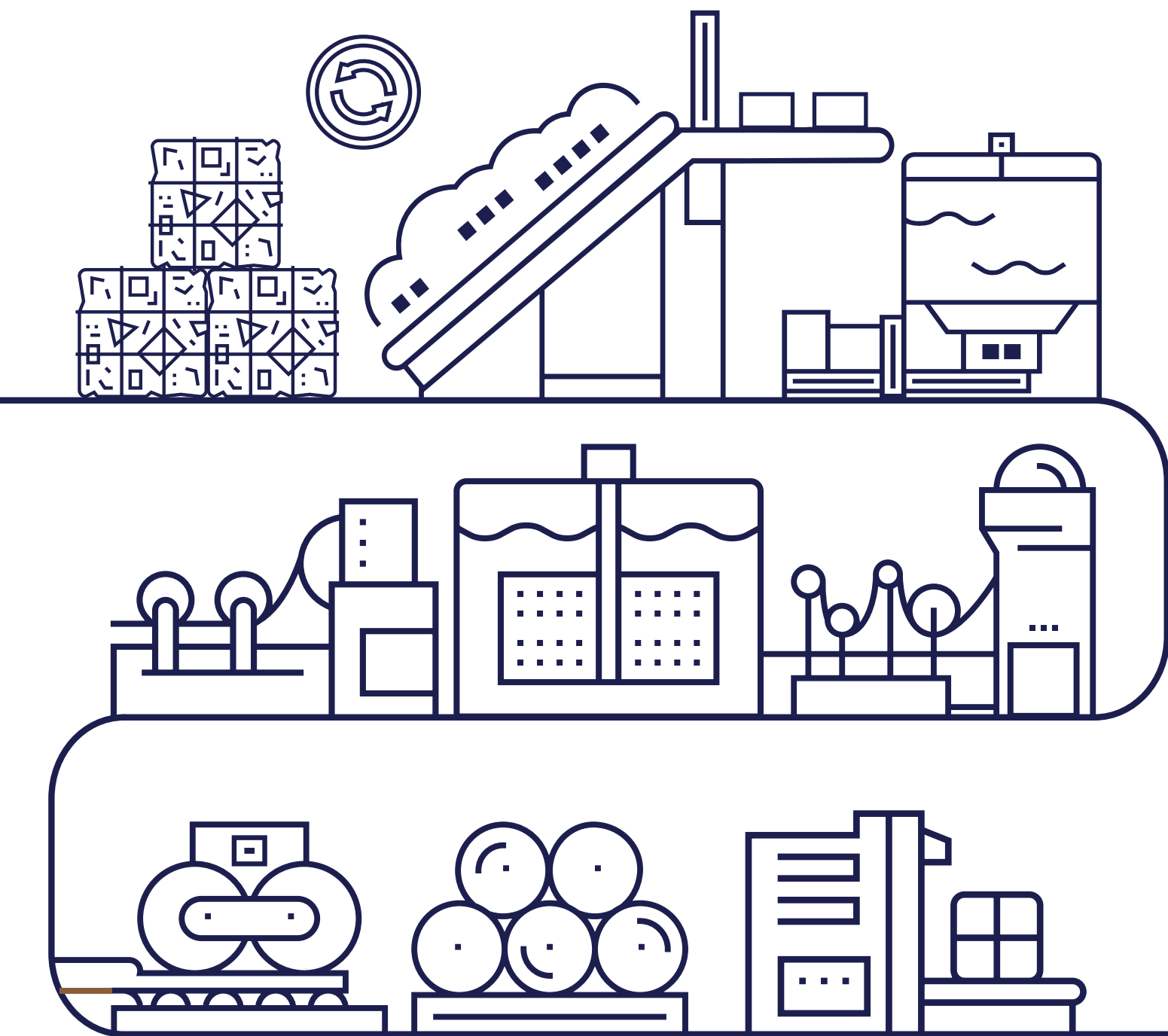




Sustainability Report



Index

Letter from chairman	4	Bio Pappel Ethics Line	23	Social performance	46	Our stakeholders	71
Corporate profile	6	Value Chain	25	Our people	46	Awards and certifications	72
Visión and mission	6	Cibersecurity	26	Performance management	48	About this report	74
Sustainable Development Goals contribution	7			Training and development	49	Materiality	76
Sustainability model	8	Environmental performance	30	Quality of life at work	50	GRI Content Index	77
Geographic presence	9	Environmental management	31	Occupational healt and safety at work	52	United Nations Global Compact	84
Business groups and products	10	Urban Forest®	32	COVID-19 actions	54	Sustainable Developepment Goals	85
Bio Pappel in figures	12	Energy	34	Community engagement	56	Verification letter	86
		Emissions	38	Bio Pappel Foundation	68	Point of contact	87
Economic performance	16	Water	40				
Economic growth	17	Clean transportation	42	Community an indsutry involvement	70		
Development in the United States	18	Preservation of forests and its biodiversity	43				
Corporate governance and ethics	20						
Managing Direction	21						
Code of ethics	22						



Letter from the Chairman

2021 was a year full of challenges and growth. We had the valuable opportunity to apply everything we had learned in the previous years, which set the precedents for a new global context and the paper industry.

Today, we are proud to acknowledge that our corporate philosophy continues to strengthen through our commitment to each of our stakeholders in our quest to generate shared value. As a result, in 2021, we invested and promoted initiatives to support the economic and social development of the communities where we have a presence, while contributing to environmental stewardship.

Therefore, we integrated new technologies into our processes in environmental matters, contributing to various large-scale paper recycling projects in order to reinforce our circular economy model known as Urban Forest®.

Clearly one of the key elements of our sustainability strategy is the Bio-ENERGY System. This state-of-the-art cogeneration infrastructure allows us to produce clean energy through the use of the steam resulting from our production processes. In this way, we have achieved energy self-sufficiency and consolidated ourselves as one of the companies



with the lowest environmental footprints in the paper industry.

Likewise, we work hand in hand with suppliers and customers who share our sustainable vision, promoting the preservation and environmental efficiency in the supply chain while fostering a low-carbon green economy. As a result, it allows us to capture eight times more carbon than is produced in our industrial processes, capturing 6.43 million tons of carbon dioxide annually.

Regarding health, given the continuing challenges due to the health crisis derived from the COVID-19 pandemic and to prioritize well-being, we maintained and reinforced strict sanitary measures in all our facilities in order to ensure safe spaces for our employees, customers, and suppliers.

As part of our actions to innovate and adapt to the growing digital culture, we have strengthened our talent management model by developing technical skills and knowledge, seeking to contribute to the professional growth of our employees.

Aware of the current challenges and in line with our social commitment, we maintain solid channels of dialogue with the communities where we are present. We address the current and specific needs of these areas with the help of a community outreach strategy that fosters sustainable development.

Our global growth does not stop. Therefore, this past year, we consolidated the purchase of 100% of the shares of U.S. Corrugated and the acquisition of the Midwest Paper Group to leverage the opportunities offered by the constant growth of the e-commerce market in the North American region.

With eight industrial plants operating in the United States and two more in northern Mexico, McKinley currently has an annual production capacity of 1.25 million tons of sustainable paper and packaging. As a result, we have positioned ourselves as USMCA and vertically integrated company with an efficient distribution network that covers the regions of Mexico, the United States, and even Canada.

Throughout this year, driven by our solid financial, operational, and market fundamentals, we were positioned as a private company with an Investment Grade AA+ rating.

Bio Pappel's outstanding performance reflects the efforts of our employees, the leadership of our Corporate Governance, the trust of customers and suppliers, as well as our unwavering commitment to the communities, the ecosystem, and its resources. Today, more than ever, we have the firm conviction that sustainability contributes to the development of the countries where we have a presence, consolidating our business philosophy under the principles of Innovation, Environmental Protection, Productivity, and Social Responsibility.

Furthermore, throughout this report, we reaffirm our commitment to the 17 Sustainable Development Goals and respect for the 10 Principles of the United Nations Global Compact. In addition, this document presents our Communication on Progress (CoP).

Once again, we invite you to explore and discover in this report the spirit and essence of our company and its people, who reinforce our commitment to our stakeholders, Mexico, and the environment.

A handwritten signature in black ink, likely belonging to Miguel Rincón Arredondo.

Miguel Rincón Arredondo

Chairman of the Bio Pappel's Board of Directors

Corporate profile

We are a leading company producing paper and packaging in Mexico and Latin America, with an efficient production and distribution network in Mexico, Colombia, and the United States.

Thanks to our business strategy and a visionary sustainability model, we have consolidated ourselves as a benchmark in the paper industry and diverse sectors, inspiring and positively impacting our stakeholders and those who are part of our value chain.

Vision

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

Mision

To competitively produce sustainable paper, paper-based products, and packaging, in order to effectively contribute to our customers success, as well as to ours and the environment.



Values

Our employees commitment is aligned with the following values:

Integrity
Competitiveness
Innovation
Teamwork
Sustainability

Sustainable Development Goals contribution

At Bio Pappel, we have an extensive history of supporting and contributing to the initiatives promoted by the United Nations Global Compact. To this end, we have developed and implemented numerous initiatives that address the main challenges defined in the 2030 Agenda for Sustainable Development (SDG) to offer all a more equal and prosperous future.

In 2021, we conducted an assessment of the Sustainable Development Goals (SDGs) according to their primary and secondary

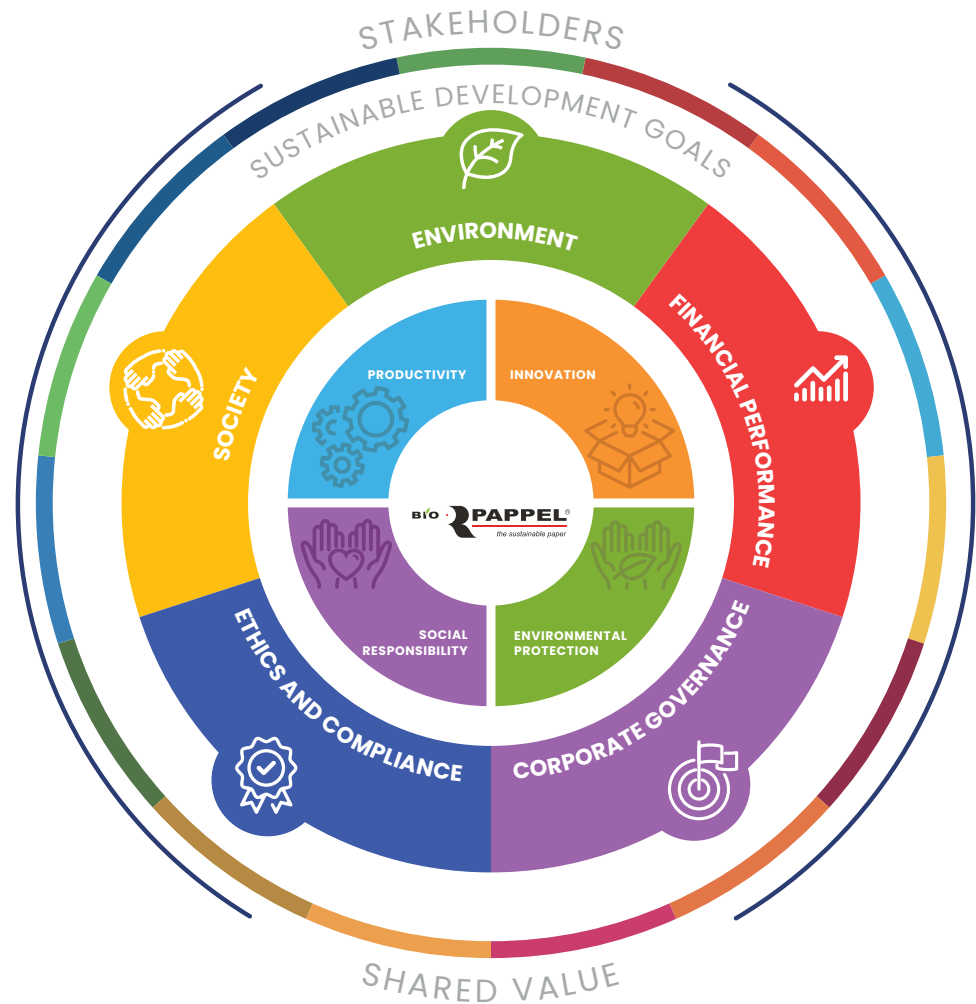
impact to categorize our actions strategically. Based on the results obtained, Bio Pappel’s main contribution focuses on 15 of the 17 SDGs detailed throughout this Report.



