

20
23

Sustainability
Report

BIO  PAPPTEL®
the sustainable paper



**04 LETTER FROM THE CHIEF
OPERATING AND SUSTAINABILITY OFFICER**

06 CORPORATE PROFILE

- 08** CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS
- 10** SUSTAINABILITY MODEL
- 11** GEOGRAPHIC PRESENCE
- 12** BUSINESS GROUPS AND PRODUCTS
- 14** BIO PAPPEL IN FIGURES

16 ECONOMIC PERFORMANCE

- 19** ECONOMIC GROWTH
- 20** DEVELOPMENT IN THE UNITED STATES
- 22** CORPORATE GOVERNANCE AND ETHICS
- 24** CODE OF ETHICS
- 25** BIO PAPPEL ETHICS LINE
- 26** VALUE CHAIN
- 27** CYBERSECURITY

28 ENVIRONMENTAL PERFORMANCE

- 31** ENVIRONMENTAL MANAGEMENT
- 32** URBAN FOREST
- 34** ENERGY
- 37** EMISSIONS
- 38** WATER
- 40** CLEAN TRANSPORTATION
- 41** PRESERVATION OF FOREST BIODIVERSITY AND ITS BIODIVERSITY

42 SOCIAL PERFORMANCE

- 44** OUR PEOPLE
- 46** PERFORMANCE MANAGEMENT
- 48** TRAINING AND DEVELOPMENT
- 50** QUALITY OF LIFE AT WORK
- 52** OCCUPATIONAL HEALTH AND SAFETY AT WORK
- 53** PSYCHOSOCIAL RISK MANAGEMENT
- 54** COMMUNITY ENGAGEMENT
- 66** BIO PAPPEL FOUNDATION
- 68** COMMUNITY AND INDUSTRY INVOLVEMENT
- 69** OUR STAKEHOLDERS
- 70** CERTIFICATIONS AND RECOGNITIONS

72 ABOUT THIS REPORT

- 73** MATERIALITY
- 74** GRI CONTENT INDEX
- 80** THE GLOBAL COMPACT
- 82** VERIFICATION LETTER
- 83** POINT OF CONTACT



At Bio Pappel, we understand progress comprehensively and that is why, through a sustainable vision as well as the adoption of ESG criteria, we managed to lay a foundation for continue consolidating our position as a world-class paper-producing company.

Under this premise, our leadership is built on pillars that are fundamental to sustainable development, ranging from environmental and social impact to strengthening corporate governance and economic growth. Within these areas, there are initiatives that we have launched, all of them standing out equally and based on the company's mission: to create shared value with our stakeholders by through taking care of the planet.

As a result of our solid management and meticulous financial planning activities, during 2023, we maintained our expansion projects, thereby recognizing the significant opportunities obtained from being part of the North American economic bloc, USMCA. Consequently, we will continue promoting our growth in the United States to consolidate our global vision, investing in green technology, and strengthening our partnerships to take care of the environment and ensure the well-being of our neighboring communities.

We have invested significant amounts in the environment and promoted projects focused on reducing our carbon footprint through energy efficiency and the proper use of natural resources, as well as improvements in supply chains, in order to guarantee more responsible practices in the company's operations. An example of this is our adherence to the Science-Based Targets Initiative (SBTi), which will guide us in establishing our emission reduction goals to contribute to the international agenda against global warming, while supporting the innovation and competitiveness of our energy efficiency and optimization programs.

Furthermore, thanks to our circular economy model called Urban Forest, we managed to extend the life of paper through large-scale recycling, thus becoming one of the top recyclers in Mexico. As a result, we prevented the emission of 7.48 million tons of CO₂e into atmosphere. During 2023, we recycled 2.06 million short tons of post-consumer paper and cardboard to manufacturing our products saving the lives of 8.04 million trees.

Moreover, through our Bio-ENERGY system we cogenerated 85% of the energy we use, while managing to recycle 92% of the water used in our operations through our zero-effluent and wastewater treatment system.

Related to the company's social impact, we continue strengthening our community engagement programs, considering and promoting initiatives that address relevant topics such as caring for the environment, community development, and equitable access to education.

Similarly, the transparency implemented across our operations has driven us to meet new goals and build trust among our employees and stakeholders, which are fundamental to our value chain. Their policies are continuously reviewed and updated to expand Bio Pappel's reliability.

Looking ahead, we confirm that collective actions are essential to addressing future challenges; the planet demands concrete actions to reduce the adverse effects of climate change; hence, we firmly believe that sustainability as a business strategy is the best way to guarantee a better future for all.

A handwritten signature in black ink that reads "Martín".

Martín Rincón
Chief Operating and Sustainability Officer



We are the leading paper and packaging manufacturer in Mexico and one of the ten largest paper companies in the USA.

Our business strategy is consolidated by a sustainable vision that distinguishes us within the industry, thanks to the drive to meet customers' needs efficiently and in a timely manner which led us to create an ample production and distribution network across the economic block spanning Mexico, the United States, and Canada, the USMCA.

The essence of our business philosophy is to provide innovative and high-quality paper products to our customers and stakeholders, producing a positive impact and creating shared value.

VISION

To be a leading enterprise in creating shared value based on a strong culture of learning, innovation, productivity, environmental protection, and social responsibility.

MISSION

To competitively produce sustainable paper, paper-based products, and packaging to effectively contribute to our clients' success, as well as to our environment.

VALUES

- Integrity
- Competitiveness
- Innovation
- Teamwork
- Sustainability

OUR BUSINESS PHILOSOPHY
SUPPORTS OUR COMMITMENTS AND
GUIDES OUR ACTIONS

Sustainability is part of our DNA, reflected in our development and promotion of initiatives that contribute to building a better future for the next generations. We are aligned with various global initiatives that reinforce actions in favor of the environment in which we operate.

We are also part of the UN Global Compact and have aligned our operation with the Sustainable Development Goals (SDGs), a universal call to action to protect the planet and ensure everyone enjoys peace and prosperity. These ideals are a strategic part of our initiatives.

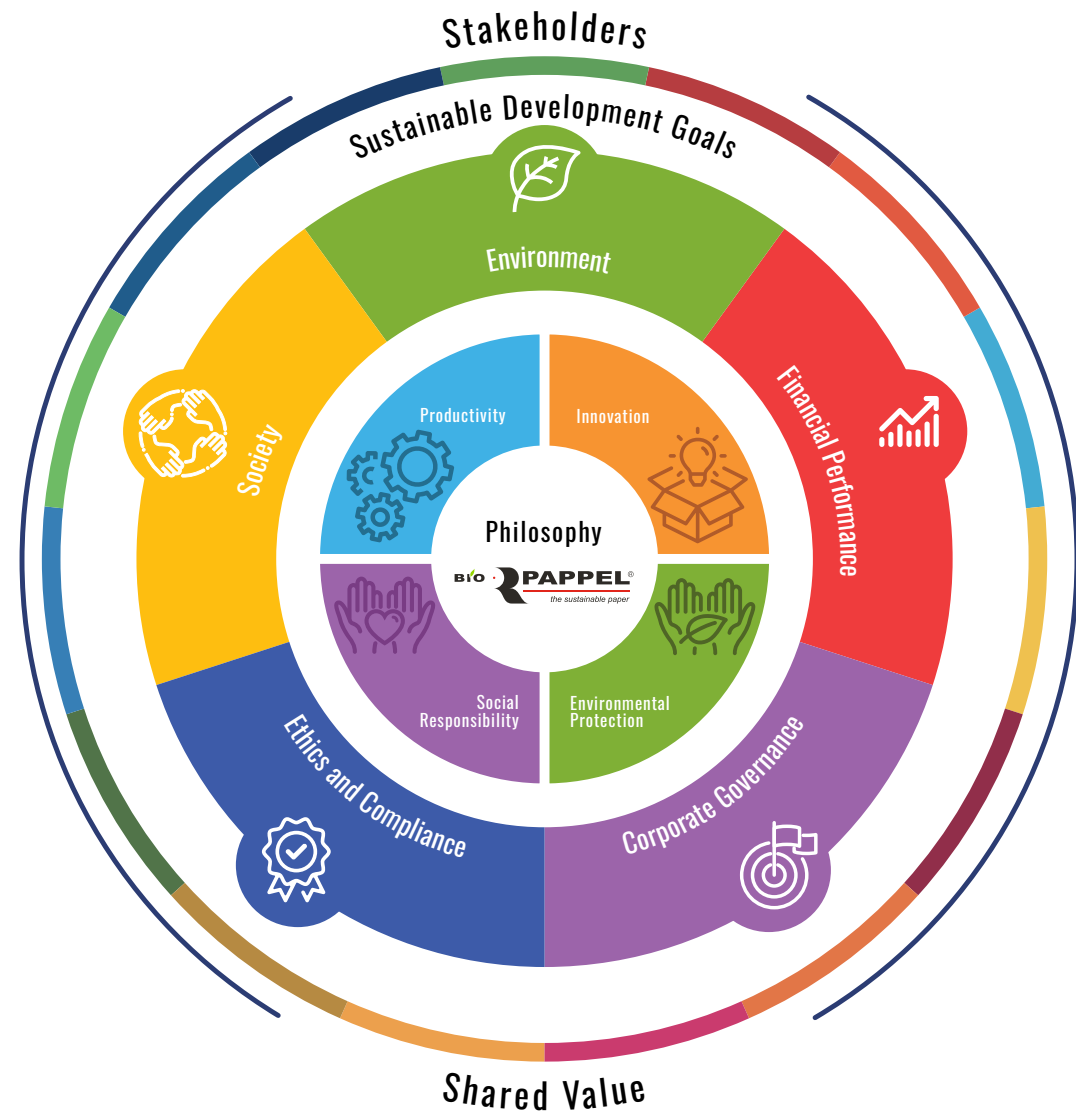
THROUGH OUR BUSINESS STRATEGY AND SOCIAL RESPONSIBILITY PROGRAMS, WE ACTIVELY CONTRIBUTE TO 15 OF THE 17 SDGS, CLASSIFIED ACCORDING TO THEIR PRIMARY OR SECONDARY SCOPES



	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Business groups and products						○				●					
Economic performance						○								○	
Economic growth						○	○							○	
Development in the United States						○	○			○					
Corporate Governance and Ethics														●	
Code of Ethics														●	
Bio Pappel Ethics Line						●	○							○	
Value chain						●								○	
Cybersecurity							●							○	
Environmental performance											●				
Environmental management				○	○			○		○	●	●	○		
Urban Forest										●	○		○		
Energy					●			○		○	○				
Emissions											●				
Water				●							○	○			
Clean transportation								○			●				
Preservation of forests and its biodiversity											●		●		
Our people						●		○							
Performance management		●				○									
Training and development		●				○									
Quality of life at work			●			○		○							○
Occupational health and safety at work	●					○									
Community engagement	○	●	●	○	○	●		●	●	○	●		●		●
Bio Pappel Foundation		○						○	○	○	○		○		●
Community and industry involvement															●
Our stakeholders														○	●
Certifications and awards															●

SUSTAINABILITY MODEL

[2-23, 3-3]



Our firm commitment to sustainability is reflected in a model that supports our efforts related to social and environmental topics, reinforced by an ethics and compliance system. This

sustainability model integrates all levels across the company to ensure the best results for Bio Pappel and its stakeholders while creating shared value.

GEOGRAPHIC PRESENCE

[2-1]





WE ARE FOREST STEWARDSHIP COUNCIL® CERTIFIED AS PART OF OUR COMMITMENT TO MANUFACTURING PRODUCTS WITH 100% RECYCLED PAPER.



