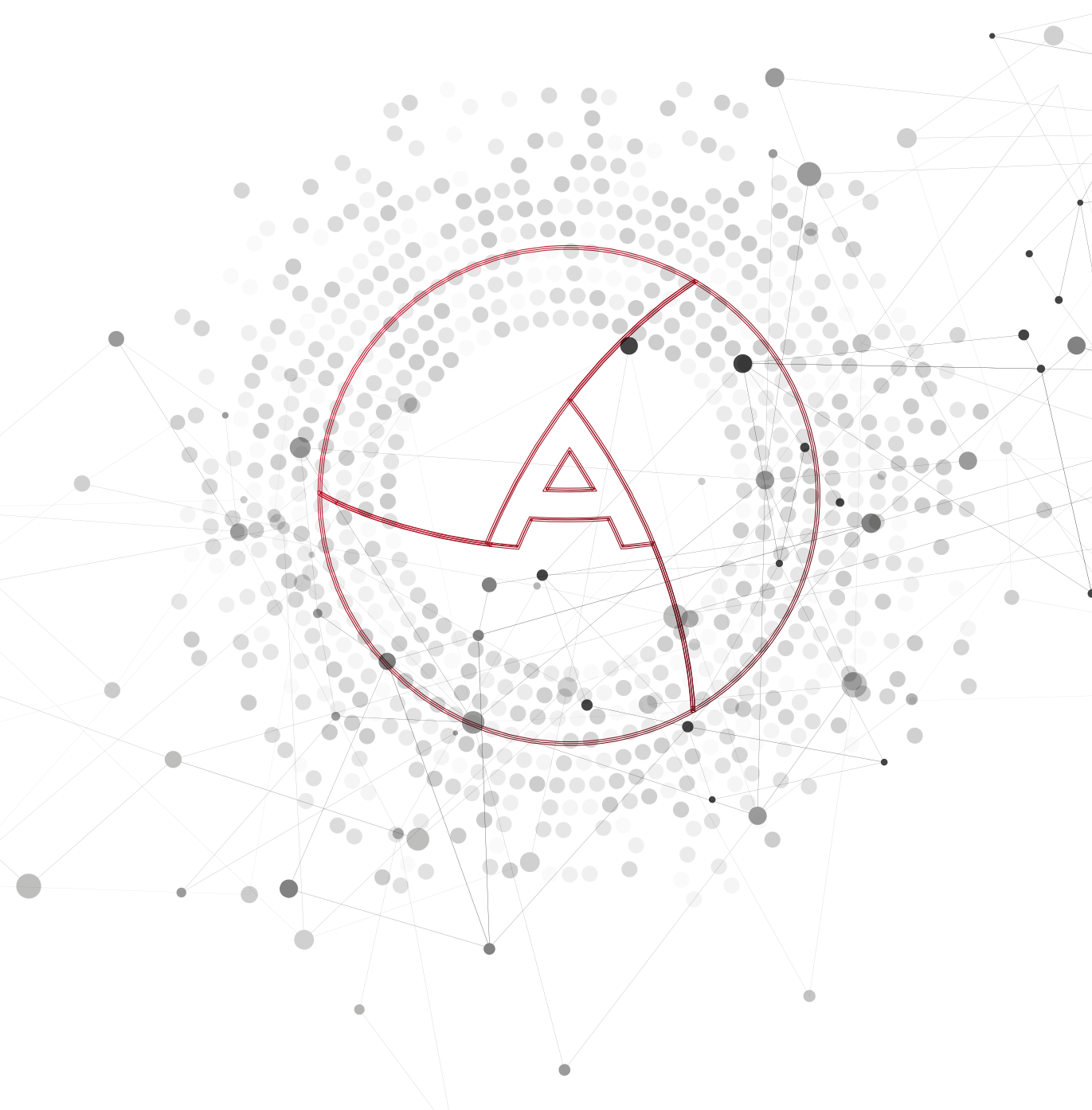




Sustainability  
Impact Report

2024





## A Message from Our President

At Appvion, we view sustainability not as an add-on but as a core capability embedded in our business model, operations, and innovation pipeline. By integrating sustainability across all functions and departments, we strengthen long-term resilience by treating environmental and social considerations not as external pressures, but as essential elements of how we grow, compete, and create value.

The 2024 Appvion Sustainability Report reflects this conviction. It showcases how we are redesigning systems, rethinking materials, and reimagining collaboration to meet the needs of our customers while advancing broader ecological, social, and financial goals.

Highlights from this year include:

- A Safety culture that integrates health, safety, and environmental considerations into daily operations, fostering accountability and continuous improvement across all levels of the organization. We reduced workplace injuries by 39% compared to 2024.
- Product development that prioritizes material efficiency, recyclability, and performance, reducing lifecycle impacts while strengthening customer value.
- Operational improvements that align emissions reduction and energy savings with measurable cost and efficiency gains. We reduced overall energy use by 7% compared to the prior year.
- Cross-functional initiatives that empower our employees to lead and scale sustainability-driven improvements across the business.
- Customer partnerships that turn compliance into opportunity and co-create solutions that stand out in a changing marketplace.

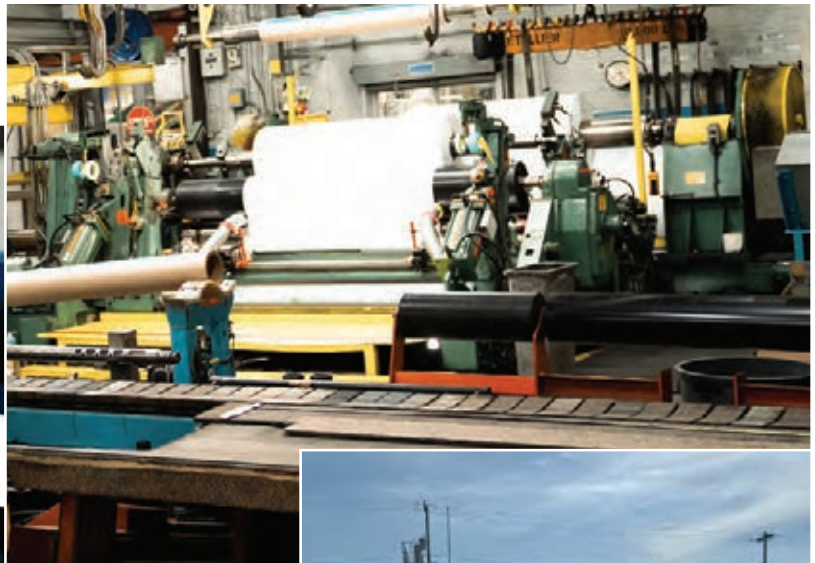
Embedded sustainability teaches us that environmental and social innovation are not cost centers. Rather they are sources of strategic advantage. This mindset is helping Appvion anticipate risk, unlock efficiencies, and design for the future of our industry.

Thank you for your continued trust and shared commitment to creating sustainable success together.

