15%	15%

(1) Octal's production facility (Octal SAOC FZC) is registered in the Salalah Free Zone; therefore, it is exempt from corporate tax until 2024. Starting in 2025, Oman is amending its lax legislation through Royal Decree No. 70/2024 to align with the Pillar Two model rules published by OECD.

In 2023, the Company adopted the amendments to IAS 12, Income Taxes, applicable to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD), including tax laws implementing qualified domestic minimum taxes described in those rules.

The Company continues to apply the temporary exception to the deferred tax accounting requirements in IAS 12, and therefore does not recognize or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

As of December 31, 2024, the Company has not experienced significant effects related to Pillar Two income taxes because the jurisdictions in which the holding companies with subsidiaries that could potentially be impacted participate have not yet enacted applicable legislation and/or in those jurisdictions where the legislation is already in effect, calculations made according to the OECD's Pillar Two model rules have not resulted in tax effects. However, the Company will continue to evaluate the impact of the Pillar Two model income taxes legislation on its future financial performance.

a. Income taxes recognized in the consolidated statement of income are as follows:

	2024	2023	2022
Current income tax	$ (1,237)	$ (2,358)	$ (5,345)
Deferred income taxes	1,819	1,631	(164)
Income taxes expenses	$ 582	$ (727)	$ (5,509)

b. The reconciliation between the statutory and effective income tax rates is as follows:

	2024	2023	2022
(Loss) income before income taxes	$ (794)	$ (9,306)	$ 21,475
Income tax rate	30%	30%	30%
Statutory income tax rate expense	238	2,792	(6,443)
(Less) add income tax effect on:			
Annual adjustment for inflation	(240)	(253)	(896)
Non-deductible expenses	(74)	(2,941)	22
Non-taxable income	159	164	1,493
Effect of different tax rates of other countries other than Mexico	(261)	(128)	200
True up with respect to prior years' current income tax	71	88	(52)
Translation effect from the functional currency	676	(388)	147
Investments in associates and joint ventures	13	(61)	20
Total income taxes	$ 582	$ (727)	$ (5,509)
Effective tax rate	(73%)	(8%)	26%

c. The breakdown of the deferred tax asset and deferred tax liability is as follows:

	Asset (liability) December 31,		
	2024	2023	2022
Property, plant and equipment	$ (1,983)	$ (708)	$ (80)
Intangible assets	(224)	(128)	(131)
Debt issuance costs	(5)	(1)	(11)
Provisions	371	237	174
Derivative financial instruments	237	2	286
Tax loss carryforwards	1,906	413	652
Non-deductible interests	1,874	-	-
Tax credits, impairment allowance and other	2,265	1,604	828
Effect of tax rates of other countries and changes in tax rates	(301)	(85)	(9)
Deferred tax asset	$ 4,140	$ 1,334	$ 1,709
Inventories	$ (94)	$ 40	$ (22)
Property, plant and equipment, net	(3,721)	(3,557)	(5,753)
Intangible assets	(233)	(148)	(143)
Tax loss carryforwards	336	693	250
Non-deductible interest, provision allowance and others	557	808	1,498
Effect of tax rates of other countries and changes in tax rates	80	140	325
Deferred tax liability	$ (3,075)	$ (2,024)	$ (3,845)

Deferred income tax assets are recognized on tax loss carryforwards to the extent the realization of the related tax benefit through future tax income is probable. Tax losses amount to $28,886, $24,034, and $25,062, in 2024, 2023 and 2022, respectively.

Tax losses as of December 31, 2024 expire in the following years:

Loss for the year incurred	Tax-loss carryforwards	Expiration year
2015	$ -	2025
2016	59	2026
2017	14	2027
2018	14	2028
2019	29	2029
2020	19	2030
2021	264	2031
2022	26	2032
2023	189	2033
2024	2,572	2034
2025	4,289	2035 and thereafter
Other	21,411	No maturity
	$ 28,886	

As of December 31, 2024, the Company holds tax losses to be amortized in Brazil, through Suape and Citepe, for an amount of $21,411, which have no expiration date. The Company has decided to reserve the total amount of the tax losses, according to management's estimate of future reversals of temporary differences; thus, as of December 31, 2024, they do not generate deferred tax assets.

d. Income tax related to other comprehensive income is as follows:

