



Sustainability Report

BIO • **PAPPEL**®
the sustainable paper



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Letter from the Chairman



After facing significant challenges which involved valuable learnings in 2022, we witnessed a notable reactivation of the global economy that raised concerns about how to establish a solid organizational sustainability strategy to face our new economic and social challenges without neglecting the imperative task of caring for the environment.

At Bio Pappel, we conceive sustainability as a fundamental part of our business strategy that drives economic, environmental, and social progress in the countries where we have a presence under our principles of innovation, environmental protection, and social responsibility.

Today, Bio Pappel serves as a benchmark for other companies inside and outside our industry thanks to its expansive sustainable business vision, which has allowed it to place itself as one of North America's most extensive paper and packaging manufacturers.

We consolidated the expansion of our business strategy with the operation of our newest plant located in Tizayuca, Hidalgo in Mexico, while extending our presence in the United States with the progress made on the construction of our super packaging plant in Dallas, Texas, reaffirming our position as a USMCA company.

Much of the company's success is based on creating a circular economy model called Urban Forest, which has become the backbone of our operations that allows us to recycle paper on a large scale as one of the companies with the smallest environmental footprint worldwide.

Last year, we expanded our strategy to impact our value chain by celebrating the first edition of the Urban Forest Awards, which recognizes companies with a solid environmental commitment that includes using our sustainable packaging in their distribution lines.

Some actions that set us apart as a company committed to caring for the environment include our Bio-ENERGY cogeneration system that contributes to self-sufficiency for energy production in our industrial processes, recovering the vapor from operations to convert it into clean energy. We also contributed to combating climate change by capturing 7.73 million tons of CO₂e in 2022.

Concerning labor matters, we worked to help our employees improve their skills and knowledge while promoting diversity and inclusion in each of our functional spaces, providing safe environments free of discrimination at all levels within the company. This allowed us to reach our goals aligned with the seven UN Women's Empowerment Principles and the Mexican Standard on Labor Equality and Non-Discrimination.

We also assume social responsibility through our Social Responsibility community outreach strategy, centered on improving the quality of life in the communities close to our industrial facilities and creating dialogue ties and links with the different stakeholders living there.

We have prepared this report to present our Communication on Progress (CoP), reflecting our contribution to 15 of the United Nations Sustainable Development Goals and the 10 Principles of the UN Global Compact.

Convinced that the path to a more sustainable future is the collaborative work done by all, we invite you to navigate and discover in this report the DNA and fundamentals of our company and its people, who reaffirm our commitment to our stakeholders, the environment and the countries where we have presence.

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

Miguel Rincón Arredondo
Chairman of the Board of Directors of Bio Pappel

Corporate Profile

Bio Pappel’s history is known for its excellence and innovation. The experience we have acquired during our 40-plus years in the industry has allowed us to position ourselves as the most extensive paper and packaging manufacturer in Mexico.

Through our products, strategic presence and extensive distribution network in Mexico, Colombia, the United States and Canada have allowed us to expand our sustainable business vision in the North American economic zone and consolidate our company as a USMCA business.

Creating shared value and serving our stakeholders with the best of our business capacity is the main engine driving Bio Pappel, inspiring and keeping us at the forefront of our daily commitment.

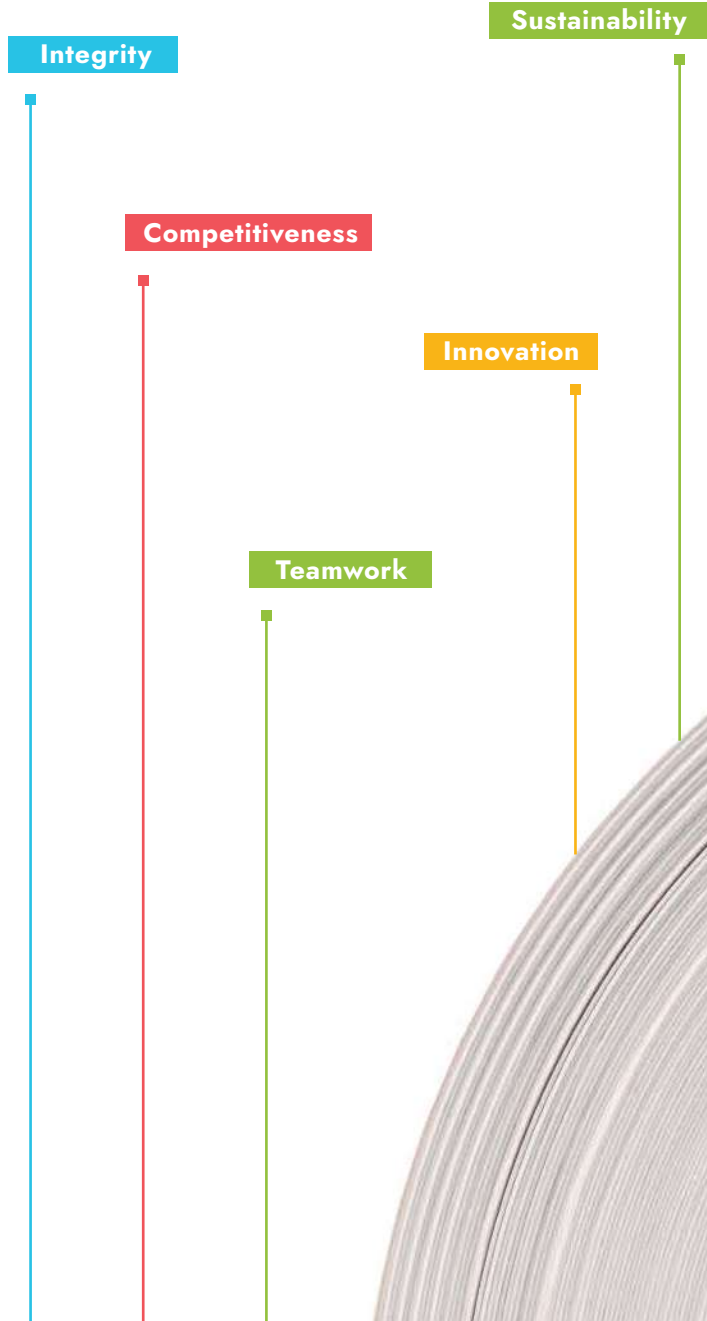
Our Vision

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

Our Mission

To competitively produce sustainable paper, paper based products and packaging to effectively contribute to our client’s success as well as to our environment.

Our Values



Contribution to the Sustainable Development Goals



We incorporate initiatives into our operations centered on generating environmental, social, economic, and ethical values, such as those promoted by the United Nations Global Compact.

Our strategic actions align with the goals established in the 2030 Agenda on Sustainable Development.

We conduct annual internal diagnoses to ensure the timely assessment of our actions according to the Sustainable Development Goals (SDG), classifying them by primary and secondary impacts to contribute to **15 of the 17 SDGs**.



Sustainability Model

Our commitment with our stakeholders to generate initiatives to benefit society, the environment and economic growth continues to be strengthened through our modern sustainability model aligned with our corporate values in an ethical framework.



Geographic presence



Business groups and products

The value of innovation across Bio Pappel can be seen throughout our operation. It is supported by efficient and modern tools to become the best partner for our customers and suppliers and help them meet their commercial an environmental needs, thus contributing to compliance with SDG 12: Responsible Production and Consumption.

The company’s strategic growth and presence in Latin America, Mexico, and the United States have allowed us to reach the Canadian market as a consolidation milestone positioning Bio Pappel as a global company and USMCA business.



We offer a wide range of paper products to the market, distributed through three top business groups as follows:



Our products are 100% recycled
and certified by the Forest Stewardship Council®



Titán is the leading company in producing and distributing containerboard, grocery bag and cardboard in Latin America.

Titán’s products are:

Large paper rolls, white top, linerboard and medium paper, corrugated and graphic packaging, paper bags, and sack paper



It is currently the most iconic paper brand in the Latin American market and the top producer of printing and writing paper as well as school supplies.

Its main products are:

Newsprint, cut bond paper, notebooks, paper books, offset rolls, continuous forms, and commercial printing paper



Considered one of the most extensive packaging, containerboard, and corrugated packaging paper manufacturer in the United States.

McKinley’s products are:

White top, linerboard and medium paper, grocery bag paper, void-fill paper, as well as corrugated and graphic packaging

Bio Pappel in figures



Operations

in 17 States across Mexico, 9 in the United States, and 1 in Colombia



2,333+⁽¹⁾ million
dollars in sales

1,920+

SMEs form part of our value chain



55
industrial plants, recycling centers
and corporate offices



67%

of the energy we use is green
and cogenerated as part of
Bio-ENERGY system



18.67 million
m³ of water recycled

4.1 million

trees saved



7.73 million

tons of CO₂e
captured

129+⁽²⁾ million

dollars invested in
sustainable processes



2.13⁽³⁾ million

short tons of recycled
paper and cardboard

(1) Annual average exchange rate \$20.1218 MXN.
(2) Year end rate \$19.3615 MXN.
(3) 1 Metric ton equals 1.1023 short ton.