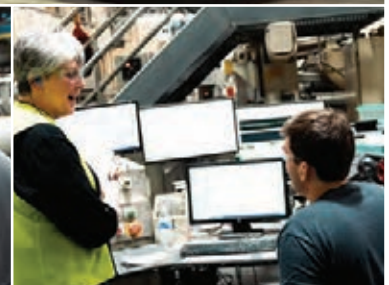
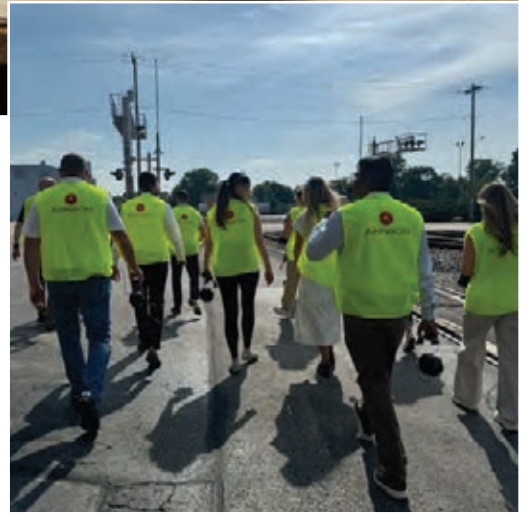
— Kevin Clunie  
President



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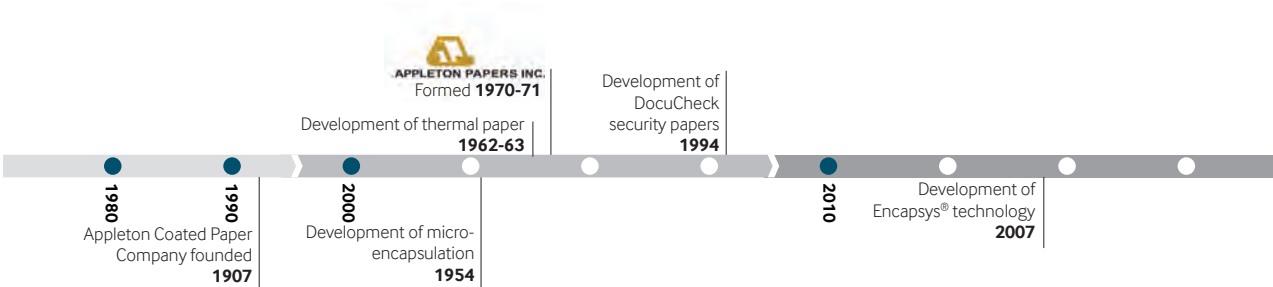


# About Us

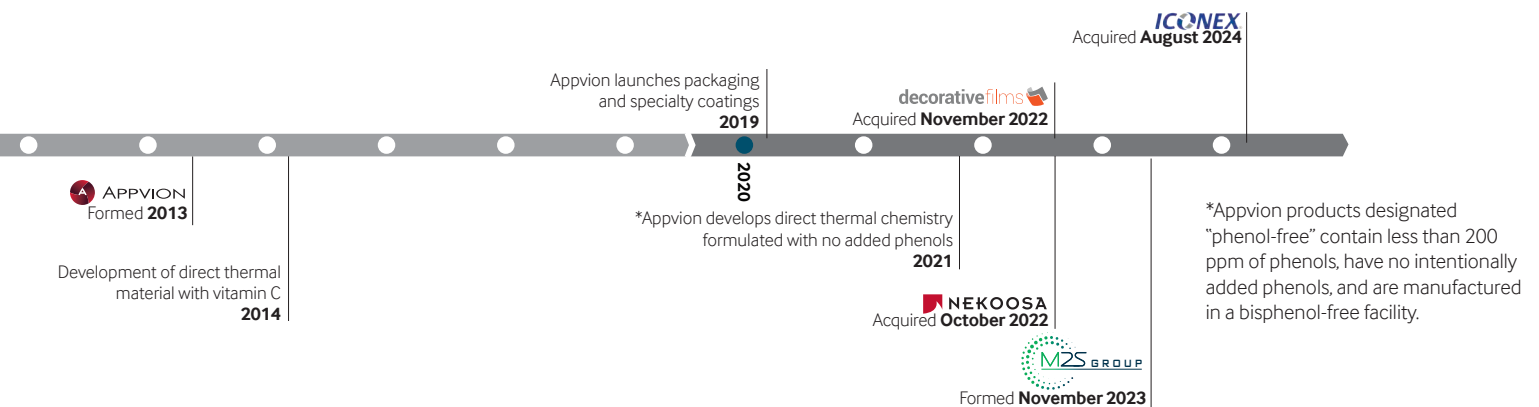
Appvion is the North American leader in specialty coatings for thermal label and film applications. Founded in 1907, we develop coating technologies that are used in tickets, tags, labels, and packaging that people rely on every day. Our proprietary processes ensure reliable barcode scanability and consistent image quality across a wide range of applications.

## Major Product Families

- Direct Thermal Labels
- Direct Thermal Ticket & Tag
- Direct Thermal Gaming
- Direct Thermal Film
- Specialty Coating Solutions
- Dye Sublimation







# M2S Group

Appvion is part of M2S Group. M2S Group is built on harnessing the power of material science and innovation to serve our customers. Driven by purpose and unified by values, we are a leading engineered material solutions provider. Our business groups have a collective focus on delivering solutions that positively enhance the way people experience everyday life.

## M2S Business Groups

Appvion

Iconex

Nekoosa

Decorative Films

## Industry-Leading Solutions

- Variable Information Labels
- QSR Linerless Labels
- Application Tapes & Premasks
- Carbonless Sheet Paper
- Decorative Privacy Window Films
- Direct Thermal Film & Paper
- Extruded Films
- Specialty Print Media

## Strategy For Value-Creation

- 1 Invest in innovation, profitable growth initiatives and strategic acquisitions
- 2 Maximize the value of our strong customer partnerships
- 3 Create value for all stakeholders by being thoughtful stewards and disciplined operators



Our commitment to sustainability starts with strong leadership. The M2S Group Executive Steering Committee, composed of senior leaders from across the organization, drives our sustainability strategy by setting the vision, monitoring progress, and ensuring accountability at every level. Together, we are shaping a future built on innovation, responsibility, and collaboration.



Paul Charapata  
Chief Executive Officer



Bob Beckwith  
Chief Financial Officer



Beth White  
Chief Operating Officer



Jackie Perez  
Chief People Officer



Mary Mayer  
Senior Vice President  
of Technology



# The Values That Guide Us

Our core values define who we are and drive everything we do. They serve as the foundation of our sustainability journey and ensure that we remain focused on building a better future together.

## Our Winning Aspiration:

The world's leading material science company providing engineered coating, adhesive and imaging solutions to empower customer growth.



### Material Science

Transform sustainable raw materials into innovative products that offer consistent and efficient performance



### Deliver Solutions

Guided by our pioneering spirit, we pursue new ways to deliver solutions that improve our ever-changing environments.



### Customer Growth

Valuable partnerships and thoughtful interactions enable us to create products that enhance how people work and live.

## Our Values:

Our four values embody how our purpose manifests into attitudes, beliefs, and behaviors. Everything we do stems from our core values—they shape how we do our job, lead decision-making and guide how we make a positive difference in the world.