	2024			2023			2022		
	Before taxes	Tax charged	After taxes	Before taxes	Tax charged	After taxes	Before taxes	Tax charged	After taxes
Equity in other comprehensive income of associates and joint ventures recognized through the equity method	$ 1	$ -	$ 1	$ (1)	$ -	$ (1)	$ 1	$ -	$ 1
Foreign currency translation effect	4,345	-	4,345	(5,923)	-	(5,923)	(2,652)	-	(2,652)
Remeasurement of employee benefit obligations	129	(31)	98	5	-	5	(39)	20	(19)
Effect of derivative financial instruments designated as cash flow hedges	(596)	144	(452)	1,056	(291)	765	(1,182)	327	(855)
Other comprehensive income	$ 3,879	$ 113	$ 3,992	$ (4,863)	$ (291)	$ (5,154)	$ (3,872)	$ 347	$ (3,525)

e. Income tax payable consists of the following:

	As of December 31,		
	2024	2023	2022
Current portion (1)	$ 433	$ 390	$ 1,410

(1) During the year ended December 31, 2022, Alfa made the decision to voluntarily and spontaneously abandon this regime for a group of companies in México (Incorporation Regime), which will remain the obligation to pay full taxes. The profit that has been deferred for the years 2019 and 2021 for $372, which was paid during the year ended December 31, 2023.

21. OTHER NON-CURRENT LIABILITIES

	As of December 31,		
	2024	2023	2022
Advances from customers [1]	$ -	$ 62	$ 128
Other [2]	151	431	432
Total other non-current liabilities	$ 151	$ 493	$ 560

(1) As of December 31, 2023 and 2022, this item corresponds to revenues charged in advance and relates to the future delivery of goods.

(2) As of December 31, 2023 and 2022, is mainly related to the amount pending of payment for the acquisition of Octal (see Note 2g).

22. STOCKHOLDERS' EQUITY

As of December 31, 2024, capital stock is variable, with a fixed minimum of $6,052 represented by 2,118,163,635 outstanding, ordinary, nominative shares, "Class I" Series "A", with no par value, fully subscribed and paid in. The variable capital entitled to withdrawal will be represented, if issued, by registered "Class II" Series "A" shares without par value.

As of December 31, 2024, Alpek SAB had 11,452,735 treasury shares, coming from the own share repurchase program. As of such date, the market value per share was $13.04 Mexican pesos.

From February to December 2024, the Company purchased 10,945,457 shares in the amount of $140 and sold 10,948,370 shares in the amount of $139 with a repurchase program that was approved by the Company's stockholders and exercised discretionally by Management.

From February to December 2023, the Company purchased 13,259,517 shares in the amount of $222 and sold 12,720,936 shares in the amount of $212 in connection to the same program. From February to December 2022, the Company purchased 9,095,421 shares in the amount of $246 and sold 6,560,342 shares in the amount of $180 in connection to the same program.

The net income of the year is subject to decisions made by the General Stockholders' Meeting, the Company's by-laws and the General Law of Mercantile Corporations. In accordance with the General Law of Mercantile Corporations, the legal reserve should be increased annually by 5% of the net annual income until it reaches 20% of the fully paid in capital stock. As of December 31, 2024, 2023 and 2022, the legal reserve amounts to $1,210.

On September 9, 2024, the Company's Board of Director, through powers delegated at the Ordinary General Meeting of stockholders held on March 6, 2024, approved the payment of a cash dividend per share of US$0.0625, equivalent to the aggregate amount of $2,634 (US$132), approximately, which were paid on September 19, 2024.

On March 7, 2023, the Company held an Ordinary General Meeting of stockholders, at which the payment of a cash dividend per share of US$0.0755, equivalent to approximately $2,866 (US$159), was approved in a single instalment, which was paid in a single instalment on March 16, 2023.

On October 31, 2022, the Company's Board of Director, through the powers delegated at the Ordinary General Meeting of stockholders held on March 3, 2022, approved the payment of a cash dividend per share of US$0.093, equivalent to the aggregate amount of $3,887 (US$196), approximately, which were paid on November 9, 2022.

On March 3, 2022, the Company held an Ordinary General Meeting of stockholders, at which the payment of a cash dividend per share of US$0.0820, equivalent to approximately $3,628 (US$173), was approved in a single instalment, which was paid in a single instalment on March 14, 2022.

