

APC Group Sustainability Report 2023



formerly known as "Amazon Papyrus Chemicals"

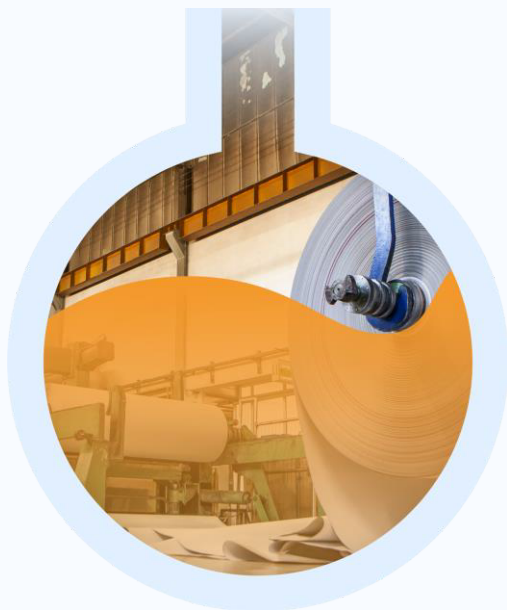


WE ARE PROUD

About APC Group

APC Group, formerly known as “Amazon Papyrus Chemicals” is a leading specialty chemical and process solution provider in Asia and Middle East, with its roots as Amazon Papyrus Chemicals. APC Group is specializing in problem-solving and innovation in the paper & pulp sector since 2000. With extensive expertise, APC has become the go-to partner for industries seeking transformative solutions in Pulp & Paper, Water Management, Viscose Fiber Technology, Barrier Coating and Molded Pulp.

Visit our website at www.amazon-papyrus.com.



500+
Employees
70% Field based



430+
Customers



5
Production Facilities
China, India, Indonesia,
Singapore, Thailand



19
Our Footprint Expands
Hong Kong (HQ), China, India,
Indonesia, Japan, Laos,
Malaysia, Middle East,
Pakistan, Philippines,
Singapore, Taiwan, Thailand,
Vietnam, Bangladesh, Egypt,
UAE, Saudi Arabia, Kuwait



230,000+
Tons of pulp and paper
treated daily in APAC



Extensive Markets
Pulp & Paper, Water
Management, Viscose
Fiber Technology,
Molded Pulp

OUR VISION

“ Empowering Customers with Manufacturing Excellence
through Continuous Innovation, Problem-Solving, and Process Efficiency Optimization. ”

OUR MISSION

To enhance the success of our customers by supplying high-quality, environmentally sustainable products, along with dedicated technical support and services with professionalism and expertise.

To create an inclusive and empowering work environment where our employees can flourish, develop their skills, and unleash their true potential. Our culture fosters creativity, openness, teamwork, and prioritizes safety.

To create long-term value and ensure profitability, we are committed to the sustained growth and prosperity of our company. We continuously seek opportunities to innovate, optimize processes, and deliver exceptional results for our stakeholders.

CORE VALUES

At APC Group, we hold steadfast to our core values, which define our company culture and guide our actions:



Collaboration

We actively foster a culture of teamwork.

We work together and share information, experience and ideas across all levels of our organization, working together to achieve common goals.



Diversity

We embrace diversity and value the unique contributions of every individual.

We provide equal opportunities for growth and success, regardless of background or culture. We treat all people with fairness, courtesy, dignity, and respect.



Integrity

We uphold the highest standards of honesty, dedication, and loyalty in all aspects of our work.

We are transparent, ethical, and accountable in our dealings with customers, partners, employees, and all other stakeholders.



People Development

We prioritize the development of our people through comprehensive training programs and effective leadership.

We encourage initiative-taking, empowering individuals to take on more responsibility and fulfil their personal and professional goals.



Innovation

We foster a culture of innovation, constantly seeking new ideas and creative solutions.

We embrace change and continuously strive for improvement to deliver exceptional products, services, and experiences.