13,273

direct jobs

2,824

volunteers



19,910

indirect jobs



304,120

employee training hours



Economic Performance



Economic Performance

In addition to growing in our current markets, we support the development and reinforcement of the value chain through our business strategy, comprised of three key factors: sustainability, innovation, and integrity, all aligned with the Sustainable Development Goals (SDGs).

\$2,333+⁽¹⁾
million dollars in sales

91%
of our suppliers
are Mexican

\$129+⁽²⁾
million dollars invested in initiatives
implemented to reinforce our
commitment to sustainability

(1) Annual average exchange rate \$20.1218 MXN.
(2) Year end rate \$19.3615 MXN.



Economic growth

Throughout 2022, the effects of the pandemic diminished with evidence of progressive reactivation in the different industrial sectors and economic activities. Thanks to our marketing efforts and strong product demand, this scenario benefited all our business groups.

Under this new global panorama and the clear consolidation of e-Commerce, the company increased its production volume of paper and packaging. We also expanded our U.S. production and exports to the United States and Canada, thus leveraging the current trade agreement between Mexico, the United States, and Canada.

In addition, the construction of the new super packaging plant in Dallas continues. We also began operating our new packaging plant in Tizayuca, Hidalgo and our new distribution center in Tlalnepantla, State of Mexico.

We boosted our presence in North America with
2 new plants and a packaging production capacity
of 1.98⁽¹⁾ million short tons in 2022

(1) 1 Metric ton equals 1.1023 short ton.



Indicator	2019	2020	2021	2022
Direct Economic Value Generated	1,346.71 ⁽¹⁾	1,275.55 ⁽²⁾	1,659.09 ⁽³⁾	2,333.09 ⁽⁴⁾
Direct Economic Value Distributed	1,136.37 ⁽¹⁾	1,137.87 ⁽²⁾	1,509.12 ⁽³⁾	2,101.00 ⁽⁴⁾
Investments in projects	55.05 ^(1.1)	72.59 ^(2.1)	66.53 ^(3.1)	129.85 ^(4.1)
Annual average exchange rate MXN	(1) \$19.2378	(2) \$21.499	(3) \$20.2833	(4) \$20.1218
Year end rate MXN	(1.1) \$19.6566	(2.1) \$19.9352	(3.1) \$20.5157	(4.1) \$19.3615

Development in the United States

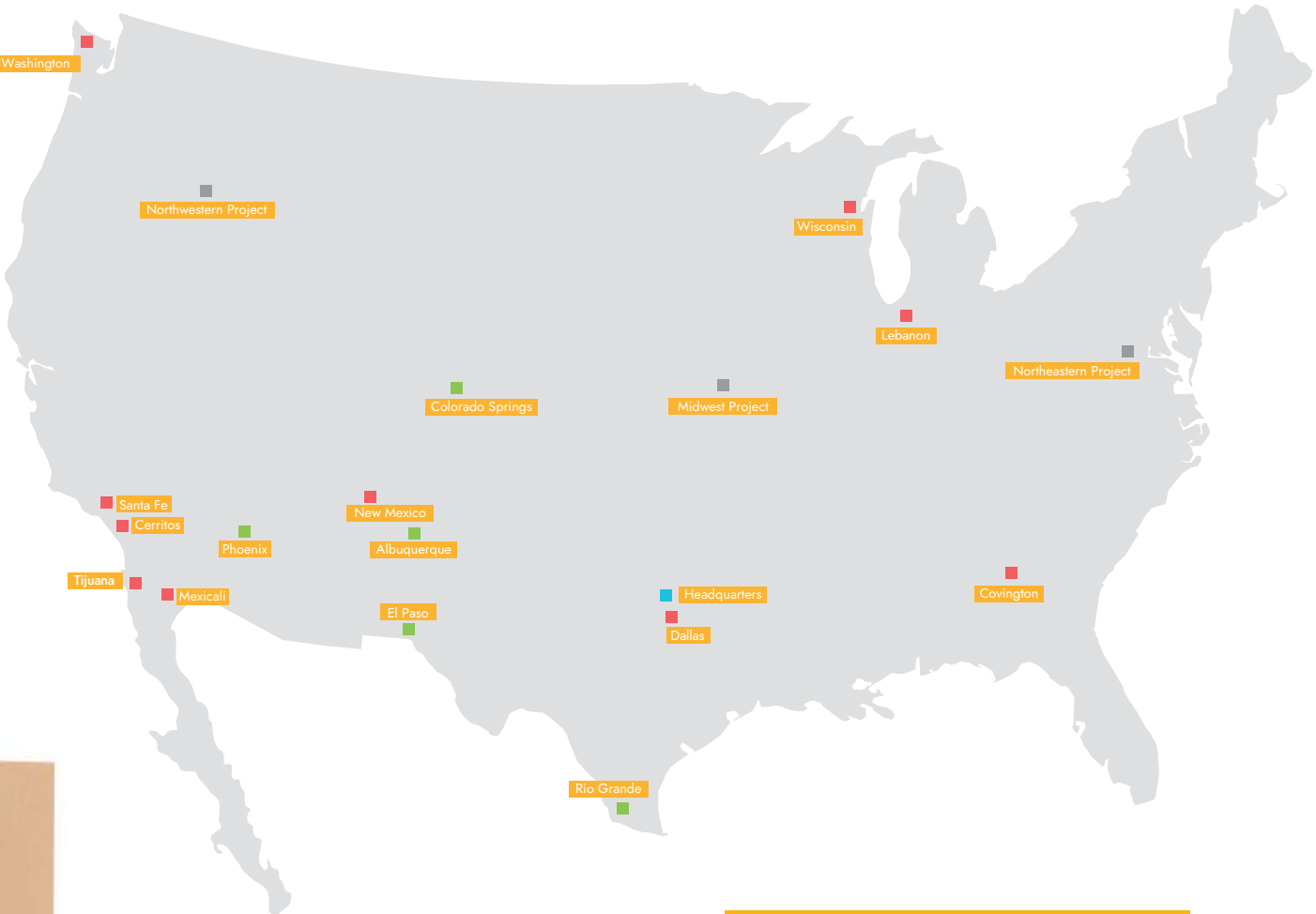
The USMCA is one of the most significant trade alliances between Mexico, the United States, and Canada. In addition to this treaty benefiting and promoting the economic development of these three countries, it encourages cooperation and integration to achieve a fairer and more accessible market to create new business opportunities in North America.

Our visionary expansion and business plan in the United States have allowed us to position ourselves as top leaders in the paper industry of the region. This trade agreement and the favorable business context have opened the door to valuable opportunities for growth in this country in the medium and long term.



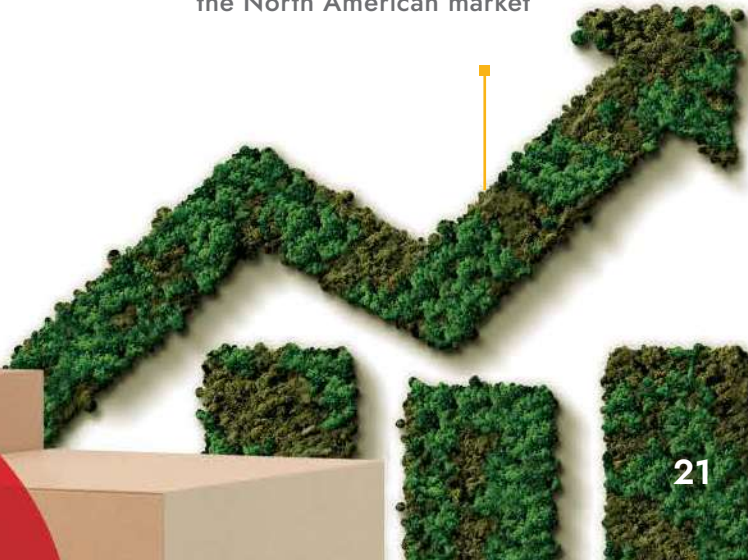
Furthermore, our primary strategic goals include increasing our production and distribution capacity while diversifying our product portfolio to meet the U.S. market's needs and expectations.

Another significant challenge and goal we must achieve is to strengthen our successful sustainability model by integrating green technology and sustainability initiatives into our operations.



McKinley operates ten industrial plants and seven distribution centers serving the North American market

- Industrial plants
- Plants in project
- Recycling centers
- Headquarters



Corporate Governance and Ethics

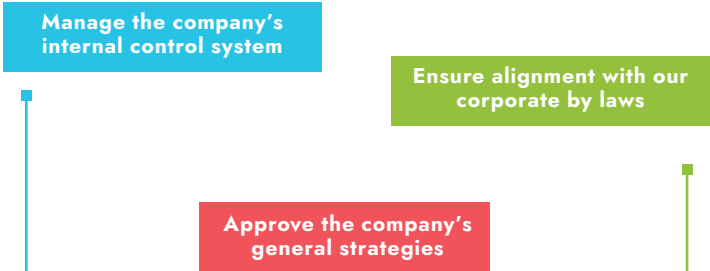
Our corporate governance at Bio Pappel is driven by our solid ethical principles that set and monitor compliance with the rules established for all corporate operations, always in line with our sustainable practices and within the framework of transparency based on our Code of Ethics.