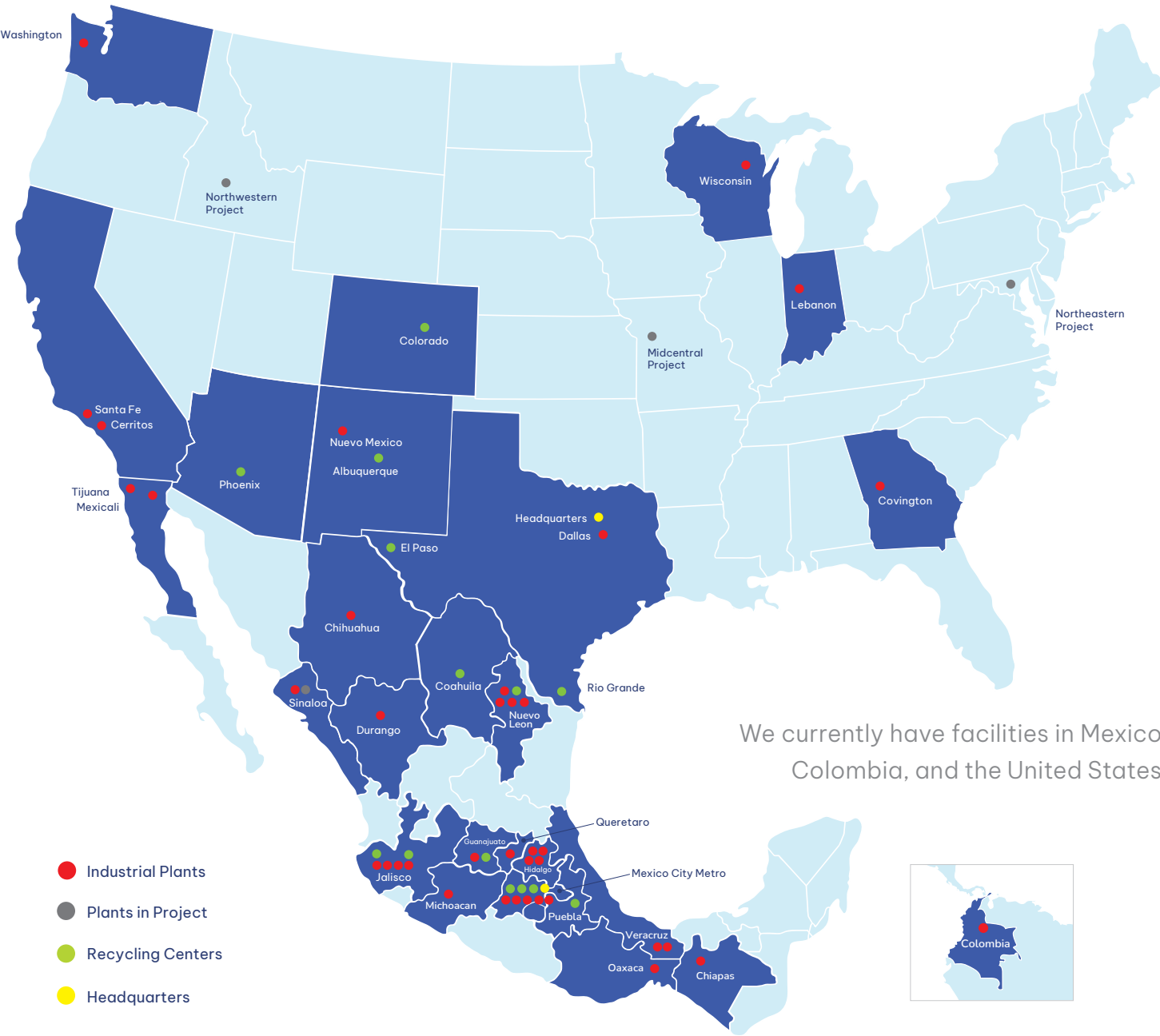
3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER
15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	

Sustainability model

Through our updated Sustainability Model, we demonstrate our commitment to generating shared value and promoting initiatives that contribute to economic growth, social development, and environmental conservation, always aligned with the principles that constitute our corporate philosophy.



Geographic presence



We currently have facilities in Mexico, Colombia, and the United States.

Business groups and products

We continuously optimize our production and distribution processes to offer the highest quality paper and packaging products, diversify our product portfolio to provide the best sustainable solutions to the market.

This work has allowed us to become an international company with a presence in Mexico, the United States, and Latin America, along with a vast distribution network that allows us to reach important markets such as Canada, becoming a USMCA company and strengthening our leadership within the paper industry.



The Forest Stewardship Council® certification guarantees that our products are **100% recycled** while contributing to SDG 12: Responsible Consumption and Production



Our value proposition includes a wide range of paper products produced and marketed through three leading business groups in the market:





The leading producer and distributor of brown paper and corrugated packaging in Mexico and Latin America.

Its range of products includes:


Paper in large rolls, white and brown liner paper, corrugated and high-quality graphic packaging, paper bags and sacks.



The largest integrated paper company producing printing and writing paper, as well as school products. It is the most representative and emblematic paper brand on the market in Mexico and Latin America.

Its main products are:

Newspaper, copy bond paper, notebooks and notepads, large bond paper rolls for books, continuous forms, and commercial printing.

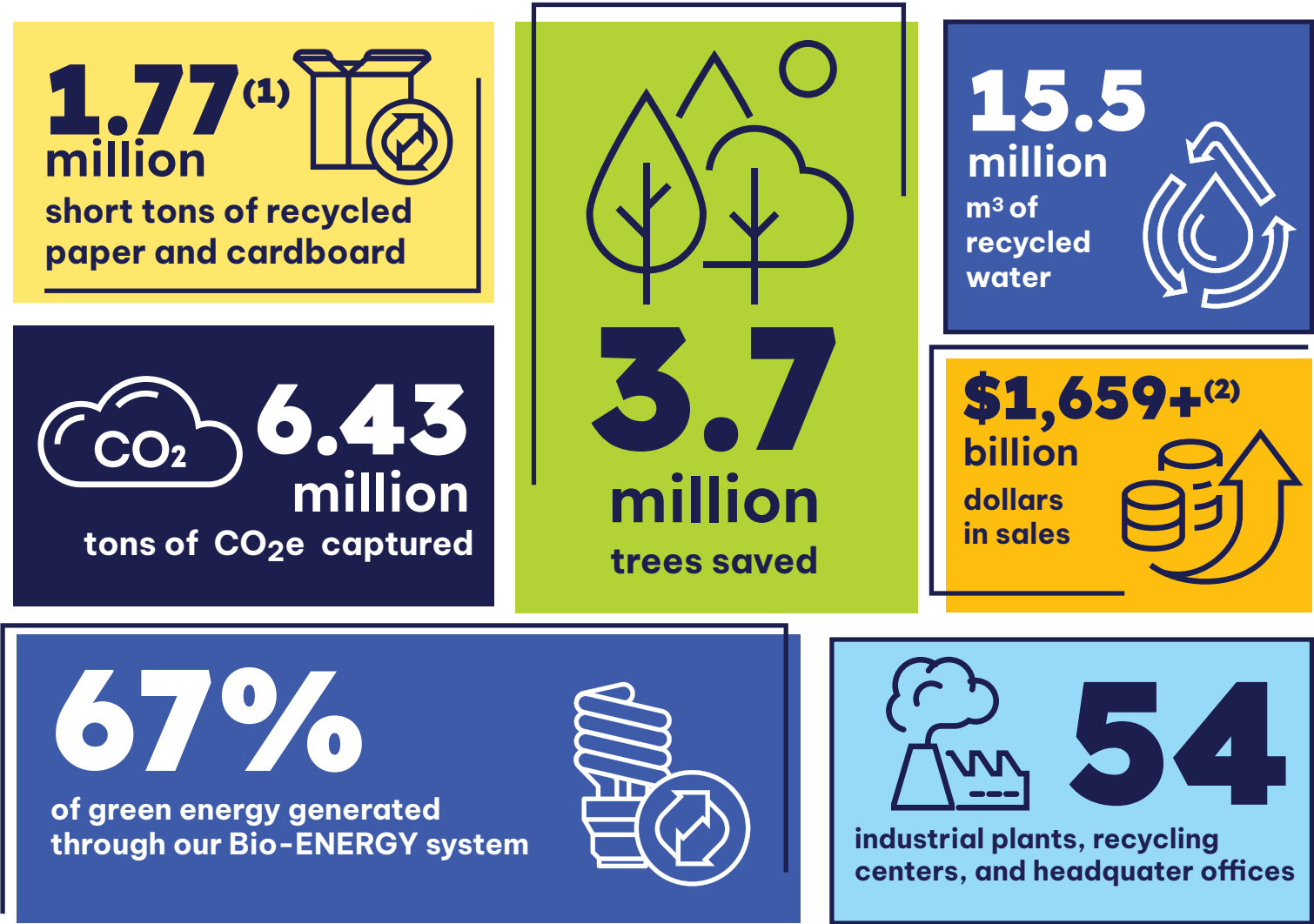


The leading company in the United States in manufacturing paper for packaging, containers, and corrugated packaging.

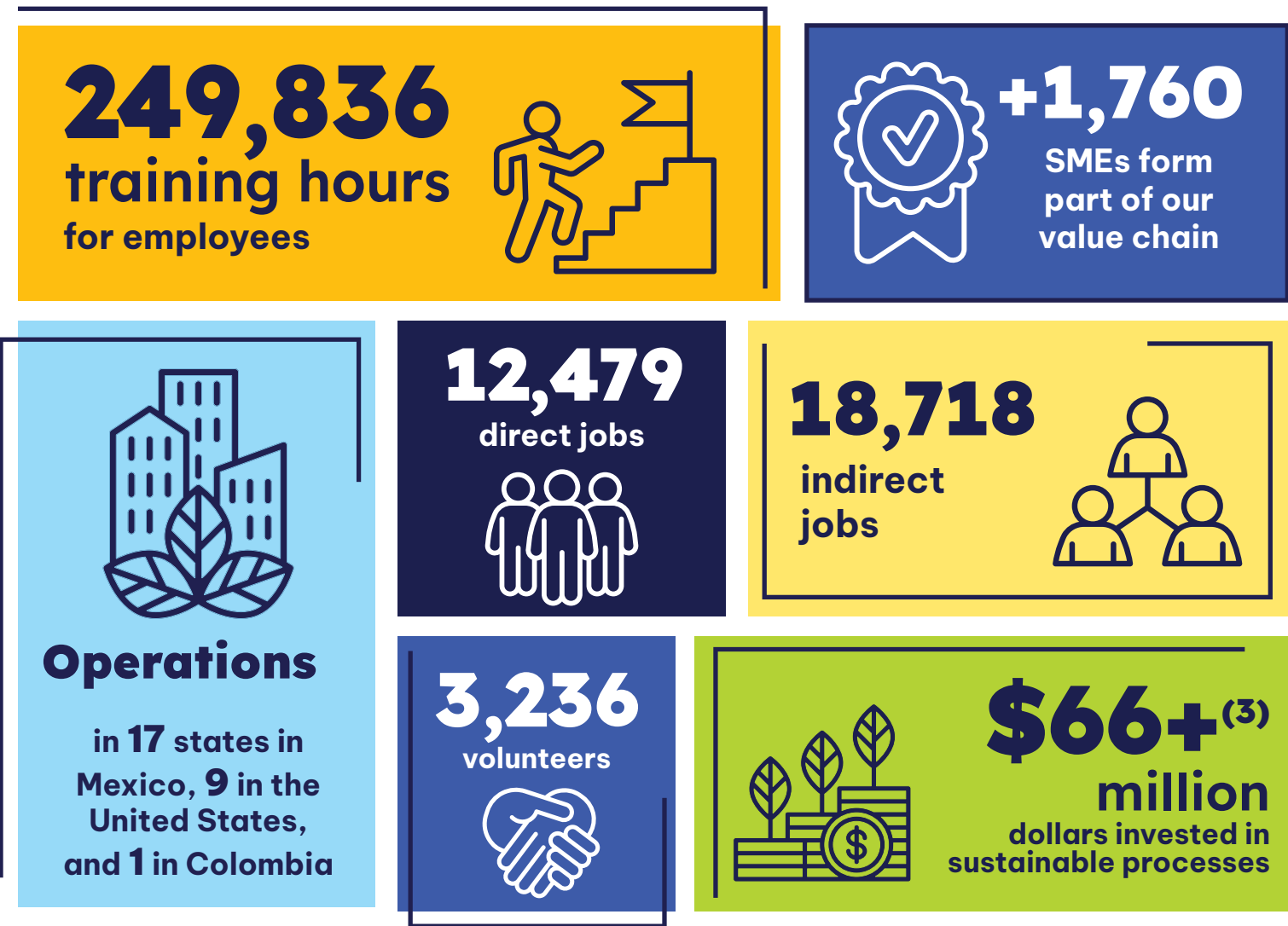
The products it offers to the market are:

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

Bio Pappel in figures



(1) 1 Metric ton equals 1.1023 short ton.
(2) Annual average exchange rate \$20.2843 MXN.
(3) Year end rate \$20.5157 MXN.



inancial
performance





Financial performance



1,659⁽¹⁾
billion
dollars in sales

91%

of our suppliers are from Mexican companies



\$66+⁽¹⁾
million
dollars invested in initiatives to reinforce our commitment to sustainability

Sustainability, innovation, and integrity are key factors in our business strategy, which, aligned with the Sustainable Development Goals (SDGs), seeks to promote economic growth in the regions where we operate as well as strengthening our value chain.

(1) Annual average exchange rate \$20.2843 MXN.
(2) Year end rate \$20.5157 MXN.



Economic growth

Although the effects of the COVID-19 pandemic prevailed through 2021, the economic reactivation and the gradual return to face-to-face activities favored greater productive and commercial activity in our business groups.