The Income Tax Law establishes a tax rate of 10% to the dividends paid to foreign residents and Mexican individuals derived from the profits generated since 2014, also provides that for the years 2001-2013, the net taxable profit will be determined in terms of the Income Tax Law in force in the fiscal year concerned.

Dividends paid are not subject to income tax if they derived from the Net Tax Profit Account ("CUFIN"), for its acronym in Spanish). Any dividends paid in excess of this account will cause an income tax charge based on the tax rate valid in the period in which they are paid. This tax is payable by the Company and may be credited against its income tax in the same year or the following two years. Dividends paid from profits which have previously paid income tax are not subject to tax withholding or to any additional tax payment. As of December 31, 2024, the value of the Capital Contribution Account ("CUCA"), for its acronym in Spanish) amounted to $27,081. The tax value of the CUFIN amounted to $6,485.

23. SHARED-BASED PAYMENTS

Alpek has a stock-based compensation scheme referred to at 50% of the value of stock of Alfa and the other 50% of the value of the shares of Alpek SAB for directors of the Company and its subsidiaries. In accordance with the terms of the plan, the eligible directors will obtain a cash payment contingent upon achieving both quantitative and qualitative metrics derived from the following financial measures:

- Improved share price
- Permanence of the executives in the Company

The program consists in determining a number of shares which the executives will have a right to, that will be paid in cash over the next five years; i.e., 20% every year and will be paid with reference at the average price of the shares during the year. These payments are measured at the fair value of the consideration, therefore, because they are based on the price of Alfa and Alpek shares, the measurement is considered to be within level 1 of the fair value hierarchy.

The average price of the shares in pesos considered for the measurement of the executive incentive is:

	2024	2023	2022
Alfa, S. A. B. de C. V.	16.83	15.68	15.80
Alpek, S. A. B. de C. V.	13.54	12.89	27.64

The short-term and long-term liabilities are comprised as follows:

	As of December 31,		
	2024	2023	2022
Short term	17	$ 9	$ 11
Long term	48	27	28
Total carrying amount	$ 65	$ 36	$ 39

24. EXPENSES CLASSIFIED BY THEIR NATURE

The total cost of sales and selling and administrative expenses, classified by the nature of the expense, for the years ended December 31, are comprised as follows:

	2024	2023	2022
Raw material and other	$ (100,070)	$ (101,752)	$ (150,143)
Freight expenses	(7,519)	(8,487)	(9,993)
Employee benefit expenses (Note 27)	(6,996)	(6,976)	(7,538)
Depreciation and amortization	(4,767)	(4,619)	(4,639)
Consumption of energy and fuel (gas, electricity, etc.)	(3,913)	(4,400)	(6,628)
Maintenance	(2,303)	(2,514)	(2,833)
Technical assistance, professional fees and administrative services	(1,584)	(1,727)	(2,216)
Lease expenses	(704)	(583)	(780)
Travel expenses	(161)	(180)	(188)
Human resources	(146)	(193)	(69)
Advertising expenses	(5)	(12)	(2)
Other (insurance and bonds, water, containers and packing, etc.)	(3,562)	(2,270)	(3,315)
Total	$ (131,730)	$ (133,713)	$ (188,344)

25. OTHER INCOME (EXPENSES), NET

Other income (expense) for the years ended December 31, are comprised as follows:

	2024	2023	2022
Gain on business combination [1] [3]	$ 47	$ -	$ 425
Other income, net [5]	1,235	195	269
Impairment long-lived assets [2] [4]	(1,791)	(11,078)	(246)
Total	$ (509)	$ (10,883)	448

(1) For the year ended December 31, 2022, corresponds to the gain on the acquisition of Octal (see Note 2g).

(2) For the year ended December 31, 2023, it primarily includes impairment expense on investment in CCP's joint venture, and long-lived assets from the closure of the filament plant and the closure of the PET resin production operation at the Cooper River site.

(3) For the year ended December 31, 2024, primarily corresponds to the gain on the acquisition of Clear Path Recycling, LLC and Agua Industrial del Poniente, S.A. de C.V.

(4) For the year ended December 31, 2024, primarily includes impairment expense on the investment in Clear Path Recycling, LLC's joint venture business of $65, based on IFRS 3 requirements for a staged business combination, supplemented by impairment expense related to the suspension of EPS operations in Beaver Valley of $1,191, as well as the impairment expense of the investment in the joint venture of CCP of $251, and an impairment expense related to the fixed assets of Selenis of $283.