### Safety First

### Growth Focused

Agile, Curious, Innovative

### Be Authentic

Different, Honest, Respectful

### Win Together

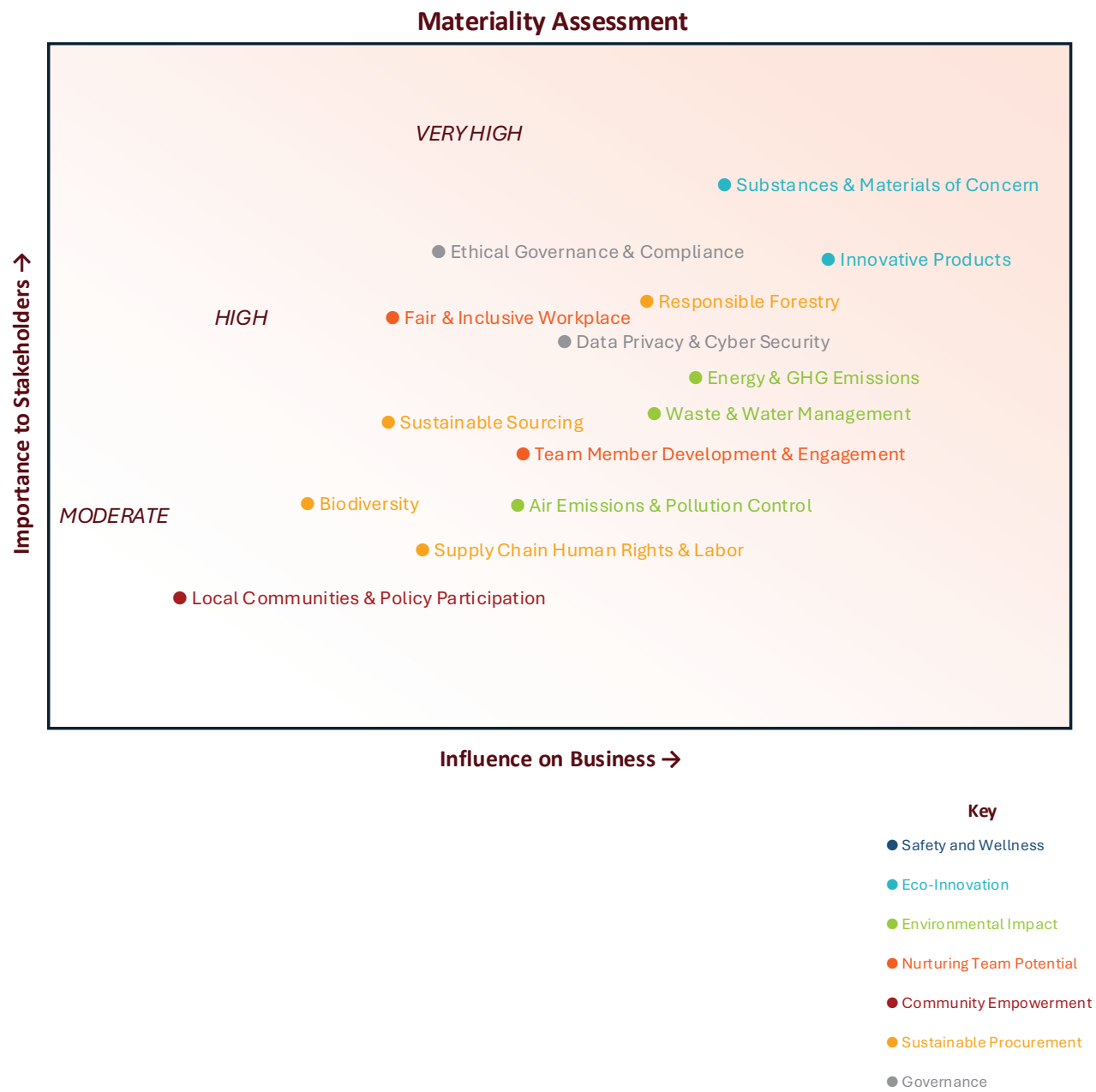
Accountable, Empowered, Partnering



# Our Materials for Tomorrows Vision

Listening and responding to our stakeholders is fundamental to integrating sustainability into our business. In partnership with our executive leadership team, we conducted a materiality assessment to identify the environmental, social, and governance (ESG) topics that have the greatest impact on our business and most influence our stakeholders' decisions.

By focusing on what is most material, we ensure our sustainability efforts align with our strategic goals, operational realities, and stakeholder expectations.





# Our Pathways to Progress

Informed by the results of our materiality assessment, we created our “Materials for Tomorrow” vision. This framework is defined by six key pathways that guide our sustainability journey.

Each pathway reflects a priority area where we can lead with purpose, drive measurable progress, and embed sustainability across the business. Together, they represent our commitment to innovation, accountability, and creating positive change for people, the planet, and our communities.

## Pathway Ownership and Collaboration

To ensure progress, each pathway is owned by specific departments, creating clear accountability and collaboration across our organization:



● <b>Safety and Wellness</b>	Ensuring health and well-being of our team members	<i>Operations</i>
● <b>Eco-Innovation</b>	Developing sustainable products and solutions	<i>Research and Development, Commercial</i>
● <b>Low Environmental Impact</b>	Minimizing our environmental footprint	<i>Operations</i>
● <b>Nurturing Team Potential</b>	Growing talent, building leaders	<i>Human Resources</i>
● <b>Community Empowerment</b>	Engaging and supporting our communities	<i>Human Resources</i>
● <b>Sustainable Supply Chains</b>	Ensuring transparent, responsible networks	<i>Procurement</i>

# Recognized for Excellence

Our sustainability journey is built on accountability, innovation, and collaboration. The awards and certifications we've achieved reflect our commitment to high standards in environmental stewardship, ethical practices, and operational excellence.

We hold ourselves accountable to the highest sustainability standards, ensuring our actions align with our values.



### EcoVadis

Recognized as a top ESG performer globally, ranking in the top 5% of all companies in our industry.



### SmartWay Transport Partnership

Honored for advancing sustainable transportation practices and reducing freight-related emissions.



### Sustainable Business Council Member

Recognized for advancing sustainability in partnership with other Wisconsin-based organizations..



### Green Master Certification

Achieved Green Master status through a state-level program recognizing excellence in sustainability across Wisconsin businesses.



The mark of responsible forestry

### Forest Stewardship Council (FSC®)

Certified for responsibly sourced materials.



### Sustainable Forestry Initiative (SFI®)

Certified for sustainable forestry practices.



By sourcing PEFC, we are supporting sustainably managed forests globally  
www.pefc.co.uk

### Program for the Endorsement of Forest Certification (PEFC™)

Certified for promoting responsible forest management and ethical sourcing.



### ISO 14001

Certified for environmental management systems across our operations.

# Aligning with Global Goals

The United Nations Sustainable Development Goals (SDGs) serve as a universal framework to tackle the world's most pressing challenges, from climate change to economic opportunity. While there are 17 SDGs, We focus on six key goals where we can drive the most meaningful impact. These SDGs align with our Materials for Tomorrow pathways, integrating sustainability into our core business strategy.



## Good Health and Well-Being

Prioritizing safety, wellness, and zero-injury goals.

Pathways: ●



## Decent Work and Economic Growth

Fostering leadership development and fair labor practices.

Pathways: ● ● ●



## Industry, Innovation, and Infrastructure

Advancing sustainable industrial practices and technological progress through innovative materials and manufacturing solutions.

