



CREATE A BETTER TOMORROW

Our sustainability roadmap
for 2021 and beyond

WORK SMARTER | ACT RESPONSIBLY | OPTIMIZE DESIGN



APPVION

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We are committed to Create a Better Tomorrow

We are doing our part to create success for brand owners and manufacturers by designing and delivering sustainable solutions. Our responsible and innovative approach meets evolving objectives for sustainability.

For nearly 115 years, Appvion has created value for our customers by developing and applying proprietary coating technologies. We have a long history of prioritizing the sustainability of both the products we make and how we make them.

Today, we are positioned to be a world-class provider of innovative and socially responsible engineered material solutions that address the anticipated needs of the global market. We are among the few specialty coating companies to employ phenol-free, sustainable, recyclable, and biodegradable coatings. We pride ourselves on our proprietary coating formulations that solve customer and market needs in an environmentally acceptable manner.

Sustaining our environment is key to our future success, and we believe there is a clear link between the incorporation of ESG criteria into strategy and long-term corporate performance. In 2021 we released our first ESG Report, which highlights many of our outstanding achievements, and now we are very proud to be launching our 2030 sustainability strategy, incorporating three clear objectives: Work Smarter, Act

Responsibly, and Optimize Design. Our commitment to strong corporate governance and ethics helps ensure that we have the oversight and accountability to manage our framework and follow through on our commitments.

Our sustainability targets address global issues of critical importance, including doing our part to address climate change by reducing our greenhouse gas emissions, minimizing our waste, and accelerating development of sustainably advantaged products. We are also building additional momentum by enhancing our culture of inclusion, diversity, and equity; continuously improving our occupational health and safety metrics; and strengthening our engagement with communities where we operate around the world.

We are very proud of our team and how we have successfully created a stronger, more sustainable Appvion. In the pages that follow, we invite you to read about our 2030 commitments to **Create a Better Tomorrow** for our company, communities, and planet.

We are among the few specialty coating companies to employ phenol-free, sustainable, recyclable, and biodegradable coatings. We pride ourselves on our proprietary coating formulations that solve customer and market needs in an environmentally acceptable manner.



Sustainability at the forefront of our operations, value chain, and products

Going into 2022, we set sail to our new 2030 sustainability targets and have worked diligently during the year to start implementing them across our businesses. We play an important role in our customers' sustainability efforts, and the choices we make directly impact our role as a trusted partner.

There is no unique formula for sustainability and environmental responsibility. It is a matter of culture; making the right operational decisions today so that our company can succeed without compromising the ability of future generations to do the same. When sustainability is the focal point for how a company does business, it can be a source of opportunity, innovation, and competitive advantage. I am excited to be with Appvion on this journey as we put sustainability at the forefront of our business decisions.

As we reflect on our journey and our impact, there are many things to be proud of and even more ahead to challenge and excite us. What began with a focus on footprint reduction quickly expanded to designing and manufacturing products with

differentiated sustainability attributes. Since then, we have collaborated with customers and suppliers for an even more significant impact and broadened our scope to include safety, wellness, community engagement, inclusion and diversity, and most recently, circular economy.

Our employees are critical to this effort. We will continue to engage them at all levels to help drive ESG goals and Key Performance Indicators (KPIs) throughout the company and improve our understanding of data, gaps, and decision-making.

Our commitment to sustainability not only provides us with a competitive advantage in a market demanding sustainable solutions, but it sets us on a path for future investment and growth for the benefit of all



of our employees and the local communities where they live and work. We understand that sustainability is vital to our co-workers, customers, investors, and community, and sustainability has been and will remain an essential part of our continued success.

As we continue to transform sustainability at Appvion into a lens for all our activities, we are proud of our progress and believe we are moving in the right direction.

Michelle Miller
Chief Sustainability Officer

Our three objectives



Work Smarter

We have a responsibility to use as few resources as possible, as efficiently as possible. That's why we are focused on using less energy, cutting carbon emissions and ending landfill.