Our solid commitment to our customers compels us to offer a wide range of products designed to meet their needs and exceed their expectations, therefore, we produce the highest-quality paper and packaging products through a business model centered on innovation and sustainability. Every paper product that we take to the market is the result of a meticulous process that guarantees excellence in every phase.

Our offer is divided into three business groups, each a leader in its sector and designed to provide sustainable solutions to different types of customers:



LEADING COMPANY IN THE PRODUCTION AND DISTRIBUTION OF BROWN PAPER AND CORRUGATED PACKAGING IN LATIN AMERICA.

Main products include:

Large paper rolls, white top, linerboard and medium paper, corrugated and high-quality graphic packaging, paper bags and, sack paper.



LEADING PRODUCER OF PACKAGING, CONTAINERBOARD, AND CORRUGATED PACKAGING PAPER IN THE UNITED STATES.

Main products include:

Paper rolls for packaging and containers, white and brown liner paper for packaging, paper for sacks, bags, and wrapping, high-quality graphic corrugated packaging.



LEADING PRODUCER OF PRINTING AND WRITING PAPER AND SCHOOL PRODUCTS. AFTER 60 YEARS IN THE MARKET, IT HAS POSITIONED ITSELF AS LATIN AMERICA'S MOST REPRESENTATIVE AND SYMBOLIC PAPER BRAND.

Main products include:

Newsprint, cut bond paper, notebooks, notepads, and large rolls of bond paper for books, continuous forms, and commercial printing paper.

ICONIC BRAND SCRIBE® CELEBRATED 60 YEARS, INSPIRING SEVERAL GENERATIONS TO LEARN AND CREATE



8.04MILLION
TREES SAVED

7.48MILLION
TONS OF CO₂e CAPTURED

31.7MILLION
m³ OF WATER RECYCLED

2.06⁽¹⁾MILLION
SHORT TONS OF RECYCLED
PAPER AND CARDBOARD

\$110+⁽²⁾MILLION
DOLLARS INVESTED IN
SUSTAINABLE PROCESSES

85%
OF THE ENERGY WE USE IS GREEN
AND COGENERATED AS PART OF
BIO-ENERGY SYSTEM



2,280
VOLUNTEERS

13,444
INDIRECT JOBS

19,829
DIRECT JOBS

216,225
EMPLOYEE TRAINING HOURS



\$2,248+⁽³⁾MILLION
DOLLARS IN SALES

57
INDUSTRIAL PLANTS,
RECYCLING CENTERS AND
CORPORATE HEADQUARTERS

+2,350SMEs
IN OUR VALUE CHAIN

OPERATIONS
IN **17** STATES ACROSS MEXICO, **9** IN THE UNITED
STATES AND **1** IN COLOMBIA

(1) 1 Metric ton equals 1.1023 short ton.
(2) Year end rate \$16.8935 MXN.
(3) Annual average exchange rate \$17.7552 MXN.

ECONOMIC PERFORMANCE



ECONOMIC PERFORMANCE

[2-6, 3-3]



At Bio Pappel we are convinced that sustainability, innovation and integrity are fundamental factors to continue promoting the development of the regions where we are present. Therefore, in line with the UN Sustainable Development Goals (SDGs), we create strategies that continuously strengthen our value chain and the industry.

(1) Annual average exchange rate \$17.7552 MXN
 (2) Year end rate \$16.8935 MXN.

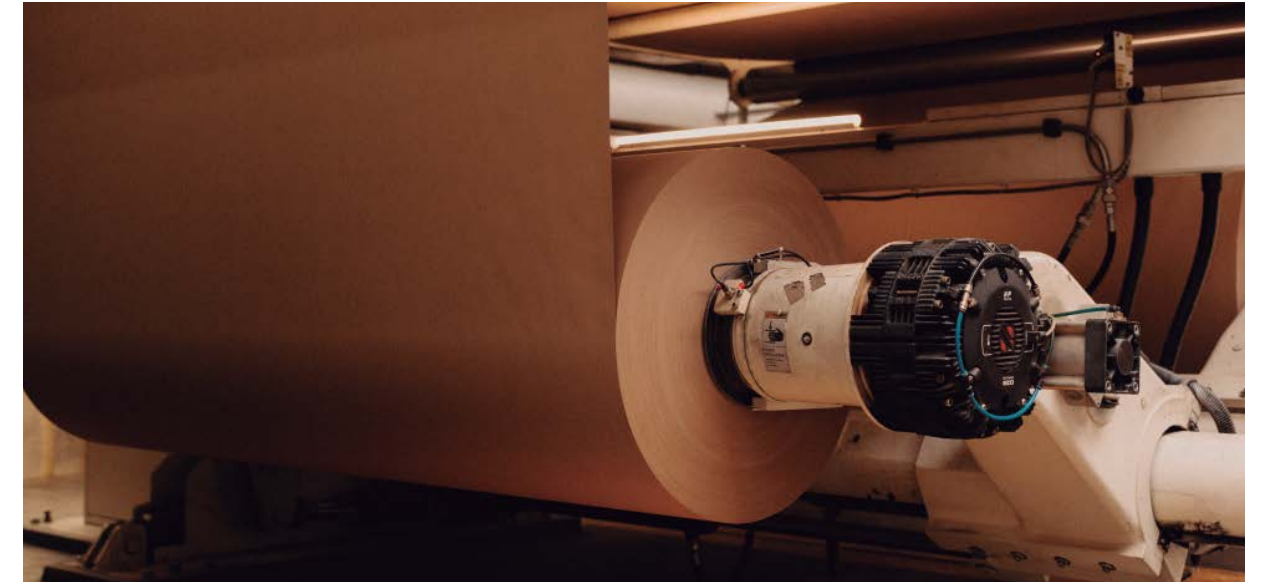
\$2,248+⁽¹⁾
MILLION
 DOLLARS IN SALES

92%
 OF OUR SUPPLIERS
 ARE MEXICAN

\$110+⁽²⁾ **MILLION**
 DOLLARS INVESTED IN INITIATIVES IMPLEMENTED TO REINFORCE
 OUR COMMITMENT TO SUSTAINABILITY

ECONOMIC GROWTH

[3-3, 201-1]



In line with our commitment to increasing regional integration to meet the needs of the USMCA market, at the end of 2023 we took a significant step forward by announcing an investment to build five plants in Mexico and the U.S. for sustainable paper packaging production. In addition to strengthening our operations, this strategic move reinforces our commitment to sustainability and innovation in the industry.

We also strengthened the operations of our Scribe® brand by opening a mega distribution and product transformation

center in Tlalnepantla, Mexico. This state-of-the-art facility is designed to increase productivity in this line of business so we can effectively serve our customers and ensure the timely delivery of our products.

WE CONTINUE STRENGTHENING OUR PRESENCE IN THE NORTH AMERICAN REGION AND OUR COMMITMENT TO INNOVATION AND SUSTAINABILITY

INDICATOR	2020	2021	2022*	2023
Direct economic value generated	1,275.55 ⁽¹⁾	1,659.09 ⁽²⁾	2,333.09 ⁽³⁾	2,248.81 ⁽⁴⁾
Direct economic value distributed	1,137.87 ⁽¹⁾	1,509.12 ⁽²⁾	2,101.8 ⁽³⁾	1,980.32 ⁽⁴⁾
Investments in projects	72.59 ^(1.1)	66.53 ^(2.1)	136.15 ^(3.1)	110.4 ^(4.1)
Annual average exchange rate MXN	(1) \$21.499	(2) \$20.2834	(3) \$20.1218	(4) \$17.7552
Year end rate MXN	(1.1) \$19.9352	(2.1) \$20.5157	(3.1) \$19.3615	(4.1) \$16.8935

*The preliminary figures were adjusted to audited figures



The United States-Mexico-Canada Agreement (USMCA), one of the most significant regional partnerships of the century, has played a vital role in our business and expansion strategy, opening a horizon of opportunities for our medium and long-term growth in North America.

In this context, we are investing significant amounts and making substantial operational improvements to strengthen our leadership in the paper sector in the U.S. Furthermore, our commitment to sustainability drives us to integrate green technologies and responsible practices across our regional operations.

One of our priority strategies is to increase our production capacity and diversify our product portfolio to meet the needs of the U.S. market. We are sure these initiatives will allow us to continue growing and contributing to the region's economic and sustainable development.

8 PLANTS AND 5 RECYCLING CENTERS COMPRISE OUR OPERATIONAL STRUCTURE IN THE UNITED STATES



UNITED STATES

- 1 8 Plants
- 2 5 Recycling centers
- 3 1 Headquarters
- 5 4 Plants in project



Our sound leadership in corporate governance encompasses all the company's activities, which are conducted in strict adherence to the corporate principles and the guidelines established in the Bio Pappel Code of Ethics. Therefore, we

have pledged to maintain high standards of transparency and integrity in every aspect of our business to ensure sustainable growth and build relationships of trust with all our stakeholders.

BOARD OF DIRECTORS

[2-9, 2-12]

At Bio Pappel, decision-making is carried out in an inclusive and representative manner under the Board's oversight. With its seven members*, this governing body plays a key role in the company's strategic direction. Its main functions are listed as follows:

- Manage the internal control system
- Validate the company's general strategies
- Align the company's social principles

*The Board of Directors follows the guidelines established by Mexico's General Law of Commercial Companies.

THE OFFICE OF THE CEO

[2-9, 2-12]

The role played by the Office of our Chief Executive Officer is fundamental to ensuring the company's effective operation and long-term success, as it is responsible for directing the company's efforts toward achieving its objectives and driving its sustainable growth. Its main tasks are as follows:

- Manage and conduct Bio Pappel business
- Ensure that the business operation is aligned with the strategic plan established by the Board of Directors

To guarantee compliance with internal regulations and business plans, the Office of the CEO works closely with the Finance and Administration division, Operational and Sustainability Division as well as with each director of the business groups.





For more details on the content and dissemination of our Code of Ethics, we invite you to visit our website at: <https://biopappel.com/en/code-of-ethics/>

93%
OF ALL EMPLOYEES RECEIVE
TRAINING ON THE CODE OF ETHICS

5,604
TRAINING HOURS DEDICATED TO THE
CODE OF ETHICS

**100% OF OUR
CUSTOMERS AND
SUPPLIERS ARE
COMMITTED TO THE
CODE OF ETHICS**



Our Code of Ethics reflects Bio Pappel's commitment to integrity and transparency. This document integrates the principles that support Bio Pappel's actions and corporate philosophy. The guidelines in this code allow us to comply with the regulations established by the different regions where we have a presence and maintain the highest standards of business ethics, quality, and sustainability across our business units.

We promote a culture of respect, trust, and honesty within the company by training our employees on the Code of Ethics we give to each one. This training ensures that each team member is familiar with our business values and principles and has the tools to apply these concepts in their daily work.

We also have a Code of Ethics for Suppliers and one for Customers. Both are essential: the first is to maintain strong and mutually beneficial business relationships, and the second is to ensure that our operations are always carried out under an ethical framework.

As part of our ongoing commitment to upholding our values and guidelines, we have long provided the Bio Pappel Ethics Line for our employees, customers, and stakeholders. This secure and confidential channel is crucial for reporting any behavior that goes against our established Code of Ethics. An independent entity manages our ethics line to guarantee the impartiality and confidentiality of the reports. The cases received are analyzed and treated internally within the company to ensure the appropriate and timely response to each report.