We contribute to **SDG 16: Peace, justice, and strong institutions** by complying with the ethics, inclusion, and transparency standards established in our corporate governance

Board of Directors

[2-9, 2-12 / GC 4 and 5]

Our Board of Directors has ten members and operates under the Mexican General Business Company Act to ensure responsible decision-making processes and the correct execution of our corporate strategy. Its main functions are:



The Office of the CEO

[2-9 / GC 1, 2 and 10]

The Office of the Chief Executive Officer is vital to our company's operation. It directs the business' course toward achieving its goals and promotes the culture of sustainability within our sphere of influence. Its most relevant responsibilities are:



Compliance with the organization's corporate plans and internal regulations is a priority for the company; therefore, the CEO works hand in hand with the business groups, the Sustainability Division, and the Finance and Administration Division to guarantee the execution of these actions.



Code of Ethics

At Bio Pappel, ensuring that all actions within the company and our sphere of influence are carried out within a framework of integrity, honesty and legality is essential.

100%
of employees receive training
on the Code of Ethics

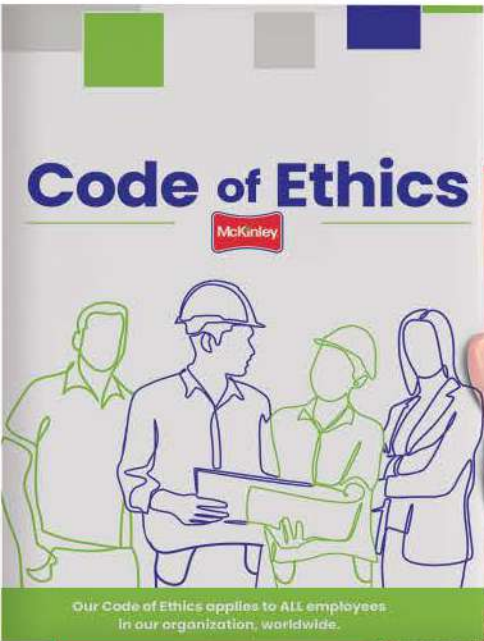
4,280
training hours dedicated to the
Code of Ethics

The Bio Pappel Code of Ethics clearly expresses our values and business principles aligned with the regulations set by the countries where we operate and the highest business ethics, quality, and sustainability standards. The Code of Ethics is examined periodically to ensure it is always current.

It is essential for the company and our customers and vendors to foster honest, fair and long-term business relations governed by mutually beneficial guidelines; therefore, Bio Pappel also has a Code of Ethics for each of these stakeholder groups.

For further information about the content and dissemination actions related to our Code of Ethics, please visit our website at:
<https://biopappel.com/en/code-of-ethics/>

100% of customers and suppliers
have pledged to comply with the Code of Ethics



Bio Pappel Ethics Line

We maintain close contact with our stakeholders to address concerns, complaints, or suggestions regarding any behavior that could represent a breach of our guidelines and values stated in the Code of Ethics.

The Bio Pappel Ethics Line represents our main complaint managing system. It is managed by an independent third party to ensure the privacy and security of all users. The company follows up on all reports received.

We address all stakeholder concerns through 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

	2021	2022
Total number of complaints and reports	31	50
Cases involving suggestions for processes improvement, facilities, and working conditions	19%	6%
Cases of discrimination	6.5%	2%
Cases that resulted in employment termination	6.5%	12%
Cases that resulted in employee transfers, training, strengthening controls, and process simplification	68%	80%

*The claims and reports filed include working conditions, policy compliance, conflicts of interest, and supplier, customer and employee relations, among others.

For further information about the Bio Pappel Ethics Line, please visit our website at <https://biopappel.com/en/code-of-ethics/>

Value chain

At Bio Pappel, we believe that collaborate with responsible companies that share our sustainability values, principles, and commitments is a fundamental factor in boosting our growth and preserving the quality of our products.

We prioritize relationships with domestic companies in our value chain to promote local economic Development.

+1,920
SMEs in our supply chain

91%
of our suppliers are domestic



Our suppliers are a key part of our operations. Consequently, we provide them with certifications that support compliance with their fiscal, financial, legal, and employer obligations. These actions allow us to contribute to SDG 8: Decent Work and Economic Growth.

As part of our commitment to respect and protect human rights in our sphere of influence, we promote the corporate values and principles reflected in our Code of Ethics throughout our value chain.

We work to **prevent and avoid all acts of corruption, discrimination, and child and forced labor**

Cybersecurity

Given the increasing use of information technologies, we have integrated a sustainable digital model into our processes to improve service quality and increase our response capacity to environmental needs and expectations.

We understand that technology brings greater responsibility regarding privacy, integrity, and availability of information; therefore, we continue to improve all security practices and systems across the company.

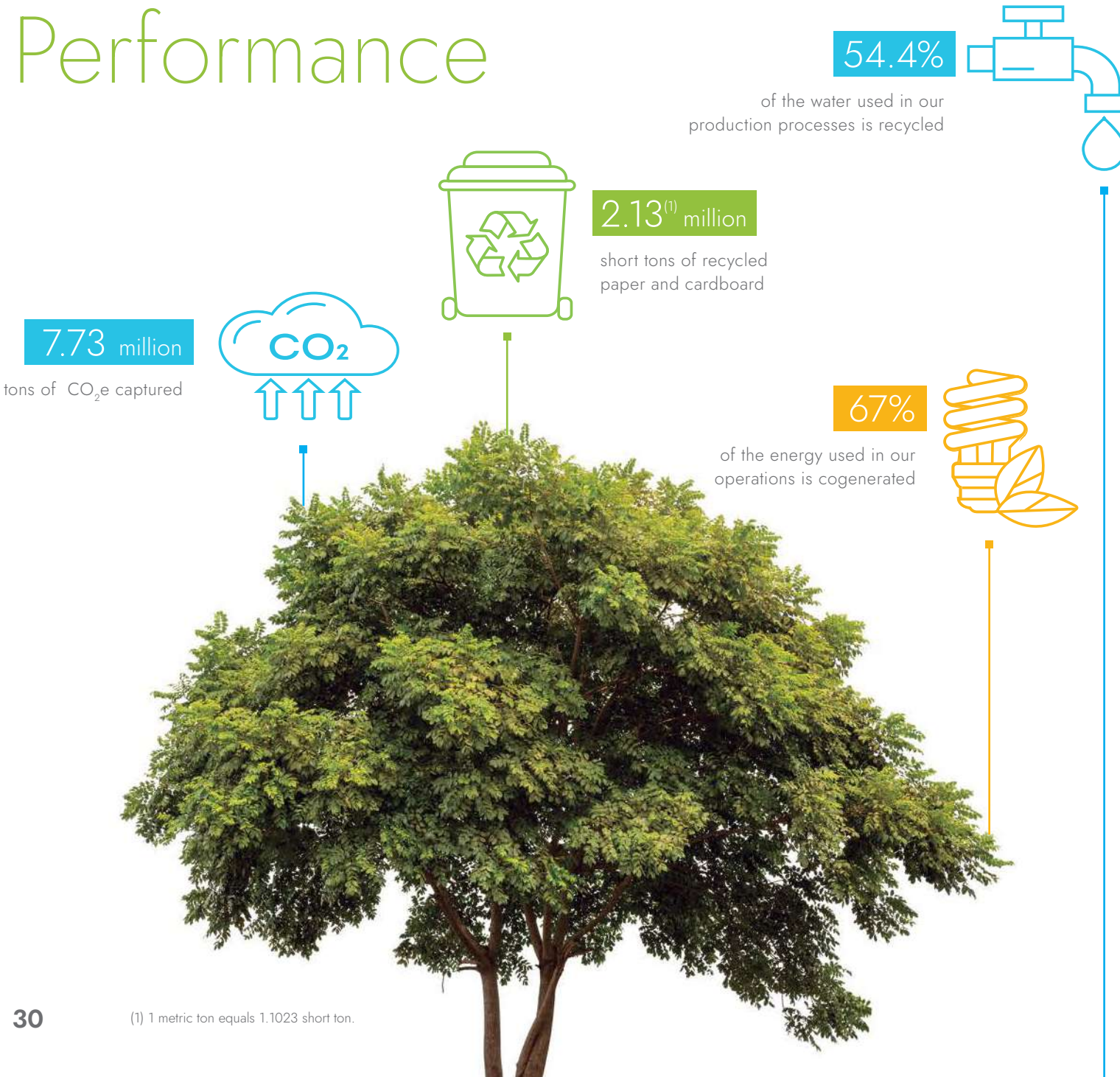


Technology allows us to **optimize operational processes and be at the forefront of meeting stakeholder needs**

Environmental Performance



Environmental Performance



(1) 1 metric ton equals 1.1023 short ton.