Nonetheless, our efforts were focused on reinforcing the production of cardboard and paper for packaging to meet the growing demand generated by e-commerce.

To consolidate this business line and contribute to the goals of SDG 8: Decent Work and Economic Growth, Bio Pappel acquired the

Midwest Paper Group in the state of Wisconsin and is currently developing the construction of two new facilities, one in Mexico and the other in the United States.

We operate with a production capacity of **1.37+⁽¹⁾ million short tons** of paper and packaging at United States of America

(1) 1 Metric ton equals 1.1023 short ton.

Indicator*	2018	2019	2020	2021
Direct Economic Value Generated	1,375.00 ⁽¹⁾	1,346.71 ⁽²⁾	1,275.545 ⁽³⁾	1,659.09 ⁽⁴⁾
Direct Economic Value Distributed	1,167.08 ⁽¹⁾	1,136.37 ⁽²⁾	1,137.87 ⁽³⁾	1,509.12 ⁽⁴⁾
Project Investment	91.37 ^(1.1)	55.05 ^(2.1)	72.59 ^(3.1)	66.53 ^(4.1)

*Billion of USD.

	2018	2019	2020	2021
Annual average exchange rate MXN	(1) \$19.2378	(2) \$19.2596	(3) \$21.499	(4) \$20.2834
Year and rate MXN	(1.1) \$19.6566	(2.1) \$18.8727	(3.1) \$19.9352	(4.1) \$20.5157



Development in the United States

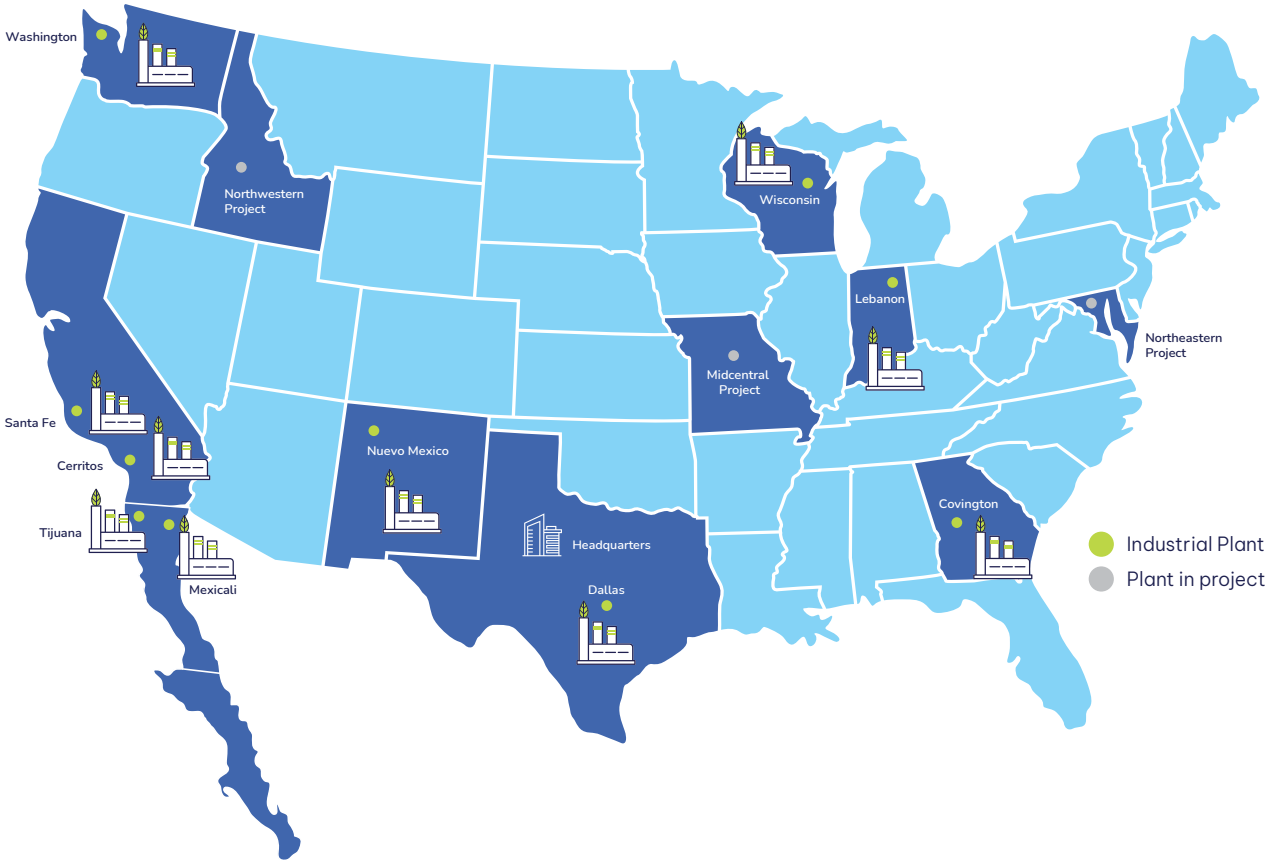
USMCA, the trade agreement between the United States, Mexico, and Canada, is one of this century’s most important strategic alliances. This agreement benefits regional integration and cooperation, resulting in a freer, fairer, and more competitive market, thereby strengthening the economic growth of these three countries and expanding the growth opportunities offered by the North American market.

In addition, we were able to successfully replicate our solid business model in the United States, becoming leaders in the region.

McKinley Paper and McKinley Packaging have **10 industrial plants** and a solid network of recycling centers with operations in New Mexico, Washington, Wisconsin, California, Georgia, Indiana, Texas, Arizona, Colorado, and Baja California in Mexico.



McKinley Paper Wisconsin Mill



As part of our expansion strategy, during the first half of 2021, we consolidated the acquisition of U.S. Corrugated, a packaging manufacturer with eight modern production facilities in different regions of the United States. We also completed the acquisition of Midwest Paper Group in Wisconsin and began the construction of a new super packaging plant in Dallas, Texas.

These actions will enable us to increase our regional production and distribution capacity to meet the needs of the United States market and, of course, have greater participation in the largest trading bloc in America.

Corporate Governance and Ethics

We have a solid governance structure that, under the guidelines established in our Code of Ethics, promotes and manages the principles of integrity and transparency within the company, as well as responsible decision-making and the promotion of sustainability in business strategies that allow us to generate shared value.

Through the ethical, inclusive, and transparent leadership of our Corporate Governance, we contribute to the goals of **SDG 16: Peace, Justice, and Strong Institutions**.



[102-18 / GC 4 and 5]

Board of Directors

Under the supervision of our Board of Directors, decision-making is carried out in an inclusive and representative manner. This board is constituted by 10 members*, whose principal functions are:

- To manage the internal control system
- To ensure alignment with the social precepts of the business
- To validate the general strategies of the company

*The Board of Directors is aligned with the provisions of the General Business Corporation Act.

[102-18 / GC 1, 2 and 10]

Managing Direction

The role of our CEO is fundamental to direct the company's efforts to achieve our goals and drive sustainable growth. Its main tasks includes:

- Manage, assess, and implement business strategies
- Ensure that the business operation is managed within the strategic framework approved by the Board of Directors

Moreover, in collaboration with the business groups and the areas of Finance, Administration, Sustainability, and Competitiveness, compliance with corporate plans and internal regulations is ensured.



Code of Ethics

To ensure that our activities and interactions with stakeholders are conducted with honesty, trust, and integrity, **we inform and train 100% of our employees on our Code of Ethics.**

This document integrates our principles and business philosophy, aligning itself with the regulations of the different regions where we have a presence and to the highest standards of business ethics, quality, and sustainability.

We periodically review the content of our Code of Ethics in order to update the guidelines and incorporate new measures that require attention.

In addition, we have a Supplier Code of Ethics and Customer Code of Ethics, which establish the guidelines for building lasting, equitable, and fair business relationships with our value chain.



Bio Pappel Ethics Line

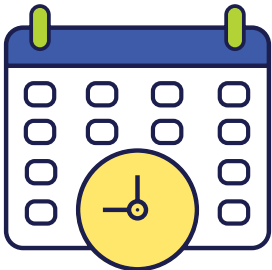


12,278

Employees trained in our Code of Ethics

9,209

Hours taught in our Code of Ethics training



100%

Customers and suppliers committed to our Code of Ethics

For further information about the content and diffusion actions of our Code of Ethics, take a look at our website:
<https://www.biopappel.com/en/our-company/our-code-ethics>.

Understanding the opinions and concerns of our stakeholders and supporting them in any situation that breaches our principles or our Code of Ethics, is fundamental to maintaining trusting relationships. For this reason, we have the Bio Pappel Ethics Line, an easy-to-access reporting system that guarantees the security and confidentiality of those who use it.

Although the operation of the Bio Pappel Ethics Line is operated through a third-party specialist in managing complaints and reports, we internally review and attend to all the information received to provide a comprehensive solution.

The channels we have available to receive complaints are:


+52 55 6338 5504


Live Webchat
Within the website


ethics@biopappel.com


www.biopappel.com




United States
+1 855 245 1355

Mexico
800 7727 735

Colombia
01 800 51 89 191



Mobile App

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

2. Scan this QR CODE

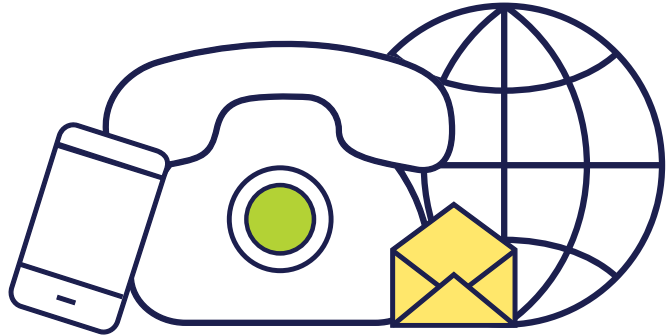


Complaints and reports filed with Bio Pappel and its business groups

	2021
Total number of complaints and reports	31
Cases involving suggestions for processes improvement, facilities, and working conditions	19%
Cases of discrimination	6.5%
Cases that resulted with termination of employment	6.5%
Cases that resulted in employee transfers, training, strengthening controls, and process simplification.	68%

*Complaints reported include working conditions, policy compliance, conflicts of interest, and supplier, customer and employee relationships, among others.

For further information on our **Bio Pappel Ethics Line**, visit our website: <https://www.biopappel.com/en/ethics-line>



Value chain

We are convinced that working hand in hand with organizations aligned with our philosophy and commitment to sustainability is essential to continue offering products of the highest quality and generate a positive effect on our environment.

Committed to the development of the local economy, we prioritize relationships with Mexican companies, thus forming a value chain in which:



We oppose all forms of child and forced labor, as well as any act of discrimination and corruption, with our more than 2,690 suppliers



+ 1,760 SMEs form part of our supply chain

As part of our actions to strengthen the industry and contribute to **SDG 8: Decent Work and Economic Growth**, we provide all our suppliers with certifications that guarantee compliance with their obligations in legal, fiscal, financial, human, and material matters.

The Supplier Code of Ethics is a crucial tool for establishing trusting relationships with the companies that provide us with products and services, and for reinforcing the commitment to avoid and combat all practices that violate Human Rights throughout our value chain.

Cybersecurity

One of the most remarkable changes brought about by the health crisis was the increased use of our technology and the adaptations to maintain an optimal digital environment. For this reason, through our sustainable digital model, we promote various strategies that make an innovative digital ecosystem available fulfilling our commitment to offering a service of the highest quality and to make our response capacity more efficient for all our stakeholders.

Although the challenges in using technology entail high standards of integrity, confidentiality, and availability of information, our management model is aligned with the best cybersecurity practices and reference frameworks, permeating all levels of the company.

The use of technology is essential during all our processes, making us more competitive and innovative.





Environmental performance



Environmental performance

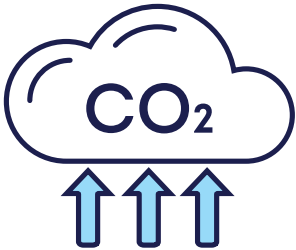
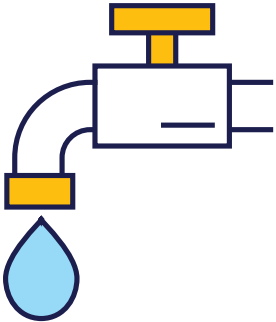


1.77*
Million
short tons of recycled
paper and card board



67%
of the energy used in our
operations is cogenerated

63%
of the water used in
our production
processes is recycled



6.43
Million
of CO₂e captured

*1 metric ton equals 1.1023 short ton.

Environmental management



Our commitment to contribute to the care and conservation of the environment has motivated us to implement clean technologies and develop projects with a sustainable approach. Thus, we are making better use of natural and energy resources to reduce our environmental footprint.

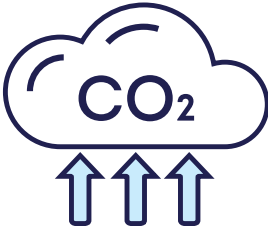
Our principal initiatives include:



Expand the life cycle of paper and its products, driven by our Urban Forest® circular economy model



Production and use of green energy through the Bio-ENERGY system



Reduction and capture of CO₂e emissions



Use of clean forms of transportation and efficient logistics systems



Care of our forests and protection of biodiversity



Recycling and optimal water consumption during our processes

Urban Forest®

The Circular Economy

We have a wide range of paper products made with 100% recycled material, thanks to the development and implementation of our Circular Economy model known as Urban Forest®. It is based on the revaluation of post-consumer waste to be used as raw material in the manufacture of new products.