Pathways: ●



## Responsible Consumption and Production

Reducing waste, improving efficiency, and ensuring sustainable production.

Pathways: ● ●



## Climate Action

Tracking and reducing GHG emissions, improving energy efficiency, and exploring renewable energy.

Pathways: ●



## Life on Land

Promoting biodiversity and responsible sourcing through FSC®, SFI®, and PEFC™ certifications.

Pathways: ●

● Safety and Wellness ● Eco-Innovation ● Low Environmental Impact ● Nurturing Team Potential ● Community Empowerment ● Sustainable Supply Chain







# SAFETY FIRST

*Always*



TEAM UP  
WITH SAFETY

CAUTION  
DO NOT WALK  
BEHIND REEL  
WHEN FLASHING

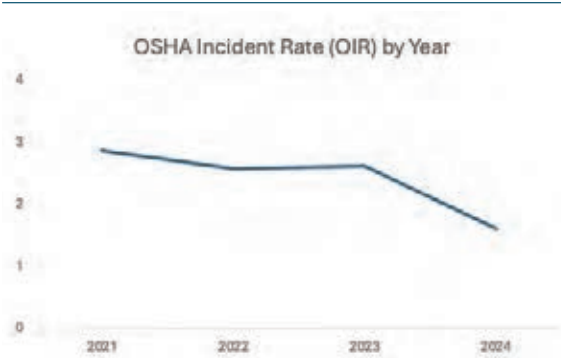
CAUTION  
DO NOT WALK  
BEHIND REEL  
WHEN FLASHING



# Safety and Wellness

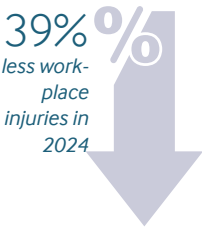
The safety and well-being of our team are our top priorities. Through proactive training, engagement, and investment, we've strengthened our safety culture and reduced workplace risks.

Our goal is simple: **zero injuries and a workplace where everyone thrives.**



## Building a Safer Workplace

Appvion has made significant progress in improving safety and wellness across our workforce. We've achieved a 39% reduction in workplace injuries by focusing on better safety practices and creating a safer environment. The formation of a Safety Steering Committee has been crucial in fostering a culture of engagement, where safety is a shared responsibility at every level.



## Empowering Through Training and Participation

Safety is not just a policy, it's a mindset. Appvion recently launched a Learning Management System to ensure every team member receives consistent and effective safety training. The platform helps team members stay informed and prepared to recognize and reduce risk. Over 92% of team members have completed their required training.



## Investment in Safety Improvements

Our dedication to safety is backed by significant investments. Over \$850,000 has been allocated to upgrading equipment, enhancing safety features, and implementing corrective actions based on safety audits. These investments demonstrate our ongoing commitment to continuous improvement and creating a safer workplace for all.



## Holistic Wellness for All

Recognizing that safety extends beyond physical measures, we have introduced a holistic wellness program that supports the physical, mental, and emotional well-being of our workforce. Initiatives such as quarterly wellness challenges and the launch of a mobile wellness app have been met with enthusiastic participation, reinforcing our culture of care.







*Innovation isn't  
just about creating  
better products—  
it's about creating  
solutions that  
benefit the planet  
and people.*



# Eco-Innovation

We are reimagining thermal paper through safer, smarter chemistry. Our innovations help reduce environmental impact without compromising performance.



Appvion is a driving force in the development of next-generation direct thermal chemistry. Through our EarthChem™ platform, we are transitioning every grade in our direct thermal portfolio to no added phenols by the end of Q1 2026. Our redesigned products aim to reduce material usage, improve recyclability, and meet evolving legislative demands.

Whether it's the label on your e-commerce package, a lottery ticket, or a baggage tag, our products are being re-engineered to support a more sustainable future from production through end-of-life.

We're not just competing in direct thermal, we're leading and changing the game by innovating for tomorrow.

## No-Added-Phenols Milestones by Year



## Key EarthChem™ Grades Launched

### Alpha® 185 E

A medium sensitivity, non-top coated solution for dry environments like bakeries and cross docking warehouses

### Résiste® 165 E

Economical top-coated grade offering a boost to resistance

### Résiste® 185 E

Appvion's flagship medium-high sensitivity work-horse label for weigh scale and logistics

### Dispersible® E

A unique direct thermal label that disperses in aqueous solutions, ideal for FIFO inventory controls, reusable containers or lab glassware



**Our Goal:** All new products will meet at least one sustainability criterion—whether through reduced materials, lower carbon footprint, safer inputs, sustainable use, energy efficiency, or improved end-of-life impact. We will also equip our customers and end-users with the knowledge to make informed, sustainability-driven choices.



### Compliance

Using EarthChem™ products complies with environmental regulations and supports corporate sustainability goals.



### Versatility

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



### Aquatic-Friendly

Our patent-pending chemistry, formulated with no added phenols, helps protect aquatic life from acute and chronic water toxicity.



### High Performance

Consistent print quality and heat stable for a whiter background sheet.



*A sustainable future  
begins with how we  
reduce, reuse, and  
reimagine our impact  
on the planet.*









# Low Environmental Impact

25%  
reduction in GHG Scope  
1 and 2 Emissions by 2030

2030 GOAL

%

At the heart of our sustainability efforts is a commitment to reducing our environmental footprint while driving operational excellence. Through targeted initiatives and innovative solutions, we're making strides in managing waste, improving energy efficiency, and lowering greenhouse gas (GHG) emissions.

## Reducing Greenhouse Gas Emissions

Reducing greenhouse gas (GHG) emissions is a core part of our sustainability strategy. Since 2019, we have tracked our Scope 1 and Scope 2 emissions to evaluate performance and guide continuous improvement.

In 2024, we partnered with Focus on Energy and our local utility provider to complete a full-site energy audit. This assessment helped identify actionable projects to reduce energy use and emissions across our operations.

We also made targeted capital investments that support long-term decarbonization. A major upgrade to one of our coaters improved throughput and energy efficiency. As a result, we lowered GHG emissions per ton of product produced. Our intensity-based metric helps us account for production changes while staying focused on impact.

Additionally, we replaced an aging chiller system with a low-carbon CO<sub>2</sub>-based alternative. This transition eliminated refrigerant loss and reduced indirect emissions associated with cooling processes.

We are targeting a 5% reduction in GHG Scope 1 and 2 emissions in 2025 and a 25% reduction by 2030. Our teams remain committed to implementing audit findings and exploring clean energy solutions in the years ahead.