Environmental Management

Caring for and preserving the environment is one of the main pillars of our sustainable business strategy. It has allowed us to position ourselves as an industry benchmark due primarily to implementing clean technologies and developing projects to optimize the use of natural and energy resources within the company's operations.

Our main actions in environmental matters include the following:



Urban Forest

The Circular Economy

Convinced that sustainability and profitability are two concepts that go hand in hand, we created our circular economy model, The Urban Forest, which consists of extending the life cycle of paper by using post-consumer waste while reusing it as a raw material to manufacture new paper products.

We offer different paper and packaging solutions **using 100% recycled materials in their elaboration processes**



Urban Forest is the central axis of our business strategy.

Thanks to this model, we remain at the forefront of the sustainable production of paper and paper packaging while also contributing to reducing polluting waste and promoting the responsible use of the planet’s resources.

We work hand in hand with our value chain and local authorities to ensure the optimal management of urban solid waste

In 2022, our actions to promote our circular economy model included the implementation of the first edition of the Urban Forest Awards in appreciation for the environmental commitment made by the companies we work with. Our Titan Packaging business unit implemented this scheme as a part of its strategic partnership with Forest Stewardship Council® (FSC®).



According to information published by the Mexican Paper Chamber, our cicular economy actions contribute significantly to Mexico’s national paper collection index, **achieving a 53.2% rate in 2022.**

Of the material recovered in our recycling centers:

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

91%

is used to manufacture packaging paper and products

9%

remaining is used to manufacture printing and writing paper*

Paper Recycling (thousands of short tons*)

2020	2021	2022	2023 Goal
1,476,588	1,772,763	2,131,852	2,238,444

*1 metric ton equals 1.1023 short ton.

Our customers **reduce their environmental footprint and protect the lives of millions of trees,** thanks to the acquisition of our 100% recycled paper products, thus creating shared value

Energy

Staying at the forefront of the industry ensures our alignment with domestic and international energy regulations, which also allows us to actively contribute to the 2030 Agenda for Sustainable Development, where our significant efforts include the implementation of new technologies and the development of projects aimed at optimizing the use of energy in our paper manufacturing processes.

The Bio-ENERGY System allows us to generate green energy by capturing the residual vapor used in our production processes. Thanks to this technology, we have consolidated our position as the company with the best energy footprint in the paper industry in North America and a benchmark for energy-related topics.

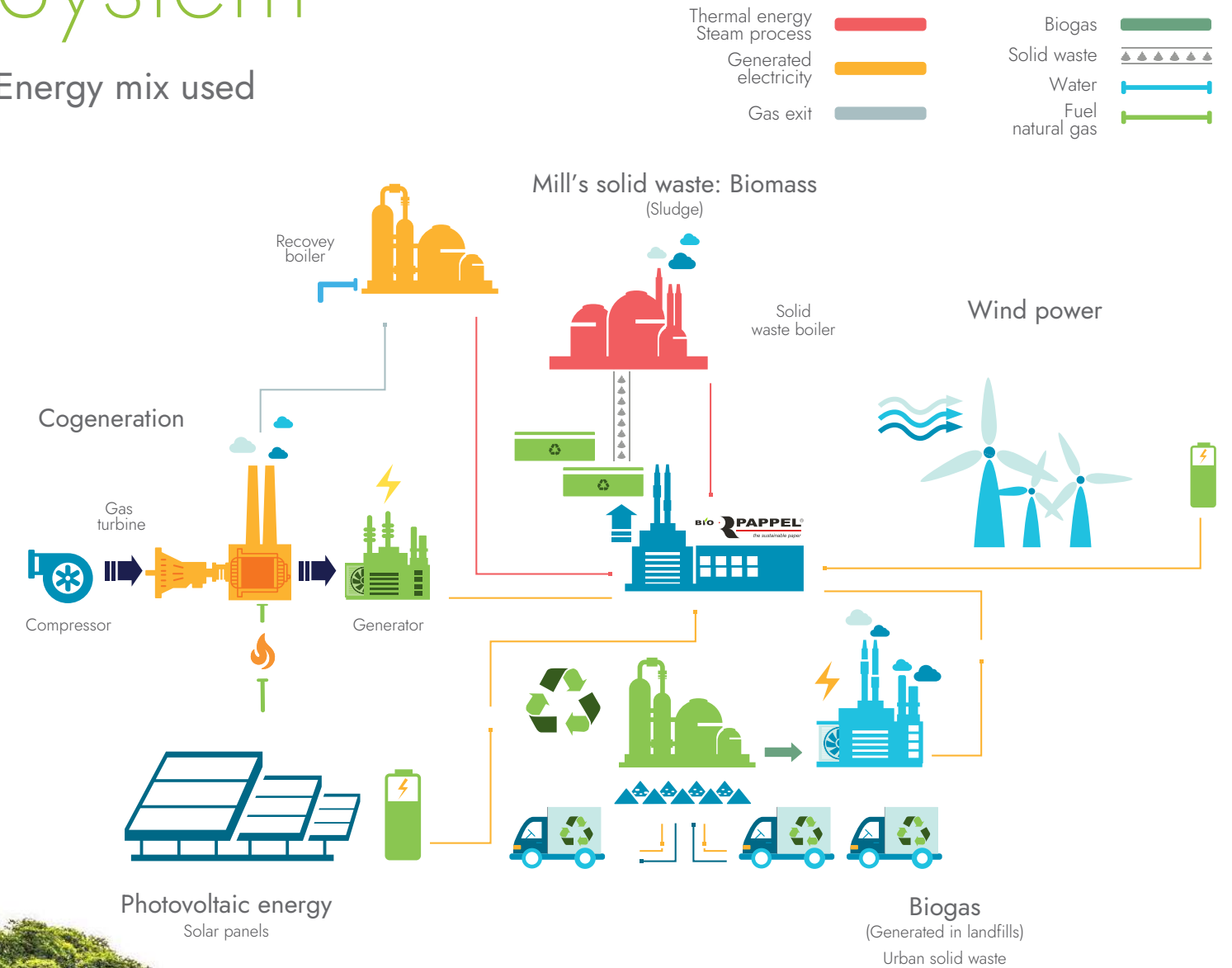
We consume only one-third of the energy we use in our paper production processes



Cogeneration Plant / Scribe / San Juan del Rio

Bio-ENERGY System

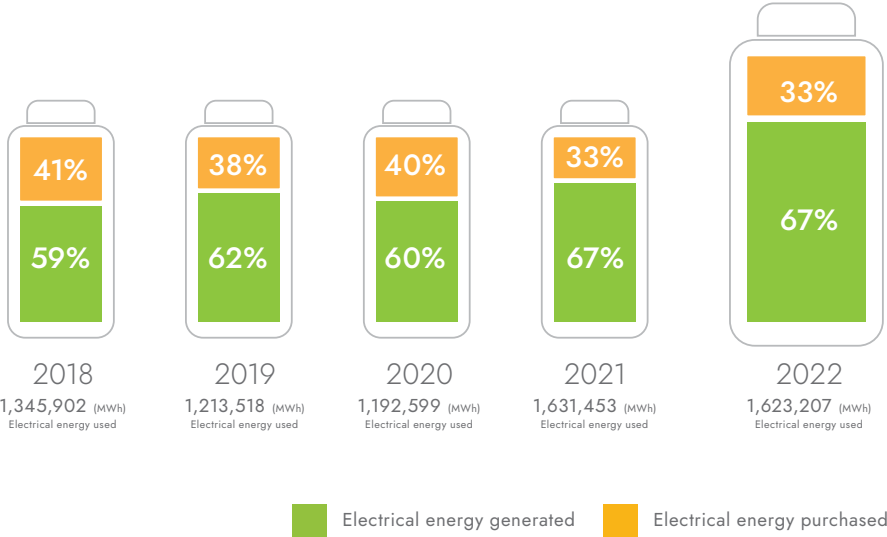
Energy mix used



Energy Use

Energy type	2020	2021	2022	2023 Goal
Electricity (MWh)	1,268,746	1,706,271	1,844,336	1,936,553
Wind Energy (MWh)	425	813	642	674
Fuel Oil (m³)	52,079	17,007	9,060	8,879
Natural Gas (Gigacalories)	3,571,614	4,542,845	5,976,417	6,275,237
Gasoline (Liters)	818,961	1,292,578	1,039,854	1,091,846
Diesel (Liters)	6,744,889	7,632,157	7,718,272	8,104,185

Electrical energy used, purchased, and generated (MWh)



Emissions

Our commitment to promoting a low-carbon green economy is reflected in our actions to advance a recycling culture and continue to reinforce strategic partnerships through our Urban Forest model.

We significantly reduced our carbon footprint thanks to our efforts in 2022.

We also voluntarily participated in the Mexico Greenhouse Gas Protocol (GHG) promoted by the Secretariat of Environment and Natural Resources (SEMARNAT), the World Business Council for Sustainable Development (CespeDes), and the Carbon Disclosure Project, through which we measure and report all our greenhouse gas emissions periodically, thus reflecting our environmental commitment and the transparency of our processes.