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Objective 1

Act Responsibly

Acting responsibly at all times is a cornerstone of our culture. We will continue to do an even better job of keeping our people safe, while we focus on engagement, and on becoming a more diverse company.

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Objective 2

Optimize Design

By 'optimizing design' we will reduce waste, and do more with less. This objective commits us to using more renewable material, closing the loop, and taking every opportunity to make our solutions recyclable.

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Objective 3

Work Smarter

We have a responsibility to use as few resources as possible, as efficiently as possible. That's why we are focused on using less energy, cutting carbon emissions, and diverting from landfill.

Target I

Implement climate solutions

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Target II

Improve material efficiency

See page 8 >

Target III

Use water responsibly

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Target I

Implement climate solutions

Reduce Scope 1 and Scope 2 GHG emissions per finished good ton product by 30% by 2030 from a 2018 base-year, and to measure and reduce our Scope 3 emissions.

Climate change is one of the most fundamental challenges ever to confront humanity, and its impacts are already showing and will intensify over time if left unchecked. There is an urgent and growing need globally for sustainable products, which is backed by consumer-driven demand that companies take responsibility for their environmental footprint, including their impact on climate change. We are committed to improving the energy efficiency of and reducing emissions associated with our operations.

Appvion has been tracking our Scope 1 and 2 emissions since 2005 and have a few Scope 3 emissions quantified. Scope 1 GHG emissions are direct emissions from owned or controlled sources. Appvion's Scope 1 direct emissions primarily stem from natural gas. Scope 2 GHG emissions are indirect emissions from the generation of purchased energy.

Scope 3 GHG emissions are all indirect emissions in a company's value chain, including upstream and downstream emissions. At this time, Appvion only calculates emissions related to business travel. We understand we need to measure further and are committed to investigating our full impact.

Because absolute GHG emissions only tell a partial story about our corporate carbon footprint and can be quickly impacted by factors such as changes in production volumes, we rely on GHG emissions intensity as a more relevant indicator of performance and progress. We calculate GHG emissions intensity by dividing absolute GHG emissions by total finished goods tons.

Our baseline year for our reduction goal is FY2018 at 0.4902 metric tons of GHG per finished good ton (FGT). Due to multiple business changes over the last three years, Appvion's fixed gas and electrical usage were spread over fewer produced tons causing our GHG intensity to increase. Appvion has identified specific plans to work towards improving our energy intensity as well as GHG emissions reduction. These plans include:

- continued capital investment to update our current assets to improve energy efficiency
- exploring options renewable energy resources for on-site energy production



- investigating renewable energy credits and purchasing programs
- emission offset programs

Appvion is committed to climate action. Doing nothing will cost us more than if we take steps now that will lead to greater prosperity and better lives for all while reducing greenhouse gas emissions and building climate resilience. Achieving our goal will require extensive internal and external collaborations. By addressing climate change, we can create a sustainable world for everyone.

