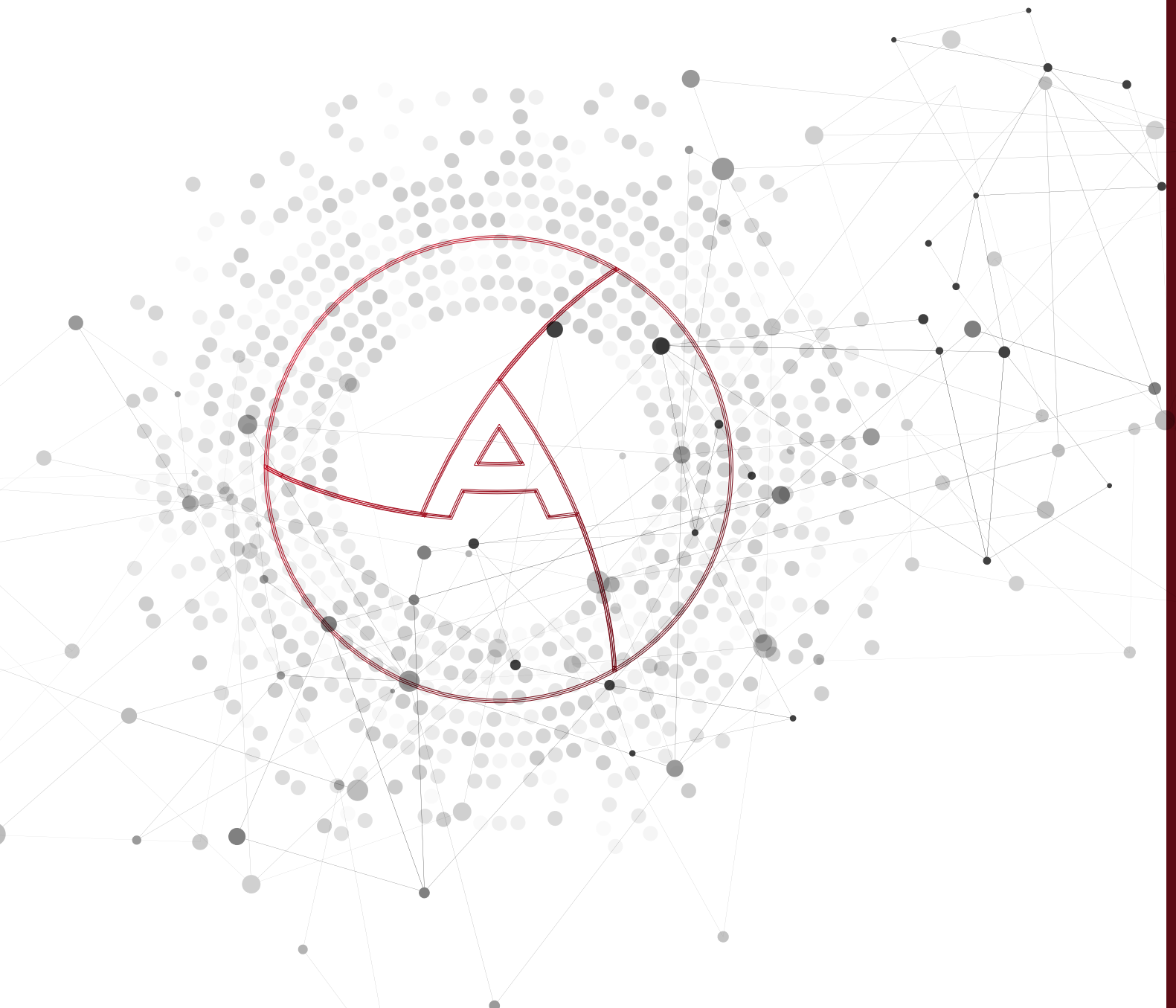


Sustainability Report

Reporting Period:
January - December 2023



About Us

Appvion is the North American leader in specialty coatings for thermal label and film applications. Founded in 1907, we innovate sustainable coating solutions used in various tickets, tags, labels, and packages that consumers interact with daily. Our proprietary processes ensure reliable barcode scannability and consistent image quality across applications.