In 2022, we captured 7.73 million tons of CO₂e



CO₂e emissions and capture (thousands of tons)

Indicator	2020	2021	2022	2023 Goal
*CO ₂ e emissions	1,076	1,221	1,467	1,540
CO ₂ e capture	5,358	6,432	7,736	8,122
Net CO ₂ e capture	4,282	5,211	6,269	6,582

* GHG Direct or Scope 1 Emissions from Fossil Fuels.

Gas emissions (thousands of tons)

Indicator	2020	2021	2022
NOx	0.860	0.577	0.866
SOx (SO ₂)	3.624	0.302	0.640
Particles	0.271	0.061	0.101
Methane	0.056	0.067	0.030

*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

Promoting sustainable practices and continuing to develop projects that encourage the responsible use of resources is a commitment that we do not take lightly, as reflected in the implementation of our **zero-effluent program that allows us to recycle 54.4% of the water used in our production processes.**

Furthermore, the water resources that we do not recycle are transferred to a treatment system for their subsequent release, thus ensuring that their discharge complies with the standards established by the local authorities.

In 2022, we reused 18.67 million m³ of water.

We received the **“Water Efficiency Award”**, from Pulp and Paper International

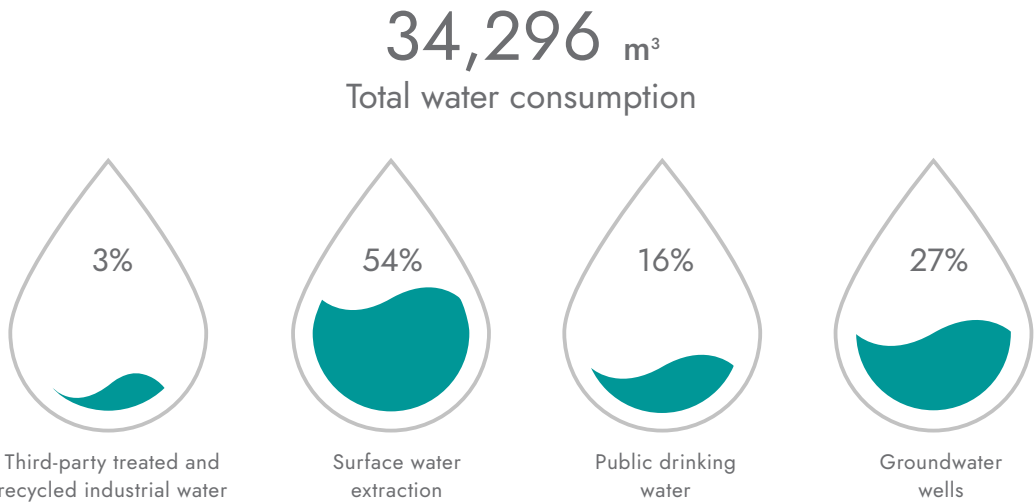
We are one of the paper companies with the **lowest volume of water consumption** in its operations worldwide



Water use and discharge (thousands of m³/year)

Indicator	2020	2020 Unit (m³/ton)	2021	2021 Unit (m³/ton)	2022	2022 Unit (m³/ton)	2023 Goal	2023 Unit (m³/ton)
Water consumption	20,374	7.4	24,261	8.81	34,296	9.35	36,010	9.8
Wastewater discharge	12,369	4.49	15,499	5.62	22,412	6.11	23,532	6.41
Net water use	8,004	2.91	8,762	3.19	11,883	3.24	12,477	3.39

Total extraction by water sources (thousands of m³)



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

Clean transportation

The continuous improvement of our processes also impacts Bio Pappel's extensive distribution network; therefore, we have aligned our operation with the Clean Transportation program and implemented a reverse logistics system to reduce transportation times and the company's environmental footprint.

We also replaced trucks with rail cars and outfitted the trucks in our fleet with **EURO V technology. As a result of these actions, SEMARNAT* awarded us our ninth "Excellent Environmental Performance" recognition.**

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



Preservation of forests and its biodiversity

The preservation of ecosystems and their biodiversity is essential to guarantee a sustainable future; therefore, we used this premise and goal to launch a sustainable model aimed at contributing to safeguarding our country's flora and fauna.

This commitment is reflected in our efforts to conserve the forest reserve that is part of the San Rafael Scribe Plant; with its four thousand hectares, it is considered a lung for the Valley of Mexico Metropolitan Area.

Furthermore, our reforestation campaigns are part of the environmental actions we have implemented to increase forest mass and restore green spaces.

In 2022, we planted more than 12,108 trees to benefit nature and essential resources for life



Social Performance



Our people

Bio Pappel’s workforce is one of the most significant pillars of our operation. Its engagement allows us to meet our sustainability goals and commitments, so we continually generate projects and actions centered on creating positive and safe work environments to guarantee the full development of our employee’s skills and abilities.

Workforce by employment contract*

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent work contract	7,925	2,565	10,490	7,781	2,888	10,669	8,304	2,923	11,227
Temporary work contract	1,238	400	1,638	1,320	490	1,810	1,513	533	2,046
Total	9,163	2,965	12,128	9,101	3,378	12,479	9,817	3,456	13,273

*59% of our personnel are included in collective bargaining agreements. Remuneration, adjustments, and changes in employee benefits are determined through trade union representatives.

Workforce by gender and region

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Mexico	8,535	2,762	11,297	8,460	3,111	11,571	8,799	3,224	12,023
USA	541	175	716	589	218	807	953	182	1,135
Colombia	87	28	115	52	49	101	65	50	115
Total	9,163	2,965	12,128	9,101	3,378	12,479	9,817	3,456	13,273



Workforce per workday

	2021			2022		
	Men	Women	Total	Men	Women	Total
Permanent work contract	8,855	3,287	12,142	9,552	3,363	12,915
Temporary work contract	246	91	337	265	93	358
Total	9,101	3,378	12,479	9,817	3,456	13,273

*The information detailed above is gathered from the Employee Balance Sheet reported by each work center.

In 2022, we created
13,273 direct jobs



Performance management

Committed to developing talent

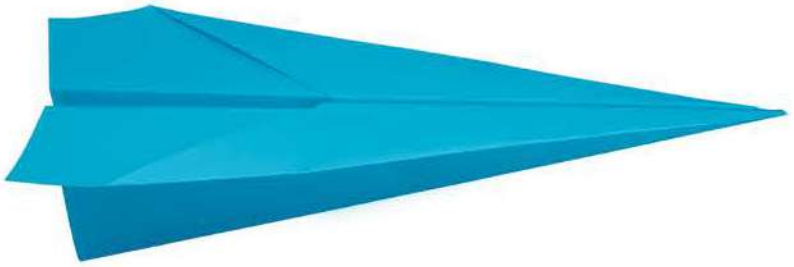
Bio Pappel has added a performance management program to our sustainable business strategy to promote the professional development of each of our team members by providing guidance and support in three fundamental axes:

Setting individual goals aligned with our corporate goals

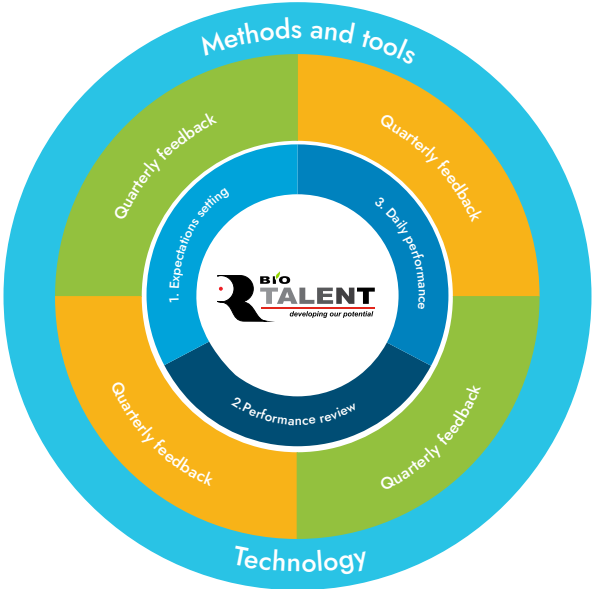
Performance review and the acknowledgment of all employees

Identifying opportunities and training needs to help our talent develop to their full potential

Our BIO TALENT actions reaffirm our commitment to contribute to our employees' development while advancing the company's sustainable growth in the regions where we operate.



1,149 participants in the performance review process



3,200 individual development goals were determined

98% of the employees were reviewed and received feedback from their line manager

5,384 performance goals established

98% of the participants executed 3 quarterly feedbacks during the year



Training and development

Our talent’s training and education constitute another great pillar in our business strategy; hence, the Bio Pappel Institute and its digital platform offer continuous learning opportunities through different courses, workshops, and materials that contribute to their personal and professional development within the company.