Target II

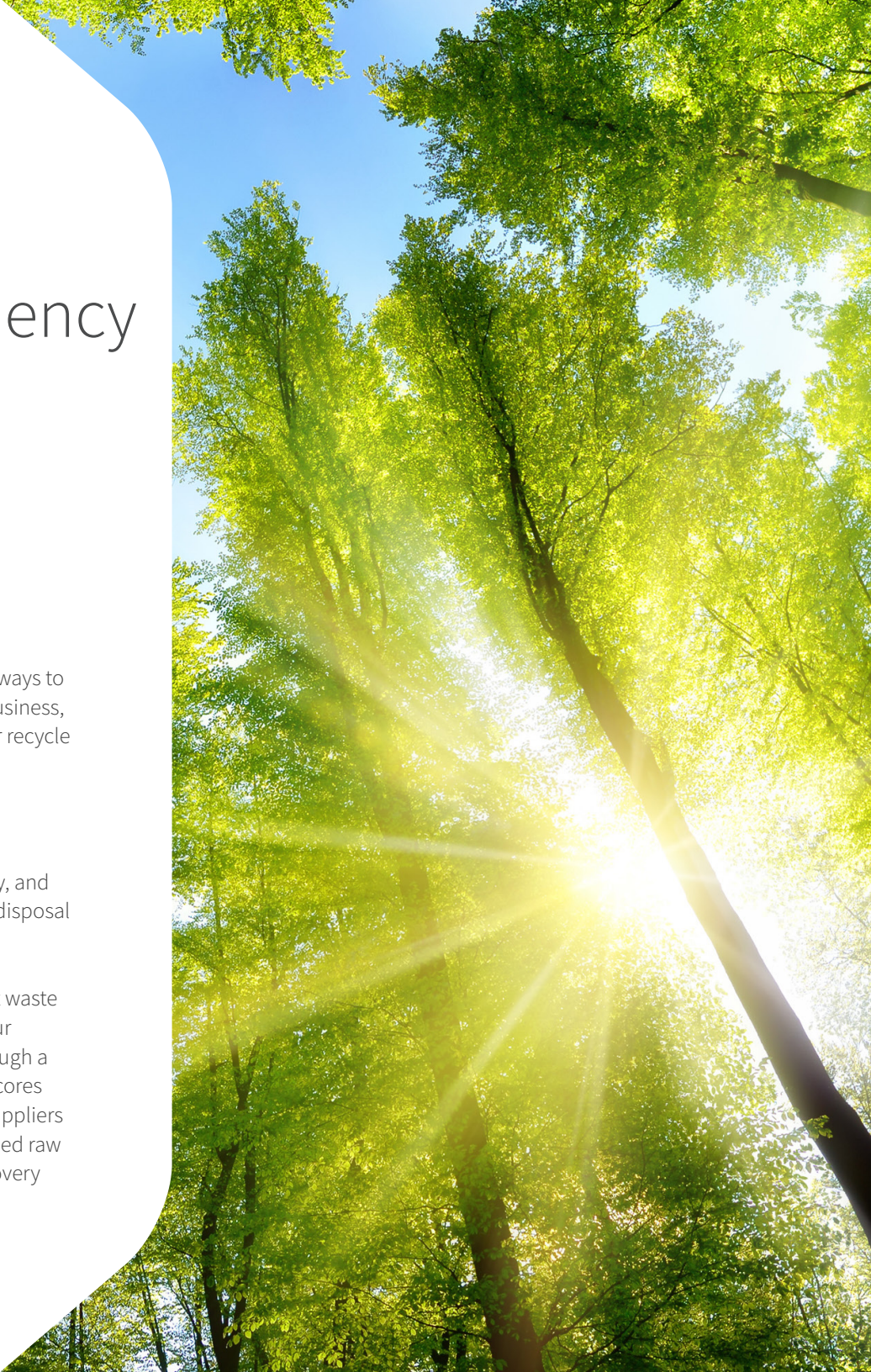
Improve material efficiency

Achieve 99% diversion from landfill or incineration without energy recovery.

True to our continuous improvement culture, Appvion focuses on optimizing efficiency within our operations and reducing our environmental footprint. Our employees are continuously finding ways to improve our waste management throughout the lifecycle of our business, including finding ways to reduce waste in the first place or reuse or recycle materials.

We investigate each waste we generate to determine the potential disposal methods. Potential disposal methods include landfilling, recycling, return or reuse programs, beneficial use, waste to energy, and incineration. We track all waste generated at our facilities and the disposal methods to calculate our diversion rate.