The Bio Pappel Ethics Line is available on the following channels:



+52 55 6538 5504



Corporate website chat



ethics@biopappel.com



www.biopappel.com



United States
(855) 24 51 355

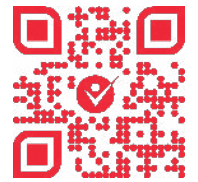
Mexico
800 7727 735

Colombia
01 800 51 89 191



1. Download "EthicsGlobal"
(Available for Android and iOS)

2. Scan this QR CODE



COMPLAINTS AND REPORTS FILED WITH BIO PAPPEL AND ITS BUSINESS GROUPS

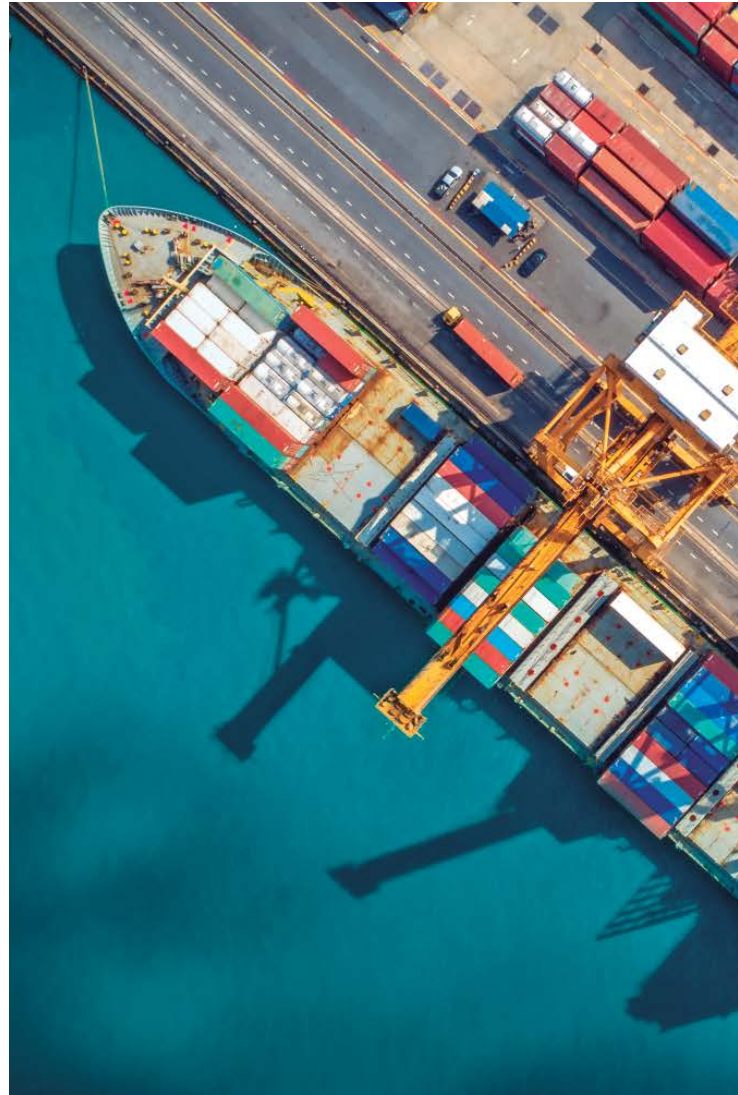
[406-1/ GC 10]

	2021	2022	2023
Total number of complaints and reports	31	50	35
Cases involving suggestions for processes improvement, facilities and working conditions	19%	6%	14%
Discrimination cases	6.5%	2%	17%
Cases that resulted in employment termination	6.5%	12%	14%
Cases that resulted in employees transfers, training, strengthening controls and streamlining processes	68%	80%	54%

*Complaints and claims reported include working conditions, compliance with policies, conflicts of interest, and relationships with suppliers, customers, and employees, among others.

For more details about our Ethics Line, please visit our website at: <https://biopappel.com/en/code-of-ethics/>





At Bio Pappel, we prioritize collaboration with organizations that share our sustainable philosophy and vision. These synergies are essential to continuing to offer the highest quality products and promote responsible business practices throughout our supply chain.

We generate jobs and strengthen the local economy through close collaborations with domestic suppliers.

+2,350 SMEs
IN OUR VALUE CHAIN

91%
OF SUPPLIERS ARE LOCAL

As part of our efforts to strengthen the industry and promote responsible business practices, we certify our suppliers in compliance with their legal, fiscal, financial, labor, and material obligations.

We also ask our business partners to commit to our Supplier Code of Ethics, which establishes clear principles and guidelines for avoiding and combating corruption, discrimination, child labor, and forced labor practices at any point in the supply chain.

WE COLLABORATE WITH OUR SUPPLIERS TO PREVENT ALL ACTS OF CORRUPTION AND THE VIOLATION OF HUMAN RIGHTS



In response to the accelerated digitalization characterizing Bio Pappel's business environment, we continue reinforcing a sustainable digital model that recognizes the challenges and risks that arise with advances within the world of technology.

Therefore, we are working internally on the implementation of practices and systems that allow us to maintain the security of our digital assets and the privacy of sensitive information at all company levels.

INTEGRATING TECHNOLOGY IS FUNDAMENTAL TO OUR OPERATION, AS IT ALLOWS US TO INCREASE OUR COMPETITIVENESS AND ENCOURAGE INNOVATION



— ENVIRONMENTAL PERFORMANCE





2.06⁽¹⁾ MILLION
SHORT TONS OF RECYCLED
PAPER AND CARDBOARD

85%
OF THE ENERGY USED IN OUR
OPERATIONS IS COGENERATED

7.48 MILLION
TONS OF CO₂e CAPTURED

92%
OF THE WATER USED IN OUR
PRODUCTION PROCESSES
IS RECYCLED

(1) 1 Metric ton equals 1.1023 short ton.

In line with our sustainable business model, we developed an environmental strategy that consists of investing and integrating green technology into

the company's operation in order to optimize the use of natural resources and thereby reduce its environmental footprint.



THIS STRATEGY IS INTEGRATED FOR FIVE ESSENTIAL PILLARS:

EXTEND THE LIFE CYCLE OF PAPER AND ITS PRODUCTS WITH
OUR CIRCULAR ECONOMY MODEL

URBAN FOREST

GENERATE GREEN ENERGY AND USE IT IN OUR
OPERATIONS THROUGH OUT
**BIO-ENERGY
SYSTEM**

PROMOTE
**RECYCLING AND
OPTIMAL WATER
CONSUMPTION**
IN ALL OUR PROCESSES

REDUCE OUR GHG EMISSIONS WITH OUR
**SUSTAINABLE
LOGISTICS MODEL**

TAKE ACTIONS THAT CONTRIBUTE TO
**PROTECTING
BIODIVERSITY AND
CONSERVING FORESTS**



WE OFFER THE MARKET A WIDE RANGE OF PRODUCTS MADE WITH 100% RECYCLED MATERIALS

With an active commitment to maintain us as a benchmark in the sustainable production of paper and packaging; through our own circular economy model, called Urban Forest, we manage to revalue post-consumer waste by taking advantage of the manufacture of paper products of the highest quality and, thereby, extend their life cycle.

WE ARE THE TOP PAPER RECYCLING COMPANY IN LATIN AMERICA



We also accelerated the extension of our paper and cardboard recovery network by working closely with different stakeholders in our supply chain and partnering with state and municipal governments.

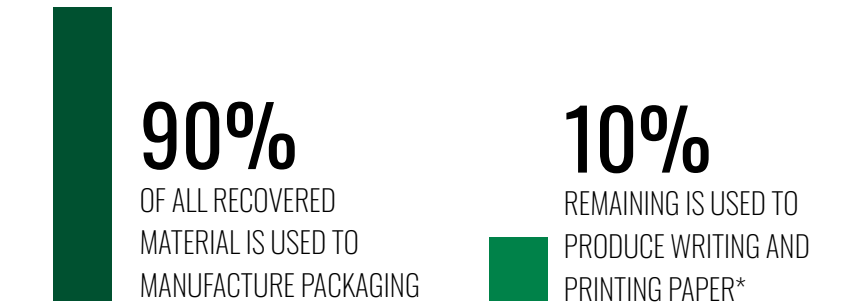
According to information provided by the National Chamber of the Pulp and Paper Industry, the circular actions implemented through our business model have significantly impacted the paper collection index in Mexico, which stood at 54.1% in 2023.

BY PURCHASING OUR 100% SUSTAINABLE PAPER PRODUCTS, WE COLLABORATE WITH OUR CUSTOMERS TO MEET THEIR ENVIRONMENTAL GOALS, WITH HIGH SHARED VALUE

Our Urban Forest model has become the central pillar of our business strategy. It allows us to generate economic value and promote circular economy practices throughout the value chain, reducing the amount of waste generated and optimizing the consumption of natural resources.

In 2023, we celebrated the second edition of the Urban Forest Award, initiative that recognizes the efforts made by our business partners to improve their environmental performance and contribute to forests conservation by using sustainable paper and packaging in their operations, this recognition is led by our Titan business group and is supported by the Forest Stewardship Council®.

63 COMPANIES RECEIVED THE URBAN FOREST AWARD



*Consolidation of information by plant and type of raw material recovered.

PAPER RECYCLING (SHORT TONS**)

2021	2022	2023	2024 GOAL
1,772,763	2,131,852	2,062,839	2,124,723

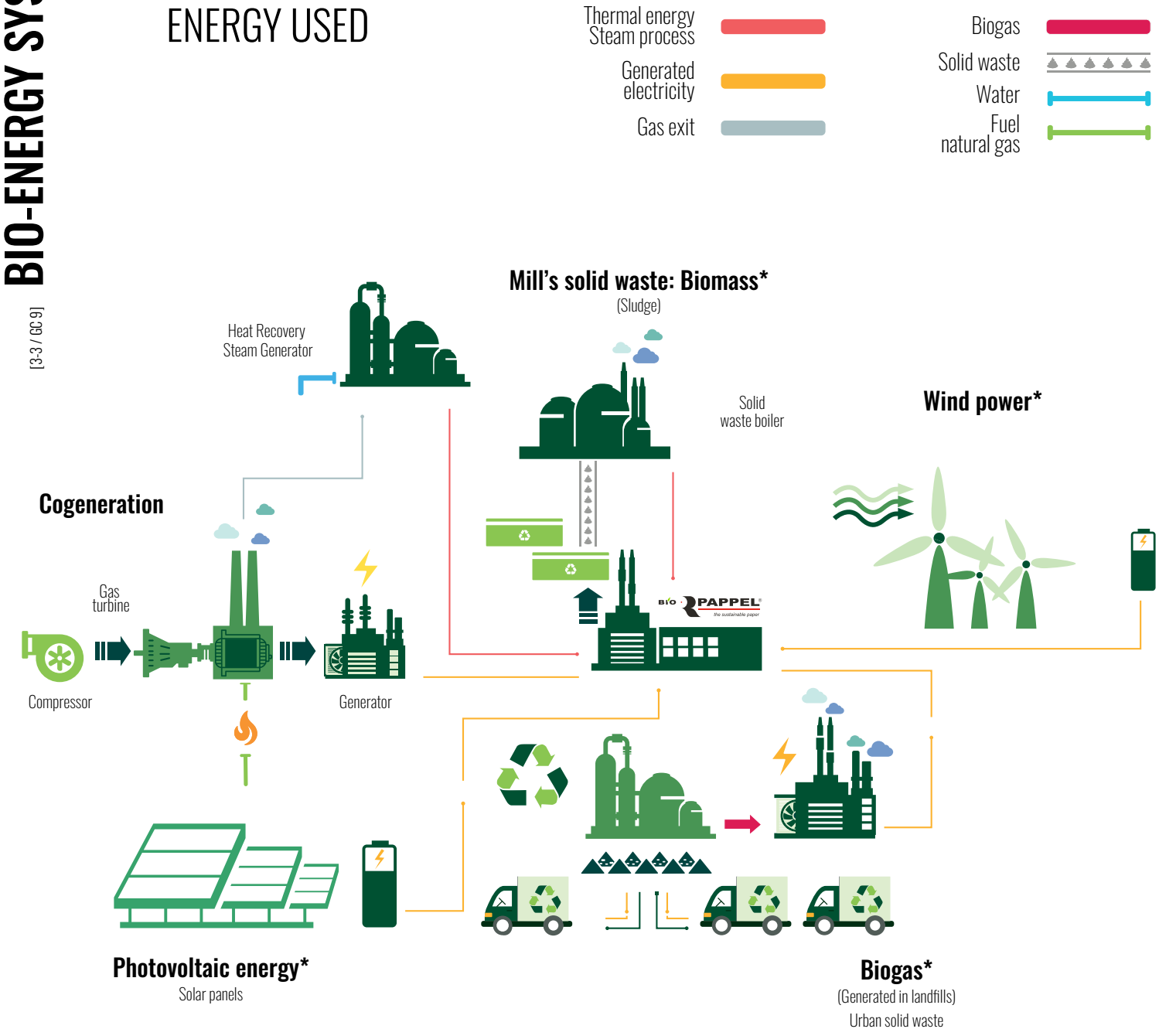
** 1 Metric ton equals 1.1023 short ton.