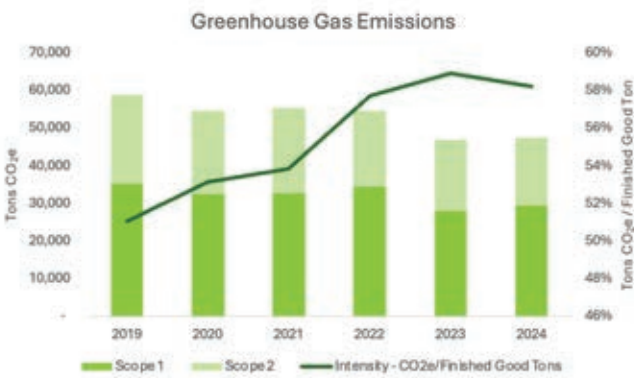
Our 2024 chiller upgrade project is equivalent to removing **140 cars** off the road for a year

### 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:

- 450+ metric tons of CO<sub>2</sub>e
- 650,000+ kWh
- 8,000,000+ gallons of water



## Carbon Profiles By Grade

Appvion completed a carbon profile for three of our thermal grades, encompassing Scope 1, 2, and 3 emissions. These profiles set a baseline for us to target future reductions

Product	Kg CO <sub>2</sub> e/metric ton
Wavex PD	3,072
Resiste 185-3.2	3,236
Alpha 185-3.2	2,314

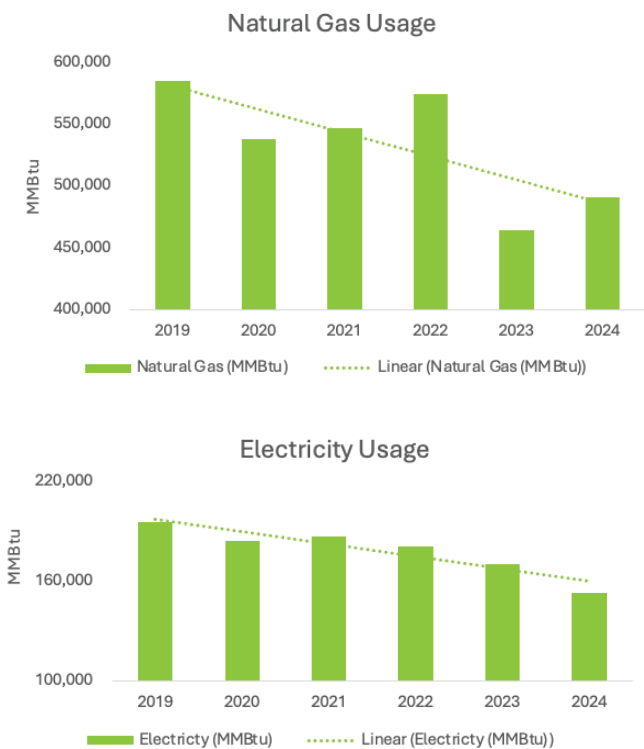
# Low Environmental Impact

## Energy Efficiency and Optimization

Appvion is committed to reducing energy consumption and transitioning toward cleaner sources of power. In 2024, we achieved a 10% improvement in electricity efficiency through targeted capital projects and operational improvements. Over the last year, we made LED lighting upgrades, enhanced compressed air systems, and replaced an outdated chiller with a low-carbon CO<sub>2</sub>-based model. These efforts reduced both energy use and indirect emissions across our sites.

To support continuous improvement, we track monthly utility data and tie performance against energy goals directly to Operations team objectives. We also engage team members through energy awareness training in newsletters. These efforts help employees identify energy-saving opportunities and support audit implementation on the floor.

Looking ahead, we are targeting a 5% reduction in energy use by the end of 2025 and a 25% reduction by 2030.



### Cutting Energy Use Since 2019

Since 2019, we've reduced our energy footprint by saving more than 94,000 MMBTU of natural gas and 12 million kilowatt-hours of electricity each year.

Together, that's enough energy to power **over 2,300 homes annually**, while also lowering our carbon emissions and operating costs.

**10% less**  
electricity used  
in 2024

## Air Emissions & Pollution Control

Appvion takes a proactive approach to reducing air emissions and improving environmental performance. In 2024, we replaced an aging R22 chiller with a CO<sub>2</sub>-based system, eliminating the need to replenish a high global warming potential refrigerant. This upgrade significantly reduces our climate impact and improves long-term operational efficiency.

We maintain work processes that reduce emissions of SO<sub>2</sub> and NO<sub>x</sub>, including regular boiler tune-ups to improve combustion efficiency. Our trim systems use high and low pressure filtration to capture particulate matter and improve indoor air quality. All new materials undergo an SDS review to evaluate risks related to VOCs, particulate matter, and other air pollutants before use. We also conduct ambient air quality assessments to monitor the presence of major pollutants and ensure a safe environment.

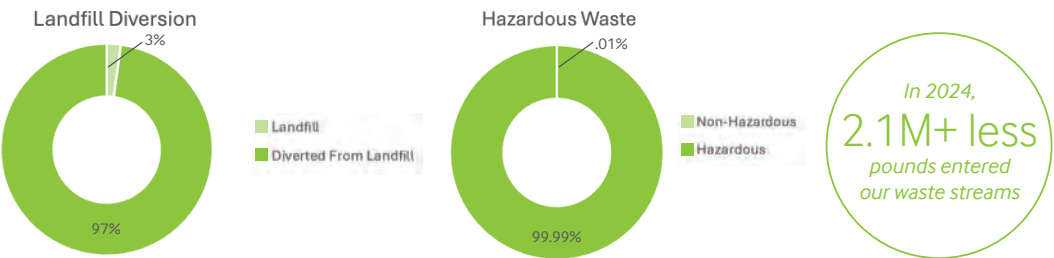
**9,000 lbs**  
of VOCs avoided —  
equivalent to planting  
2,000+ trees

# Low Environmental Impact

## Landfill Diversion and Waste Management

Landfill diversion is a cornerstone of Appvion’s waste strategy. In 2024, we diverted 97% of our total waste from landfill. Waste was redirected to responsible outlets, including beneficial use, recycling, reuse, incineration, and waste-to-energy. This approach supports our circular economy efforts and helps reduce our environmental footprint.

In 2024, we will continue to recover and reuse materials such as packaging, trim waste, and cores. Some were reused internally, while others were returned to suppliers. These practices reduce material consumption and support our commitment to resource efficiency.



## Materials and Chemicals Management

We are committed to using safer, more sustainable materials across our operations. Our product design teams prioritize safer chemistry and material reductions, including no phenol added coatings and lower coat-weight formulations where technically feasible.

Our teams work to reduce overall material use through process improvements and optimization. We evaluate operations to identify ways to minimize waste and reduce reliance on hazardous substances. While not all processes can be changed, we continue to assess alternatives that are safer for people and the environment.

All team members receive training on the safe use, storage, and labeling of hazardous substances. While less than 0.01% of our waste is hazardous, our team members follow strict procedures for transporting and disposing of hazardous materials. Specialized treatment is used to ensure these substances are handled in compliance with environmental regulations.

We also have emergency procedures in place to manage chemical spills or unexpected releases. This includes steps to reduce risks and protect worker safety and the surrounding environment.



### Looking Ahead – Reducing Coating Waste in 2025

In early 2025, we launched two improvement projects for our coaters designed to significantly reduce coating waste and improve efficiency.

#### Overflow Savings Project

New dryer edge guides will improve web control during production, allowing coating overflow to be reduced and keeping tens of thousands of pounds of material out of the wastewater system each year.

#### Reclaim Project

For non-top-coated grades requiring only a single coating layer, new equipment will reclaim overflow and return it to the coating system, diverting material from the sewer and back into production.

Together, these initiatives are expected to prevent nearly 200,000 pounds of coating material from entering the wastewater stream annually, supporting our water stewardship goals.