As part of the M2S Group, Appvion benefits from a strong culture and dedicated team members who deliver market-leading brands and world-class manufacturing. We are committed to team member development, business growth, and market leadership. We focus on providing exceptional value to our team members, customers, and stakeholders while driving innovation. Our vision, "Exceptional people driving 2x growth...buckle up!", guides our decisions as we strive for a positive impact and a sustainable future.

- 356 employees
- 65 different products
- 65+ awarded and pending patent applications
- 3 distribution sites globally
- 1 Million square feet of production space



Values

Growth Focused:

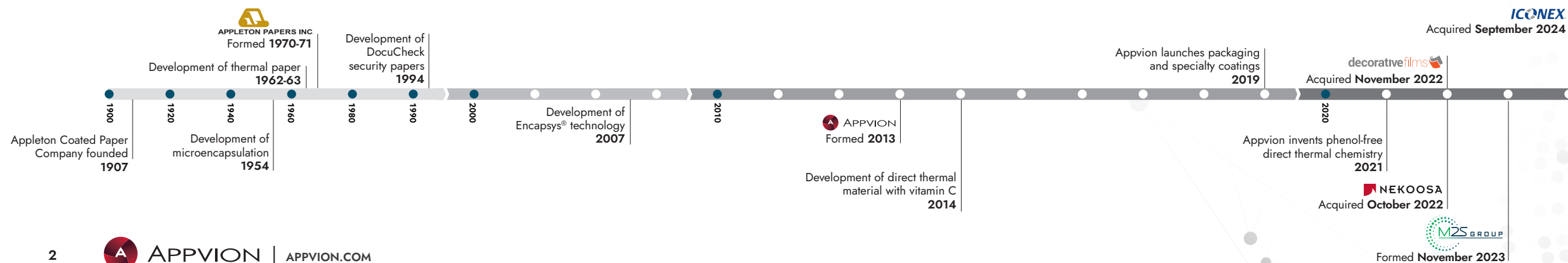
- Agile
- Curious
- Innovative

Be Authentic:

- Different
- Honest
- Respectful

Win Together:

- Accountable
- Empowered
- Partnering



Sustainability At Appvion

At Appvion, sustainability is the core of our business strategy. We are committed to creating innovative, sustainable solutions that benefit our customers, communities, and the environment for future generations.

“Our company is integrating sustainability as the focal point for our business strategy so we can be the best company possible for all our stakeholders. We are committed to invest and take deliberate actions to keep our team members safe and healthy, minimize environmental impacts from our operations, and make our communities better places because we are a part of them.”

– Paul Charapata, CEO



This Report

This report reflects Appvion's ongoing commitment to transparency and disclosure regarding environmental, social, and governance (ESG) factors pertinent to our stakeholders and business operations. Unless otherwise specified, the data presented pertains to the 2023 calendar year and covers Appvion's operational facilities. This report has been prepared in accordance with the Sustainability Accounting Standards Board (SASB).



Our Approach

In 2024, Appvion collaborated with the Wisconsin Sustainability Business Council (WSBC) to assess and update the key sustainability issues most important to our stakeholders and business. The insights gained from this process have shaped our approach and reinforced our commitment to sustainability across three core pillars: Accountability, People, and Leadership.

Accountability

We hold ourselves accountable for our actions and to our stakeholders. We evaluate the sustainability impact for business decisions and routinely monitor our key sustainability metrics.

We are committed to:

- Quantifying the sustainability impact from our business.
- Achieving sustainability metrics.
- Incorporating a sustainability review process for new capital expenditures and product development projects.

People

Taking care of our team members and communities is a cornerstone of our culture. We prioritize safety, foster engagement, and strive to become a more diverse company.

We are committed to:

- Achieving the vision of zero injuries – always.
- Providing a diverse and inclusive work environment.
- Attracting and engaging key talent.
- Serving as good neighbors.

Leadership

As industry leaders, we are focused on optimizing design to offer more sustainable solutions to our customers. We believe that educating stakeholders on sustainability is key to driving meaningful change.

We are committed to:

- Accelerating innovative and sustainable solutions.
- Promoting responsible design.
- Providing resources and educating stakeholders on the meaning and impact of sustainability.