Amazon has established a comprehensive ESG strategy aligned with the United Nations Sustainable Development Goals (SDGs)

The company's approach is built on three strategic pillars:



E | Planet

We have designed and invested in our production plants to improve efficiency by reducing energy consumption, reusing water, recycling chemical containers and reducing our carbon footprint wherever possible. Our technologies also help our customers to improve yield, close up water systems and improve overall production efficiency, all contributing to circularity.



S | People

Our staff are our greatest asset. We believe in creating a workplace where everyone feels welcome, respected, and valued, regardless of their background or beliefs. We also believe in the importance of health and safety and take steps to ensure that our staff are safe in the workplace. We invest in our staff through training and development programs that help them to develop their skills and knowledge. We also support our staff through scholarship programs and other initiatives that give back to the local community.



G | Performance

Our company's overall performance is enhanced, by instilling a strong culture on Code of Conduct and Business Ethics. We strictly adhere to the integrity principle of doing the right thing at all times and in all circumstances, with strong corporate governance.

We are working to improve efficiency throughout our supply chain, which is improving our profitability whilst also helping us to achieve our sustainability goals.

We are measuring our impact on climate change and we have set ourselves measurable targets in order to monitor our progress as we reduce our impact on the planet.

Our teams work together towards our targets and to accelerate our growth while reducing the impact to our environment, to create a more sustainable, equitable and prosperous world.



CEO Review for 2023

Market Expansion: We secured significant new business opportunities as a result of delivering a Return on Investment for our customers and demonstrating how we can help them achieve their sustainability goals. We continue to expand our customer & geographic and we served over 430 customers.

Customer Recognition: Our commitment to excellence was acknowledged by major industry players. A key Chinese customer honored us with the Strategic Supplier award, while a leading specialty paper manufacturer in Indonesia nominated our team for the Golden Eureka Award in the Top 5 Best Chemical Material Vendor category.

Sustainability Focus: Our efforts to secure new business and improve operations were undertaken with a strong emphasis on sustainable practices and solutions, aligning with our ESG commitments.

Team Development: We worked to develop our teams through training focused on areas such as technical and product knowledge, anti-bribery and Corruption and IT security.

Operational Improvements:

- Enhanced account management across the APC group, improving customer support and cross-selling opportunities.
- Strengthened our supply chain by initiating the construction of a manufacturing facility in China which will include the latest technologies aimed at reducing water usage and through supply chain optimization to reduce CO2 emissions. Operations are expected to commence in Q3 2024.

As we move forward, we remain committed to leveraging these experiences to drive sustainable growth, enhance our ESG performance, and continue delivering value to our customers and stakeholders. The foundations we've laid in 2023 position us strongly for the future, with a focus on innovation, sustainability, and customer-centric solutions.



"2023 was a year of further development of our business and our sustainability journey. Despite challenges in our industry and a weak recovery from Covid in China we continued to grow, adapt and improve."

Mike Grundy
CEO

Embracing ESG For a Sustainable Future in APC Group

Safety First.

Importantly, given the emphasis we place on our core value of safety. Our belief that no work is so important that it cannot be done safely continues to gain traction across all regions. Our ambition is to strive for zero incidents and accepting personal responsibility based on a healthy workforce working under safe conditions, with the necessary skills and comprehensive training.

Sustainability matters.

Climate change, water scarcity, and the responsible use of limited resources to meet the needs of a growing global population are some of the defining challenges of our times.

At APC, employees across our business segments work daily to develop and deliver innovative solutions and products to answer these questions, together with our partners and customers.

It is the common thread that runs through everything we do at APC Group, for our customers, our people and planet.

At APC Group, our strategy is aligned with building a better future. Besides pushing for new opportunities, we will continue to be the responsible partner for our stakeholders. By collaborating, we can make our world better, every day.

APC deepened the integration of Sustainable Development Goals (SDGs) into its core business practices. To drive these initiatives, Amazon has implemented an ESG dashboard that tracks KPIs across environmental, social and governance areas. The company reports progress on these metrics quarterly, allowing the company to respond swiftly and effectively to sustainability challenges and opportunities.