We guarantee optimal energy consumption in our production plants by complying with energy regulations and actively contributing to the fulfillment of the 2030 Agenda for Sustainable Development. This is possible thanks to the Bio-ENERGY System, an innovative model that uses the steam created in our production processes to generate clean energy and programs promoting its optimization.

Today we are a benchmark in energy matters and positioned as one of the companies with the best environmental footprint, thanks to continuous improvement programs, as well as infrastructure investment.

THE BIO-ENERGY SYSTEM ALLOWS US TO MANUFACTURE PAPER WITH AN EFFICIENT USE OF ENERGY BY USING STEAM AND HEAT FROM OUR PROCESSES





[3-3, 302-1]

ENERGY CONSUMPTION

TYPE OF ENERGY	2021	2022	2023	2024 Goal
Electricity*(MWh)	1,706,271	1,844,336	1,877,523	1,933,848
Renewable energy***(MWh)	813	642	794.5	818.3
Fuel oil (m³)	17,007	9,060	3,359	0
Natural gas (Gigacalories)	4,542,845	5,976,417	6,235,881	6,422,957
Gasoline (Liters)	1,292,578	1,039,854	850,086	875,588
Diesel (Liters)	7,632,157	7,718,272	6,963,329	7,172,228

*85% of the energy used is efficient.
 ***Renewable energies are grouped under this division.

EMISSIONS

[2-25, 3-3 / GC7]

Our Urban Forest model is crucial in our continuous advancement and commitment to actively participating in the fight against climate change. We use this model to engage in recycling activities and enter into strategic alliances to promote a low-carbon economy.

As part of our unwavering commitment to transparency, we voluntarily report our greenhouse gas emissions through the Mexico GHG Program, this initiative coordinated by the Department of Environment and Natural Resources Mexican (SEMARNAT), the Private Sector Studies Commission for Sustainable Development (CESPEDES), and the international not-for-profit charity Carbon Disclosure Project (CDP). In 2023, we also took a significant step to

favor the planet by signing our commitment to the Science-Based Targets initiative (SBTi). This global project, supported by the United Nations Global Compact, The Carbon Disclosure Project (CDP), World Resources Institute (WRI), and the World Wildlife Fund (WWF®), guides the establishment of science-based GHG emission reduction targets that contribute to efforts to limit global warming to 2° C.

BY JOINING SBTi, WE ACTIVELY CONTRIBUTE TO MEETING THE PARIS AGREEMENT TARGETS



7.48 MILLION TONS OF CO₂e CAPTURED IN 2023

CO₂e EMISSION AND CAPTURE (thousands of tons)

	2021	2022	2023	2024 Goal
*CO ₂ e emissions	1,221	1,467	1,465	1,509
CO ₂ e capture	6,432	7,736	7,485	7,710
Net CO ₂ e capture	5,211	6,269	6,020	6,201

* GHG Direct or Scope 1 Emissions from fossil fuels.

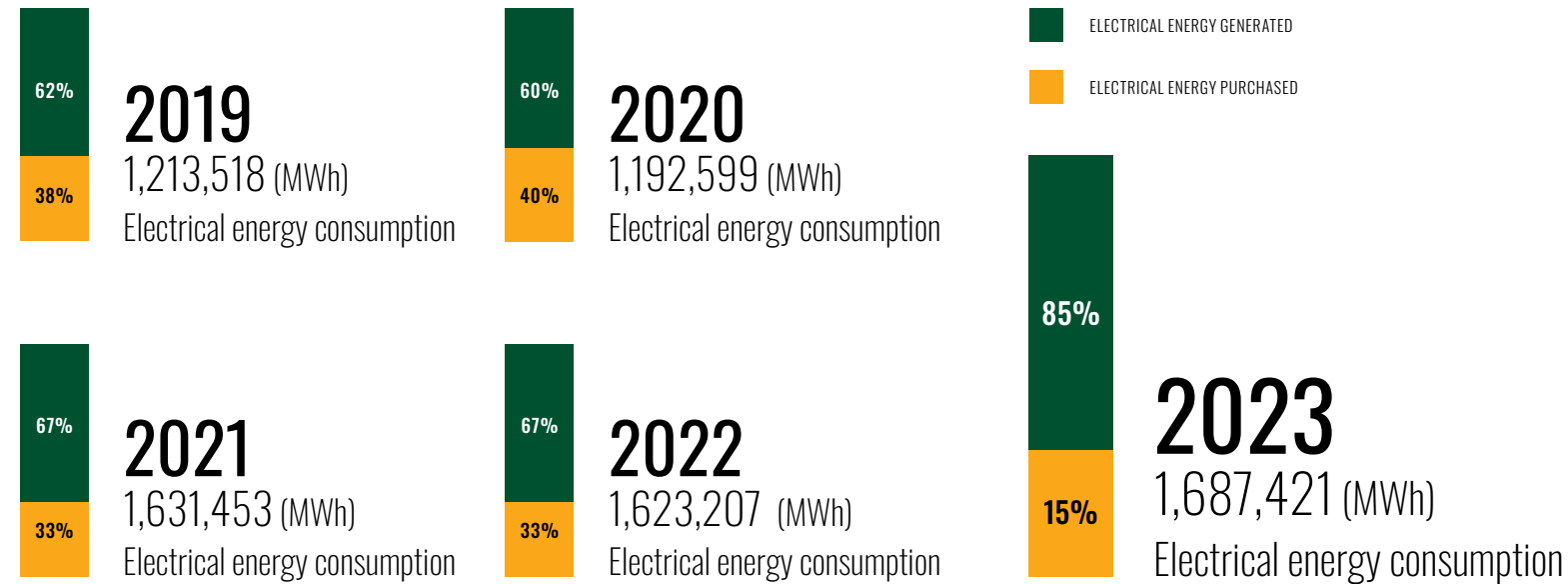


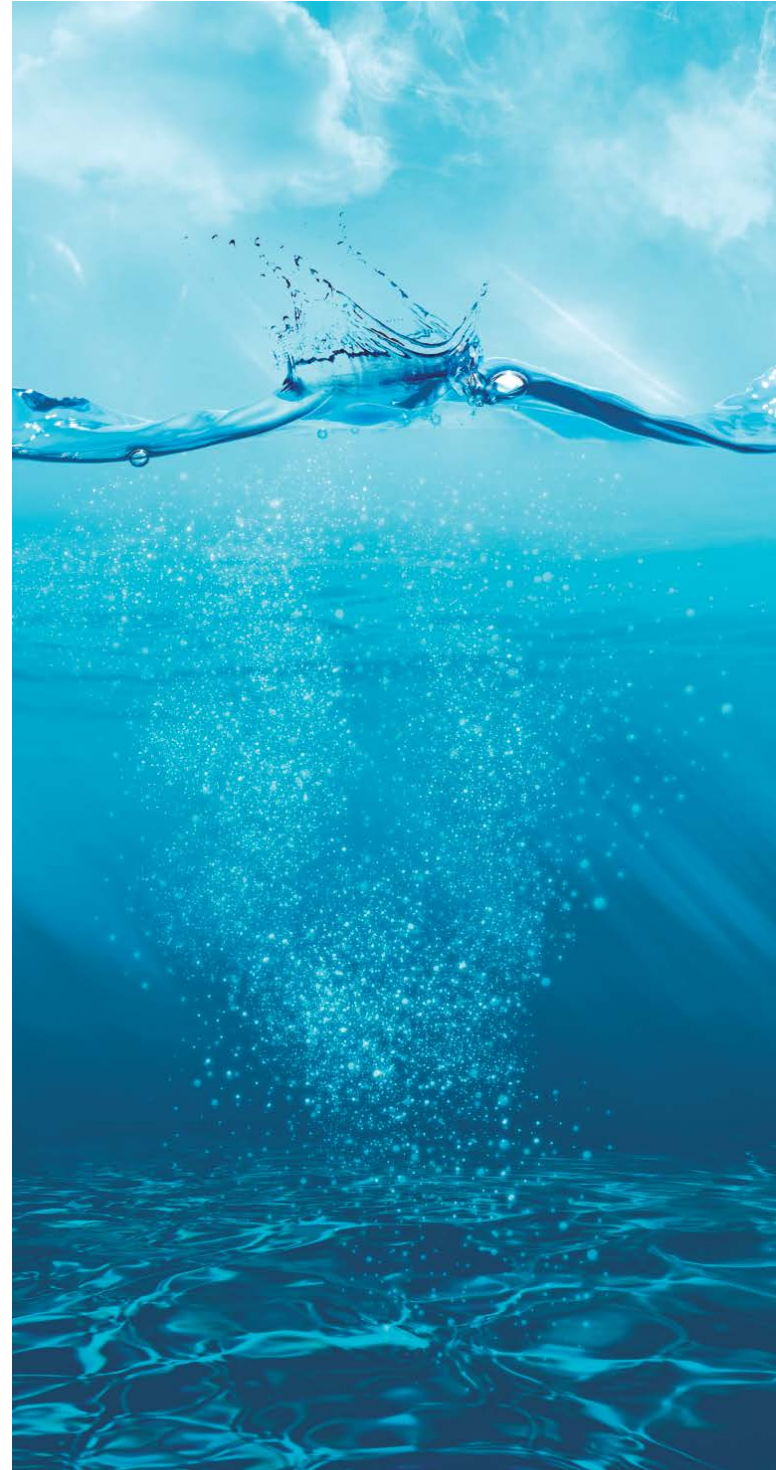
GAS EMISSIONS (thousands of tons)

INDICATOR	2021	2022	2023
NOx	0.577	0.866	0.848
SOx (SO ₂)	0.302	0.640	0.219
Particles	0.061	0.101	0.075
Methane	0.067	0.030	0.037

*Measured using ISOKINETIC studies based on Official Mexican Standard NOM-085 published by the Mexican Ministry of Environment and Natural Resources (SEMARNAT), and emissions calculations using AP-42 factors.

ELECTRICAL ENERGY CONSUMED, PURCHASED, AND GENERATED:





We optimize the use of natural resources by implementing the zero effluent system, which allows us to recycle the water used within our industrial facilities.

In addition, water that cannot be recycled goes through a treatment system that guarantees its release complies with the parameters established by the government authorities.