We Are Accountable

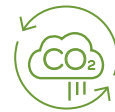
We are accountable for our environmental footprint. We identified greenhouse gas emissions, water usage, and waste management as material considerations integral to our sustainability and business strategy.

17% less natural gas used in 2023 compared to 2022

6% less electricity used in 2023 compared to 2022

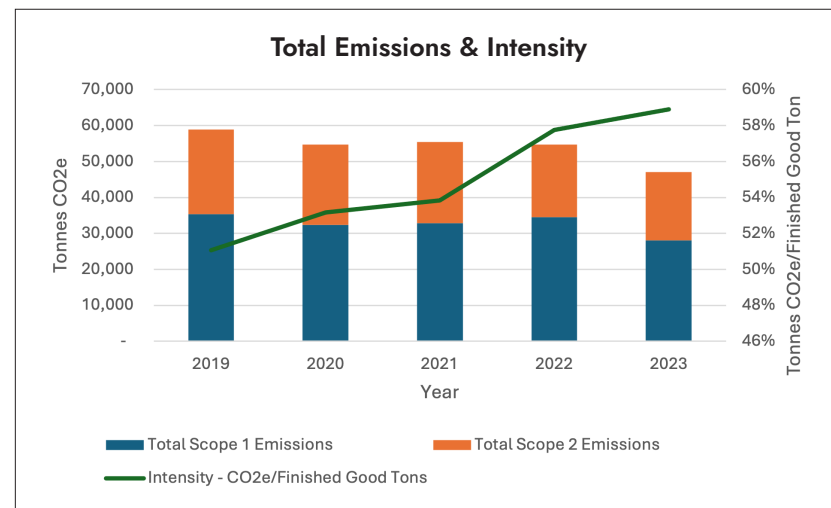
24% less water used in 2023 compared to 2018

14% less Scope 1 and 2 emissions in 2023 compared to 2022



Greenhouse Gas Emissions

Reducing greenhouse gas emissions is our top priority. Since 2018, we've steadily reduced Scope 1 & 2 GHG emissions. We are taking action to reduce our normalized emission targets.



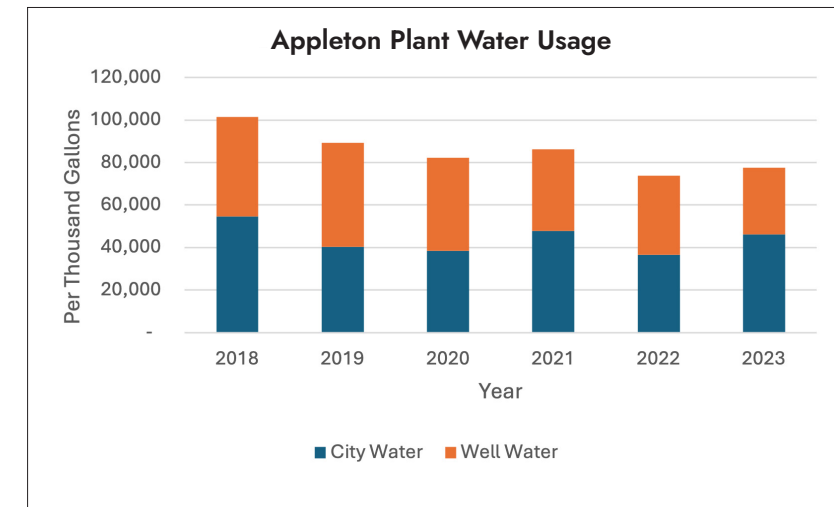
Product	Kg CO2e/metric ton
Wavex PD	3,072
Resiste 185-3.2	3,236
Alpha 185-3.2	2,314

Appvion completed a carbon profile for three of our thermal grades, encompassing Scope 1, 2 and 3 emissions.



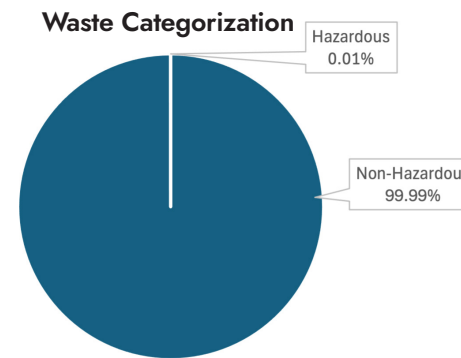
Water

Ensuring responsible water use and proper wastewater treatment protects our surrounding environment.