(5) For the year ended December 31, 2024, it primarily includes collateral-related income of $447, Brazil tax incentives and tax recovery of $412, and insurance recovery of $258.

26. FINANCE INCOME AND COSTS

Financial result, net for the years ended December 31, are comprised as follows:

	2024	2023	2022
Financial income:			
Interest income on short-term bank deposits	$ 332	$ 724	$ 271
Interest income on loans from related parties	60	25	26
Other financial income	477	568	625
Total financial income	869	1,317	922
Financial expenses:			
Interest expense on bank loans	(1,126)	(1,009)	(392)
Non-bank interest expense	(865)	(1,116)	(1,422)
Lease interest expense	(259)	(231)	(206)
Interest cost on employee benefits, net	(79)	(46)	(16)
Other financial expenses	(2,120)	(1,580)	(1,188)
Total financial expense	(4,449)	(3,982)	(3,224)
Loss in exchange fluctuation, net			
Foreign exchange gain	15,682	23,168	8,585
Foreign exchange loss	(18,022)	(23,171)	(9,280)
Loss in exchange fluctuation, net	(2,340)	(3)	(695)
Financial result, net	$ (5,920)	$ (2,668)	$ (2,997)

27. EMPLOYEE BENEFIT EXPENSES

Employee benefits expenses for the years ended December 31, are as follows:

	2024	2023	2022
Salaries, wages and benefits	$ (5,702)	$ (5,566)	$ (5,660)
Social security fees	(554)	(604)	(608)
Employee benefits	(43)	(73)	(95)
Other fees	(697)	(733)	(1,175)
Total	$ (6,996)	$ (6,976)	$ (7,538)

Labor Reform Related to Vacations

On December 27, 2022, a decree was published by means of which articles 76 and 78 of the Federal Labor Law ("LFT" for its acronym in Spanish) for México were reformed, which will be effective on January 1, 2023. The main change resulting from this labor reform considers the increase in the minimum annual vacation period for workers with more than one year of service.

The Company evaluated the accounting impacts generated by this labor reform and determined that the increases in the vacation and vacation premium provision, as a result of the increase in vacation days, were not significant as of December 31, 2024, 2023 and 2022.

28. RELATED PARTY TRANSACTIONS

Transactions with related parties during the years ended December 31, 2024, 2023 and 2022 were as follows:

	2024	2023	2022
Income			
Income from sale of goods:			
Stockholders with significant influence over subsidiaries	$ 1,534	$ 1,522	$ 1,903
Income from services:			
Affiliates	1	12	12
Stockholders with significant influence over subsidiaries	197	171	207
Income from financial interest:			
Alfa	28	23	26
Affiliates	-	3	-
Associates	4	-	-
Income from leases:			
Stockholders with significant influence over subsidiaries	40	34	38
Income from sale of energetic:			
Affiliates	87	95	156
Stockholders with significant influence over subsidiaries	18	34	31
Other income:			
Affiliates	22	1	2
Stockholders with significant influence over subsidiaries	18	2	2
Costs / expenses			
Purchase of finished goods and raw materials:			
Stockholders with significant influence over subsidiaries	(518)	(647)	(764)
Expenses from services:			
Alfa	(259)	(348)	(338)
Affiliates	(125)	(146)	(86)
Stockholders with significant influence over subsidiaries	(12)	(13)	(14)
Affiliates outside Alfa (Nemak)	-	-	(4)
Other expenses:			
Affiliates	(31)	(49)	(28)
Associates and joint ventures	(94)	(71)	(59)
Stockholders with significant influence over subsidiaries	(9)	1	-
Affiliates outside Alfa	-	-	(43)
Dividends paid to Alfa	(2,094)	(2,447)	(6,138)
Dividends of subsidiaries to Shareholders with significant influence	(1,219)	(1,474)	(2,404)

For the year ended December 31, 2024, 2023 and 2022, the remunerations and benefits received by the top officers of the Company amounted to $351, $410 and $424, respectively, comprising of base salary and social security benefits, and supplemented by a variable consideration program based on the Company's results and the market value of the shares thereof and of its holding company.