In addition to contributing to water conservation, these strategies have positioned us as one of the paper companies with the lowest use of this worldwide resource. For this reason, we were recognized with the "Water Efficiency Award" by Pulp & Paper International (PPI).

WE RECYCLED 31.7 MILLION m³ OF WATER IN 2023



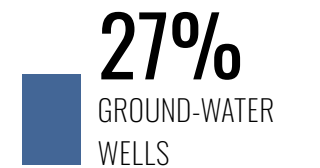
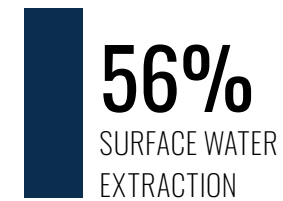
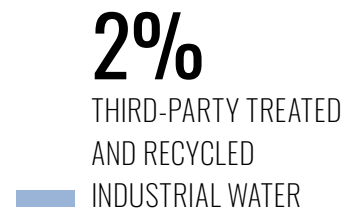
WATER USE AND DISCHARGE (THOUSANDS OF m³/YEAR)

INDICATOR	2021	Unit 2021 (m ³ /ton)	2022	Unit 2022 (m ³ /ton)	2023	Unit 2023 (m ³ /ton)	2024 Goal	Unit 2024 (m ³ /ton)
Water consumption	24,261	8.81	34,296	9.35	34,515	9.39	35,550	9.67
Wastewater discharge	15,499	5.62	22,412	6.11	22,978	6.24	23,667	6.43
Net water consumption	8,762	3.19	11,883	3.24	11,537	3.10	11,883	3.24

TOTAL EXTRACTION BY WATER SOURCES (THOUSANDS OF m³/YEAR)*

34,515 m³
TOTAL WATER CONSUMPTION

*Measurement equipment owned by Bio Pappel, endorsed, and supervised by the corresponding authorities and accredited third parties.





As part of our commitment to the environment, we have implemented a reverse logistics system to reduce transportation times. We have also replaced trucks with rails cars and adopted EURO V technology to reduce the environmental footprint of our transport vehicles.

We also promote responsible fuel consumption and have reduced the generation of emissions in distribution processes through voluntary participation in SEMARNAT's* Clean Transportation program.

WE RECEIVED OUR TENTH "EXCELLENT ENVIRONMENTAL PERFORMANCE" AWARD FROM SEMARNAT*

*SEMARNAT (Mexican Department of the Environment and Natural Resources).



PRESERVATION OF FOREST BIODIVERSITY AND ITS BIODIVERSITY



Operating in harmony with nature and ensuring a sustainable future is one of our enormous commitments. For this reason, we developed a model that has the purpose of actively collaborating in the preservation of ecosystems, in addition, in the different regions where we have a presence, we promote the care of green spaces and contribute to the increase of forest mass through our reforestation campaigns. This commitment to the conservation of ecosystems is also reflected in the activities of the Scribe San Rafael Plant, which protects a forest reserve of two thousand and four hundred hectares and is considered one of the most important green lungs of the Metropolitan Area of Mexico City.

Additionally, and taking into account the importance of caring for biodiversity, we collaborated with the Department of Sustainable Development and received technical advice from the Directorate of Ecology from San Juan del Río for the installation of a pollinator garden in our Scribe Querétaro plant, a space that has more than 700 plants carefully selected to attract bees, butterflies and other pollinating insects that contribute to the biological diversity conservation.

IN 2023, WE PLANTED 6,659 TREES THROUGH OUR REFORESTATION CAMPAIGNS



— SOCIAL PERFORMANCE





Our employees' talent and commitment are fundamental to meeting our business goals and advancing our sustainability vision.

According to this and as the central axis of our human capital management, we have designed programs to acknowledge the efforts made by our teams to contribute to each employee's development. In addition, we implemented initiatives promoting a diverse and inclusive culture to guarantee a safe working environment.

13,444
EMPLOYEES MAKE UP
OUR WORKFORCE

WORKFORCE BY GENDER AND EMPLOYMENT CONTRACT*

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent Work Contract	7,781	2,888	10,669	8,304	2,923	11,227	8,358	3,181	11,539
Temporary Work Contract	1,320	490	1,810	1,513	533	2,046	1,380	525	1,905
Total	9,101	3,378	12,479	9,817	3,456	13,273	9,738	3,706	13,444

*58% of our personnel are included in collective bargaining agreements. Remuneration, adjustments, and changes in employee benefits are determined through trade union representatives.

EMPLOYEES BY GENDER AND REGION

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Mexico	8,460	3,111	11,571	8,799	3,224	12,023	8,725	3,458	12,183
USA	589	218	807	953	182	1,135	939	185	1,124
Colombia	52	49	101	65	50	115	74	63	137
Total	9,101	3,378	12,479	9,817	3,456	13,273	9,738	3,706	13,444

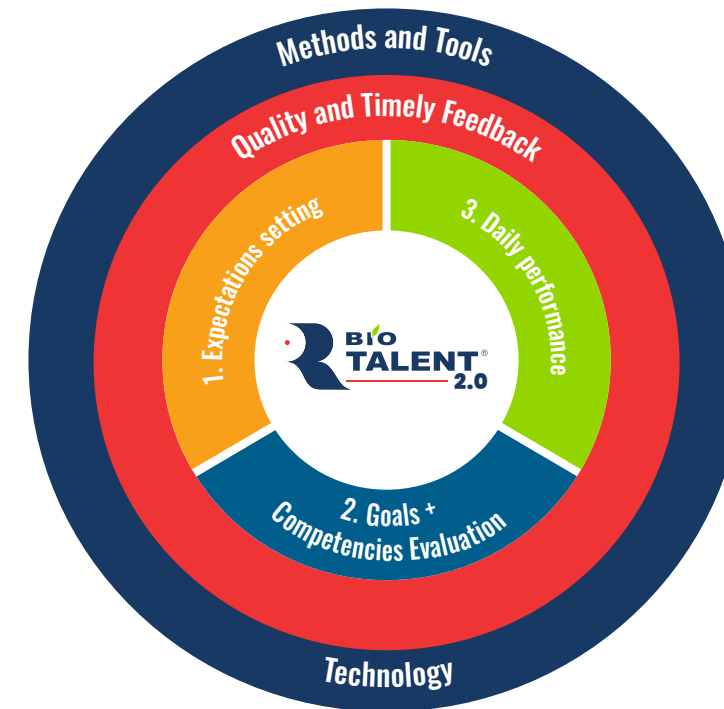
WORKFORCE BY GENDER AND PER WORKDAY

	2022			2023		
	Men	Women	Total	Men	Women	Total
Full-time	9,552	3,363	12,915	9,475	3,606	13,081
Part-time	265	93	358	263	100	363
Total	9,817	3,456	13,273	9,738	3,706	13,444

*The information in the previous charts is obtained from the personnel balance report, fed by each work center.



Our BIO TALENT 2.0 performance management model allows us to track and provide timely support to our employees' individual and professional goals, which are aligned with our business goals. Every cycle, we evaluate and recognize our teams' contribution to the business results and identify their training and improvement needs, which are addressed through precise personalized learning and development plans.



Our BIO TALENT 2.0 efforts are crucial to boost talent, drive business's growth and strengthen our employees' abilities, promoting the company's growth, and strengthen our commitment to sustainability in all our regions.

968 OF EMPLOYEES
PARTICIPATED IN THE PERFORMANCE
REVIEW PROCESS

99% OF ALL EMPLOYEES
PARTICIPATED IN THREE MID-YEAR
PERFORMANCE REVIEWS



The educational offer available on Bio Pappel Institute digital platform is made up of large variety trainings, workshops and, materials that address needs and interests from our employees

The main topics taught in 2023 are as follows:

- Raising awareness about the Labor Equality and Non-Discrimination Policy
- Gender Awareness, Masculinities, and the use of Inclusive and Non-Sexist Language
- The Code of Ethics
- Policies and Procedures
- English as a second language
- Time Management
- Team Integration Workshop
- Conflict Management
- The PRO-PAYBACK® Sales Training Program
- 3rd. Sales Congress
- 8th. Human Capital Congress
- 13th. Environmental and Safety Congress
- Fraud Risk Management

- Quality and Competitiveness
- How to Use a Fire Extinguisher
- Emergency Protocol
- High Blood Pressure
- Anxiety Disorders



	2022	2023
Total Attendees to Training Courses	23,296	23,761
Total Training Hours	304,120	216,225



	2022	2023
OF THE TRAINED EMPLOYEES ARE MEN	70%	69.6%
OF THE TRAINED EMPLOYEES ARE WOMEN	30%	30.4%



At Bio Pappel, we know that nurturing an equal opportunity culture favors the creation of inclusive and positive work environments and promotes innovation and competitiveness across our operations. Consequently, we have developed actions and programs aligned with our corporate principles to foster a healthy work environment for every team player.

Our culture is based on the four focal points described as follows:

- Equal sharing of responsibilities between women and men.
- Elimination of gender roles and stereotypes.
- Integration of persons with disabilities into our workplaces.
- Strengthening cultural accessibility.

We have different management mechanisms designed to ensure that all team members are developing their work in equal opportunities and freedom from discrimination environments.

These mechanisms are described as follows:

Labor Equality and Non-Discrimination Policy for the entire workforce.

Labor Equality and Non-Discrimination Committees in all work centers.

A Code of Ethics that stipulates zero tolerance for discrimination, violence, harassment and mobbing in the workplace.

Bio Pappel Ethics Line: This is the primary channel we use to monitor reports on actions that do not comply with our corporate principles.

OUR EFFORTS ARE REFLECTED IN THE FOLLOWING FIGURES:

34%
INCREASE IN HIRING WOMEN AND ENSURING THEIR PARTICIPATION IN THE LAST FIVE YEARS

29%
WOMEN IN OUR ADMINISTRATIVE TEAM

27%
WOMEN IN OPERATIONAL TEAM

28%
WOMEN ON OUR BOARD OF DIRECTORS

Our recent diversity and inclusion efforts **ensured that 100% of our work centers were certified under NMX-025, the Mexican Standard for Labor Equality and Non-Discrimination.** This certificate proves our compliance with the highest labor equality standards and reinforces our position as an integrated and sustainable company.

In 2023, we continued to promote gender equality and equal opportunities in our sphere of influence through Bio Pappel's contribution to the following initiatives:

- We participated in **UN Women** and aligned our commitments to their seven principles to effectively empower women in the workplace.
- We reinforced our training program by accessing the CONAPRED (Mexico's National Council to Prevent Discrimination) and CNDH's (Mexico's National Human Rights Commission) online platforms featuring content on labor inclusion, non-discrimination, and human rights, among other topics.
- We joined the **Mexico UN Global Compact's** Diversity, Equity, and Inclusion Working Group.

To achieve our Zero Accidents Goal, we promote compliance with the highest Occupational Health and Safety standards everywhere we have a presence. These measures allow us to guarantee a safe, efficient, and successful operation while preventing hazards and responding to potential incidents that could set our employees' and visitors' well-being at risk.

THE HYGIENE AND SAFETY COMMISSION PROVIDES PROTECTION TO 100% OF OUR EMPLOYEES

Guided by our Occupational Health and Integral Safety Policy and the actions taken by the Hygiene and Safety Commission, our safety model is based on constant and continuous training. These efforts provide necessary tools to effectively comply with established protocols and successfully address emergency and vulnerable circumstances for our employees.

IN 2023, WE PROVIDED
100,353
TRAINING HOURS

\$5.65⁽¹⁾ MILLION
OF DOLLARS INVESTED IN ACTIONS
REINFORCING SAFETY AND SECURITY IN OUR
SYSTEMS AND FACILITIES

(1) Year end rate \$16.8935 MXN.