Urban Forest® is the backbone of our business strategy, which has allowed us to continue generating economic value and promote production practices aligned with the Circular Economy model within the industry.



Strategic alliances that we have established with state and municipal governments have supported us in optimizing urban solid waste management

We are the leading paper recycling company in Latin America



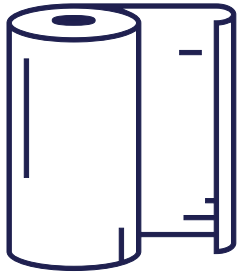
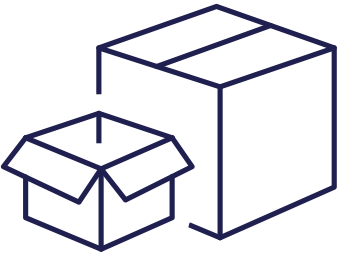
Based on our model, we have made a significant contribution to increase the paper collection rate in Mexico. According to the information shared by the Pulp and Paper Chamber, our

outstanding contribution to Mexico's collection rate generated a record **58.04% in 2021** en compared to **40% in 2000**.

Of the total material recovered in our recycling centers:

88%

is used to manufacture packaging



12%

to manufacture writing and printing paper

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

Paper Recycling (Thousands of short tons*)

2019	2020	2021	Target 2022
1,491,434	1,476,588	1,772,763	1,861,401



*1 metric ton equals 1.1023 short ton.



Energy

Our efforts have focused on the continuous improvement of production processes and the modernization of our existing infrastructure to ensure optimal energy consumption in our production plants. And thus, comply with national and international energy regulations and contribute to the Sustainable Development Goals and the Paris Climate Agreement.

We innovate in the industry and achieve energy self-sufficiency through our Bio-ENERGY System. This model allows us to generate clean energy by taking advantage of the steam resulting from operations.

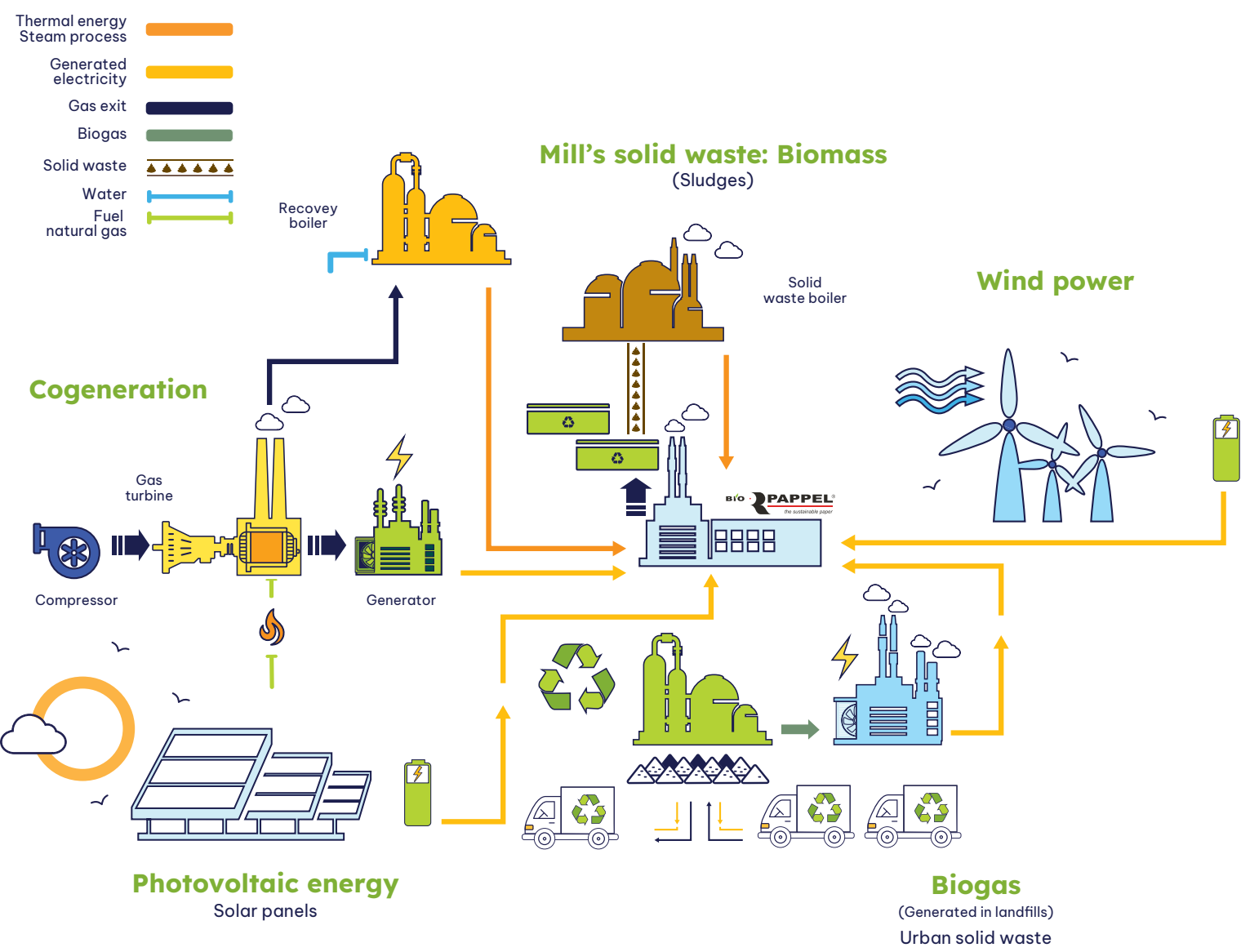
We have the greatest
Energy Footprint
in the paper industry





Bio-ENERGY System

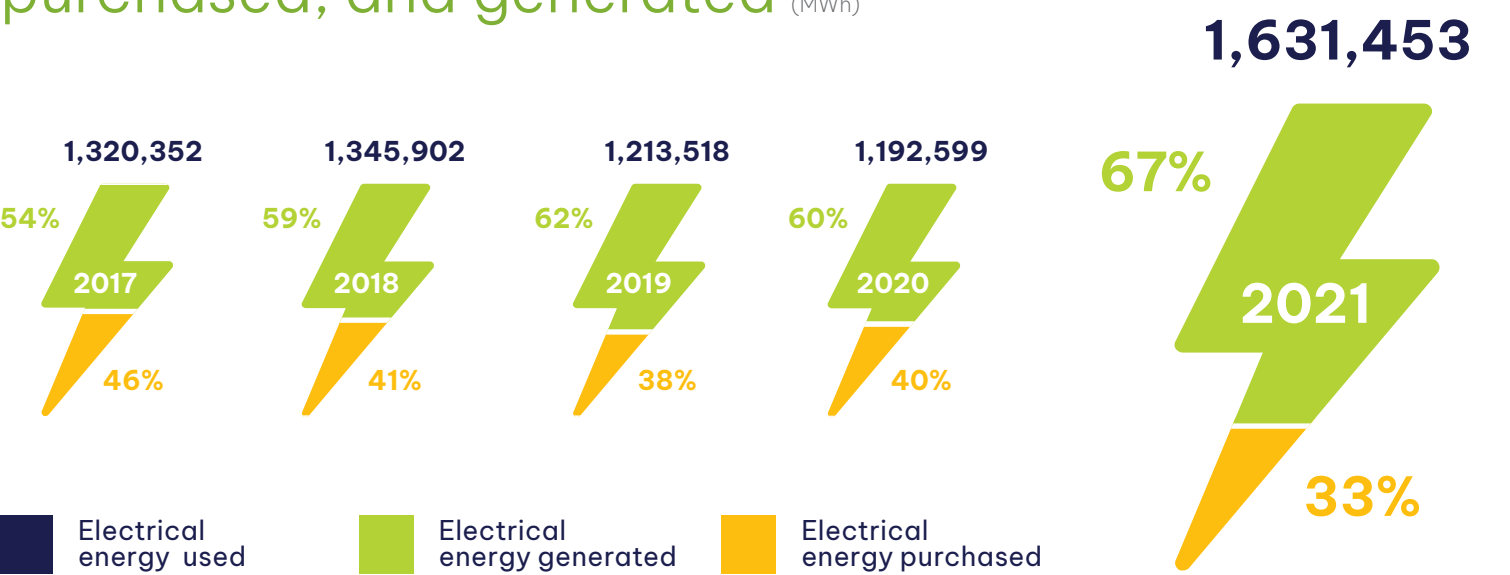
Energy mix used



Energy use

Energy type	2019	2020	2021	Goal 2022
Electricity (MWh)	1,213,518	1,268,746	1,706,271	1,749,585
Wind energy (MWh)	1,421	425	813	854
Fuel oil (m³)	24,284	52,079	17,007	17,856
Natural gas (Gcal)	3,809,203	3,571,614	4,542,845	4,769,987
Gasoline (Liters)	947,431	818,961	1,292,578	1,357,207
Diesel (Liters)	5,866,899	6,744,889	7,632,157	8,013,765

Electrical energy used, purchased, and generated (MWh)

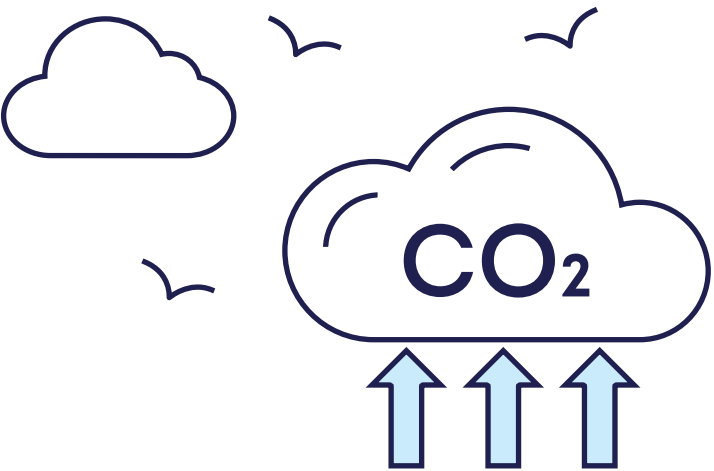




Emissions

Our circular economy model, Urban Forest®, has been a determining factor in achieving our goal of reducing our environmental footprint by promoting recycling and generating alliances with strategic groups to boost a low-carbon green economy.

In the year, we contributed to capturing **6.43 million tons of CO₂e**



We regularly and voluntarily report all greenhouse gas emissions through the Mexico GHG Program, an initiative coordinated by SEMARNAT*, CESPEDS*, and the Carbon Disclosure Project to ensure the transparency that characterizes us as a company.

*SEMARNAT (Mexican Ministry of the Environment and Natural Resources), CESPEDS (Private Sector Study Commission for Sustainable Development)

CO₂e emissions and capture (Thousands of tons)

	2019	2020	2021	Goal 2022
*CO ₂ e emissions	1,000	1,076	1,221	1,160
CO ₂ e capture	5,412	5,358	6,432	6,110
Net CO ₂ e capture	4,412	4,282	5,211	4,950

*GHG Direct or Scope 1 Emissions from Fossil Fuels.

Gas emissions (Thousands of tons)

Indicator	2019	2020	2021
NOx	0.822	0.860	0.577
SOx (SO ₂)	2.402	3.624	0.302
Particles	0.198	0.271	0.061
Methane	0.028	0.056	0.067

*Measured using ISOKINETIC studies based on NOM085 by the Mexican Ministry of the Environment and Natural Resources (SEMARNAT), and the calculation of emissions using AP-42 factors.