Looking ahead to 2024, while economic forecasts remain cautiously optimistic, APC Group is well-positioned to capitalize on emerging opportunities. The company's unwavering commitment to excellence, innovation, and sustainability continues to be a driving force. APC's adaptive strategies and resilient business model provide a strong foundation for navigating future challenges and achieving sustainable growth.



"Our Commitment to sustainability supports customers and our profitable growth performance."

Carmen Wong
Group Corporate Strategy
and Development Director

Year in Brief



Environmental Initiatives

Amazon has made significant strides in reducing its environmental footprint by monitoring the resource intensity while growing the business volume:

- **Water Management:** Reduce the factory water usage intensity by 2% vs 2021 baseline
- **Renewable Energy:** Will incorporate solar power in its new production facility in China which is expected to generate 208,144 kWh annually, equivalent to 35% of the plant's power needs and saving 119 tCO₂e per year
- **Plastic Reduction:** Implemented an initiative to reuse Intermediate Bulk Containers (IBCs) for raw material storage and transport.



Sustainable Product Innovation

AmiBarr Barrier Coating: This new product line aims to replace single-use plastic packaging in the food and beverage industry. AmiBarr is free of PFAS, plastic and silicone, making it easier to recycle

Non-PFAS Solutions: In partnership with different key players from Europe and North America, Amazon is promoting plastic-free and PFAS-free barrier solutions in the Asia-Pacific and Middle East regions for size press, paper coating and Molded pulp application.

Our goal is to work in partnership with customers, suppliers and other industry players to develop green R&D projects.



Continued Success and Recognition

APC Group relentlessly pursued and secured new business, acquiring contracts for two mega board machines, demonstrating the commitment to growth and excellence. Efforts were recognized "Strategic Cooperative Supplier" award from a major industry player in China and a top 5 ranking as a Best Chemical Material Vendor in Indonesia from one of leader in specialty paper industry. These honours validate the trust and esteem we've earned from our customers and motivate us to continue delivering exceptional value while maintaining our credibility and high-performance standards.

Performance on our UN SDGs goals

Our organization is dedicated to supporting the United Nations Sustainable Development Goals (SDGs). We are selectively focusing on those goals that align closely with our business objectives and areas where we can exert the most significant influence. Our commitment extends through our customer interactions, our solution platforms, our workforce, and our broader network of stakeholders. By collaborating effectively, we aim to foster a more sustainable, secure, and prosperous world for everyone.

3 GOOD HEALTH AND WELL-BEING



Safety and regulatory compliance

Our employee safety is paramount. We comply local regulations at all sites and have enhanced our safety training programs with advanced modules and hands-on simulations. We've invested in additional EHS resources, including dedicated safety officers. Our comprehensive accident and near-miss reporting system drives continuous improvement in our safety protocols, fostering a culture of vigilance and responsibility.

8 DECENT WORK AND ECONOMIC GROWTH



Sustainable Economic growth and Decent Work

Customer success drives us. We empower our clients to grow and compete effectively by delivering innovative, sustainable solutions. Our commitment to responsible management and legal compliance underpins our operations. We invest in employee development through comprehensive training programs, fostering a skilled workforce that excels in supporting our customers' evolving needs and market challenges.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Responsible consumption and production

We expanded our portfolio with bio-based raw materials in molded pulp OGR resistance. Our sustainable solutions help customers meet ESG goals, enhancing efficiency and reducing resource use. We support the shift to plant-based fibers and recycled materials, aligning with responsible production practices and consumer demand for sustainable packaging.

17 PARTNERSHIPS FOR THE GOALS



Partnerships for the goals

We forge partnerships with like-minded organizations committed to sustainability. By collaborating with customers, industry leaders, and our own employees who share our vision, we accelerate sustainable product development. These synergies allow us to combine knowledge, expertise, and resources, resulting in greener solutions that align with sustainable development goals and drive positive environmental impact across the value chain.