We also maintain our care and prevention plans for possible seasonal infections, which proactively address the risk of various respiratory diseases, including COVID-19. These actions reinforce our commitment to employees' health and safety and ensure a rapid and effective response to potential health challenges that may emerge.

We obtained the following distinctions thanks to our Occupational Health and Safety efforts:

- Safe and Healthy Work Environments (**ELSSA**) Recognition from the Mexican Social Security Institute (**IMSS**).
- Safe Company, a recognition granted by the Occupational Health and Integral Safety Self-Management Program (**PASST**) managed by Labor and Social Welfare Department (**STPS**).



We have implemented programs and actions focused on caring for our employees' physical and mental health in all our facilities, in compliance with the requirements established by Mexican Official Standard **NOM-035** on psychosocial risk factors, they promote healthy relationships between employees to conduct their daily activities in optimal work environments.

- We consistently monitored the action plans designed to identify and address all psychosocial risk factors detected across the company.

- We provided detailed information on prevention and control measures of psychosocial risks, in line with previously established communication plan.

Consequently, we offer internal psychological care services to follow up on the cases that are identified through the provisions established by the regulations and providing support to employees who need this service.





A key point concerning our sustainable business strategy is the commitment to contributing to the development and well-being of the communities which we serve, consequently, we promote a close dialogue with members of the communities to understand their needs and expectations. Thanks to this approach, we are not only a responsible economic actor in our operating locations, but also a positive change agent determined to generate shared value.

Our community engagement initiatives and projects are integrated into the Social Responsibility strategy, structured in three central lines:

- **Environmental care and education**
- **Community development**
- **Education for development**

WE CONTRIBUTED TO ACHIEVING EIGHT SUSTAINABLE DEVELOPMENT GOALS (SDGS) THROUGH SOCIAL RESPONSIBILITY INITIATIVES





The conservation of planet, its ecosystems and, resources is a shared responsibility; hence, we promoted educational programs focused on nurturing a responsible environmental culture and adopting sustainable practices.



BIO PAPPEL GREEN SCHOOLS

[3-3, 203-1 / GC 8]

Bio Pappel's Green Schools initiative aims to spark an interest in the new generations to become change agents who actively contribute to fulfilling the Sustainable Development Goals (SDGs). We achieved this by connecting with various educational institutions in which, using diverse tools and advice, we provide support to teachers and students focused on creating an environmental and social culture that permits adopting green practices throughout the school community.

The participating institutions may obtain the Bio Pappel Green School certification by implementing and following the actions described as follows:

1. Install a recyclable materials collection center on campus.
2. Develop environmental and social projects that promote the care of natural resources, biodiversity conservation, and productive workshops that contribute to the school and neighboring community's well-being.
3. Create an Ecological Club to engage students and parents, guided by an environmental leader.

24 SCHOOLS ENGAGED IN THE STATES OF DURANGO, NUEVO LEON, JALISCO, OAXACA, VERACRUZ AND STATE OF MEXICO,





HUG A TREE
[3-3, 203-1 / GC 8]

In order to create a post-consumer waste revalorization culture and promote the transition towards a circular economy, we perform campaigns focused on the separating and recycling of paper and cardboard in surrounding communities. The collected materials are transported to Bio Pappel's Recycling Centers, where they are processed to be reintegrated into our production processes.

Additionally, we have formed various institutional alliances with separation and collection actions, that significantly contribute to the program's results. We rewarded their efforts and highlight their positive impact on the environment, offering benefits in kind and recognizing their environmental impact in figures.

(1) 1 Metric ton equals 1.1023 short ton.

WE COLLECTED
**282.2⁽¹⁾ SHORT TONS OF PAPER AND
CARDBOARD** THROUGH THE HUG A TREE PROGRAM



REFORESTING: OUR GREATEST ROLE
[3-3, 203-1 / GC 8]

We promoted reforestation days, engaging our employees and their family members as part of our commitment to restoration and preserving ecosystems. We also launched tree and plant adoption campaigns to encourage each team member to become an active agent in conserving our environment.

WE ORGANIZED

28 REFORESTATION/ADOPTING
CAMPAIGNS OF **6,659** PLANTS AND
TREES IN THE STATES OF DURANGO, NUEVO LEON,
JALISCO, STATE OF MEXICO, OAXACA, CHIAPAS,
AND VERACRUZ



We worked with Bio Pappel volunteers to launch several initiatives in neighboring communities of our operations, contributing to local development and promoting environmental care practices among the new generations.



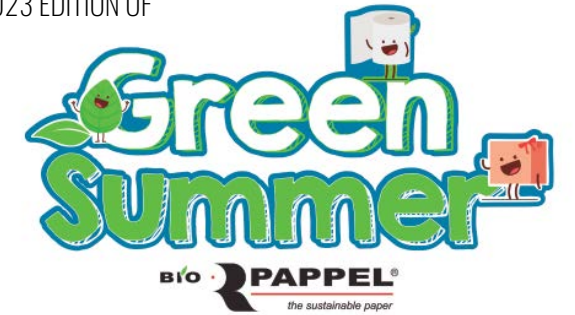
BIO PAPPAL GREEN SUMMER

[3-3, 203-1 / GC 5 and 8]

Every summer, we invite our employees' children to enjoy recreational experiences where they learn about the importance of caring for the environment and become aware of their impact on it.

In 2023, we resumed this initiative in person at all facilities, where volunteers helped us organize dynamics and games focused on promoting fundamental values, such as respect and conservation of biodiversity.

1,277 BOYS AND GIRLS PARTICIPATED IN THE 2023 EDITION OF



TAKING CARE OF MY COMMUNITY

[3-3, 203-1]

We performed community improvement activities in neighborhoods to contribute to their development and well-being. These initiatives are based on detailed analyses of primary needs detected in the communities where we operate. Its development is possible thanks to the participation of community volunteers and employees, who joined forces to build more prosperous and sustainable environments.

WE SUPPORTED **6,565** PEOPLE

IN **45** COMMUNITIES IN MEXICO CITY AND THE STATES OF NUEVO LEÓN, QUERÉTARO, STATE OF MEXICO, OAXACA, VERACRUZ, CHIAPAS AND PUEBLA





Generating a positive impact on communities' development has encouraged us to launch programs that seek to promote women's economic empowerment and cultivate young people's interest in contributing to sustainable development.



PRODUCTIVE WORKSHOPS FOR WOMEN'S EMPOWERMENT

[3-3, 203-1]

As part of our commitment to promoting women's empowerment and their participation in the local economy's development, we worked with local entities to create training programs designed to help women acquire the skills and knowledge they need to start businesses, become entrepreneurs, achieve economic independence, and build a prosperous future.

WE TRAINED

194 WOMEN FROM **14** COMMUNITIES

COMMUNITIES IN THE STATES OF VERACRUZ, OAXACA, QUERÉTARO, NUEVO LEÓN, DURANGO AND JALISCO



SCHOOL VISITS

[3-3, 203-1]

This program's purpose is to contribute to the academic development of present and future generations through actions that share valuable theoretical and technical knowledge and spark young people's interest in sustainable practices across the industry.

We use a hybrid approach to welcome high school and undergraduate students to our production plants so they can get a first-hand look at our paper product production processes, beginning with recovery and recycling. We complement these visits with virtual activities led by our internal staff, which provide students with access at all educational levels.

IN 2023 WE WELCOMED

2,331 STUDENTS FROM **52** SCHOOLS

Definitely, the support received from those who share their knowledge, time, and energy in our annual corporate volunteering activities is vital to our Social Responsibility community engagement strategy. This ongoing collaboration allows us to achieve notable results that positively impact our communities. Each initiative is enhanced by the valuable knowledge, skills, and positive energy volunteers.



YOUTH IN ACTION FOR THE SUSTAINABLE DEVELOPMENT GOALS

[3-3, 203-1]

Youth in Action for the SDGs is an initiative that strengthens our community outreach strategy and reflects our commitment to youth and the United Nations 2030 Agenda.

We entered into strategic partnerships with several universities to ensure a direct approach to young students. We raised their awareness about the importance of contributing to sustainable development and allowed them to enter the professional work, expand their knowledge, and develop new skills.

The central lines of action addressed by this initiative are as follows:

- Promote the participation of students in community engagement programs and volunteering activities to benefit their schools.
- Offer sessions taught by experts in our company on topics related to their fields of study or specialty.
- Strengthen young students' knowledge through job opportunities that allow them to complete their professional practices, social services, or internships.

IN 2023 WE WORKED WITH 7 NEW UNIVERSITIES



2023 RESULTS

[3-3]

SDG	Axis	Program	Indicator	2021	2022	2023
4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	Environmental Care and Education	Bio Pappel Green Schools	Participating schools	34	28	24
			Beneficiaries	8,826	6,891	4,884
		Hug a tree	Short Tons ⁽¹⁾	208.3	272.3	282.2
Institutions benefited	38		55	73		
10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES	Community Development	Bio Pappel Green Summer	Beneficiaries	1,528	1,501	1,277
			Taking Care of My Community	Beneficiaries	4,116	2,472
		Productive Workshops	Women benefited	140	222	194
Training hours	1,197		852	950		
13 CLIMATE ACTION 15 LIFE ON LAND	Education for Development	School Visits	Visitors	2,940	3,373	2,331
			Bio Pappel Volunteers	Corporate volunteers	3,236	2,824
		Volunteer hours		1,532	2,203	4,104

(1) 1 Metric ton equals 1.1023 short ton.

WE POSITIVELY IMPACTED **86 COMMUNITIES** FROM **16 MEXICAN STATES**, BENEFITTING **15,251 PEOPLE**



The Bio Pappel Foundation is an essential component of our sustainability strategy, as it allows us to promote activities to preserve our environment

and promote social development via activities and projects in collaboration with diverse institutions, some of which are listed as follows:

BEST BUDDIES MEXICO

We work hand in hand with this non-profit organization to strengthen our culture of equality and raise awareness among our workforce about the importance of providing job opportunities to people with disabilities.

CHAPULTEPEC FOREST TRUST

We partnered with this non-governmental and non-profit organization to help preserve and protect Mexico City's most crucial lung, the Chapultepec Forest.

NATIONAL ANTHROPOLOGY MUSEUM

We actively participate in the project to preserve and secure our pre-Hispanic cultural heritage housed in the Museum, a fundamental symbol of our Mexican identity.

MEXICAN RED CROSS

We work closely with this humanitarian organization to ensure all Mexicans have access to the highest-quality healthcare services.

TRAXION FOUNDATION

We have partnered with this non-profit organization by joining the "En Route Through Education" program to help ensure access to education in the country's most remote communities.

SER SCHOOLS

We partnered with SER Schools, an organization that serves children and adolescents in underprivileged communities, providing in-kind support for their educational model.

CHILDREN IN JOY, CIVIL ASSOCIATION

We contribute to the "Let's Donate Backpacks" campaign to support reestablishing elementary schools with vulnerable populations in Guerrero to ensure the students can reach their educational full potential.





At Bio Pappel, partnerships are vital to promoting initiatives that strengthen us as an industry and contribute to achieving the Sustainable Development Goals (SDGs). Hence, we actively partner and participate with several domestic and international trade organizations, such as those listed as follows:

- Mexican Chamber of Pulp and Paper Industries.
- Global Environmental Management Initiative (GEMI).

- Private Sector Study Commission for Sustainable Development (CESPEDES).
- National Confederation of Industrial Chambers (CONCAMIN).
- United Nations Global Compact.
- Mexican Center for Philanthropy (CEMEFI).