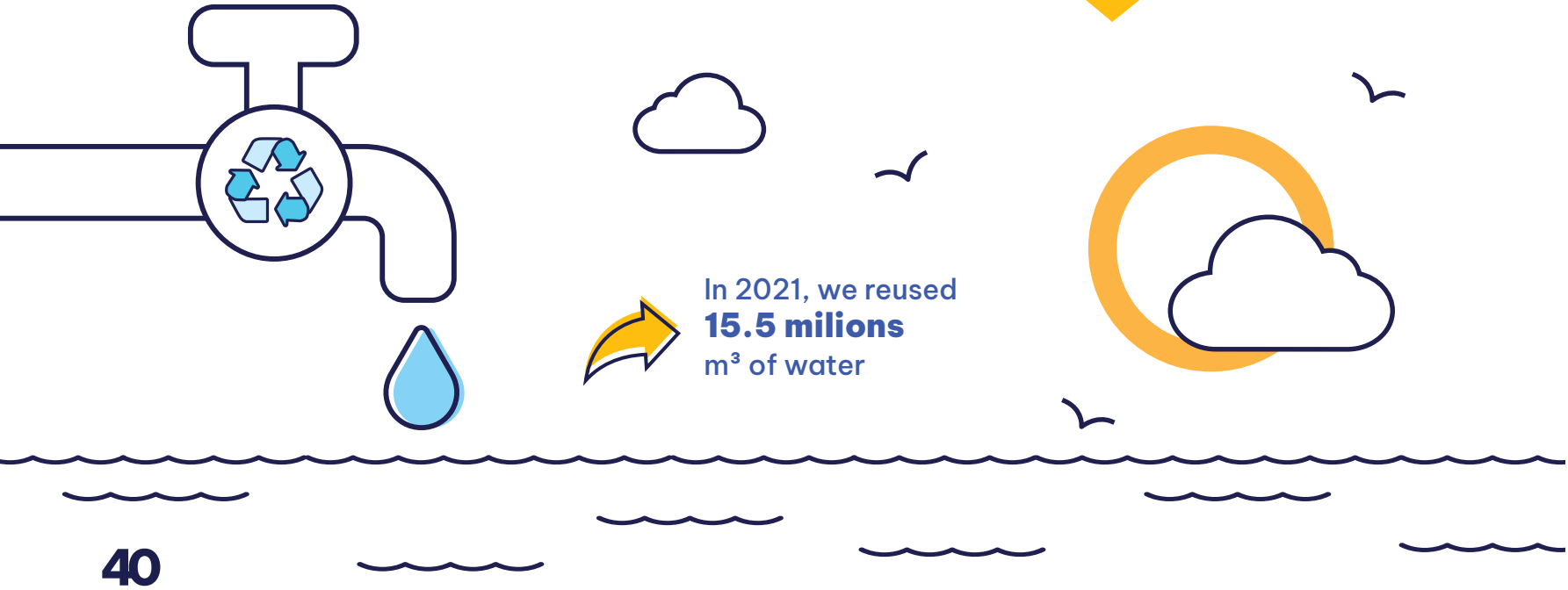
Water

To promote sustainable production practices, specifically the responsible and efficient use of the water required in our industrial processes, we launched the zero-effluent system that has made it possible for us to recycle **63% of water**.

In addition, the water that does not get to be reused goes through treatment systems to ensure that its release complies with the parameters indicated by government authorities.

As a result, our water use and consumption position us as one of the paper production companies with the lowest water use worldwide.

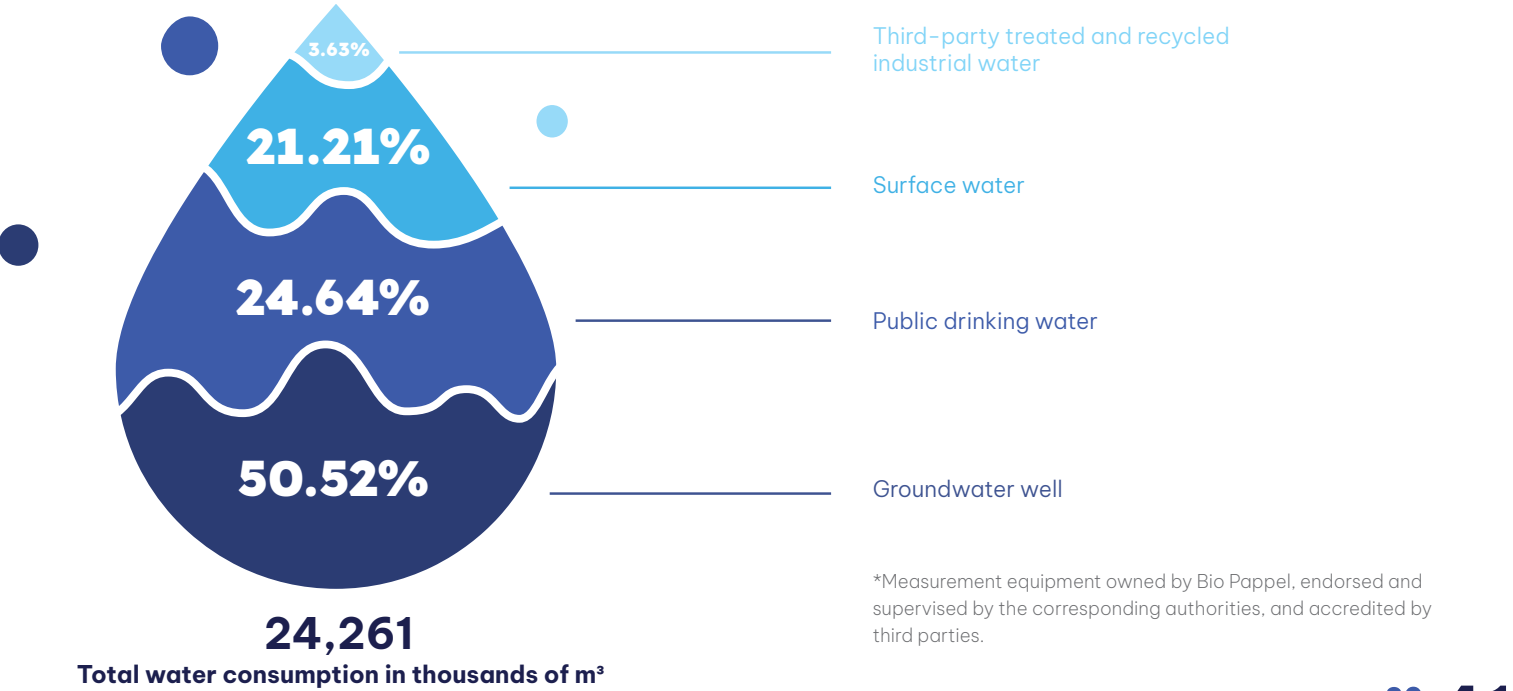
We have been awarded the recognition **“Water Efficiency Award”**, granted by Pulp and Paper International



Water use and discharge (thousands of m³/year)

Indicator	2019	2019 Unit (m³/ton)	2020	2020 Unit (m³/ton)	2021	2021 Unit (m³/ton)	Goal 2022	2022 Unit (m³/ton)
Water consumption	21,366	7.62	20,374	7.4	24,261	8.81	24,746	8.6
Waste water discharge	13,297	4.7	12,369	4.49	15,499	5.62	15,809	5.5
Net water use	8,068	2.92	8,004	2.91	8,762	3.19	8,937	3.1

Total extraction by water sources (thousands of m³)





Clean transportation

Implementing our transport management program and a reverse logistics system has allowed us to make efficient use of our transportation and considerably reduce loading and unloading times.

In addition, as part of our sustainable business strategy and commitment to making our transportation more efficient, we switched from trucks to railcars. And thus, we began to use EURO V technology to reduce GHG emissions from our fleet.

We received the recognition for the eight time **“Excellent Environmental Performance”** issued by SEMARNAT



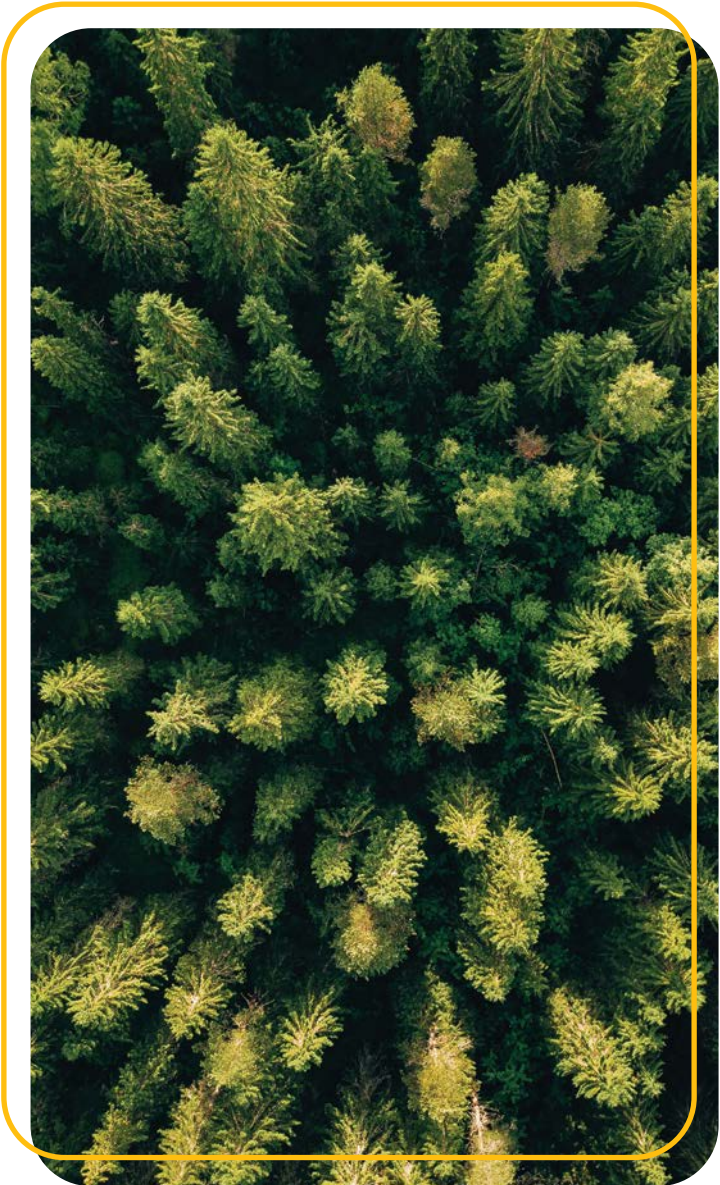
Preservation of forests and its biodiversity

The care and protection of flora and fauna in ecosystems are crucial to achieving environmental sustainability, so we have implemented a sustainable model into action whose goal is the preservation of the environment.

Our Scribe San Rafael Plant is proof of this, a forest reserve that comprises more than four thousand hectares and is considered an important green area for the Valley of Mexico.

In addition, through our reforestation campaigns, we contribute to the increase in the preservation of forest mass and ecosystems, mainly in the areas where we have a presence.

Our commitment to maintaining a harmonious relationship with nature is reflected in the responsible use of resources for all our production processes





ocial
performance





Social performance



Our people

Bio Pappel’s growth and innovation are marked by the diversity and talent of our work teams. That’s why we have programs, initiatives, and documents that guide us in establishing better employment conditions, and a positive work environment.

Our culture generates spaces where our employees train, share, and develop their full potential regardless of their geographic location, language, or traditions. It also contributes to the business’s success while enhancing the quality of our products and customer service.

12,479 people
integrate our workforce in the regions where we have a presence

Workforce by employment contract*

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed contract	7,604	2,340	9,944	7,925	2,565	10,490	7,781	2,888	10,669
Temporary contract	1,391	428	1,819	1,238	400	1,638	1,320	490	1,810
Total	8,995	2,768	11,763	9,163	2,965	12,128	9,101	3,378	12,479

*54% of our employees are included in collective bargaining agreements. Remuneration, adjustments, and changes in benefits are determined through trade union representatives.

Workforce by gender and region

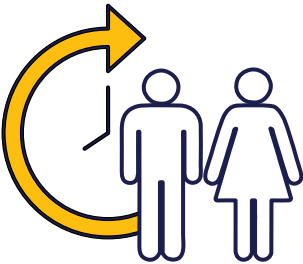
	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Mexico	8,454	2,602	11,056*	8,535	2,762	11,297*	8,460	3,111	11,571
United States	450	138	588*	541	175	716*	589	218	807
Colombia	91	28	119	87	28	115	52	49	101
Total	8,995	2,768	11,763	9,163	2,965	12,128	9,101	3,378	12,479

*The total figures for Mexico and the United States reported in 2019 and 2020 were modified because, in previous years, some of McKinley’s personnel were counted in the United States and, as of 2021, are included in the calculation for Mexico.

Workforce by employment contract (hours)

	2020			2021		
	Men	Women	Total	Men	Women	Total
Full-time	8,916	2,885	11,801	8,855	3,287	12,142
Part-time	247	80	327	246	91	337
Total	9,163	2,965	12,128	9,101	3,378	12,479

*The information in the previous tables is gathered from the Employee Balance Sheet, reported by each work center.





BIO TALENT:

Committed to developing talent

Our performance management program provides timely follow-up and support to our employees regarding their individual goals aligned with the business goals. At the end of the cycle, in addition to recognizing their performance and contribution to organizational results, it also helps identify areas of opportunity and training needs to establish individualized professional development plans within the company.

BIO TALENT has been a key element in the company’s expansion process, allowing us to share our sustainable commitment and business model with the employees in the new regions where we have a presence.



Training

and development

Bio Pappel University is a solid training and education program through which we encourage the development of our employees so that they may continue to acquire the knowledge and skills they require for their professional and personal development.