In 2020, our company diversion rate was 97%. Our most significant waste was partly or fully manufactured paper or board discarded from our converting process. This waste is 100% diverted from landfills through a recycling program and turned back into usable paper. Cardboard cores and roll plugs are also collected and recycled or returned to our suppliers for reuse. The remainder of the undiverted waste in 2020 was unused raw material or coating waste sent for incineration without energy recovery and general trash sent to the landfill.



Target III

Use water responsibly

By the end of 2022, we will complete the following and develop a 2030 goal:

- water balance calculation that identifies all water usage and flow
- watershed identification, analysis, and impact for our Appleton, Wisconsin manufacturing facility
- water risk/opportunity analysis taking into account quantity, quality, watershed, and stakeholder input

Access to water, sanitation, and hygiene is a human right. The demand for water has outpaced population growth, and half the world's population is already experiencing severe water scarcity at least one month a year. We recognize that water is a crucial and finite resource that should be conserved wherever possible.

Appvion currently measures water use relative to the tons of paper we produce, and we monitor



trends to assess usage patterns. In addition, we monitor KPIs for water quality and the cost of water treatment. Our 2030 goal is to complete a full water balance of our operations and conduct a water risk assessment to fully understand the cost of our water utilization and make more informed business decisions.

Once we have a clear understanding, we can set quantifiable goals and report on our progress towards them. These goals could reduce consumption, protect local water resource quality, or improve efficient water usage and closed water loop systems. Developing sustainable water management practices is critical to our business, and establishing a long-term vision for water is a crucial part of our water management strategy.

Act Responsibly

Acting responsibly at all times is a cornerstone of our culture. We will continue to do an even better job of keeping our people safe, while we focus on engagement, and on becoming a more diverse company.

Target I

Achieve vision of zero injuries

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Target II

Ensure a diverse and inclusive working environment

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Target III

Attract and engage key talent

See page 13 >

Target IV

Serve as good neighbors

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Target I

Achieve vision of zero injuries

Maintain an OIR rate below the world class rate of 1.0 with a mission of achieving zero injuries.

The safety and health of all our employees is a top priority. We want everyone who works with Appvion to come to work healthy, go home healthy and retire healthy. Safety at Appvion goes well beyond compliance with regulations—we put people first and ensure the safety of our team members above all else.

We give our employees the tools, training and resources needed to ensure their safety, promoting a culture that values safe behavior in all of our actions. We believe a safe and secure workplace is a fundamental right—and fundamental to our success. In recent years, we have made good progress toward our mission of zero work-related injuries and illnesses for employees and contractors.



Our OSHA recordable incident rate (OIR) and lost-time rate (LTR) continue to be well below the industry average. In 2020, our OIR was 0.45 and our LTR was 0.22. Appvion has done this by implementing:

- Annual Safety Management System (SMS) evaluations
- A Health and Safety Team consisting of hourly and management employees
- Introducing safety topics at daily glass wall meetings
- A dedicated Union Safety Advocate
- Weekly safety Root Cause Analysis (RCA) reviews for all safety incidents
- Weekly leadership report out meetings on safety
- 3rd party consultant for how to improve our SMS evaluation score

Our team members are a key component in driving continuous safety improvement at our locations. Through active team member engagement and management commitment to safety, team members are able to participate in identifying safety issues and implementing solutions to improve their work areas.

Target II

Ensure a diverse and inclusive working environment

Increase women in management roles to 50%.

Meet annual Affirmative Action Plan goals for hiring and promoting persons of minority status.

Appvion is creating an inclusive work environment that is flexible and inspires innovative solutions, business results, and lasting relationships with our people. We seek to empower all employees to contribute their best confidently. A diverse and inclusive culture propels our ability to serve our customers and creates a competitive advantage for the company. Our commitment to diversity and inclusion is reflected in the definitions of our core values, which dictate behavioral norms. These behavioral expectations are measured as part of our employees' annual performance review.