6 CLEAN WATER AND SANITATION



Reduce water consumption

We specialize in water management chemicals for the industry, offering a comprehensive range of solutions to optimize water use efficiency. Our innovative products help customers significantly reduce industrial water consumption, improve water recycling, and enhance overall process efficiency. We prioritize sustainable water management in our own operations, continuously working to minimize our water footprint and reduce water intensity.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Innovation:

New products and technology

We provide sustainable solutions that give customers a competitive edge in performance and efficiency. As a leading specialty chemicals company in industrial manufacturers, we develop green products that help customers reduce resource consumption. Our innovations optimize water usage, energy consumption, and raw material utilization. We continuously expand our portfolio through internal development and strategic collaborations, driving industry sustainability.

13 CLIMATE ACTION



Climate Protection Measures


Amazon Papyrus Chemicals optimizes its supply chain to reduce CO2 emissions, including building a new plant in China to streamline operations and decrease transportation-related GHG emissions. Our products promote climate protection by minimizing energy usage, improving water management, and enabling circular economy practices. We help replace single-use plastics with innovative barrier coatings for paper, contributing to sustainable solutions in the packaging industry.





To drive our ESG strategic pillars, Amazon has implemented an ESG dashboard that tracks KPIs across environmental, social and governance areas. The company reports progress on these metrics quarterly, allowing for proactive adjustments to their strategies.



	Topics	Metrics	Baseline (2021)	Result 2022	Result 2023	Targets achievement vs 2021 baseline	SDG
Environment	Energy consumption intensity to reduce by 5%*	KWH/Kg prod	0.0450	0.0389	0.0399	Reduce 10% 	12, 13
	Water consumption intensity to reduce by 5%*	Litres/Kg prod	0.8590	0.8293	0.8382	Reduce 2% 	6, 12
Social	Workplace Health, Safety and Security	TRIR** <1	0.45	0.66	1.69	Above 1 	3, 12
	Training hours offered by company & no of trainee attained	hours	94/ 326	122/410	344/744	NA	8
	Employee Turnover rate	<10 %	8.8%	8.9%	9.2%	100% 	8
Governance	Supplier code of conduct	100%	79.3%	95.7%	100%	100% 	12, 17
	Anti-Bribery & Corruption Management	100% trained	Nil	90%	New training system implemented in 2024 *** In 2024 Q1, over 98% of employees received training in Antitrust & Competition Law Basics and over 96% in Bribery & Corruption: Avoiding the Slippery Slope		8
	Cyber Security Management	100% trained	Nil	21%	100%	100% 	8

* Factories Focus
 ** TRIR (Total Number of Recordable Incidents * 200 000 / Total Work Hours)
 *** Postponed its 2023 training to 2024 as it transitioned to an online video training vendor



All 17 SDGs are important to Amazon Papyrus’ sustainability agenda, but 7 SDGs were identified to be the most relevant and where we can make the biggest difference.

2023 Emissions Intensity Decreased by 4% for the whole group



Emission (tCO ₂ e)	2023	2022	△
Scope 1	316.86	300.27	+6%
Scope 2	326.34	299.34	+9%
Scope 1 and 2	642.23	599.61	+7%
Emission Intensity (tCO ₂ e / tons of production)	0.073	0.076	-4%

Our target to reduce the emission intensity by 5% in 2025

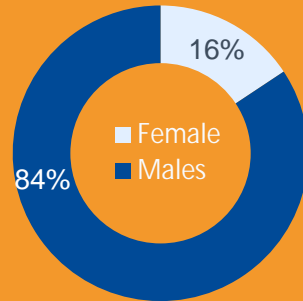
In its ongoing commitment to sustainability, APC Group has successfully reduced the emission intensity per ton of production across its operations. This achievement underscores our dedication to enhancing production efficiency and operational practices. However, despite these reductions in emission intensity, total Scope 1 and Scope 2 emissions have increased due to expanded production capacity and a larger operational scale required to meet rising demand.

APC Group is proactively addressing this challenge by investigating further improvements in energy efficiency and integrating renewable energy solutions. These efforts aim to lessen the impact of our expansion on the overall carbon footprint. As part of our strategy, the upcoming China plant will be equipped with solar panels, expected to supply 35% of the plant's total electricity needs. This initiative is a significant step towards reducing our environmental impact and advancing our sustainability goals.