We promote human talent with our comprehensive educational program

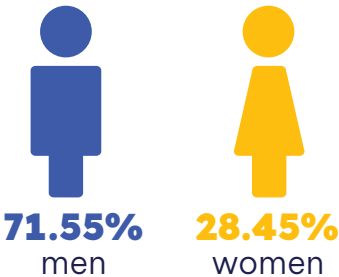
Through the Bio Pappel University platform, a wide variety of courses are offered that meet the needs and interests of our work team. Courses taught in 2021 included:

- Social prevention of violence with an anti-discriminatory approach
- Measures for equality under federal law to prevent and eliminate discrimination
- Bio Pappel Code of Ethics
- Excel
- English
- Finances for Non-Financial Professionals
- 1st Sales Congress
- 6th Human Capital Congress
- 11th Safety and Environment Congress

- Research, documentation, and interview techniques
- Policies and procedures
- Psychosocial risk factors at work
- All about the COVID-19 vaccines
- Internal health and safety protocol for COVID-19
- Preventive health measures in our work centers



	2020	2021
Total attendees to training courses	24,256	24,944
Total training hours	278, 944	249,836



2021
Percentage of trained employees



Quality of life

at work

Committed to equal opportunities

We adhere to our corporate principles and promote a diverse and inclusive culture throughout our operation to integrate talented and professional work teams that add value to the company. This culture is governed by four main axes, which are as follows:

- Equitable distribution of responsibilities between women and men
- Erradicate gender roles and stereotypes
 - Integration of people with disabilities into our work centers
 - Strengthening accessibility culture

In addition, through the following management mechanisms, we ensure that our employees work in an environment with equal opportunities and free from discrimination:

- **Labor Equality and Non-Discrimination Policy**, applicable to the entire workforce.
- **Equal Employment and Non-Discrimination Committee** en todos los centros de trabajo. at each workplace.
- **Code of Ethics**, where we manifest an explicit zero tolerance to discrimination, violence, mobbing, and harassment at work, at all levels.
- **Bio Pappel Ethics Line**, the primary channel for addressing and following up on complaints of non-compliance with our Code of Ethics.

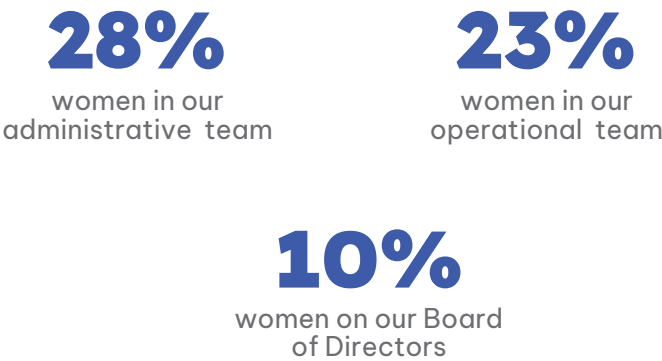


As part of our commitment to sustainability, we promote gender equality in the company and the industry by providing equal opportunities in the hiring processes for all positions.

- We increased the hiring and participation of women by **62.5% in the last five years**
- We certified nine more work centers under Mexican Standard NMX-025 for Equal Employment and Non-Discrimination, closing 2021 with **32 certified work centers**
 - **We reinforced issues of labor inclusion available in our training program** through our alliance with the National Council to Prevent Discrimination (CONAPRED)
 - **We are committed to seven Principles of Women's Empowerment at work**, established by UN Women

We are working toward certifying 100% of our work centers in Mexican Standard **NMX-025 by 2022**

Our efforts are reflected in the following figures:





Occupational health and safety at work

All our facilities are in optimal conditions to prevent occupational risks and provide a rapid response to possible incidents that could endanger the health and safety of our employees and visitors. These actions ensure that our processes are carried out safely and successfully, specifically toward achieving our goal of “Zero Accidents.”

100% of our employees are covered by The Health and Safety Commission

Our safety model is guided by the Comprehensive Occupational Health and Safety Policy and the Health and Safety Commission, which includes constant and ongoing training providing us the appropriate tools to follow the stipulated protocols and successfully attend to cases of emergency and vulnerability.



In 2021, we provided **95,464 hours** of training to **8,371 employees** and **\$1.23⁽¹⁾ million dollars** invested to reinforce the safety of our systems and facilities

(1) Year end rate \$20.5157 MXN

Psychosocial risk management

We foster our team’s physical and mental well-being by promoting healthy relationships between employees, activities, and the environment, providing favorable conditions in all our facilities.

We have implemented the following initiatives to comply with the Official Mexican Standard **NOM-035** on psychosocial risk factors:

- An action plan was implemented to address psychosocial risk factors
- Information on risk prevention and control measures was provided as part of our communication plan



COVID-19

actions

In the face of the current health crisis resulting from the COVID-19 pandemic, for the second consecutive year, we continued to reinforce health protocols and measures to preserve the health and well-being of our employees, customers, and suppliers, thus guaranteeing the continuity of our operations.

Primary measures included:

- **COVID-19 Committee** to anticipate and address the effects of the health crisis
- **Internal protocol**, based on the conditions of each location
- **Preventive measures** against COVID-19
- **Care, follow-up, and monitoring plan** for COVID-19
- COVID-19-specific **Communication Plan and Training Program**



Our sanitary measures comply with local protocols and recommendations generated by the World Health Organization



Work from home

To prevent and mitigate the risk of infection among our employees, we retained some restrictions on corporate travel and external visits. In addition, in administrative activities, we continued remotely.

With the reactivation of on-site activities, we have followed the guidelines dictated by the health authorities to guarantee a gradual and safe return.

Communication and training

We have conducted several internal campaigns, both in digital and print media, to raise our employees awareness of the principal hygiene measures, provide health care recommendations, and inform them about the company's actions implemented to address the health crisis's effects.

Likewise, we offered talks to the entire workforce on topics focused on their physical, mental, and emotional well-being. Topics in our COVID-19 training program included:

- Preventive measures against COVID-19
- Bio Pappel Internal COVID-19 Protocol
 - COVID-19 updates
 - Myths and facts about the COVID-19 vaccine
- Prevention and care measures for family members with COVID-19
- Managing anxiety and stress at home
 - Mind-body balance

Community engagement

As we continue to grow as a sustainable company, we have implemented key actions to maintain a close dialogue with our communities and identify their expectations and needs to improve their quality of life.

In response to the challenges we faced during the health contingency and under a new modality, we reinforced our community engagement strategy named, **Social Responsibility**, to ensure the continuity of our programs that aim to create value and strengthen ties in the communities where we have a presence.

Social Responsibility includes all our community efforts, which are focused on three axes:

- Environmental education and conservation
- Community development
- Education for development



Through our **Social Responsibility** programs, we contribute to eight Sustainable Development Goals





Environmental education and conservation

We encourage environmental conservation and promote the adoption of green practices among our stakeholders through different strategies, extending them to their families to continue adding efforts to preserve ecosystems, natural resources, and biodiversity.



We encourage new generations to take an interest in contributing to the Sustainable Development Goals

Bio Pappel Green Schools



The main goal of Bio Pappel's Green Schools is to develop environmental leaders who promote a culture of recycling and environmental care in their school communities and homes. For this reason, we approached public elementary schools to invite them to be certified as agents of change in the fight against global warming and promote the adoption of a sustainable culture in their schools.

In 2021 we adapted the program to reach student's homes, developing digital materials



on recycling, biodiversity, and the care of natural resources that teachers shared through technological resources.

In addition, we provided tools to put the knowledge acquired into practice by extending it to their families, benefiting the health and well-being of the student's community while advising and motivating schools.

We certified **34** schools in the states of Veracruz, Oaxaca, Durango, Nuevo Leon, Jalisco, Queretaro, and Estado de Mexico

To obtain this certification, educational institutions must follow and implement the following steps:

- Install a collection center for recyclable materials on campus.
- Develop environmental and social projects that promote the conservation of biodiversity, the efficient use of natural resources, and the creation of productive workshops to contribute to the school and neighborhood community.
- Create an Ecological Club, guided by an environmental leader and the participation of students and their parents.

Hug a Tree



We promote the reuse of post-consumer waste and foster the transition to a circular economy through awareness campaigns where we encourage separating and recycling paper and cardboard.

The collected materials are taken to the Bio Pappel’s Recycling Centers where they are recycled and reused in our production processes.

In 2021, we carried out campaigns in **38 institutions** located in the states of Durango, Coahuila, Nuevo Leon, Guanajuato, Hidalgo, Jalisco, Queretaro, Estado de Mexico and Veracruz.

189

tons of paper and cardboard collected through the program **Hugh a Tree**



Reforestation: Our greatest role



One of the leading company initiatives contributing to the conservation of the environment is the reforestation campaigns, which we adjusted during 2020 to protect our employees’ well-being. We retained this strategy in 2021, inviting all employees and their families to adopt a plant or a tree to improve the air quality in their homes and help the planet.

We conducted **34 adoption campaigns** in Mexico City, Hidalgo, Puebla, Estado de Mexico, Sinaloa, Coahuila, Chihuahua, Jalisco, Oaxaca, Michoacan, Veracruz, Durango, Nuevo Leon, and Queretaro

10,836
trees and plants adopted



Community development

In the communities near our operations and with the help of Bio Pappel volunteers, we carried out various projects to promote local development and environmental conservation practices among the new generations.



Bio Pappel Green Summer



Based on the school calendar, we develop educational and creative activities for our employees' children, during the summer holidays, designed to capture their interest and have fun. At the same time, they learn at home about the following Sustainable Development Goals:



Through this initiative, we encourage personal growth and promote quality family time.

1,528

boys and girls were part of the 2021 edition of Bio Pappel Green Summer at Home

Taking care of my community



We are convinced that joining forces can create inclusive, safe, and sustainable environments. That's why based on a diagnosis of the primary needs in the locations where we have a presence, we have launched community improvement activities in which community volunteers and employees participate.

We support

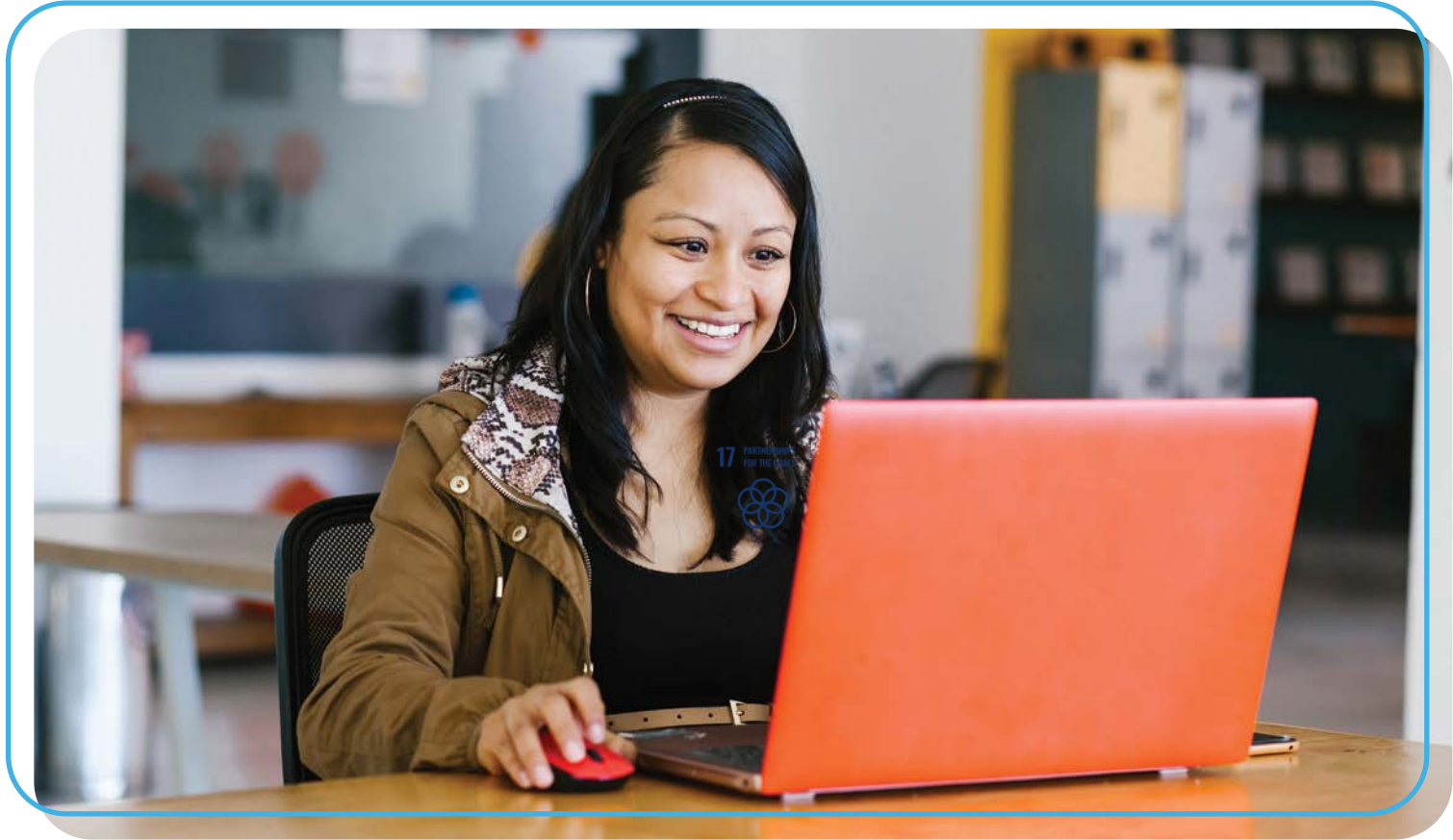
4,116

people in 17 communities in Mexico City, Queretaro, Jalisco, Sinaloa, Guanajuato, Nuevo Leon, Michoacan, Hidalgo, Estado de Mexico, Oaxaca, and Veracruz



Education for development

We implemented programs that impact communities development by promoting women’s economic empowerment and awakening the interest of young people along a more sustainable path.