Appvion has set a goal to increase women in management roles to 50% by 2030 and meet the annual hiring and promotion goals for minorities through our Affirmative Action Plan. Our goal is to create an inclusive environment by engaging diverse talent and influencing recruitment, development, advancement, and retention. We will educate, promote, and encourage diversity and inclusion while advocating for the business benefits and raising awareness of the issue.

These actions, as well as our environment, are designed to develop and promote increasing and robust engagement of all Appvion employees.

Target III

Attract and engage key talent

100% salaried and hourly office employees participating in the Employee Development Plan (EDP) process.

Create and deploy an employee engagement survey program.

We are committed to creating an engaging and rewarding employee experience. We know that engaging and developing our employees results in greater job satisfaction and performance. It also helps us solve ongoing business challenges by having individuals with unique talents, ideas, and experiences at the table.

The Appvion Employee Development Plan (EDP) process is one way Appvion engages and develops employees. The EDP process is an organized, formalized effort designed to balance an individual's personal and professional growth and the company's workforce requirements. It is an opportunity for employees to take ownership of their growth at Appvion and is a vehicle to assist Appvion



in developing an exceptional team of employees. The process defines both employee and manager responsibilities and guides the employee through identifying annual goals that enhance their skills. Appvion's 2030 goal is to have 100% salaried and hourly office employees participate in the Employee Development Plan process. This goal allows Appvion to retain top talent and motivate high performance by providing on-the-job training and continual advancement opportunities to grow rewarding careers.

We also plan to create and deploy an employee engagement survey program. Our objective is to measure our success as an employer and our progress in safety, diversity and inclusion, employee development, and community outreach targets. The engagement program allows us to monitor long-term trends in engagement with our employees and enable continuous development of our workforce. The outcomes of the survey support our leaders in constructing plans to drive engagement within the organization.

Target IV

Serve as good neighbors

Measure and report on our charitable support for veterans, family support systems, and environmental causes in our communities.

The success of Appvion is not possible without the vitality of our local community where we operate. Our employees dedicate their time and talents to improve the communities in which we live and work. Driven by our core values, making a difference for our customers, consumers, and community is at the root of our community engagement strategy.

We focus on four key areas for our community service activities and philanthropic commitments:

1. Community development
2. Education
3. Environmental stewardship
4. Health and human services



Our people are what make Appvion special, and we are deeply committed to building not only a company but also a community that connects us — and a purpose beyond our business. Together, we make a positive impact on the communities we are proud to call home. We engage with organizations in the communities where employees live and work, creating a workplace that provides networking, volunteering, and personal development opportunities.

Optimize Design

By ‘optimizing design’ we will reduce waste, and do more with less. This objective commits us to using more renewable material, closing the loop, and taking every opportunity to make our solutions recyclable.

Target I

Accelerate innovative and sustainable solutions

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Target II

Promote responsible design

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Target III

Add value through responsible supply chain practices

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Target I

Accelerate innovative and sustainable solutions

Achieve 100% of new product or technology developments meeting Appvion's Sustainable Product Standard*.

Sustainable innovation is not new for us. For decades, Appvion's research, growth, and development teams have been integrating sustainable thinking into our designs, providing consumers with more environmentally and socially favorable choices.

Although we have made great strides, we are raising our bar on sustainable product design because how we impact consumers' everyday life is determined during product development. We must consider our products' lifetime impacts more closely to meet our long-term sustainability goals and provide consumers with better choices.

Our goal is to develop a process that challenges and aligns the organization with looking beyond established business boundaries, develop a proprietary view of the future, and generate a

portfolio of breakthrough, high-margin business growth opportunities.

We are committed to achieving 100% of new product or technology developments meeting Appvion's Sustainable Product Standard, as defined below.