We address our employees’ development training needs and interests by offering various educational courses. In 2022, the main topics taught were:

- Assertive communication workshop
- Leadership skills
- Collaboration skills
- Conflict management
- Feedback
- English
- Stress prevention at work seminar
- Business leadership
- Code of Ethics
- 7th. Human Capital Congress
- 2nd. Sales Congress
- 12th Safety and Environment Congress
- Research, documentation, and interview techniques
- Awareness of discriminatory discourses and inclusive alternatives
- Discrimination, hate speech, and inclusive alternatives
- The benefits of regular check-ups
- Empathic brains



	2021	2022
Total attendees to training courses	24,944	23,296
Total training hours	249,836	304,120

2022



30%
of the trained employees
are women



70%
of the trained employees
are men



Quality of life at work

Commitment to equal opportunities

Bio Pappel’s business culture is built on collaboration, inclusion, and diversity, allowing us to consolidate highly professional, committed, competitive, and results-oriented teams.

The four principles that underpin our business culture are:

- 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.

Bio Pappel has created a management model to nurture an inclusive and diverse work environment to ensure that all activities and interactions carried out within the company are aligned with our culture. The model is comprised as follows:

- **Labor Equality and Non-Discrimination Policy**, which is known by all personnel.
- **A Labor Equality and Non-Discrimination Committee**, which is present in all work centers.

- **Code of Ethics**, which prohibits all acts of violence and discrimination.
- **Bio Pappel Ethics Line**, as a tool to address and monitor complaints.

Our commitment to promoting gender equality and opportunities in our sphere of influence grows stronger every day, as demonstrated by our achievements in 2022:

Over the last five years, we have increased women’s participation by **35.5%**

7 work centers implemented the Mexican Standard on Labor Equality and Non-Discrimination NMX-025

We strengthened our training program on rights and diversity through our strong partnership with **CONAPRED**, the National Center for the Prevention of Discrimination

We are part of **UN Women** and support the seven Principles of Women’s Empowerment at work

During 2022, we achieved the following figures:

28%
women in our administrative team

27%
women in our operational team

10%
women on our Board of Directors



Occupational health and safety at work

Our commitment to ensuring the well-being of our employees and visitors led us to implement action guidelines, plans, and protocols to prevent any risk that could threaten their health or safety as we moved forward with our Zero Accidents goal across the company's industrial facilities.

Also, in line with our Occupational Health & Safety model, we developed several campaigns and offered training courses on this subject to ensure that our entire workforce has the knowledge and tools to prevent potential accidents and act quickly and effectively when faced with occupational risks.

\$3.29⁽¹⁾ million of dollars invested in actions reinforcing safety and security in our systems and facilities

(1) Year-end rate \$19.3615 MXN



The Health & Safety Commission and the Comprehensive Occupational Health & Safety Policy cover **100% of our employees**

Psychosocial Risk Management

We operate in positive workspaces, prioritizing our employees' health and well-being and fostering healthy relations by offering an environment free from physical and mental risks. We have implemented the following initiatives under Mexican Official Standard NOM-035 on psychosocial factors, focused on improving working conditions in all work centers:

Follow up on the action plan addressing each psychosocial risk factor

- Renew our communication strategy to disseminate **risk prevention and control measures** across the company
- Implement **in-house psychology care services** as an accompaniment measure for cases detected through the provisions established in the regulations



COVID-19 actions

Three years after the outbreak of the COVID-19 pandemic, the global environment and government protocols permitted the gradual return to the workplace. To safeguard the well-being of our entire workforce, we had to implement actions to guarantee a controlled and safe return to on-site activities, as follows:

Ongoing activities by the COVID-19 Committee to address the effects produced by the health crisis and anticipate potential risks

Development and updating of the internal protocol based on the conditions prevailing at each geographical location

COVID-19 care, follow-up, and monitoring plan

Preventive COVID-19 actions based on the provisions established by the Secretariat of Health

Communication and training campaigns focused on prevention and challenges faced in the new COVID-19 era

Work from home

Some key measures to mitigate and prevent contagion among employees included implementing a remote work system in those areas where the operation allowed it. However, towards the second half of the year, upon completion of the entire workforce's vaccination and reinforcement plan, we were able to bring them back to work under the recommendations made by the local authorities.

Communication and Training

We developed various communication and training campaigns to encourage our employees to implement preventive hygiene measures, promote the vaccination plan, and disseminate information about corporate actions to deal with the COVID-19 pandemic.



Community engagement

Consolidating close and collaborative relationships in our communities is essential to promoting sustainable development and improving the quality of life of those in them. Therefore, we continuously hold talks with the leading social stakeholders that coexist with our operation to learn about and address their needs and expectations to help them progress and grow.

We have used our Social Responsibility community engagement strategy to launch various projects and initiatives aimed at generating a positive impact and adding value in three areas:



Environmental care
and education

Community development

Education
for development

The actions we carry out through our
Social Responsibility strategy contribute to
eight Sustainable Development Goals



Environmental care and education

Caring for the environment calls for united and collaborative efforts; hence, our community programs include teaching green practices and actions to raise awareness among our stakeholders of the importance of contributing to preserving our planet and natural resources.

Working together allows us to
move toward achieving Sustainable
Development Goals



Bio Pappel Green Schools

Bio Pappel’s progress in driving and promoting a sustainable culture is consolidated through the Bio Pappel Green Schools Program, which provides advice and tools to neighboring school communities to encourage them to actively participate in actions that contribute to achieving the SDGs, thus becoming trustworthy agents of change.

Due to the health conditions experienced in recent years, we adapted our program to a digital format. We worked with teachers who impacted many elementary school students and their family members with our didactic materials created to nurture the development of recycling, biodiversity conservation, and natural resource protection projects.

28 schools engaged
in the States of Durango, Jalisco,
Oaxaca, Queretaro, Veracruz and
The State of Mexico



Schools must do the following to obtain the Bio Pappel Green School certification:

1. Form an Ecology Club involving students and parents, led by an environmental leader.
2. Create a recyclable materials collection center in the school.
3. Create social and environmental projects centered on:
 - a. Biodiversity conservation.
 - b. The efficient use of natural resources.
 - c. The creation of productive workshops that benefit the school and neighborhood communities.





Hug a tree

Large-scale paper recycling is the central axis of our sustainable business model and is the driving force behind the transition and consolidation of the circular economy in Mexico. Therefore, in 2022, from a social perspective and through the Hug a Tree Program, we advanced through the valuation of post-consumer paper and cardboard products and the separation and recovery of this material's waste.

Supported by the Bio Pappel Recycling Centers, we recovered paper from the neighboring communities to process and use as raw material to produce new products in our facilities.



272.3⁽¹⁾ short tons of paper and cardboard collected through the Hug a Tree Program

(1) 1 metric ton equals 1.1023 short ton.

We also collect materials from various institutions that significantly contribute to our goal of positioning our circular economy model everywhere we have a presence. The institutions are then rewarded with benefits in kind and a semi-annual recognition for their contribution and positive environmental footprint impact.



Reforestation: Our greatest role

Our reforestation campaigns and the adoption of trees and plants are part of the actions that allow us to fulfill our different commitments to the environment, as they engage our employees and their family members in biodiversity conservation and improved air quality.

12,108 plants/trees adopted and/or reforested through 43 reforestation campaigns in Mexico City, The State of Mexico, Durango, Jalisco, Michoacan, Nuevo Leon, Oaxaca, Puebla, Queretaro, and Veracruz



Community development



Thanks to our volunteers' talent and support, we launch various projects every year that promote community development and environmental care in the communities where we have presence.



Bio Pappel Green Summer

Another great axis of our sustainability strategy is to promote environmental education across the company through our employees' children by giving them access to various educational and cultural activities during their summer vacation while promoting family fun and interaction spaces.

The topics addressed in the 2022 Bio Pappel's Green Summer edition were aligned with our contribution to the following **SDGs**:
2 Zero Hunger and 15 Life on Land.

1,501 boys and girls participated in Bio Pappel Green Summer online edition



Taking care of my community

Contributing to the safe, inclusive, and sustainable growth of the communities near our industrial facilities is also part of the green vision we achieve by working on improvement projects to meet the community's primary needs through a group of volunteers made up of our employees and community members.

2,472 people benefitted in 33 communities:

Mexico City, The State of Mexico, Chihuahua, Durango, Guanajuato, Jalisco, Nuevo Leon, Oaxaca, Sinaloa, and Veracruz

Education for development

Convinced of the transforming power of education, specifically in the communities where we are present, we implemented social development projects to strengthen local economies and empower women while nurturing interest in sustainability among the new generations.



Productive workshops for women's empowerment

In line with our corporate values, we work hand in hand with various local institutions to create training programs to encourage women to develop their skills and learn how to start their businesses, become financially independent, and build a better future for themselves and their families.

This initiative promotes the entrepreneurial spirit and encourages women to fully engage in their community's economic growth fully.

222 women from 12 communities
in Jalisco, The State of Mexico, Veracruz, Oaxaca,
and Durango received training



School visits

Since its creation, this initiative has allowed us to bring students of different ages closer to the paper recovery and recycling processes we carry out to manufacture our products, provide them with valuable theoretical and technical knowledge through training, and interest them in the sustainability culture.

Although sanitary conditions have allowed the reactivation of visits by undergraduate and high school students to our workplaces, in 2022, we operated the program under a hybrid plan that allowed us to impact a more significant number of educational institutions.