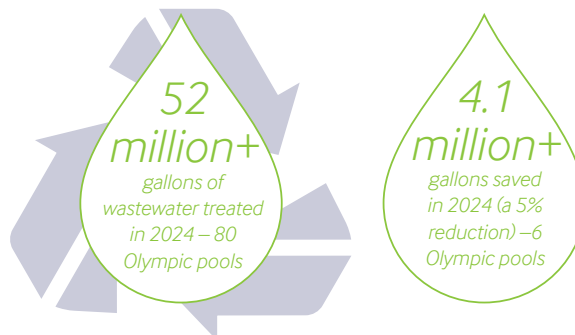


# Low Environmental Impact

## Water

We are committed to responsible water management through ongoing investment in efficiency, reuse, and compliance. We operate an on-site wastewater treatment plant (WWTP), which plays a central role in reducing the environmental impact of our operations. Our facility pre-treats process water before it enters the municipal system, ensuring we meet all quality and compliance requirements. Furthermore, we regularly assess water quality and conduct water audits to guide improvements.

To support reuse, we operate a coating pump-back system that recovers material for future production. This operation reduces our water consumption, treatment costs, and waste. Real-time metering helps us identify anomalies early and reduce usage before utility billing.



## Biodiversity Protection

We support local biodiversity through responsible water management. Our site maintains a stormwater permit that includes quarterly discharge sampling. We also monitor non-contact cooling water to ensure it is safely returned to the Fox River. These actions help prevent thermal pollution and protect aquatic species.

We continue to assess risks to nearby ecosystems and remain committed to minimizing our environmental impact. Our teams follow environmental standards and review site practices regularly to protect the surrounding natural habitat.



## Protecting Forests, Safeguarding Biodiversity

While our operations protect local waterways and habitats, biodiversity is also central to how we source fiber. All of our thermal paper is made with responsibly sourced fiber, certified by FSC®, SFI®, or PEFC™. These standards ensure that forests are replanted, ecosystems are restored, and native species are protected. It's one way our commitment to biodiversity reaches far beyond our own facilities.



*Empowering our  
people today,  
builds the leaders  
of tomorrow.*



# Nurturing Team Potential

At Appvion, we’re focused on growing our people. We offer training, coaching and team development opportunities to build a culture where every team member can excel.

## Commitment to Continuous Learning

Growth happens when learning never stops. Through structured learning opportunities, we equip team members with the skills to excel and adapt in a rapidly evolving workplace. In 2025, the launch of our Learning Management System (LMS) will further expand access to training and career development,



## Coaching for Growth

Ongoing feedback and mentorship are essential to professional development. To encourage continuous improvement, salaried employees regularly update their goals and challenges, while production teams engage in structured coaching sessions tailored to their roles. To further strengthen our coaching culture, we introduced 360-degree feedback training. Our Leaders for Tomorrow program also provides mentorship and leadership development for emerging talent.



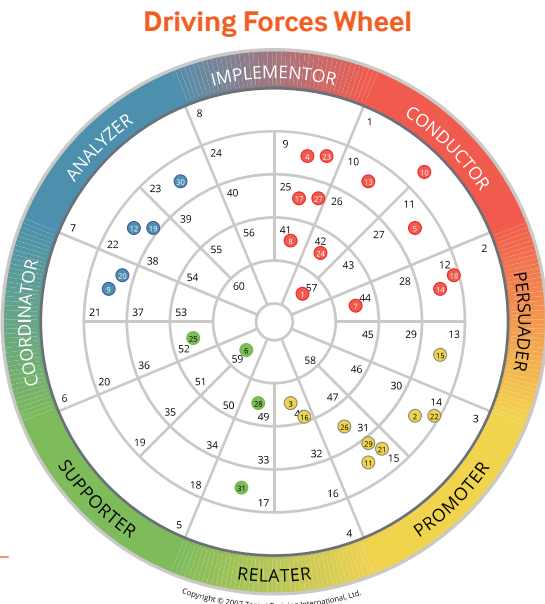
## Investing in Our People

We believe that long-term success begins with investing in our team members’ growth. By fostering continuous development, we create meaningful opportunities for advancement and long-term success. Beyond funding leadership training and professional development programs, Appvion supports team members and their families by offering scholarships for the dependents of full-time team members.



## Building Stronger Teams

Strong teams are built on self-awareness, collaboration, and effective communication. By leveraging behavioral science insights, we help employees understand their strengths, enhance teamwork, and improve overall performance. Through DISC talent assessments, team members gain the tools to communicate more effectively, align their skills, and strengthen working relationships.







*Great businesses  
support strong  
communities. Together  
we create lasting change  
where it matters most.*



# Community Empowerment

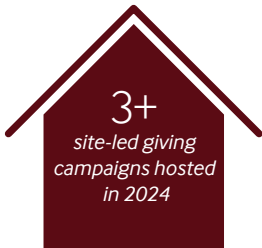
We believe that businesses thrive when communities thrive. Giving back isn't just something we do—it's part of who we are. We are committed to fostering strong community connections through volunteerism, donations, and strategic partnerships.

Appvion team members are deeply committed to supporting the communities where we live and work, and 2024 was another year of meaningful impact. Together with the M2S Group, Appvion contributed more than \$300,000 to local organizations that provide vital services to our neighbors. These contributions reflect not only financial support but also the time, energy, and passion of our employees who continue to champion causes close to their hearts

Throughout the year, we organized and participated in events designed to meet immediate community needs. A back-to-school drive helped equip students with the supplies necessary to start the year with confidence, while our community food drive supported local food pantries. During the holiday season, Appvion employees came together to "adopt a family," providing essential items and spreading cheer where it was needed most. These efforts were fueled by employee engagement and made a direct difference in the lives of students, families, and community members.

Our support reached more than 15 nonprofit organizations, including the Boys & Girls Club of the Fox Valley, SOAR Fox Cities, the American Cancer Society, and many others focused on education, health, and youth development. These partnerships highlight our belief that strong communities are built when businesses and local organizations work together.

Looking ahead, Appvion is preparing to participate in M2S Group's 2025 community initiatives, including a back-to-school campaign and holiday giving program that will extend across all of our operating locations. M2S Group has pledged to contribute more than \$500,000 to local communities in 2025, and Appvion is proud to play a leading role in achieving this goal. Together, we are building stronger, healthier communities for the future.



\*M2S Group total donations





*Transparency and accountability  
drive everything we do, ensuring  
our supply chains work for our  
people and the planet.*



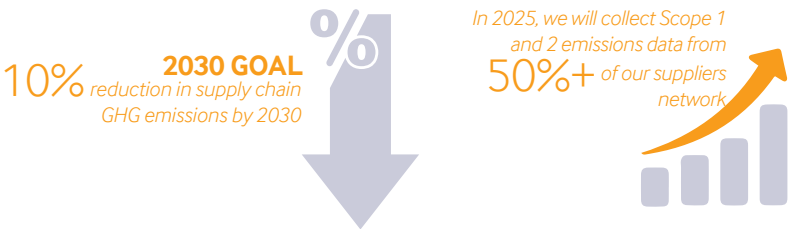


# Sustainable Supply Chains

A responsible supply chain is essential to our sustainability goals. We are committed to ethical sourcing, reducing environmental impact, and strengthening supplier partnerships to drive meaningful progress.