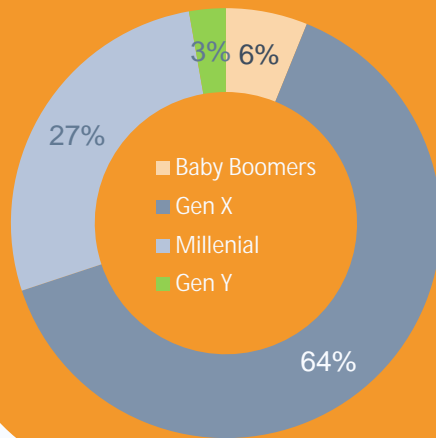


Matrix of Diversity 2023: Crafting Balanced Compositions

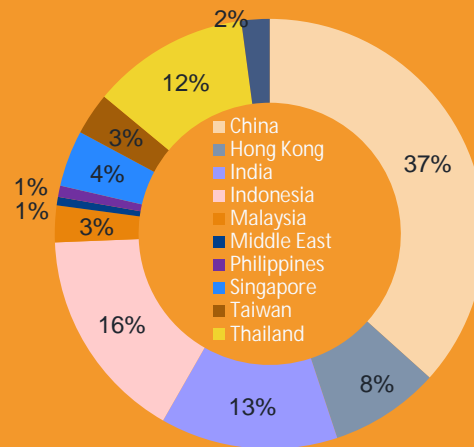
Diversity in APC Group
Total 472 employees



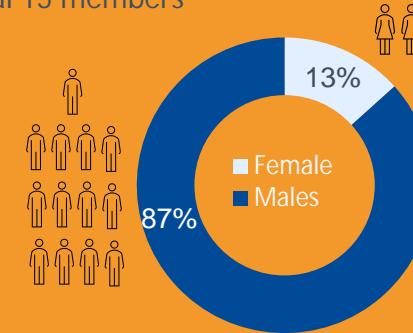
Age



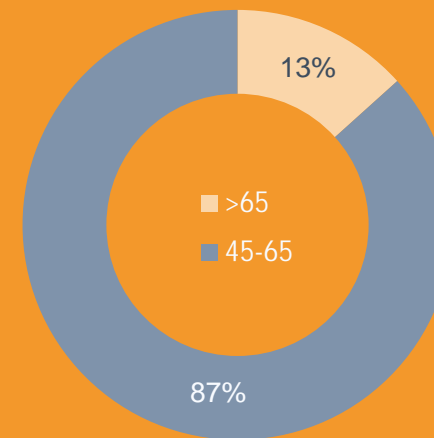
Region



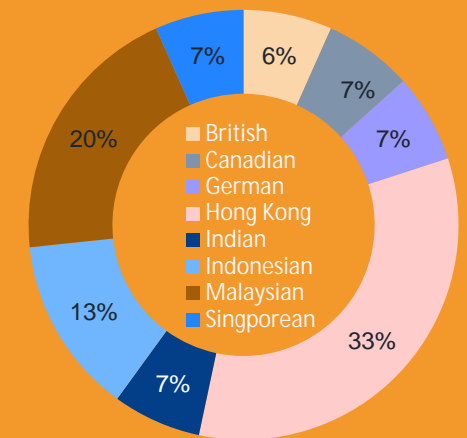
Diversity in Management Team
Total 15 members



Age



Nationality



Cultivating an Inclusive Workplace Empowering Every Voice



At APC Group, diversity, equity, and inclusion are more than just values—they are foundational pillars that drive our organization forward.

In 2023, we have deepened our commitment to these principles, recognizing that a diverse workforce is not just beneficial but critical to our success.

By embracing varied backgrounds and experiences, we enhance decision-making, foster innovative solutions, and strengthen our organizational resilience.



Innovative Workforce: We have observed that diversity in our team leads to more creative solutions and robust decision-making. This rich mix of perspectives makes us more agile and better prepared to respond to business challenges.

Inclusive Culture: Our dedication to equity and inclusion is evident in our efforts to create a workplace where every employee feels valued and respected. We strive to cultivate an environment that promotes a sense of belonging and allows every individual to thrive.