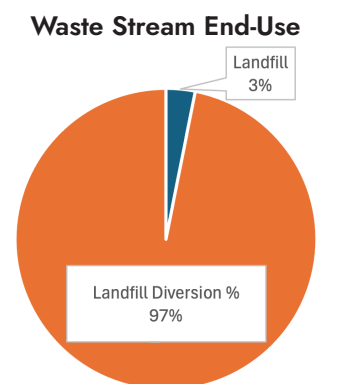
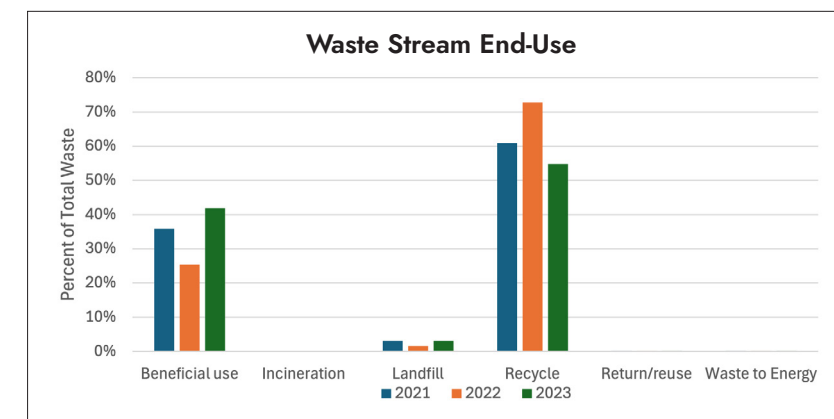
Hazardous Waste Management

Hazardous waste continues to be a negligible portion of our total waste.



Landfill Diversion

Diverting waste from the landfill is incorporated into our team members daily responsibilities.



Reduced Carbon Emissions Through Improved Cooling System

We continuously track and evaluate carbon reduction and environmental improvement opportunities. We recently identified that upgrading our hydro-fluorocarbons (HFC) cooling system to a more efficient chilled water system would result in significant environmental improvements.

Annual Savings:

- 653,506 kWh
- 8,078,173 gallons of water
- >\$161,000
- 459 metric tons of CO2e

We Invest In Our People

We provide our team members with opportunities to learn and grow so they can build valuable careers. To do this, we offer a wide range of assessments and programs that embrace challenges, encourage team member development, and help instill an ownership mentality.

- **Team Member Benefits & Recognition:** Appvion offers 401k match, scholarships, tuition reimbursement, referral bonuses, quarterly/annual bonus programs, and company ownership opportunities to recognize and reward contributions.
- **Employee Development:** We empower employees to higher levels of success and fulfillment in their personal and professional lives through our training programs, developing skills to achieve meaningful connection, team alignment, and strategic innovation.
- **Performance Management:** Through our performance management program, leaders are accountable to facilitate weekly check-ins, monthly coaching, and goal tracking to ensure team members benefit from transparent communication, ongoing support, and personalized coaching and development.
- **Leaders for Tomorrow:** An active employee-led community of 20+ emerging leaders across M2S companies is focused on skill enhancement, mutual support, mentorship, leadership, and community impact.

100%
of office team members are included in coaching programs

90%
of Appvion employees attended the DISC behavior training workshop

80%
of Appvion employees took the DISC behavior and driving forces assessment

Safety And Wellness Is A Top Priority

We have implemented comprehensive safety and wellness programs designed to protect our team members, promote health, and cultivate a positive work environment.

	Safety	Wellness
Our mission	SAFETY FIRST <i>Always</i>	Support holistic well-being through resources and incentives for physical, mental, social, and financial health
Training Platform	Web-based learning platform	Mobile app and website
Participation	Quarterly participation booklet	Quarterly challenges
Incentives	Quarterly payouts for safety participation	Participation payouts to team members and spouses
Additional	Annual safety fair	Onsite nurse, onsite fitness center, and annual health risk assessments with coaching

GOAL: 100% Participation

Diversity And Inclusion

We are committed to building a team that represents a variety of backgrounds, perspectives, and skills. Our goal is for all teammates to contribute at their highest level and advance in their careers. We recognize that for this to happen everyone needs to be fully accepted and have equal access to opportunities.