With support from our expert personnel, we held online sessions for students at all educational levels to introduce them to our circular model, our corporate manufacturing processes, and our contribution to the environment through these operations.

3,373 students from 96 schools
participated in the program



Bio Pappel volunteering

Our Social Responsibility community engagement strategy has grown to achieve its goals thanks to the volunteers' generosity in specific projects. We recognize every volunteer for their commitment, time, and shared energy that has allowed us to improve the quality of life in our neighboring communities.



Youth in action for the Sustainable Development Goals

[3-3, 203-1]

Youth's role in sustainable development is essential to our community outreach strategy, contributing to the SDGs.

We use this program to establish strategic partnerships with universities to raise awareness about the importance of the 2030 Agenda and offer young people opportunities to access the working world, expand their knowledge, and develop new skills.

We partnered with 12 universities in 2022.

The main actions we implemented in 2022 through this program were:

Promote the participation of young students in community outreach programs and volunteering to benefit their schools

Provide learning lessons to university students, with the support of specialists from our company, on relevant topics aligned to the area of study and/or specialization









Intern and trainee job opportunities to reinforce their knowledge and develop their talent



2022 Results

[3-3]

We benefited 14,459 people. We had a positive impact on 86 communities in 16 states across Mexico

SDG	Axis	Program	Indicator	2020	2021	2022
  	Environmental care and education	Bio Pappel Green Schools	Participating schools	20	34	28
			Beneficiaries	5,236	8,826	6,891
		Hug a Tree	Short Tons ⁽¹⁾	101.4	208.3	272.3
			Institutions benefited	24	38	55
 	Community development	Bio Pappel Green Summer	Beneficiaries	1,511	1,528	1,501
		Taking Care of My Community	Beneficiaries	973	4,116	2,472
 	Education for development	Productive Workshops	Women benefited	-	140	222
			Training hours	-	1,197	852
	Bio Pappel volunteers		Visitors	84	2,940	3,373
			Corporate volunteers	2,411	3,236	2,824
			Volunteer hours	863	1,532	2,203

(1) 1 metric ton equals 1.1023 short ton.

Bio Pappel Foundation



Another axis of our sustainability strategy is the Bio Pappel Foundation. This organization plays a leading role in partnering with institutions that share our vision of the future and allow us to expand our positive impact on relevant issues such as education, inclusion, and driving the circular economy.

SER Schools

With our in-kind contribution to the SER Schools, we promote innovative and quality education models. This institution supports children and teenagers from economically disadvantaged communities.

TRAXION Foundation

We partnered with this organization to contribute to its "On the Road" for Education Program, bringing education to the most remote communities.

Coca-Cola Foundation

In coordination with their School Rain Program, we ensure drinking water supply by capturing rainwater for the Bio Pappel Green Schools in communities facing a shortage of this vital liquid.

Best Buddies Mexico

This partnership allows us to offer job opportunities to people with disabilities, thus reinforcing the values of inclusion and diversity in our company.

Chapultepec Forest Trust

We actively participate in conserving and caring for Chapultepec Park, one of Mexico and Latin America's most representative urban forests.

National Anthropology Museum

We established an alliance with what is undoubtedly one of the most important museums in the country to contribute to the care of Mexico's historical, archaeological, and cultural heritage.

Mexican Red Cross

We work hand in hand with this organization to guarantee that the Mexican population has access to the best healthcare service.



Community and industry involvement



Our Stakeholders

At Bio Pappel, maintaining constant and open communications with our stakeholders is essential to fulfilling the company's commitments and goals.

Therefore, we have procedures that allow us to identify and meet the needs and expectations of the groups involved in our operations while keeping them informed of the results achieved through our strategy.

Stakeholder	Expectations	Response/actions	Communication channels	Frequency of contact
Customers	To offer competitive and sustainable products that efficiently contribute to its and its client's success.	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.	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 Program with a focus on three main lines of action: 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
FSSC 22000:2020 V 5.1: Product and safety process
ISO 45001:2018: Occupational health and safety at work

Forest Management Merit National Award
Recognized for our process of producing 100% recycled products, developing reforestation campaigns, and our sustainability model



WORLD WILDLIFE FUND (WWF)
Environmental Paper Company Index
We are among the 35 companies in our industry that are part of this index and the only Mexican company that belongs to it



Sustainable Forestry Initiative®
Chain of Custody Certification that guarantees the use of sustainable raw materials in our products



FSC® 100% Recycled Forest Stewardship Council®
First Mexican company certified in the use of 100% recycled raw material in paper production



Program for the Endorsment of Forest Certification®
Chain of Custody Certification that guarantees the use of sustainable raw materials in our products



Pulp & Paper International Awards
Global CEO of the year Award

Recognition to our CEO for his strong leadership and drive for our sustainability model in our operations in Mexico, the United States, and Latin America
Water Efficiency Award:
Awarded for our innovative water efficiency processes
Environmental Leadership Award:
Recognition of our continuous efforts to mitigate our environmental footprint



SEMARNAT AND CESPEDS
GHG Mexico Program
For the 9th. consecutive year, we voluntarily published our emissions inventory



PROFEPA
Clean Industry



SEMARNAT
Clean Transportation



EXPANSION AND TOP COMPANIES
Super Companies



The best companies to work for



Cemefi
Socially Responsible Company



We support the United Nations Global Compact Global Compact. We belong to the Board of the Mexican Global Compact Network. We are part of The Science Based Targets initiative (SBTi)



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



CLARES
Corporate Social Responsibility Award



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



IMSS
Safe and Healthy work environments Award



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



IPADE
BUSINESS SCHOOL
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



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

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

About this Report

To achieve sustainable growth and reinforce our corporate processes, we integrate operational best practices that reflect the Bio Pappel values and support the functions of our governance structure transparently and integrally.

This document we present year after year is proof of this, highlighting our economic, social, and environmental strategies, initiatives, and actions aligned with the UN Global Compact Principles and the UN Sustainable Development Goals.

“Bio Pappel, S.A. de C.V has prepared this report regarding the GRI Standards for the January 1 to December 31, 2022 period”, with the support of McBride Sustainability, verified by Redes Sociales en Línea Timberlan, S.A. de C.V.

There was no restatement of information and we align to GRI Standards in the preparation of this document. However, since the last report published in June 2022, the following changes in operations have occurred:

We began operating our new packaging plant in Tizayuca, Hidalgo, Mexico

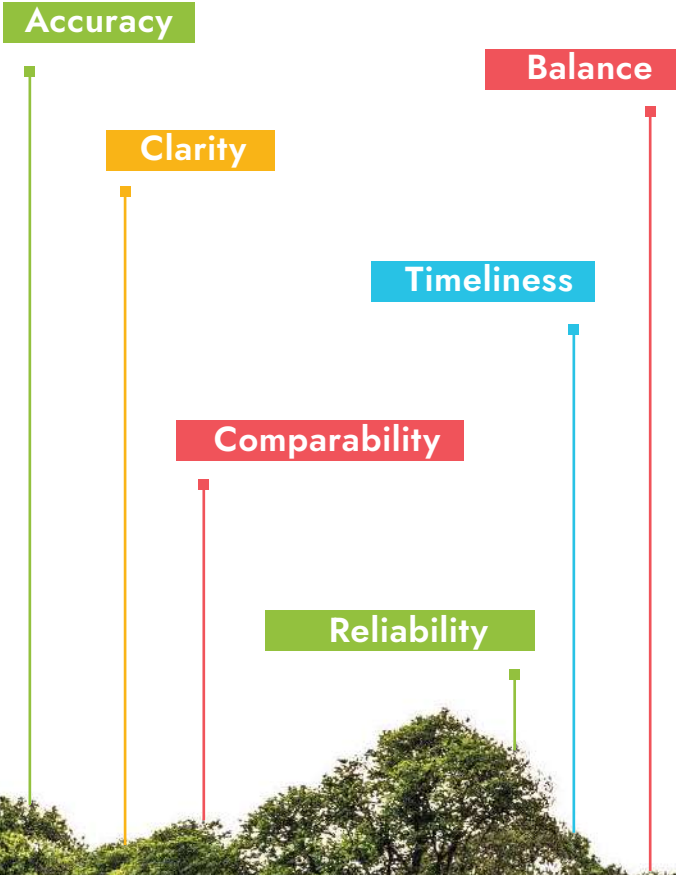
The construction of our new super packaging plant in Dallas, Texas, in the United States continues

If you wish to learn more about our initiatives, we invite you to visit our website at www.biopappel.com

Materiality

We based the preparation of this report on the results obtained in our previous Materiality study conducted in 2021, which considered our Stakeholders’ opinions and expectations, the monitoring of potential risks and regulatory changes, as well as the sustainability context in which we operate to identify the most relevant environmental, social and economic topics affecting our processes.

We applied the principle of exhaustiveness to integrate and convey the information regarding each material topic, in compliance with the quality principles listed as follows:



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	*	*

GRI Content Index



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, 2022, using the GRI Standards as a reference.