As of December 31, balances with related parties are as follows:

	Nature of the transaction	As of December 31, 2024	2023	2022
Short-term accounts receivable:				
Holding company				
Alfa, S. A. B. de C. V.	Administrative services	$ 29	$ 87	$ 140
Affiliates				
Innovación y Desarrollo de Energía				
Alfa Sustentable, S. A. de C. V.	Administrative services	-	115	115
Newpek, LLC	Administrative services	2	-	1
Terza, S. A. de C. V.	Sale of goods	1	-	1
Sigma Alimentos Lácteos, S.A. de C.V.	Energetics	3	3	3
Sigma Alimentos Centro, S.A. de C.V.	Energetics	5	4	5
Sigma Alimentos Noreste, S.A. de C.V.	Energetics	-	-	1
Alimentos Finos Occidente, S.A. de C.V.	Energetics	1	1	1
Carnes el Tangamanga S.A. de C.V.	Energetics	-	1	-
Associates				
Clear Path Recycling, LLC	Financing and interest	-	63	-
Stockholders with significant influence on subsidiaries				
BASF	Sale of goods	120	120	184
Basell	Sale of goods	21	60	40
Basell	Energetics	-	-	6
		$ 182	$ 454	$ 497
Long-term accounts receivable:				
Holding company				
Alfa, S. A. B. de C. V. [(1)]	Financing and interest	$ 1,178	$ 763	$ 849
		$ 1,178	$ 763	$ 849
Short-term accounts payable:				
Holding Company				
Alfa, S. A. B. de C. V.	Administrative services	$ 52	$ 37	$ 65
Affiliates				
Alliax, S. A. de C. V.	Administrative services	4	5	4
Axtel, S.A.B. de C.V.	Administrative services	3	4	6
Newpek, S. A. de C. V.	Administrative services	-	-	8
Servicios Empresariales del Norte, S. A. de C. V.	Administrative services	5	2	2
Associates				
Tepeal	Administrative services	2	6	1
Stockholders with significant influence over subsidiaries				
BASF	Purchase of raw materials	102	87	138
Basell	Energetics	-	12	-
		$ 168	$ 153	$ 224

(1) As of December 31, 2024, 2023 and 2022, the loans granted bore interest at average fixed interest rate of 12.47%, 5.34%, and 5.34%, respectively.

29. SEGMENT REPORTING

Segment reporting is presented consistently with the financial information provided to the Chief Executive Officer, who is the highest authority in operational decision making, allocation of resources and performance assessment of operating segments.

An operating segment is defined as a component of an entity on which separate financial information is regularly evaluated.

Management controls and assesses its operations through two business segments: the Polyester business and the Plastics and Chemicals business. These segments are managed separately since its products vary and targeted markets are different. Their activities are performed through various subsidiaries.

The operations between operating segments are performed at market value and the accounting policies with which the financial information by segments is prepared, are consistent with those described in Note 3.

The Company has defined Adjusted EBITDA as the calculation of adding operating income, depreciation, amortization, and impairment of long-lived assets.

The Company evaluates the performance of each of the operating segments based on Adjusted EBITDA, considering that this indicator is a good metric to evaluate operating performance and the ability to meet principal and interest obligations with respect to indebtedness, and the ability to fund capital expenditures and working capital requirements. Nevertheless, Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income as a measure of operating performance or cash flows as a measure of liquidity.

Following is the condensed financial information of the Company's operating segments:

For the year ended December 31, 2024:

	Polyester	Plastics and Chemicals	Other	Total
Statement of income:				
Income by segment	$ 100,013	$ 29,501	$ 7,895	$ 137,409
Inter-segment income	(76)	-	76	-
Income from external customers	$ 99,937	$ 29,501	$ 7,971	$ 137,409
Operating income	$ 3,312	$ 1,636	$ 222	$ 5,170
Depreciation and amortization	3,796	956	15	4,767
Impairment of long-lived assets	599	1,192	-	1,791
Adjusted EBITDA	$ 7,707	$ 3,784	$ 237	$ 11,728
Investments in fixed and intangible assets	$ 1,512	$ 447	$ 14	$ 1,973

For the year ended December 31, 2023:

	Polyester	Plastics and Chemicals	Other	Total
Statement of income:				
Income by segment	$ 102,230	$ 27,729	$ 8,200	$ 138,159
Inter-segment income	(77)	(20)	97	-
Income from external customers	$ 102,153	$ 27,709	$ 8,297	$ 138,159
Operating (loss) income	$ (9,740)	$ 3,220	$ 83	$ (6,437)
Depreciation and amortization	3,725	886	8	4,619
Impairment of long-lived assets	11,077	1	-	11,078
Adjusted EBITDA	$ 5,062	$ 4,107	$ 91	$ 9,260
Investments in fixed and intangible assets	$ 2,149	$ 376	$ 3	$ 2,528

For the year ended December 31, 2022:

		Polyester		Plastics and Chemicals		Other		Total
Statement of income:								
Income by segment	$	140,837	$	46,878	$	24,720	$	212,435
Inter-segment income		(120)		(74)		194		-
Income from external customers	$	140,717	$	46,804	$	24,914	$	212,435
Operating income	$	13,966	$	10,464	$	109	$	24,539
Depreciation and amortization		3,713		925		1		4,639
Impairment of long-lived assets		244		2		-		246
Adjusted EBITDA	$	17,923	$	11,391	$	110	$	29,424
Investments in fixed and intangible assets	$	2,487	$	497	$	3	$	2,987

The reconciliation between adjusted EBITDA and income before taxes for the years ended December 31, is as follows:

		2024		2023		2022
Adjusted EBITDA	$	11,728	$	9,260	$	29,424
Depreciation and amortization		(4,767)		(4,619)		(4,639)
Impairment of long-lived assets		(1,791)		(11,078)		(246)
Operating income (loss)		5,170		(6,437)		24,539
Financial result, net		(5,920)		(2,668)		(2,997)
Equity in loss of associates and joint ventures		(44)		(201)		(67)
(Loss) income before income taxes	$	(794)		(9,306)	$	21,475

The Company's main customer generated revenues amounting to $7,704, $10,009, and $9,230, for the years ended December 31, 2024, 2023 and 2022. These revenues are resulted from the polyester reporting segment and represent 5.6%, 7.2%, and 4.0% of the consolidated revenues with external costumers for the years ended December 31, 2024, 2023 and 2022.

Following is a summary of revenues per country of origin for the years ended December 31:

		2024		2023		2022
México	$	52,948	$	52,443	$	88,922
United States		41,361		44,991		64,383
Argentina		5,502		4,894		8,867
Brazil		15,863		13,681		23,303
Chile		886		941		1,325
Canada		1,781		2,317		3,627
United Kingdom		3,503		3,393		5,648
Oman		15,111		15,098		16,086
Saudi Arabia		454		401		274
Total revenues	$	137,409	$	138,159	$	212,435

The following table shows the intangible assets and property, plant and equipment by country:

	As of December 31,					
		2024		2023		2022
México	$	1,157	$	1,083	$	1,312
United States		1,093		1,028		1,375
Canada		2		3		4
Brazil		168		194		214
Oman		1,255		1,186		1,520
Total intangible assets	$	3,675	$	3,494	$	4,425

	As of December 31,		
	2024	2023	2022
México	$ 20,752	$ 17,831	$ 21,285
United States	8,973	7,684	9,769
Canada	295	497	471
Argentina	674	281	128
Chile	280	237	276
Brazil	4,279	4,699	4,926
United Kingdom	722	624	667
Oman	10,030	8,830	10,598
Saudi Arabia	312	269	331
Total property, plant and equipment	$ 46,317	$ 40,952	$ 48,451

30. COMMITMENTS AND CONTINGENCIES

As of December 31, 2024, the Company has the following commitments:

a. As of December 31, 2024, 2023 and 2022, the Company's subsidiaries had entered into various agreements with suppliers and customers for purchases of raw materials used for production and the sale of finished goods, respectively. These agreements are effective between one and five years and generally contain price adjustment clauses.

b. A subsidiary of the Company entered into agreements to cover the supply of propylene, which establish the obligation to purchase the product at a priced referenced to market values for a specific period.