40% of office-based roles at Appvion are held by women.



11% of production-based roles at Appvion are held by women.



Within **10%** alignment with the city of Appleton's racial and ethnic demographics.



Thriving Communities

We aim to act in ways that mutually benefit our communities and strengthen the businesses and families within them. By creating economic opportunities, supporting local causes, and volunteering our time and resources, we seek to add value to our communities.

- Team members receive 8 hours of paid time off annually for volunteering.
- The Appvion leadership team coordinates quarterly community involvement projects.
- Team members fundraise and gather donations for local programs throughout the year.

Community Contributions from Appvion and M2S Company

- American Cancer Society
- Appleton Education Foundation
- Appleton Library
- Boy Scouts of America
- Boys and Girls Club
- Feeding America
- Paperfest
- Saving Paws Animal Rescue
- Scholarships
- Soldiers to Sidelines
- Synergy Fields LLC
- Waupaca School District
- YMCA - Greater Green Bay





We Are Leaders

As industry leaders, we focus on designing sustainable solutions for our customers.

EarthChem™ Portfolio

- The EarthChem™ portfolio is home to innovative, environmentally friendly products designed to create a better tomorrow. Products in the EarthChem™ portfolio have a unique, patent-pending direct thermal coating design, which produces heat stable, high-performing products consistent with our commitment to develop innovative chemical solutions that enhance paper performance and minimize environmental impact.

Each product in the EarthChem™ portfolio must fall within 2 or 3 pillars:



Sustainable
Chemicals



Sustainable
Materials



Sustainable
Applications

- As the leading manufacturer of direct thermal paper and film in North America, Appvion developed a chemistry free of phenolic developers (BPA, BPS, and other phenols).
- Our patent-pending phenol-free chemistry is the ideal alternative to traditional direct thermal and can be used in a variety of applications such as labels, tickets, tags and lottery.



We Create Products For A Better Tomorrow

When you choose Appvion products from the EarthChem™ portfolio, you're selecting an innovative, environmentally friendly product that will help you reach your company's sustainability goals along with a forward-thinking partner in Appvion. We're not just competing in direct thermal, we're leading and changing the game by innovating tomorrow, today.

Topcoated

Résiste® 165 E <ul style="list-style-type: none"> Totally phenol-free direct thermal label Enhanced performance and value Package delivery & logistics 	Résiste® 185 3.2 E <ul style="list-style-type: none"> Totally phenol-free direct thermal label Enhanced heat, water, alcohol resistance Weight scale, retail, & logistics
Résiste® SR 2.8 E <ul style="list-style-type: none"> Pre-siliconized direct thermal label Totally phenol-free chemistry Linerless, weigh scale, package delivery 	Résiste® SR 3.2 E <ul style="list-style-type: none"> Pre-siliconized direct thermal label Totally phenol-free chemistry Enhanced end-user performance for linerless
Dispersible E <ul style="list-style-type: none"> Totally phenol-free direct thermal label Entirely disperses in aqueous solutions Lab glassware, reusable containers, FIFO 	Wavex® PD E <ul style="list-style-type: none"> Totally phenol-free direct thermal label PCS scanning up to 670 nm Package delivery, warehouse, near-infrared
CleanSlate™ Film E <ul style="list-style-type: none"> Totally phenol-free direct thermal label Durable direct thermal film technology Made with natural components Long-term horticulture & industrial 	Résiste® 15% PCW E <ul style="list-style-type: none"> Totally phenol-free direct thermal label 15% post-consumer recovered fiber base Weight scale, retail, logistics.

Non-Topcoated

Alpha® 185 E <ul style="list-style-type: none"> Totally phenol-free direct thermal label Fully recyclable Logistics, cross-docking, & weigh scale/alcohol. 	Alpha® Free E <ul style="list-style-type: none"> Totally phenol-free direct thermal label Low-caliper point of purchase retail grade Retail, gas stations, supermarkets
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Compliance
Using EarthChem™ products complies with environmental regulations and supports corporate sustainability goals.