For the Content Index With Reference Pilot Service, GRI Services reviewed that the GRI content index is presented clearly, consistent with the Standards, and that references for disclosures are aligned with appropriate sections in the body of the report. The service was done on the Spanish version of the report Whit Reference Service.

GRI 1 Used: 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, 74-75 , 78 Bio Pappel Tower / Ejército Nacional 1130 Col. Los Morales Polanco, 11510, Mexico City.
2-2	Entities included in the organization’s sustainability reporting	74 Bio Pappel S.A. de C.V.
2-3	Reporting period, frequency and contact point	73 , 87 We published our last Sustainability Report in June 2022.
2-4	Restatements of information	75
2-5	External assurance	86 ,75

2. Activities and workers

		12-14, 18, 20-21, 26
2-6	Activities, value chain and other business relationships	We market our products to durable and consumer goods manufacturers, distributors, and department stores in Mexico, the United States, and Colombia, including the in-bond or maquiladora sector and exporters and consumers in Mexico. There are more than 2,460 in our supply chain. In 2022, the monetary value generated from purchasing goods and services from said suppliers amounted to \$878,031,144.2811 ⁽¹⁾ million dollars. 80% of said expenses are concentrated in the following items: fiber, cellulose, natural gas, electricity, and chemicals. In 2022, we audited 97% of suppliers as part of our fiscal supplier certification process, ensuring compliance with Mexico's tax and labor authorities. (1) Year-end rate 19.3615 MXN

GRI Standard	Content	Page / Direct answer / URL(s)
2-7	Employees	15 , 44-45 Bio Pappel does not hire non-guaranteed hour employees.
2-8	Workers who are not employees	Bio Pappel does not have contrators workforce.

3. Governance

2-9	Governance structure and composition	22-23
2-12	Role of the highest governance body in overseeing the management of impacts	22

4. Strategy, policies and practices

2-22	Statement on sustainable development strategy	4 ,5
2-23	Policy commitments	6 , 10, 24 , 26
2-24	Embedding policy commitments	24-26
2-25	Processes to remediate negative impacts	31 , 34 , 37-38 , 40-41 , 50 , 52-54
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 , 70 , 72-73

5. Stakeholder engagement

2-29	Approach to stakeholder engagement	71
2-30	Collective bargaining agreements	44

GRI 3: Material Topics 2021

3-1	Process to determine material topics	76
3-2	List of material topics	77

GRI Standard	Content	Page / Direct answer / URL(s)
Topic Standards		
Financial Results		
GRI 3: Material Topics 2021		
3-3	Management of material topics	14, 18-19
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	14, 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, 60
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	34,296,000 cubic meters of water. 2,461,7131.95 ⁽¹⁾ short tons of pulp and secondary fiber. (1) metric ton equals 1.1023 short ton.

GRI Standard	Content	Page / Direct answer / URL(s)
301-2	Recycled input materials used	32-33
301-3	Reclaimed products and their packaging materials	32-33
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 the sale of heating, cooling, and steam 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. 2.809 MWh / Ton b. Ton of paper and paper products. c. Fuels (Natural Gas, Fuel Oil, Diesel, Gasoline, Black Liquor), Electrical Power, Steam. d. Energy consumption includes consumption within the organization.
302-4	Reduction of energy consumption	a. -47% decrease in fuel oil consumption in 2022 compared to 2021. b. Fuels for fixed sources (Fuel oil). c. Base year 2021 vs. 2022. d. Fuel oil (m³). Factor: *41.2474 gigajoules /l.
302-5	Reductions in energy requirements of products and services	a. +8.5% increase of the main energy requirements for the generation of products to remain at 9,855 gigajoules/ton b. 2021 vs. 2022. c. Internal information control reports, proprietary methodologies, and international system conversion factors.
Quality of life		
GRI 3: Material Topics 2021		
3-3	Management of material topics	46-55

GRI Standard	Content	Page / Direct answer / URL(s)
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Employed Personnel: M 23.5 hours / W 15.6 hours. Unionized Personnel: M 21.9 hours / W 10.9 hours.
404-2	Programs for upgrading employee skills and transition assistance programs	48-49 The company does not have transition programs for retirees or employees laid off.
404-3	Percentage of employees receiving regular performance and career development reviews	46-47 Of the 15% of employees who underwent performance evaluations, 81% are men, and 19% are women. According to their job categories: 3% Senior Management, 3% Middle Management, 18% Managers, 7% Assistant Managers, 48% Department Leads, 17% Coordination and 4% AAA.
Organizational culture		
GRI 3: Material Topics 2021		
3-3	Management of material topics	6, 10, 24-25, 50-51
Gender equality		
GRI 3: Material Topics 2021		
3-3	Management of material topics	50-51, 65
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	50-51 a. Diversity in governing bodies of Employees Under 30: M 0% / W 0%, from 30 to 50: M 30% / W 0%, over 50: M 60% / W 10% b. Workplace Diversity Employed Personnel: Under 30: M 14% / W 9%, from 30 to 50: M 39% / W 16%, over 50: M 19% / W 3% Unionized Personnel Under 30: M 23% / W 8%, from 30 to 50: M 35% / W 15%, over 50: M 15% / W 4%
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	25

GRI Standard	Content	Page / Direct answer / URL(s)
Social license		
GRI 3: Material Topics 2021		
3-3	Management of material topics	15, 56-59
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	59-61, 63, 65-66, 68-69 No real or potential negative impacts derived from the community programs carried out in 2022 were identified. Investments in social projects in 2022 amounted to \$406,438.46 ⁽¹⁾ dollars, including cash and in-kind resources. (1) Year-end rate 19.3615 MXN.
GRI 413: Local Communities 2016		
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	70
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.

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, 23-26, 50, 52, 70
	2	Businesses should support and respect the protection of internationally proclaimed fundamental human rights within their sphere of influence.	
	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	44
Labour	4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	22, 24-26, 44, 50, 53, 63, 66, 68, 70
	5	Businesses should uphold the effective abolition of child labor.	
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	

Areas		Principles of the Global Compact	Page consulted
Environment	7	Businesses should support a precautionary approach to environmental challenges.	12, 31-32, 34, 37-38, 40-41, 59-61, 66, 68, 70
	8	Businesses should undertake initiatives to promote greater environmental responsibility.	
	9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	12, 31, 35, 38, 40
Anti-Corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	6, 23-26



Verification Letter



2022 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* was contracted to perform a limited, independent and objective verification of a sample of GRI Standards Disclosures, detailed in this letter and published in the 2022 Sustainability Report.

Responsibilities, criteria and scope:
Bio Pappel's Management is responsible for preparing and publishing the information contained in the "2022 Sustainability Report", which implies, in a more limited manner: the process of selection of the material topics, GRI Disclosures report and the quality of evidence provided during the verification process.

Our mission is to issue impartial opinions about the certainty, traceability and reliability of the GRI Disclosures selected in the sample to verify, published in the "Sustainability Report 2022". Our work is based on the activities of the International Standard on Insurance Work (ISAE 3000). On the other hand, a review was made on the methodological compliance of the "2022 Sustainability Report" with reference to the GRI Standards.

The scope of our work covered the results of Bio Pappel's operations, facilities and companies (Mexico, United States and Colombia); corresponding to the period from January 1st to December 31st, 2022.

Among the activities carried out during the verification process are listed:

- Validation of information presented in previous reports,
- Review of methodological compliance of GRI Standards,
- Verification of qualitative and quantitative data by means of visual evidence, documentary and public sample of selected GRI Disclosures,
- Quantitative data analysis.

Based on the procedures carried out during the verification and the evidence provided, we can conclude that no evidence was found to suggest that the data published in the "2022 Sustainability Report" selected in the "Verified GRI Disclosure Sample" are not true.

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

Verified sample of GRI Disclosures		Scope
2-1	Organizational details	Bio Pappel
2-2	Entities included in the organization's sustainability reporting	Bio Pappel
2-3	Reporting period, frequency and contact point	Bio Pappel
2-4	Restatements of information	Bio Pappel
3-2	List of material topics	Bio Pappel
Environmental		
301-2	Recycled input materials used	Bio Pappel
302-1	Energy consumption within the organization	Bio Pappel
Social		
2-6	Activities, value chain and other business relationships	Bio Pappel
2-7	Employees	Bio Pappel
2-28	Membership associations	Bio Pappel
203-1	Infrastructure investments and services supported	Bio Pappel
404-3	Percentage of employees receiving regular performance and career development reviews	Bio Pappel
Governance		
2-26	Mechanisms for seeking advice and raising concerns	Bio Pappel
2-27	Compliance with laws and regulations	Bio Pappel
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Bio Pappel

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Declaration of independence and competence of Redes Sociales en Línea Timberlan:
Redes Sociales en Línea Timberlan's collaborators have the necessary level of competence to verify compliance with standards used in the preparation of sustainability reports, so they can give a professional opinion of non-financial reporting, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification declaration be understood as an audit report so 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 **April 26, 2023** and is valid as long as no further substantial modifications to Bio Pappel's "2022 Sustainability Report" are made.

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