OUR STAKEHOLDERS

[2-29]

Establishing open and continuous communication channels with stakeholders is essential to our business strategy. In this context, we identify and meet the needs and expectations of the different players that influence our operations, keeping them

informed about the company's achievements, and thus detect opportunities that allow us to improve our processes and continue growing.



STAKEHOLDER	EXPECTATIONS	RESPONSE/ACTIONS	COMMUNICATION CHANNELS	FREQUENCY OF CONTACT
Customers	To offer competitive and sustainable products that efficiently contribute to the success of the company and that of their customers.	Audits are conducted by our customers, in terms of quality, safety, environmental management, and social responsibility. Publishing of our Code of Ethics for customers. Strategies to improve inventory management. Compliance with standards and certifications.	Customer satisfaction surveys. Visits and audits of our production plants. Bio Pappel Ethics Line. Direct dialogue with our customers to determine their needs and expectations. Participation in forums and conferences of our customers.	Satisfaction Survey: Annual. Audits: Annual. Bio Pappel Ethics Line: Permanent.
Board of directors and shareholders	To create sustainable value through competitiveness, innovation, environmental protection, and social responsibility in all our operations.	Alignment of the sustainability strategy to our business strategy. Appointment of one of the Board Members as Sustainability Director. Establishment of a Sustainability Committee and an Ethics Committee.	Annual and quarterly meetings between the Board and Shareholders Meeting. Annual Financial Report. Annual Sustainability Report. Executive Meetings.	Executive Meetings and Financial Reports: Annual. Board of Directors and Shareholder's Meeting, Financial Report, Sustainability Report: Annual.
Our people	To be a great place to work by offering opportunities for development and professional growth for our people and providing the best conditions for occupational health and safety.	Bio Talent 2.0: Performance management program, seeks to aligned individual with corporate goals. Permanent Training Plans. Bonus and compensation plan. Code of Ethics. Occupational Health and Safety Model. Labor Equality and Non-Discrimination Policy and Committee. Participation in work environment rankings.	Performance feedback and the design of Individual Career Plans through the Bio-Talent Program. Committees to handle our employees' concerns and suggestions and implement new projects and initiatives. Work environment surveys, Bio Pappel Ethics Line, Bio News, and volunteering programs.	Bio Talent 2.0: Quarterly Committees: Quarterly Work Environment Surveys: Annual. Bio Pappel Ethics Line: Permanent. Bio News: Biweekly
Suppliers	To promote effective relationships within our value chain to guarantee mutual growth and market position.	Supplier's Certification. Compliance with Supplier Policy. Code of Ethics for Suppliers. Annual Suppliers Congress.	Annual Suppliers Congress to provide training to all employees from the Procurement department to improve our commercial relations with suppliers. Direct communication with the main suppliers to identify areas of opportunity and best practices. Bio Pappel Ethics Line.	Suppliers Congress: Annual Bio Pappel Ethics Line: Permanent.
Communities	To create shared value with the neighboring communities of our production centers through our company's skills and talent while contributing to their development.	Identification of the needs of the communities where we operate. Annual community work plan with goals and metrics. Social Responsibility Strategy has three pillars: 1) Environmental education and conservation; 2) Community development; 3) Education for development.	Direct dialogue with community leaders. Identification of needs and definition of action plans for each community. Monthly activity report. Community surveys. Bio Pappel Ethics Line.	Monthly.
Government	Guarantee legal compliance in all our operations through honest and transparent processes.	Active participation in industrial chambers and associations to strengthen environmental and sustainable development standards. Collaborative public-private partnerships. Involvement in public bidding processes in a transparent manner, adhering to all requirements.	Direct dialogue with authorities. Meetings with entrepreneurial groups, chambers, and associations. Annual reports. Seminars and forums on relevant subjects.	Monthly.
Civil society organizations and the general public	To promote a transparent relationship aligned to the social and environmental impact of the company.	Development of strategic partnerships. Participation in environmental and social responsibility ranking and awards.	Direct dialogue to determine the needs and expectations of civil society groups. Digital media, website. Participation in rankings.	Monthly. Participation in rankings: Annual.
Bank creditors	To create shared value and healthy financial relations.	Identification of financial needs and implementation of financing strategies through customized products that offer the best possible market conditions.	Ongoing communication with Banking Institutions to identify business and financing opportunities.	Quarterly and annual reports.



INTEGRATED MANAGEMENT SYSTEM

- ISO 9001:2015. Quality Management Systems.
- ISO 14001:2015. Environmental Management Systems.
- ISO 45001:2018. Occupational Health and Safety Management Systems.
- FSSC 22000:2020. V5.1. Food Safety Systems Certification.



ENVIRONMENTAL PAPER COMPANY INDEX

We are the only Mexican company in this index, including 35 companies in our industry.



FOREST MANAGEMENT MERIT NATIONAL AWARD

Recognized for our process of producing 100% recycled products, developing reforestation campaigns, and our sustainability model.



FSC® 100% RECYCLED

First Mexican company certified in the use of 100% recycled raw materials in paper production.

FSC® Leadership Award:

We were recognized for our responsible handling of forest resources and forest preservation.



PULP & PAPER INTERNATIONAL AWARDS

- **Global CEO of the Year Award:** Our CEO was awarded for his strong leadership and drive for our sustainability model in our operations in Mexico, the United States, and Latin America.
- **Water Efficiency Award:** Recognition of our innovative water-use efficiency processes.
- **Environmental Leadership Award:** Recognition of our ongoing efforts to reduce our environmental footprint.



PROGRAMME FOR THE ENDORSMENT OF FOREST CERTIFICATION®

Chain of Custody Certification that guarantees the use of sustainable raw materials in our products.



SUSTAINABLE FORESTRY INITIATIVE®

Chain of Custody Certification that guarantees the use of sustainable raw materials in our products.



SEMARNAT AND CESPEDS GHG MEXICO PROGRAM

For the 10th. consecutive year, we voluntarily published our emissions inventory.



EXPANSION MAGAZINE AND TOP COMPANIES

Super Companies.



MEXICAN LABOR EQUALITY AND NON-DISCRIMINATION STANDARD

NMX-R-025-SCFI-2015.



Safe and Healthy Work Environments Recognition.



MADE IN MEXICO BRAND EMBLEM

Distinction for products Made in Mexico.

RECYCLED PAPERBOARD TECHNICAL ASSOCIATION (RPTA)

Certification of food's paperboard and containerboard produced from recycled fiber.



PROFEPA

Clean Industry.



GEMEFI

Socially Responsible Company.



LATIN AMERICAN CENTER FOR SOCIAL RESPONSIBILITY (CLARES)

Corporate Social Responsibility Award.

OFFICIAL MEXICAN STANDARD NMX-AA-144-SCFI-2018

Mexican seal that ensures photocopier and printer paper is made with recycled chlorine-free fiber.



OFFICIAL MEXICAN STANDARD NMX-N-107-SCFI-2010 MONARCH BUTTERFLY ECO LABEL

Mexican seal that guarantees that newsprint, paper for bags, paper for wrapping, paper for sacks, corrugated boxes, and solid fiber boxes are produced with recycled fiber.



SEMARNAT

Clean Transportation.



We support the United Nations Global Compact.

We are part of The Science Based Targets initiative (SBTi).



Ethics and Values, Lifetime Achievement Award from the industry in Mexico.

Outstanding Practice Award for our circular economy Urban Forest Model.



PAN-AMERICAN INSTITUTE OF SENIOR BUSINESS MANAGEMENT

Our sustainable business model positioned us as a success story.



Leading Company in Anti-Corruption Practices. Leading Company in Social Responsibility.

NOM-035-STPS-2018

Psychosocial Risk Factors at work.



As a company committed to integrity and transparency, Bio Pappel assumes full responsibility for providing our stakeholders with visibility on our business and sustainability practices, reflecting our corporate values and the power of our governance practices. This commitment is why we publish our annual sustainability report, a strategic document for the organization that allows us to present our main financial, social, and environmental strategies, actions, and results. At the same time, we measure our progress and contribution to the UN Global Compact Ten Principles and the Sustainable Development Goals.

WE INVITE YOU TO VISIT OUR WEBSITE AT WWW.BIOPAPPEL.COM TO LEARN MORE ABOUT OUR INITIATIVES

Bio Pappel S.A. de C.V. prepared this report based on the GRI Standards for the January 1 to December 31, 2023 period, with the support of McBride Sustainability, verified by Redes Sociales en Línea Timberlan, S.A. de C.V.

We structured this report in compliance with GRI Standards to ensure adherence to best reporting practices. In this document we adjusted the 2022 figures from the table "Economic Indicators"; moreover is essential to note that we have experienced significant changes in our operations since our last publication in 2022, such as those listed as follows:

- A mega distribution and transformation center for Scribe® products was inaugurated in Tlalnepantla, State of Mexico.
- HR Ratings assigned to Bio Pappel the rating of HR BBB+ (G) on global rating scale and the rating of HR AAA on local rating scale.



This sustainability report was prepared with the latest Bio Pappel materiality study results. In this study, we identified the company's most significant financial, social, and environmental topics, considering our stakeholders' opinions and expectations, monitoring potential risks and regulatory changes, and the Sustainability Context in which the organization operates.

Lastly, we went back to reporting under the principle of exhaustiveness to include and convey the information contained in this document under the following quality principles: precision, clarity, balance, timeliness, comparability, and verifiability.

MATERIAL TOPIC	COVERAGE	
	INTERNAL	EXTERNAL
FINANCIAL RESULTS	*	
GROWTH AND EXPANSION	*	*
REGULATORY CHANGES		*
COMPETITIVENESS		*
CYBERSECURITY	*	
ENVIRONMENTAL REGULATIONS	*	*
CIRCULAR ECONOMY	*	
ENERGY EFFICIENCY	*	*
ORGANIZATIONAL CULTURE	*	
QUALITY OF LIFE	*	
GENDER EQUALITY	*	*
SOCIAL LICENSE	*	*

Declaration of Use: Bio Pappel S.A. de C.V. has presented the information cited in this GRI Table of Contents from January 1 to December 31, 2023, using the GRI Standards as a reference.

For the Content Index – Essentials with reference service, GRI Services reviewed that the GRI content index has been presented in a consistent manner with requirements for reporting with reference to GRI Standards, and that information in the index is presented clearly and accessibly for stakeholders. The service was done on the Spanish version of the report.

GRI 1 USED: GRI 1: GRI 1: FOUNDATION 2021

UNIVERSAL STANDARDS

GRI 2: GENERAL DISCLOSURES 2021

1. THE ORGANIZATION AND ITS REPORTING PRACTICES

GRI STANDARD	CONTENT	PAGE/ DIRECT ANSWER / URL(S)
2-1	Organizational details	11–14, 72, 74 Bio Pappel Headquarters / Ejercito Nacional 1130 Col. Los Morales Polanco, 11510, Mexico City.
2-2	Entities included in the organization's sustainability reporting	Bio Pappel S.A. de C.V.
2-3	Reporting period, frequency and contact point	72, 83 The last Sustainability Report was published in April 2023. Financial reports are prepared annually in line with the Mexico's General Law of Commercial Companies.
2-4	Restatements of information	72
2-5	External assurance	72, 82

2. ACTIVITIES AND WORKERS

2-6	Activities, value chain and other business relationships	12, 14, 18, 20–21, 26 We market our products to durable and consumer goods manufacturers, distributors, and department stores in Mexico, the United States, and Colombia, including the maquiladora sector, exporters, and Mexican consumers. There are over 2,378 suppliers in our supply chain. In 2023, the monetary value generated from purchasing goods and services from such suppliers stood at \$1,084.63 ⁽¹⁾ million dollars. 80% of these expenses were concentrated on the following items: fiber, cellulose, natural gas, electricity and, chemicals. In 2023, our rigorous supplier tax certification process ensured that 98% of our base suppliers were in full compliance with Mexico's tax and labor authorities. <small>(1) Year end rate \$19.3615 MXN</small>
2-7	Employees	44–45 Bio Pappel does not hire non-guaranteed hour employees.