As of December 31, 2024, the Company has the following contingencies:

a. During the normal course of the business, the Company is involved in disputes and litigations. While the results of these may not be predicted, the Company does not believe that there are actions pending to apply, claims or legal proceedings against or affecting the Company which, if it were to result in an adverse resolution to the Company, would negatively impact the results of its operations or its financial position.

b. Some of the Company's subsidiaries use hazardous materials to manufacture polyester filaments and staple fibers, polyethylene terephthalate (PET) and terephthalic acid (PTA) resin, polypropylene (PP) resin, expandable polystyrene (EPS), chemical specialties and they generate and dispose of waste, such as catalysts and glycols. These and other activities of the subsidiaries are subject to various federal, state and local laws and regulations governing the generation, handling, storage, treatment and disposal of hazardous substances and wastes. According to such laws, the owner or lessor of real estate property may be liable for, among other things, (i) the costs of removal or remediation of certain hazardous or toxic substances located on, in, or emanating from, such property, as well as the related cost of investigation and property damage and substantial penalties for violations of such law, and (ii) environmental contamination of facilities where its waste is or has been disposed of. Such laws impose such liability without regard to whether the owner or lessee knew of, or was responsible for, the presence of such hazardous or toxic substances.

   Although the subsidiaries estimate that there are no existing material liabilities relating to noncompliance with environmental laws and regulations, there can be no assurance that there are no undiscovered potential liabilities related to historic or current operations that will require investigation and/or remediation under environmental laws, or that future uses or conditions will not result in the imposition of an environmental liability or expose them to third-party or related parties actions, such as tort suits. Furthermore, there can be no assurance that changes in environmental regulations in the future will not require the subsidiaries to make significant capital expenditures to change methods of disposal of hazardous materials or otherwise alter aspects of their operations.

c. As of December 31, 2024, the Company is in a process of fiscal litigation in one of its subsidiaries in Brazil, in relation to the demand for payment of the Tax on the Circulation of Goods and Services ("ICMS") that the Ministry of Finance of the State of Sao Paulo ("SFSP", for its initials in Portuguese) has raised against the Company, due to differences in the criteria for the calculation and crediting of such tax. Considering all the circumstances and precedents of jurisprudence available at that date, management and its advisors have determined that it is probable that the Superior Court of Justice of Brazil will issue a judgment in favor of the Company for the amount related to differences in the calculation, which would exempt it from paying $482 in taxes, fines and interest that the SFSP demands; therefore, as of December 31, 2024, the Company has not recognized any provision related to this concept.

   On the other hand, for the concept of ICMS crediting, the demanded amount is $89, and management and its advisors consider that it is not probable that the authorities will issue an unfavorable resolution for the Company; thus, it has not recognized any provision related to this concept as of December 31, 2024.

d. Anti-Dumping of PET Resin

In March 2015, in response to petitions made by PET resin manufacturers in the United States of America ("USA"), the International Trade Commission ("ITC") and the Department of Commerce of The United States ("USDOC") initiated an Anti-Dumping investigation on imports of PET resin from China, India, Oman and Canada, resulting in the imposition of an antidumping duty. The duty has been reviewed annually during the month of May at the request of either Octal or the USA manufacturers, the rate has fluctuated based on the annual reviews. Currently, the antidumping duty applied is 0.00% following the Department of Commerce's seventh review and determination.

e. Anti-Dumping of PET Sheet

In July 2019, in response to petitions made by PET Sheet manufacturers in the USA, the ITC and the USDOC initiated an Anti-Dumping investigation on imports of PET Sheet from Oman, Korea and Mexico, resulting in the imposition of an antidumping countervailing duty (percentage of PET sheet export sales from Oman to the USA) of 4.74%. In October 2022, the DOC, in the first administrative review, preliminarily determined a new margin equivalent to 4.16%, which was in the process of being confirmed in a final determination; however, effective February 1, 2023, the USDOC concluded a change of circumstances review and thereby revoked the Anti-Dumping order applicable to PET sheet originating in Oman. Because the antidumping order was revoked, the Department of Commerce also rescinded the antidumping administrative reviews for the 2020-2021 and 2021-2022 periods.

31. SUBSEQUENT SIGNIFICANT EVENTS

In preparing the financial statements the Company has evaluated the events and transactions for their recognition or disclosure subsequent to December 31, 2024, and through January 31, 2025 (date of issuance of the consolidated financial statements), and no significant subsequent events have been identified.

32. AUTHORIZATION TO ISSUE THE CONSOLIDATED FINANCIAL STATEMENTS

On January 31, 2025, the issuance of the accompanying consolidated financial statements was authorized by Jorge Pedro Young Cerecedo, General Director and José Carlos Pons de la Garza, Administration and Finance Director.

These consolidated financial statements are subject to the approval of the Company's ordinary Shareholders' meeting.

CONTACT US

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