High Performance
Scannability in high temperature environments and water resistance.



Durability
Resistant to fading, ensuring that the printed images remain legible for a longer period.



Versatility
Can be used in a wide range of applications without sacrificing performance or quality.



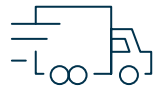
Aquatic-Friendly
Our patent-pending phenol-free chemistry preserves aquatic life from acute and chronic water toxicity.

Supply Chain Management

Appvion's procurement team works to maintain a supply chain that is responsible, ethical, and transparent by proactively tracking and managing the environmental and social impacts of purchasing activities.



Actions Taken



SmartWay Shipping

Appvion participates in the SmartWay Shipper program, which provides insights into the efficiency and environmental performance of our freight operations.



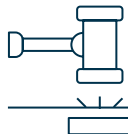
Governance

Business Ethics and Transparency



- Our Employee Handbook serves as the foundation for our ethical business practices.
- A culture of personal accountability is fostered by integrating personal development and responsibility into each team member's mission and quarterly goals.
- Our Supplier Code of Conduct holds our suppliers to our standards.

Governance Structure



- Our Board works with the M2S Group and Appvion to provide oversight, guidance and reinforcement of our commitment to improving our sustainability performance and managing relevant risks.
- The Board annually reviews sustainability goals and metrics to drive continuous improvement.

Cyber and Data Security



- New hires complete an introductory IT risk training course.
- Employees complete quarterly Cyber Security training.

Framework and Standards

We utilize the Sustainability Accounting Standards Board (SASB) standards to disclose our material sustainability metrics, ensuring transparency, and accountability in our sustainability practices.

	Accounting Metric	SASB Code	2021	2022	2023	Unit of Measure
Greenhouse Gas Emissions	Scope 1 direct emissions	RR-PP-110a.1	32,830	34,574	28,016	Metric tons (t) CO ₂ e
	Scope 2 indirect emissions		22,523	20,185	19,014	Metric tons (t) CO ₂ e
	Intensity metric		0.54	0.58	0.59	Metric tons (t) CO ₂ e/finished good tons
Energy Management	Total energy consumed	RR-PP-130a.1	770,175	772,152	676,739	Gigajoules (GJ)
	Percentage grid electricity	RR-PP-130a.1	34%	31%	36%	Percentage (%)
Water Management	Total water withdrawn	RR-PP-140a.1	340,503	280,112	301,613	Thousand cubic meters (m ³)
	Total water consumed	RR-PP-140a.1	123,173	76,312	114,496	Thousand cubic meters (m ³)
	Percentage of consumption in each region with high or extremely high baseline water stress	RR-PP-140a.1	0%	0%	0%	Percentage (%)
Waste Management	Percentage diversion		96%	98%	97%	Percentage (%)
	Amount of hazardous waste generated	RT-CH-150a.1	0.88	0.27	1.09	Metric tons (t)
Supply Chain Management	Percentage of wood fiber sourced from third-party certified forestlands and percentage to each standard	RR-PP-430a.1	83%/63%	99.9%/70%	99.9%/70%	Percentage (%) by weight
	Amount of recycled and recovered fiber procured	RR-PP-430a.2	0	72	0	Metric tonnes (t)
	Total wood fiber sourced	RR-PP-000.C	87,127	76,622	52,682	Metric tonnes (t)
Air Quality	NOx (excluding N ₂ O) air emissions	RR-PP-120a.1	68,643	55,875	58,096	Metric tons (t)
	SO ₂ air emissions	RR-PP-120a.1	329	268	279	Metric tons (t)
	Particulate matter (PM) air emissions	RR-PP-120a.1	7,571	3,889	6,014	Metric tons (t)
Workforce Health & Safety	Total recordable incident rate (TRIR or OIR)	RT-CH-320a.1	2.87	2.92	2.61	Rate

Certification and Partnerships

We recognize the importance of strategic collaboration in driving meaningful progress across our value chain. Partnering with third-party organizations enables us to expand our sustainability efforts, allowing us to make a greater collective impact.

Certifications



Partnerships



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WE MAKE A DIFFERENCE,
for our team members, communities, customers, suppliers, and investors ALWAYS.