## GHG Scope 3 Emissions Data Collection

To enhance transparency in our supply chain emissions, we initiated data collection efforts with key suppliers. In 2025, we will expand this effort by requesting emissions data from 50% of our supplier network by spend, building a more complete Scope 3 emissions profile to drive reduction strategies. After receiving this data, our goal is to reduce our supply chain GHG emissions by 10% by 2030. This will be achieved through strategic sustainability partnerships and targeted reduction initiatives.



## Supplier Code of Conduct Implementation

Since 2022, Appvion had prioritized responsible sourcing by implementing a Supplier Code of Conduct with select suppliers. This initiative ensures adherence to ethical labor standards, sustainable sourcing practices, and environmental responsibility. In 2025, we have updated these our standards and will aim to expand compliance by ensuring that 80% of our supply base, measured by spend, adheres to our Supplier Code of Conduct.



## Responsibly Sourced Fiber and Biodiversity

Our thermal paper is made with 100% responsibly sourced fiber, certified under standards such as FSC®, SFI®, or PEFC™. These certifications ensure sustainable harvesting practices, promote protection of native species, and require restoration of ecosystems following harvest. These programs also include measures to protect native species that are not used in production.

While Appvion does not manage forest land directly, we require our base stock suppliers to uphold these standards. This includes coordinating with neighboring landowners or conservation groups, supporting biodiversity, and training forestry workers on ecosystem protection. Our team members are trained on our sustainable sourcing certificates annually.

In 2024, we began strengthening supplier partnerships to prepare for the EU Deforestation Regulation (EUDR), with a focus on improving traceability and land-use transparency. These efforts reinforce our commitment to biodiversity and responsible sourcing throughout the supply chain.



## Supplier Engagement & Risk Assessment

As part of our effort to assess and manage sustainability risks in the supply chain, our procurement team is engaging directly with suppliers representing 80% of our total spend. These conversations are focused on building shared understanding of sustainability risks, opportunities, and each company's respective ESG journey.

Our procurement team is trained on sustainability. In 2025, they are leading structured sustainability discussions as part of quarterly business reviews with top suppliers. We plan to expand this initiative with a structured framework for risk assessments and supplier capacity building related to environmental and social impacts.
















# Our Progress and Path Forward

Every journey has milestones-markers that reflect our progress and guide our next steps. Through our six Materials for Tomorrow pathways, we have built a strong foundation that embeds sustainability into our culture, operations, and future growth. As we look ahead, our 2025 and beyond goals ensure we continue making meaningful progress, driving impact across every part of our business.

Pathway	2024 Accomplishments	2025 and Beyond Goals
 <b>Safety &amp; Wellness</b>	<ul style="list-style-type: none"> <li>• Reduced workplace injuries by over <b>37%</b></li> </ul>	<ul style="list-style-type: none"> <li>• Achieve <b>ZERO</b> safety incidents and improve team members' well-being</li> </ul>
 <b>Eco-Innovation</b>	<ul style="list-style-type: none"> <li>• 100% of thermal products are manufactured with no BPS added</li> </ul>	<ul style="list-style-type: none"> <li>• 100% thermal paper will be manufactured with no phenols added by the end of 2026 Q1</li> </ul>
 <b>Low Environmental Impact</b>	<ul style="list-style-type: none"> <li>• Reduced overall energy usage by <b>7%</b></li> </ul>	<ul style="list-style-type: none"> <li>• Reduce Scope 1 and 2 GHG emissions by <b>25%</b> by 2030</li> </ul>
 <b>Nurturing Team Development*</b>	<ul style="list-style-type: none"> <li>• Invested <b>\$600K+</b> in our team members</li> </ul>	<ul style="list-style-type: none"> <li>• Invest <b>\$750K+</b> in our team members</li> </ul>
 <b>Community Empowerment*</b>	<ul style="list-style-type: none"> <li>• Contributed <b>\$300K+</b> to local communities</li> </ul>	<ul style="list-style-type: none"> <li>• Reinvest <b>\$500K+</b> in our local communities</li> </ul>
 <b>Sustainable Supply Chains</b>	<ul style="list-style-type: none"> <li>• 100% of our basestock is sourced from sustainably certified materials</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce Scope 3 supply chain GHG emissions by <b>10%</b> by 2030</li> </ul>

\*Note: Data listed under Nurturing Team Development and Community Empowerment reflect M2S-wide achievement and commitments. Individual business unit contributions representation a portion of the total investment.





*“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, Chief Executive Officer

# Upholding Ethics, Oversight, and Data Security

At Appvion, we believe good governance builds trust. Our commitment to ethical conduct, transparent communication, and data protection is supported by policies, leadership oversight, and team member engagement.

Our Employee Handbook outlines clear expectations around personal accountability, anti-bribery, and ethical behavior. Bribery, facilitation payments, and off-the-books records are strictly prohibited. To promote transparency, we maintain a confidential whistleblower hotline that allows anonymous reporting without fear of retaliation. All reports are reviewed promptly by our compliance team.

We also hold our suppliers to high ethical standards. Our Supplier Code of Conduct defines expectations around labor, environmental responsibility, and fair business practices across our value chain.

Governance oversight is shared between Appvion and M2S Group leadership. Our Board supports compliance with anti-corruption and information security policies and reviews sustainability metrics and goals annually to promote continuous improvement. A formal records retention policy reinforces transparency and audit readiness.

Cybersecurity is another critical part of our governance structure. In 2024, we launched a company-wide cybersecurity education platform to help protect our systems, supply chains, and sensitive data. All team members complete Cybersecurity Training.

These efforts ensure that governance is not just about having policies in place. It's about putting those policies into practice every day to protect our people, our data, and our long-term success.



# Our ESG Performance Metrics

We are dedicated to transparent reporting of our environmental, social, and governance (ESG) performance. The metrics below show our progress toward key sustainability goals, aligned with international standards including SASB, GRI, and the UN Sustainable Development Goals (SDGs).