GRI STANDARD	CONTENT	PAGE / DIRECT ANSWER / URL(S)
2-8	Workers who are not employees	Bio Pappel does not have contractor personnel.

3. GOVERNANCE

2-9	Governance structure and composition	23
2-12	Role of the highest governance body in overseeing the management of impacts	23

4. STRATEGY, POLICIES AND PRACTICES

2-22	Statement on Sustainable Development Strategy	4,5
2-23	Policy commitments	10, 24, 26
2-24	Embedding policy commitments	24, 25, 26
2-25	Processes to remediate negative impacts	25, 31, 34, 37–38, 40–41, 50–53
2-26	Mechanisms for seeking advice and raising concerns	25
2-27	Compliance with laws and regulations	No breaches of environmental laws or regulations were identified. No breaches of social and economic laws or regulations were identified.
2-28	Membership associations	8–9, 68, 70–71

5. STAKEHOLDER ENGAGEMENT

2-29	Approach to stakeholder engagement	69
2-30	Collective Bargaining Agreements	45

GRI 3: MATERIAL TOPICS 2021

3-1	Process to determine material topics	73
3-2	List of material topics	73

TOPIC STANDARDS

FINANCIAL RESULTS

GRI 3: MATERIALS TOPICS 2021

3-3	Management of material topics	14–15, 18–19
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GRI STANDARD	CONTENT	PAGE / DIRECT ANSWER / URL(S)
GRI 201: ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed	19

GROWTH AND EXPANSION

GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	15, 20–21

CYBERSECURITY

GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	27

ENVIRONMENTAL REGULATIONS

GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	30–31, 34, 37–41

CIRCULAR ECONOMY

GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	14, 30–33, 58

GRI 301: MATERIALS 2016		
301-1	Materials used by weight or volume	34,515,432 m ³ of water. 2,355,789 ⁽¹⁾ short tons of secondary fiber and cellulose. <small>(1) Metric ton equals 1.1023 short ton.</small>
301-2	Recycled input materials used	32–33 100% of our recycled material is paper.
301-3	Reclaimed products and their packaging materials	33

GRI STANDARD	CONTENT	PAGE / DIRECT ANSWER / URL(S)
REGULATORY CHANGES		
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	34

ENERGY EFFICIENCY

GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	35–36

GRI 302: ENERGY 2016		
302-1	Energy consumption within the organization	36 *The company does not calculate heating, cooling and steam sales and consumption rates. The methodology considers mass-energy conversion factors based on the international system of units and internal control reports.
302-3	Energy intensity	a. 2.935 MWh / Ton. b. Ton of paper and paper products. c. Fuels (natural gas, fuel oil, diesel, gasoline, black liquor), electric energy, steam. d. Energy consumption includes within the organization.
302-4	Reduction of energy consumption	a. -63% decrease in fuel oil consumption in 2023 compared to 2022. b. Fuels for stationary sources (Fuel Oil). c. Base year 2022 versus 2023. d. Fuel oil (m ³). Factor: *41.2474 Giga Joules /l.
302-5	Reductions in energy requirements of products and services	a. +6.1% increase in the primary energy requirements for product generation to stand at 10.496 Gigajoules/ton. b. Year 2022 versus year 2023. c. Internal control reports, own methodologies, and international standard conversion factors.

QUALITY OF LIFE

GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	47–53
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	Employed personnel: M 58.4 hours / W 107.8 hours. Unionized personnel: M 25.7 hours / W 58.4 hours.

GRI STANDARD	CONTENT	PAGE / DIRECT ANSWER / URL(S)
404-2	Programs for upgrading employee skills and transition assistance programs	48–49 The company does not have transition assistance programs for retirees or employees laid-off.
404-3	Percentage of employees receiving regular performance and career development reviews	47 Of the 7.2% of employees who received their performance reviews, 76% were men, and 24% were women. According to their job categories: 4% Directors, 2% Deputy Directors, 21% Managers, 12% Assistant Managers, and 61% Department Leads.

ORGANIZATIONAL CULTURE

GRI 3: MATERIAL TOPICS 2021

3-3	Management of material topics	7, 10, 24–25, 50–51
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GENDER EQUALITY

GRI 3: MATERIAL TOPICS 2021

3-3	Management of material topics	50–51, 63
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GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1	Diversity of governance bodies and employees	50–51 a. Diversity of governance bodies Under 30: M 0% / W 0%; Ages 30-50: M 0% / W 14.29%; Over 50: M 71.43% / W 14.29%. b. Workplace diversity Employed Personnel Under 30: M 12.20% / W 7.74%; Ages 30-50: M 39.39% / W 16.77%; Over 50: M 19.58% / W 4.32%. Unionized Personnel Under 30: M 22.17% / W 7.7%; Ages 30-50: M 31.26% / W 14.15%; Over 50: M 19.79% / W 4.94%.
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GRI 406: NON-DISCRIMINATION 2016

406-1	Incidents of discrimination and corrective actions taken	5 discrimination incidents in 2023
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SOCIAL LICENSE

GRI 3: MATERIAL TOPICS 2021

3-3	Management of material topics	15, 54–67
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GRI STANDARD	CONTENT	PAGE / DIRECT ANSWER / URL(S)
GRI 203: INDIRECT ECONOMIC IMPACTS 2016		57–59, 61, 63–64, 66–67 No real or potential negative impacts derived from community programs carried out in 2023 were identified. Investments in social projects in 2023 amounted to S310,943.88 ⁽¹⁾ dollars, including cash and in-kind resources. <small>(1) Year-end rate S19.3615 MXN</small>
203-1	Infrastructure investments and services supported	
413-2	Operations with significant actual and potential negative impacts on local communities	No operations with significant real or potential negative impacts on local communities were identified.

COMPETITIVENESS

GRI 3: MATERIAL TOPICS 2021

3-3	Management of material topics	68
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GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions related to unfair competition, monopolistic practices and contrary to free competition were identified.
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AREAS	PRINCIPLES OF THE UN GLOBAL COMPACT	PAGE CONSULTED
HUMAN RIGHTS	1 Businesses should support and respect the protection of internationally proclaimed human rights.	7, 24-26, 51, 53, 68
	2 Make sure that they are not complicit in human rights abuses.	
LABOUR	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	45
	4 The elimination of all forms of forced & compulsory labour.	24-26, 45, 51, 53, 61, 64, 67-68
	5 The effective abolition of child labour.	
	6 The elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT	7 Businesses should support a precautionary approach to environmental challenges.	12, 31-32, 34, 37-38, 40-41, 57-59, 61,64, 67-68
	8 Undertake initiatives to promote greater environmental responsibility.	
ANTI-CORRUPTION	9 Encourage the development and diffusion fo environmentally friendly technologies.	12, 31, 34, 38, 40
	10 Businesses should work against corruption in all its forms, including extortion and bribery.	7, 24-26

Verification Letter for the 2023 Sustainability Report

To the Board of Directors of Bio Pappel S.A. de C.V.:

We inform you that Redes Sociales en Línea Timberlan was engaged to perform a limited and independent verification of a sample of GRI Content presented in the 2023 Sustainability Report of Bio Pappel, S.A. de C.V. The scope of our verification covered the results of Bio Pappel's operations in Mexico, the United States, and Colombia for the period from January 1 to December 31, 2023.

The management of Bio Pappel is responsible for the preparation and publication of the information contained in the 2023 Sustainability Report and the information presented during the verification process, which includes, but is not limited to, the identification of material topics, the selection and publication of the GRI Content, as well as providing true and sufficient documentary and/or visual evidence to conduct the limited verification of the selected sample of GRI Content.

Our mission is to provide impartial and objective opinions about the quality of the data included in the selected sample to be verified, validating its accuracy, traceability, and reliability. The work performed is based on the activities of the **International Standard on Assurance Engagements (ISAE) 3000**, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the methodological requirements in accordance with the **GRI Standards**.

Among the activities during the verification process are listed:

- Interviews with the areas involved to understand the processes of data collection, management, and control for the preparation of the 2023 Sustainability Report.
- Understanding the data collection processes, as well as reviewing the data presented against the control systems used by the organization.
- Analysis of qualitative and quantitative information from visual, documentary, and public evidence of the sample of indicators to be verified.
- Validation of methodological compliance in accordance with the GRI Standards.

Conclusions: As a result of our work and the review of the report, we did not identify any factors that would lead us to believe that the selected sample for verification was not accurate and reliable or lacked traceability. Additionally, we found that the 2023 Sustainability Report was prepared in compliance with the reporting principles of the GRI Standards.

Recommendations: A separate internal report exclusive to the client is provided, containing areas of opportunity for a future report.

Sample of verified GRI Contents		
GRI Content	Verified KPI	
2-1	Organizational details	Bio Pappel S.A. de C.V. Bio Pappel Tower / Ejército Nacional 1130 Col. Los Morales Polanco C.P. 11510, Mexico City. Presence in: United States, Canada, Mexico, and Colombia
2-2	Entities included in the organization's sustainability reporting	Bio Pappel S.A. de C.V. y Subsidiaries
2-3	Reporting period, frequency and contact point	January 1st to December 31, 2023 Annual report Social responsibility: responsabilidadsocial@biopappel.com
2-4	Restatements of information	Bio Pappel did not present changes in the methodology for expressing the information.
3-2	List of material topics	List of material topics (See page 73)
2-28	Membership associations	List of Bio Pappel association affiliations (See pages 69, 70 and 71)
Environment		
301-2	Recycled input materials used	100% Paper 90% packaging paper 10% writing paper
302-1	Energy consumption within the organization	Electric energy 1,877,623 MWh Renewable energy 794.5 MWh
Social		
2-6	Activities, value chain and other business relationships	Management of the value chain (See pages 12, 13, 15, 18, 21, 26) The total and percentage of suppliers and investment in suppliers is out of the scope of verification.
2-7	Employees	13,444 collaborators in Bio Pappel
404-3	Percentage of employees receiving regular performance and career development reviews	7.2% of collaborators received their performance evaluation. 76% men and 24% women. Job category: 4% Management, 2% Deputy Management, 21% Management, 12% Deputy Management, 61% Headquarters.
203-1	Infrastructure investments and services supported	Development of infrastructure investments and supported services (See pages 57-59, 61, 63-64, 66-67)
Governance		
2-26	Mechanisms for seeking advice and raising concerns	Existence of an ethical line and communication channels for contact (See page 25)
2-27	Compliance with laws and regulations	0 cases of non-compliance with environmental laws or regulations. 0 cases of non-compliance with laws or regulations in the social and economic spheres.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	0 legal actions related to unfair competition, monopolistic practices and against free competition.

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Statement of Independence and Competence of Redes Sociales en Línea Timberlan

The collaborators of Redes Sociales en Línea Timberlan possess the necessary level of competence to verify compliance with the standards used in the preparation of Sustainability Reports, allowing them to issue a professional opinion on non-financial information reports. They adhere to the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality, and professional behavior. Under no circumstances should our verification statement be understood as an audit report; thus, no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on July 16th, 2024, and is valid as long as no subsequent and substantial modifications are made to the 2023 Sustainability Report of Bio Pappel, S.A. de C.V.



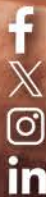
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