*Appvion's Sustainable Product Standard offers meaningful environmental and social improvements to help customers and brand owners achieve their sustainability goals. Every new product or technology development will meet **at least one aspect** of six sustainability criteria:

- **End of Life:** Contributes to the circular economy model
- **Sustainable Sourcing:** Increases recycled, renewable, certified forest content, or biodegradable content
- **Product Design:** Reduces or eliminates raw material or substances of concern
- **Material Reduction:** Contributes to resource conservation or material usage reduction
- **Societal Benefit:** Provides an improved safety, health, or economic benefit
- **Life Cycle:** Enhances supply chain efficiencies through improved carbon footprint



Target II

Promote responsible design

Achieve 100% of new product or technology developments receiving a formal and documented Product Stewardship Review.

Product stewardship is the act of minimizing the health, safety, environmental, and social impacts of a product and its packaging throughout all lifecycle stages while also maximizing economic benefits. Manufacturers have the most significant ability, and therefore the greatest responsibility, to reduce their products' environmental and social impacts. By rethinking our products, supply chain relationships, and customer needs, we are dramatically increasing our productivity, reducing costs, fostering development and market innovation, and providing customers with more value at a lower environmental impact.

Appvion has a product safety review platform where reviewers assess any risks or opportunities related to environmental, product safety, market trends, occupational safety, industrial hygiene, and overall product development sustainability.



The review is complete by designated regulatory, environmental, safety, and sustainability experts in the organization, and outside consultation may provide input at specific times. The process occurs for each product or technology development, but it is not always formally documented.

Appvion aims to enhance its current review process to ensure we have standardized outputs for each review that the business units can use long-term to compare developments and their strengths and opportunities in each stewardship attribute. We plan to accomplish this by creating a set of formalized documents for the requester and reviewers and developing and training a core review team. Project team leaders will understand their responsibilities under the review process and ensure full engagement throughout the product development stages.

Target III

Add value through responsible supply chain practices

Engage 100% of our direct suppliers on sustainable business practices.

A sustainable and sound business will only be achieved if the entire supply chain works in harmony with shared values and frameworks. We are committed to working with suppliers to uphold our commitment to human rights, worker safety, anti-corruption, and environmental protection.

Appvion's three main sourcing groups are fiber, film, and chemical raw materials. Chemical raw materials are made into coatings to coat the fiber and film. Our partnerships with suppliers are based on mutual value creation and a reliable supply of raw materials, technical goods, and services at competitive prices.

We define our expectations of suppliers in the Supplier Code of Conduct, and the document indicates our support for them in carrying out

our requirements. We count on reliable supply relationships and work to ensure our suppliers' contribution to sustainable development is visible to us.

We actively promote sustainability in the supply chain and have set ambitious targets for this. By 2030, we aim to engage 100% of our spend of direct suppliers on sustainable business practices. We plan to use a variety of methods to engage with suppliers to manage their impacts proactively:

- Annual supplier sustainability surveys
- Contracts containing a commitment to the **Supplier Code of Conduct**
- Auditing programs
- Supplier scorecards
- Educational and awareness communication
- Joint development plans or projects

We believe that keeping a competitive edge means aligning ourselves with suppliers who provide exemplary services to their customers.



Doing our part in sustainability

Aligning our actions to support sustainable development

One way Appvion benchmarks and focuses our sustainability strategy is by mapping it against external sustainability frameworks. In addition to our alignment with the Sustainability Accounting Standards Board (SASB) frameworks, we are also aligned with several of the United Nations Sustainable Development Goals (SDGs) and their associated targets.

The United Nations launched the Sustainable Development Goals (SDGs) in 2015 with ambitious targets to address major global issues – from gender equality to tackling climate change.

We have identified the 10 key areas where we believe our people, our expertise, and our sustainable portfolio of products can have the most significant impact.

By working smarter, acting responsibly, and optimizing the design of our products, we believe we are doing our part to make a positive impact long-term and to deliver sustainable solutions.

SUSTAINABLE DEVELOPMENT GOALS



Questions?

We're hard at work to
Create a Better Tomorrow,
and we would love to
hear from you.

Connect with us at
mmiller@appvion.com

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