Professional Development: In 2023, we continued to invest in our employees' growth, offering 41 training courses that were attended by 744 employees, totalling 344 training hours. This commitment to personal and professional development not only enhances current job performance but also facilitates career progression within the company.

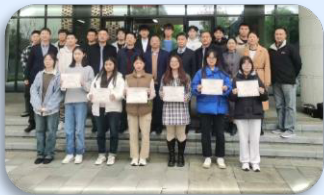
Strategic Benefits: The integration of DEI into our corporate strategy underpins our pillar of 'trust', leading to tangible benefits. We've seen higher employee retention rates, strengthened team bonds, and increased productivity, all contributing to improved business performance and profitability.

Social - Supporting our communities

At Amazon we aim to have a positive impact on society – both within our company and outside it – supporting not only our employees, but our customers, partners and wider communities. We have been focusing our efforts on embracing diversity, equity and inclusion initiatives, as well as our approach to, training & development & philanthropic giving.

Give back to society

2023



China

Scholarship Award Ceremony of Sichuan University of Light Industry and Technology
18 Students received Scholarship



Hong Kong

20 colleagues from the Hong Kong headquarters office joined the activity at Sai Kung. The team came together to remove waste from the shoreline



Turkey-Syria Earthquake Donation

APC employees displayed compassion and generosity by donating USD 10,000 to aid earthquake victims in Turkey and Syria. The company matched these contributions, bringing the total donation to USD 20,000. This was distributed between the Red Cross and the Embassy of the Syrian Arab Republic in Indonesia.



Indonesia

APC Group provided Medical Support Fund to a child and spouse of employees to ease the burden of the medical treatment



Indonesia

Scholarships to children of our excellent Indonesia employees. Amazon Papyrus Chemicals supported the candidates every quarter and evaluated their academic performance.



India

APC India has been honored with "Best Company" award by the District Government Authorities as part of Telangana State Formation Day celebrations. This award acknowledges our dedication to ensuring employee safety, efforts in environment protection and making positive impact on society

The APC Group is committed to integrating sustainability into our core business practices. This governance structure outlines the roles, responsibilities, and processes that will guide our sustainability initiatives and ensure accountability across the organization.

APC Group Board

APC Group Sustainability Steering Committee:
CEO, Corporate Strategy & Development Director

Sustainability Task Force: Heads of Departments
(Operation, HR, IT, Finance, Sales, Product Development)

Employees help to integrate sustainability into our
everyday business activities

This governance structure is designed to set sustainability goals and objectives that align with the company's vision, review and approve sustainability policies and initiatives, monitor progress and report on sustainability performance, and facilitate communication and engagement across the organization.

ESG dashboard tracks KPIs across environmental, social and governance areas. The company reports progress on these metrics quarterly to the board allowing for proactive adjustments to their strategies.

Corporate Strategy & Development Director responsible for the development and implementation of the sustainability strategy. She also serves as the main point of contact for all sustainability-related matters and reports progress to the Sustainability Steering Committee and engages with stakeholders, including employees, customers, and shareholders.

The Sustainability Task Force is established to execute specific sustainability initiatives and projects, comprising representatives from various departments, such as operations, marketing, R&D, and HR, along with volunteer employees who are passionate about sustainability. This team is responsible for identifying and implementing sustainability initiatives, monitoring and reporting on project outcomes, and engaging with the broader employee base to promote sustainable practices throughout the organization.



A light blue map of Asia and the Middle East. Orange dots of varying sizes are placed in West Africa. Labels in white boxes with orange pins point to various locations: India / Middle East, Saudi Arabia, Iran, China, Hong Kong, Taiwan, Vietnam, Philippines, Thailand, Malaysia, Singapore, Indonesia, and Japan.

THANK YOU

HONG KONG (HEADQUARTERS)
AMAZON PYPYRUS CHEMICALS LIMITED



Unit A & B, 21/F, EGL Tower, 83 Hung To Road,
Kwun Tong, Kowloon, Hong Kong



+852 2505 6802



+852 2505 9392



www.amazon-papyrus.com



info@amazon-papyrus.com