Productive Workshops for Women’s Empowerment



As part of our commitment to promoting women’s empowerment and the development of the local economy, we established safe spaces and produced instructional videos to reactivate workshops for women from neighboring communities, where they learn different skills and specialties. The knowledge acquired provides them with the tools they need to start their businesses, achieve economic independence, and improve their quality of life.

We work hand in hand with the government institutions and trained instructors, and as a result of this effort, in 2021:

We trained **140**
women from Oaxaca, Veracruz,
Queretaro, Durango, Nuevo Leon, and
Estado de Mexico

We adapted to sanitary conditions and reach out
through digital instructional materials and safe
places to train more women

School visits



We developed digital materials for middle and high school students illustrating the manufacturing processes of paper and its by-products. In this way, we could continue with our school visit program virtually in any of our work centers regardless of educational institution’s location.

This initiative has allowed us to bring students closer to the world of work, and generate interest and awareness in sustainable practices by teaching them the process of recovering paper, recycling, and its transformation into new products.

In 2021 we reached more students from distant
communities, showing them the processes with
the contribution of our expert staff

2,940
students from 76 schools participated

Bio Pappel volunteering

Thanks to the solidarity of the people who, year after year, share their knowledge, time, and energy during corporate volunteer activities, our **Social Responsibility** community engagement strategy has been strengthened, obtaining incredible results with a positive footprint in our communities.

The volunteers transmit knowledge, skills, and positive energy that enriches each initiative.

[103-2, 103-3, 203-1]

Youth in Action for the Sustainable Development Goals



In 2021, we launched the Youth in Action for the SDGs program. This initiative adds relevance to our community engagement strategy and is part of our commitment to sustainability and the generation of shared value.



Its purpose is to communicate the importance of the SDGs among young people in universities, to generate interest, join hands, and show how each contribution, large or small, helps us get closer to these global goals.

The main guidelines for action addressed by this initiative are:

- To open our doors to young talent through social service, professional internships or scholarships, to bring them closer to professional experience and enrich us with their knowledge.
- To invite students to contribute through our community engagement programs. Plus, undertake the experience as a volunteer for the benefit of their institution.
- With the participation of specialists from our different departments, we provide learning and experience sessions to youth on topics that contribute to their study plan.

In 2021, we partnered with **15 universities**

Results 2021

We positively impacted **85 communities** in **16 states** en Mexico, benefiting **17,550 people**.

SDG	Axis	Program	Indicator	2019	2020	2021
	Environmental conservation and education	Bio Pappel Green Schools	Participating schools	20	20	34
			Beneficiaries	5,226	5,236	8,826
		Hug a tree	Tons*	164.2	101.4	208.3
			Benefitted schools	32	24	38
		Reforestation: our greatest role	Planted trees	10,567	7,445	10,836
	Community development	BioPappel Green Summer	Beneficiaries	1,234	1,511	1,528
		Taking care of my community	Beneficiaries	8,884	973	4,116
	Education for development	Productive workshops	Benefitted women	114	-	140
			Training hours	1,412	-	1,197
		School visits	Visitors	1,898	84	2,940
	Bio Pappel Volunteers	Corporate volunteers		1,826	2,411	3,236
		Volunteering hours		6,441	863	1,532

*1 metric ton equals 1.1023 short ton.

Bio Pappel Foundation

Promoting the protection of biodiversity and fostering a culture based on the circular economy and community engagement, are the goals to which the activities of the Bio Pappel Foundation are oriented. To achieve them, we partner with organizations that share our vision of sustainability, such as:



Mexican Red Cross

As a priority issue and a high social commitment, we stepped up efforts with this institution to bring vulnerable groups closer to high-quality health services to privilege life.

Best Buddies Mexico

With this collaboration, we strengthen our culture of equality through the inclusion of job opportunities for people with disabilities.

Chapultepec Forest Trust

We contribute to the preservation and care of one of the oldest and most representative urban forests in Latin America, the Bosque de Chapultepec.

Kidzania

In a didactic way, we integrate boys and girls into the topic of sustainability to generate interest from an early age.

National Anthropology Museum

For preserving and caring for our historical footprint, we have created an alliance with one of the most important museums in Mexico and America.

Papalote Children's Museum

Through learning activities, we promote recycling and sustainability education among children.



Community and industry involvement

We work with national and international organizations to develop high-impact projects, foster fair trade practices, promote sustainability in our scope of influence, and join forces to achieve the goals of the 2030 agenda.

- National 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

Our most recent materiality study identifies and addresses the needs and expectations of our stakeholders to specify the most relevant issues that keep us at the forefront of sustainable development.

To this end, we maintain several communication channels for an open and constant dialogue with each stakeholder.

Stakeholders	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: 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: 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. ScoRE three pillar program: 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	To 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.	On-going communication with Banking Institutions to identify business and financing opportunities.	Quarterly and annual reports.



Certifications and awards



Integrated Management System

- **ISO 9001:2015.** Quality and productivity processes.
- **ISO 14001:2015.** Environmental performance.
- **ISO 22000:2020.** V5.1. Food safety and products processes.
- **OHSAS 18001:2007.** Occupational health and safety processes.
- **ISO 45001:2018.** Occupational health and safety at work.



Highly Protected Risk (HPR)

High standards and investments in protection and mitigation of fires and accidents.



Forest Management Merit National Award

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



FSC® 100% Recycled Forest Stewardship Council®

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



Environmental Paper Company Index

World Wildlife Fund (WWF)

We are part of the 35 global companies in our industry, and the only Mexican company in this index.



Global CEO of the year Award

Recognition of our CEO for his strong leadership and drive of our sustainability model in our operations in Mexico, the United States, and Latin America.



Water Efficiency Award

Thanks to our innovative processes for water usage efficiency.

Environmental Leadership Award

Recognition of our continuous efforts to mitigate our environmental footprint.



SFI® Sustainable Forestry Initiative®

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

PEFC® Programme for the Endorsment of Forest Certification®

Chain of custody certification that guarantees the use of sustainable raw materials in our products.



GEI Mexico Program
SEMARNAT AND CESPEDS
For the 8th consecutive year, we voluntarily published our emissions inventory.



Monarch Butterfly Eco-Label
NMX-N-107-SCFI-2010
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.

NMX-AA-144-SCFI-2018
Mexican seal that ensures that the paper for printers and photocopiers is made with recycled fiber without using chlorine for bleaching.

NOM-035-STPS-2018
Psychosocial Risk Factors at Work.



Clean Transportation
SEMARNAT



Socially Responsible Company



IPADE BUSINESS SCHOOL
UNIVERSIDAD PANAMERICANA

Pan-American Institute of Senior Business Management
Our sustainable business model positioned us as a success story.



Made in Mexico Brand Emblem
Distinction for products Made in Mexico.



Clean Industry
PROFEPA



UN Global Compact
We support the United Nations Global Compact and are part of the Global Compact's Mexican Network Council.



CLARES Award
Corporate Social Responsibility Award



Super Companies
EXPANSION AND TOP COMPANIES



Mexican Labor Equality and Non-Discrimination Standard
NMX-R-025-SCFI-2015



concamin

"Ethics and Values" Award
and special recognition for "Trajectory" of the industry in Mexico



EXPANSION
Leading Company in Anti-Corruption Practices and leading Company in Social Responsibility

About this report

The content of this report has been determined by the aspects of most significant relevance to our stakeholders and the initiatives developed around our sustainable business strategy. Similarly, the materiality assessment was updated in 2021, identifying the company’s most significant issues in terms of sustainability through interviews with our executives, dialogues with key audiences, and information published in various media outlets.

This document outlines the actions we implement in Bio Pappel S.A. de C.V. to contribute to economic growth, foster social development, and promote environmental care in the countries where we operate, specifically, Mexico, the United States, and Colombia, during the period from January 1 to December 31, 2021.

“This report has been prepared in accordance following the GRI Standards: Essential option,” with the support of McBride SustainAbility and verification by Redes Sociales en Línea Timberland S.A. de C.V.

During the period covered by this report, the following changes were made to our operations in the United States:

- The purchase of 100% of U.S. Corrugated’s shares were consolidated, making it possible for us to operate paper and packaging plants in the states of Washington, New Mexico, California, Georgia, Indiana, Arizona, and Colorado
- The acquisition of Midwest Paper in Wisconsin was completed
- Construction began on a new packaging plant in Dallas, Texas

Although there was no restatement of the information, based on the update of our materiality, adjustments were made to the GRI contents to which we aligned our work for preparing this report.

New

- **GRI 201-1:** Direct economic value generated and distributed
- **GRI 206-1:** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.
- **GRI 302-3:** Energy intensity
- **GRI 405-1:** Diversity of governance bodies and employees.
- **GRI: 406-1:** Incidents of discrimination and corrective actions taken
- **GRI 419-1:** Non-compliance with laws and regulations in the social and economic area

On the other hand, the chapter published in the previous report, “Our response to COVID-19,” where we presented the actions implemented to address the effects of the health contingency was eliminated, and the information that composed it was integrated into the Social Performance section.



For further details about us, please visit our website: www.biopappel.com

Materiality

Our commitment to innovation as a sustainable company allows us to strengthen our leadership, as shown by our most recent materiality assessment. In this exercise, we established a close dialogue with our Stakeholders to understand their opinions and expectations, identifying the most relevant issues that impact our processes.

We also took into account the Sustainability Context with an analysis of our industry, media appearances, identifying risks to the company, and monitoring regulatory changes to ensure our compliance.

Based on the results obtained, we applied the Exhaustive principle to integrate the most current contents into the report and communicate information on material topics in a Clear, Comparable, Balanced, Reliable, Accurate, and Timely manner.

Material topics	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	*	*



GRI Index

GRI Content Index

For the Materiality Disclosures Service, GRI Services has reviewed that the GRI content index is clear and that the references for Contents 102-40 to 102-49 correspond to the indicated sections of the report.

GRI Standar		Content	Page / Direct Response / URL(s)
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016			
Organizational profile			
102-1	Name of the organization		74
102-2	Activities, brands, products, and services		10-11
102-3	Location of headquarters		74
102-4	Location of operations		9, 18-19
102-5	Ownership and legal form		74
102-6	Markets served	We market our products to consumer and durable goods manufacturers, distributors, and department stores in Mexico, the United States, and Colombia, including the maquiladora sector and exporters and consumers in Mexico.	9-11, 18-19
102-7	Scale of the organization	This indicator addresses the material issue of Growth and expansion.	9-13, 16, 46-47
102-8	Information on employees and other workers	*Bio Pappel does not employ workers by outsourcing.	13, 46-47
102-9	Supply chain	*We have more than 2,690 suppliers in our supply chain. In 2021, the monetary value generated from the purchase of goods and services from these suppliers amounted to MXN 16,734,858,294 billion. 82% of these expenditures are concentrated in the following areas: fiber, cellulose, natural gas, energy, and chemicals. In 2021, for the supplier certification process, in tax matters, 96% of our supplier base was certified, guaranteeing compliance with Mexican tax and labor authorities.	13, 16 y 25
102-10	Significant changes to the organization and its supply chain		18-19 y 74
102-11	Precautionary Principle or approach		31, 34, 38, 40, 42-43, 50-55
102-12	External initiatives		7
102-13	Membership of associations		70

GRI Standar	Content	Page / Direct Response / URL(s)
Strategy		
102-14	Statement from senior decision-maker	4-5
102-15	Key impacts, risks, and opportunities	4-5
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	6-8 y 22
102-17	Mechanisms for advice and concerns about ethics	23
Governance		
102-18	Governance structure	20-21
Stakeholder engagement		
102-40	List of stakeholder groups	71
102-41	Collective bargaining agreements	47
102-42	Identifying and selecting stakeholders	71
102-43	Approach to stakeholder engagement	71
102-44	Key topics and concerns raised	71
Reporting practice		
102-45	Entities included in the consolidated financial statements	74
102-46	Defining report content and topic Boundaries	76
102-47	List of material topics	76
102-48	Restatements of information	74
102-49	Changes in reporting	74
102-50	Reporting period	74
102-51	Date of most recent report	The last Sustainability Report was published in May 2021.
102-52	Reporting cycle	The reporting cycle is annual.
102-53	Contact point for questions regarding the report	87
102-54	Claims of reporting in accordance with the GRI Standards	74
102-55	GRI content index	77
102-56	External assurance	86

GRI Standar	Content	Page / Direct Response / URL(s)
Material issues		
Financial Results		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	4-5, 12-13,16-17
103-3	Evaluation of Management approach	4-5, 12-13,16-17
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	17
Growth and expansion		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	4-5, 12-13, 18-19
103-3	Evaluation of Management approach	4-5, 12-13, 18-19
Regulatory changes		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	34
103-3	Evaluation of Management approach	34
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	No breaches of environmental laws or regulations were identified.
GRI 419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	No breaches of laws and regulations in the social and economic field were identified.