Topic	Accounting Metric	Standard	SDG	2022	2023	2024	Unit of Measure
GHG Emissions	Scope 1 Direct Emissions	RR-PP-110a.1	SDG 12, 13	34,574	28,016	29,408	Metric tons (t) CO <sub>2</sub> e
	Scope 2 Indirect Emissions	RR-PP-110a.2	SDG 12, 13	20,185	19,014	18,104	Metric tons (t) CO <sub>2</sub> e
	Intensity Metric		SDG 12, 13	0.58	0.59	0.58	Metric tons (t) CO <sub>2</sub> e / Finished Good Tons
Energy Management	Total Energy Consumed	RR-PP-130a.1	SDG 12, 13	797,284	669,895	679,865	Gigajoules (GJ)
	Percentage Grid Electricity	RR-PP-130a.1	SDG 12, 13	24%	24%	24%	Percentage (%)
	Renewable Energy Consumption*		SDG 12, 13	6,047	5,899	6,302	Megawatt-hour (MWh)
	Percent Renewable Energy*	RR-PP-130a.2	SDG 12, 13	2.2%	2.1%	2.5%	Percentage (%)
Water Management	Total Water Withdrawn	RR-PP-140a.1	SDG 6, 12	279,582	293,978	278,435	Thousand cubic meters (m3)
	Total Water Consumed	RR-PP-140a.1	SDG 6, 12	75,782	106,860	79,082	Thousand cubic meters (m3)
	Total Water Recycled And Reused		SDG 6, 12	203,800	187,117	199,353	Thousand cubic meters (m3)
	Percentage Of Consumption In Each Region With High Or Extremely High Baseline Water Stress	RR-PP-140a.1	SDG 6, 12	0%	0%	0%	Percentage (%)
Waste Management	Landfill Diversion Percentage	GRI 306-4	SDG 12	98%	97%	97%	Percentage (%)
	Amount Of Hazardous Waste Generated	RT-CH-150a.1	SDG 12	0.27	1.09	0.93	Metric tons (t)
Supply Chain	Percentage Of Wood Fiber Sourced From Third-Party Certified Forestlands And Percentage To Each Standard	RR-PP-430a.1	SDG 12, 15	99.9% / 70%	99.9% / 70%	99.9% / 70%	Percentage (%) by weight
	Percentage Of Wood Fiber Sourced Meeting Other Fiber Sourcing Standards And Percentage To Each Standard	RR-PP-430a.1	SDG 12, 15	99.9% / 37%	99.9% / 37%	99.9% / 37%	Percentage (%) by weight
	Amount Of Recycled And Recovered Fiber Procured	RR-PP-430a.2	SDG 12, 15	72	0	0	Metric tons (t)
	Total Wood Fiber Sourced	RR-PP-000.C	SDG 12, 15	76,622	52,682	68,089	Metric tons (t)
	Percentage Of Buyers Who Received Training On Sustainable Procurement	GRI 414-1 / Internal	SDG 12, 15	100%	100%	100%	Percentage (%)
	Percentage Of Targeted Suppliers That Signed The Supplier Code Of Conduct (Based On Spend)	GRI 308-1 / Internal	SDG 12, 15	80%	80%	80%	Percentage (%)
	Percentage Of Targeted Suppliers Whom Completed Sustainability Emissions Survey		SDG 12, 15	N/A	N/A	94%	Percentage (%)
	Suppliers In Compliance To Code Of Conduct Standards	GRI 308-2 / Internal	SDG 12, 15	100%	100%	100%	Percentage (%)
	Percentage Of Materials Sourced With Sustainability Certifications		SDG 12, 15	100%	100%	100%	Percentage (%)



<b>Biodiversity</b>	The Number And Area (Acres) Of Sites Owned, Leased, Or Managed In Or Adjacent To Protected Areas And/Or Key Biodiversity Areas*	GRI 304-1	SDG 12, 15	0	0	0	Acres
<b>Air Quality</b>	Nox (Excluding N <sub>2</sub> O) Air Emissions	RR-PP-120a.1	SDG 3, 12	25	26	35	Metric tons (t)
	SO <sub>2</sub> Air Emissions	RR-PP-120a.1	SDG 3, 12	0.12	0.13	0.17	Metric tons (t)
	Volatile Organic Compounds	RR-PP-120a.1	SDG 3, 12		25.44	20.95	Metric tons (t)
	Particulate Matter Air Emissions	RR-PP-120a.1	SDG 3, 12	2	3	4	Metric tons (t)
	Hazardous Air Pollutants	RR-PP-120a.1	SDG 3, 12		24	18	Metric tons (t)
<b>Logistics</b>	Carriers Registered With Smartway		SDG 13	N/A	69%	81%	Percentage (%)
	Ton-Miles With Smartway Carriers		SDG 13	N/A	82%	94%	Percentage (%)
	Total CO <sub>2</sub> Emissions Generated By Transportation		SDG 13	N/A	N/A	3,772	Tons
<b>Workforce Health &amp; Safety</b>	Total Recordable Incident Rate	RT-CH-320a.1	SDG 3	2.92	2.61	1.6	Rate
	Lost Days		SDG 3	268	232	0	Days
	Number Of Hours Worked		SDG 3	754,341	688,478	616,905	Hours
	Safety Training Rate		SDG 3	N/A	N/A	92%	Percentage (%)
	Total Safety Investments		SDG 3	N/A	N/A	\$864,872	Dollars (\$)
	Percentage Of Employees With Access To Wellness Programs		SDG 3	N/A	100%	100%	Percentage (%)
<b>Customer Health &amp; Safety</b>	Customer Health And Safety Incidents		SDG 3	0	0	0	Count
	Number Of Recalls Issued, Total Units Recalled	RT-CP-250a.1	SDG 3	0	0	0	Count
<b>Product Use</b>	Percentage of production tons with no added phenols		SDG 3, 9	1%	1%	5%	Percentage (%)
	Third-Party Certifications Covering Safe/Environmental Product Use		SDG 3, 9	7	7	7	Count
<b>Workforce and Development</b>	Team Member Development Hour Average	GRI 404-1	SDG 8	N/A	N/A	15	Hours
	Team Member Participating In Coaching Or Regular Performance Review	GRI 404-3	SDG 8	N/A	100%	100%	Percentage (%)

<b>Labor and Human Rights</b>	Percentage Of Women On Board	GRI 405-1	SDG 8	25%	25%	25%	Percentage (%)
	Percentage Of Women In Top Management*	GRI 405-1	SDG 8	29%	20%	33%	Percentage (%)
	Percentage Of Employees From A Minority Or Vulnerable Group In Organization*	GRI 405-1	SDG 8	25%	24%	41%	Percentage (%)
	Percentage Of Employees From A Minority Or Vulnerable Group At Top Management*	GRI 405-1	SDG 8	0%	0%	0%	Percentage (%)
	Percentage Of Women Employed In The Whole Organization*	GRI 405-1	SDG 8	24%	23%	28%	Percentage (%)
	Average Unadjusted Gender Gap*		SDG 8	0.14%	1.60%	2.42%	Percentage (%)
	Ratio Of Annual Total Compensation For Highest Paid Individual, To The Median Annual Total Compensation For All Employees*		SDG 8	5.1:1	4.7:1	4.7:1	Dollars (\$)
	Average Percent Of Living Wage Earned*		SDG 8	148%	142%	135%	Percentage (%)
	Number Of Reported Harassment/ Discrimination Incidents And Resolution Actions		SDG 8	N/A	N/A	2	Count
	Percentage Of Workforce Covered By Anti-Discrimination Policies		SDG 8	100%	100%	100%	Percentage (%)
<b>Ethics</b>	Number Of Reports Related To Whistleblower Procedure		SDG 8	0	0	0	Count
	Number Of Confirmed Corruption Incidents		SDG 8	0	0	0	Count
	Employees Signed Employee Handbook		SDG 8	100%	100%	100%	Percentage (%)
<b>Environmental Services and Advocacy</b>	Participation In Sustainability Trade Groups Or Councils		SDG 13, 15	2	2	2	Count

Footnotes:

1. Where an asterisk (\*) appears, data reflects M2S Group, which includes Appvion and its affiliated companies.
2. N/A indicates data not collected or not applicable for that reporting year.







## **WE MAKE A DIFFERENCE,**

*for our team members, communities, customers, suppliers, and investors ALWAYS.*



Learn more about our  
sustainability journey.

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