GRI Standar	Content	Page / Direct Response / URL(s)
Competitiveness		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	70
103-3	Evaluation of Management approach	70

GRI 206: Anti-competitive Behavior

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions related to anti-competitive behavior, anti-trust, and monopolistic practices were identified.
-------	---	--

Cybersecurity

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	26
103-3	Evaluation of Management approach	26

Environmental regulation

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	34, 36-41
103-3	Evaluation of Management approach	34, 36-41

GRI 307: Environmental Compliance 2016

307-1	Non-compliance with environmental laws and regulations	No breaches of environmental laws or regulations were identified.
-------	--	---

Circular economy

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	4-5, 31-32, 36, 40, 59-60, 63 y 65
103-3	Evaluation of Management approach	4-5, 31-32, 36, 40, 59-60, 63 y 65

GRI Standar	Content	Page / Direct Response / URL(s)
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	24,261,770 m³water. 2,0088,006.42 short tons of cellulose and secondary fiber. (1 Metric ton equals 1.1023 short ton)
301-2	Recycled inputs	32-33
301-3	Reused products and their packaging materials	32-33

Energy efficiency

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	4, 30-31, 34 y 36-37
103-3	Evaluation of Management approach	4, 30-31, 34 y 36-37

GRI 302: Energy 2016

302-1	Energy consumption within the organization	37 *The company does not calculate the consumption and sale of heating, cooling, and steam. The methodology considers mass-energy conversion factors of the international system of units, internal control reports.
302-3	Energy intensity	a. 2.521 MWh / Ton b. Ton of paper and paper products c. Fuels (Natural Gas, Fuel Oil, Diesel, Gasoline, Black Liquor), Electrical Energy, Steam d. Energy consumption within the organization.
302-4	Reduction of energy consumption	a. Decrease in fuel oil consumption of - 67% in 2021 compared to 2020 b. Fuel for fixed sources (Fuel oil) c. Base year 2020 vs 2021 d. Fuel oil (m3) Factor: *41.2474 Giga Joules /l
302-5	Reductions in energy requirements of products and services	a. Decrease of -2.7% in primary energy requirements for the generation of products, reaching 9,018 Giga Joules / ton. b. 2020 vs 2021. c. Internal reports of control of information, own methodology, and standard international conversion factors.

Organizational culture

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	6-8, 22 Y 50-51
103-3	Evaluation of Management approach	6-8, 22 Y 50-51

GRI Standar	Content	Page / Direct Response / URL(s)
Quality of life		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	48-50, 52-54
103-3	Evaluation of Management approach	48-50, 52-54
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee	Employees: M 16.3 hours / W 13 hours. Unionized Employees: M 34.6 hours / W 10.5 hours.
404-2	Programs for upgrading employee skills and transition assistance programs	49 *The company does not have transition programs for retired or terminated employees.
404-3	Percentage of employees receiving regular performance and career development reviews	48 *Of the 14% of employees receiving performance reviews, 80% are men and 20% are women. Distribution by employment category: 3% Directors, 3% Deputy Directors, 17% Managers, 8% Deputy Managers, 50% Supervisors, 15% Coordinations and 4% AAA.
Gender equality		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	49-50 y 65
103-3	Evaluation of Management approach	49-50 y 65
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	51 a. Diversity in governance bodies Under 30: M 0% / W 0%, From 30 to 50: M 20% / W 0%, Over 50: M 70% / W 10% b. Diversity in the workforce Employees Under 30: M 13% / W 7%, From 30 to 50: M 40% / W 18%, Over 50: M 19% / W 3% Unionized Employees Under 30: M 21% / W 7%, From 30 to 50: M 38% / W 13%, Over 50: M 17% / W 3%

GRI Standar	Content	Page / Direct Response / URL(s)
GRI 406: Non-discrimination 2016		
406-1	Discrimination incidents and corrective actions implemented	24
Social license		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Coverage	76
103-2	Management approach and its components	56-69
103-3	Evaluation of Management approach	56-69
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	58-69 No significant negative impacts -real or potential- were identified due to community programs in the local communities in 2021. *The investment in social projects during 2021 totaled 1,362,076.31 dollars (Year end rate \$20.5157 MXN). This investment includes monetary and in-kind resources.
GRI 413: Local Communities 2016		
413-2	Operations with significant actual and potential negative impacts on local communities	No operations with significant negative impacts -real or potential- were identified on local communities.

Global Compact



Areas		Principles of the Global Compact	Page consulted
Human Rights	1	Businesses should support and respect the protection of internationally proclaimed fundamental human rights within their sphere of influence.	6, 20-23, 25, 50, 52, 70
	2	Businesses should support and respect the protection of internationally proclaimed fundamental human rights within their sphere of influence.	6, 20-23, 25, 50, 52, 70
Labor	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	47
	4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	20, 22-23, 25, 46, 53
	5	Businesses should uphold the effective abolition of child labor.	20, 22-23, 25, 63
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	22-23, 47, 49-50, 53, 65-66, 68
Environment	7	Businesses should support a precautionary approach to environmental challenges.	31, 34, 38, 40, 42-43
	8	Businesses should undertake initiatives to promote greater environmental responsibility.	10, 43, 59-61, 63, 66, 68, 70
	9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	10, 31, 32, 36, 40, 42
Anti-Corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	6, 20-24, 25

Sustainable Development Goals



Ensure healthy lives and promote well-being for all at all ages.

52, 54, 62-63



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

48-49, 58-59, 62-66, 68



Achieve gender equality and empower all women and girls.

50, 63-66



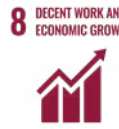
Ensure availability and sustainable management of water and sanitation for all.

31, 40, 62



Ensure access to affordable, reliable, sustainable and modern energy for all.

31, 34, 36, 63



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

10, 16-18, 23-25, 46, 48-50, 52, 64-66



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

17-18, 23-24, 26, 31, 34, 36, 42



Reduce inequality within and among countries.

46, 50, 63-66, 68



Make cities and human settlements inclusive, safe, resilient and sustainable.

62-63, 66, 68



Ensure sustainable consumption and production patterns.

10, 18, 31-32, 34, 36, 62, 65, 69



Take urgent action to combat climate change and its impacts.

30-32, 34, 36, 38, 40, 42, 58-63, 66, 69



Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

40



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

31-32, 43, 58-63, 69



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

16-17, 20, 22-26, 71



Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

50, 58-59, 64-66, 68, 70-72

Verification letter



2021 Sustainability Report Verification Letter

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

Please be informed that Redes Sociales en Línea Timberlan S.A. de C.V. conducted a limited independent verification of a sample of contents of the GRI Standards, detailed in this letter and the Sustainability Report 2021.

Responsibilities, Criteria, and Scope:

The scope of our verification covered the results of Bio Pappel's operations, facilities, and company corresponding to the period from January 1 to December 31, 2021.

Our responsibility is to issue impartial and objective opinions on the accuracy,, traceability, and reliability of the information contained in the “2021 Sustainability Report.” Our work considered the GRI Standards Core Option and the International Standard on Assurance Engagements (ISAE) 3000 as compliance criteria.

Bio Pappel’s Management is responsible for preparing the information contained in the “2021 Sustainability Report,” including, but not limited to: the selection process of the material topics, the GRI content report, and the quality of the evidence provided during the verification process.

The activities conducted during the verification process include the following: validation of information presented in previous reports, the review of methodological compliance with the GRI standards and indicators and the verification of qualitative and quantitative data using visual, documentary, and public evidence; and analysis of quantitative data.

Therefore we can conclude that, during the verification process, we did not find any issues that made us doubt the veracity and traceability of the selected sample; in addition, the requirements of the applied methodology were met.

An internal report of recommendations, exclusive to Bio Pappel, containing the areas of opportunity detected for a future information, is delivered separately.

Timberlan Statement of Independence and Competence

Employees of Redes Sociales en Línea Timberlan have the level of competence necessary to verify compliance with the standards used in the preparation of Sustainability Reports. Hence, they can issue a professional opinion on the reports of non-financial information, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality, and professional conduct. In no case may our verification statement be understood as an audit report; hence 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 June 6, 2022 and is valid as long as no subsequent and substantial modifications are made to Bio Pappel's "2021 Sustainability Report."

GRI Disclosures	Description	Scope
General contents		
102-7	Scale of the organization	Bio Pappel
102-8	Information on employees and other workers	Bio Pappel
102-9	Supply chain	Bio Pappel
102-12	External initiatives	Bio Pappel
102-17	Mechanisms for advice and concerns about ethics	Bio Pappel
102-40	List of stakeholder groups	Bio Pappel
102-41	Collective bargaining agreements	Bio Pappel
102-47	List of material topics	Bio Pappel
Governance		
203-1	Infrastructure investments and services supported	Bio Pappel
Environment		
301-1	Materials used by weight or volume	Bio Pappel
302-1	Energy consumption within the organization	Bio Pappel
Social		
404-1	Average hours of training per year per employee	Bio Pappel
404-3	Percentage of employees receiving regular performance and career development reviews	Bio Pappel


Alma Paulina Garduño Arellano
Redes Sociales en Línea Timberlan S.A. de C.V.
Pico Sorata 180, Jardines en la Montaña,
Tlalpan, C.P. 14210, CDMX.
paulina@redsociales.com
T. (55) 54 46 74 84
Junio 6, 2022

Point of contact

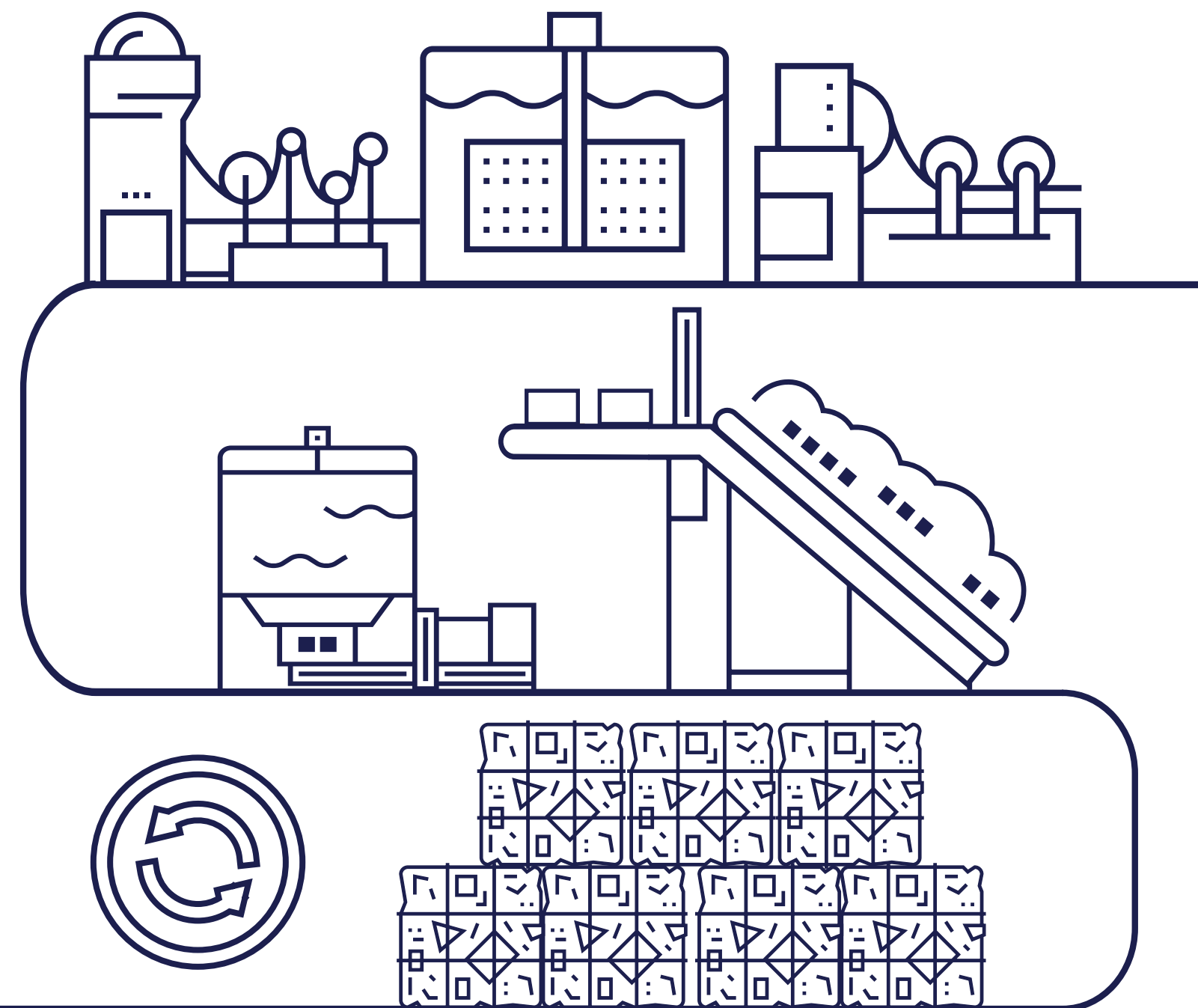
Vianney Cabildo Soto

Social Responsibility
responsabilidadsocial@biopappel.com

Torre Bio Pappel
Ejercito Nacional 1130
Col. Los Morales Polanco
C.P. 11510, Mexico City

Printed on 100% recycled and 100% recyclable paper, using soy and vegetable oil-based inks that are free from heavy metals.







 biopappel.sustentable
 @BioPappel
 biopappel.global
 Bio Pappel SAB de CV

