

Sustainability Report 2024

Foreword from the CEO

I am pleased to present APC Group's 2024 Sustainability Report, which reflects our unwavering commitment to integrating sustainability into every aspect of our business.

This year marked a significant evolution for our organization, beginning with our refreshed brand identity. As I noted when introducing our new logo, this change represents "the beginning of an exciting new chapter in our illustrious history" - one that honors our heritage while propelling us toward more sustainable and ambitious future goals.

Our structural transformation into five focused business segments - **Paper/Tissue, Pulp, Fibre Technologies, Surface Technologies, and Water Management** - positions us to deliver innovative, sustainable solutions across industries. We are "strengthening our core business, constructing new ventures, and transforming our image" to become a leader in sustainable solution provider.

A tangible example of this commitment is our new Jiangmen production facility in China, designed from inception with sustainability at its core. The facility will utilize solar power and incorporate energy-efficient features, significantly reducing our overall carbon footprint while maintaining operational excellence.

While we celebrate these achievements, we recognize the ongoing challenges of decarbonizing our supply chain and meeting evolving stakeholder expectations. Our progress would not be possible without the dedication of our teams and the support of our partners. Together, we are building a future where industrial progress and environmental responsibility advance hand in hand.

Mike Grundy
CEO & Co-Founder, APC Group



Our Progress

At APC Group, our corporate strategy is intrinsically linked to solving global sustainability challenges. Climate change, resource scarcity, and the transition to a circular economy are not just external factors—they are fundamental drivers of our innovation and growth. In 2024, we accelerated the execution of our strategy, transforming our organization to better serve our customers and lead the industries we operate in.

A New Structure for a New Era

We shifted from a country-based to a market-segment structure—Paper, Pulp, Fiber Technology, Water Management, and Surface Technology—to enhance collaboration and integrate sustainable solutions across fiber-related value chains.

Safety as Our Foundation

Our zero-incident ambition is upheld through personal responsibility, comprehensive training, and safe working conditions, protecting our people and operations.

Data-Driven Accountability

We continue to track ESG KPIs through a dedicated dashboard, integrating SDGs into core operations and ensuring transparent, quarterly progress reporting.



Carmen Wong

Group Corporate Strategy and Development Director

Collaboration as a Catalyst for Change.

We believe that today's complex challenges demand collaboration. That's why we've partnered with leading innovators in green biotechnology—combining their breakthrough solutions with our global market reach to help decarbonize industrial processes for our customers. Our new, sustainably designed production hub in China further underscores our commitment to responsible growth, powered by renewable energy and built to minimize our environmental footprint.

Looking ahead, APC is poised to turn challenges into opportunities through our adaptive business model and unwavering commitment to a sustainable future.

About APC Group

APC Group is a leading specialty chemical and process solutions provider, with origins dating back to Amazon Papyrus Chemicals in 2000. For over two decades, we have been at the forefront of problem-solving and innovation in the Pulp & Paper industry, delivering cutting-edge technologies to drive efficiency and sustainability.

Today, APC Group serves as the preferred partner for industrial clients seeking transformative solutions in:

- Pulp & Paper Processing
- Water & Effluent Management
- Viscose Fiber Technology
- Functional Barrier Coatings
- Molded Pulp Applications

We empower businesses across Asia and the Middle East to optimize performance, reduce environmental impact, and achieve long-term growth.



520+
Employees

70% Field based



430+
Customers



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



21
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, Turkey,
Australia



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

APC Group's Vision

“

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

”



Mission

- 1 Customer Success: Delivering high-quality, sustainable products and dedicated support for customer achievements.
- 2 Empowering Work Environment: Fostering creativity, teamwork, and safety for employee growth and potential.
- 3 Long-Term Value: Commitment to sustained growth, innovation, and exceptional results for stakeholders.

Core Values



Collaboration



Diversity



Integrity



People Development



Innovation

APC Group’s ESG Strategy Aligned with the United Nations Sustainable Development Goals (SDGs)



SUSTAINABLE
DEVELOPMENT
GOALS

Guided by our ESG strategy aligned with the United Nations Sustainable Development Goals (SDGs), APC Group is committed to creating lasting value for our stakeholders and the planet. Our approach is structured around three core pillars:



E | Planet

In 2024, we advanced our environmental goals with the launch of our energy-efficient Jiangmen facility, targeting 85% renewable power usage. We prioritize resource efficiency—reducing energy, reusing water, and recycling materials—while our technologies help customers improve yield and adopt circular practices.



S | People

We strengthened our safety culture with enhanced training and monitoring systems at all sites. Our inclusive workplace values every employee, supported by development programs and community initiatives that promote well-being and growth.



G | Performance

Strong governance remains central to our operations. We enhanced transparency through our ESG dashboard, ensuring integrity across decisions and supply chains. By embedding sustainability into strategy, we drive both profitability and meaningful impact.

Strategic Transformation to Advance Sustainability and Integrated Solutions

The shift to a market segment structure is a foundational commitment to embedding sustainability into our core business strategy. It enables us to take an integrated, long-term view of our impact, ensuring responsible choices are made throughout the value chain.

We have evolved from individual product lines to become a total solution provider across the lifecycle of renewable, fiber-based materials. By integrating our core expertise in pulp and paper production with adjacent segments—Fiber Technology, Surface Technology and Water Management—we are uniquely positioned to serve the full spectrum of fiber-related industries. Our journey begins with pulp, where we offer a wide range of process chemicals to support different grades of pulp which are the backbone of numerous industries: paper mill, molded fiber packaging, viscose for textiles & fibers reinforced cement boards for construction. What connects all these industries?

Fibers --- the processes chemical and water treatment solutions that enable their efficient and sustainable production.

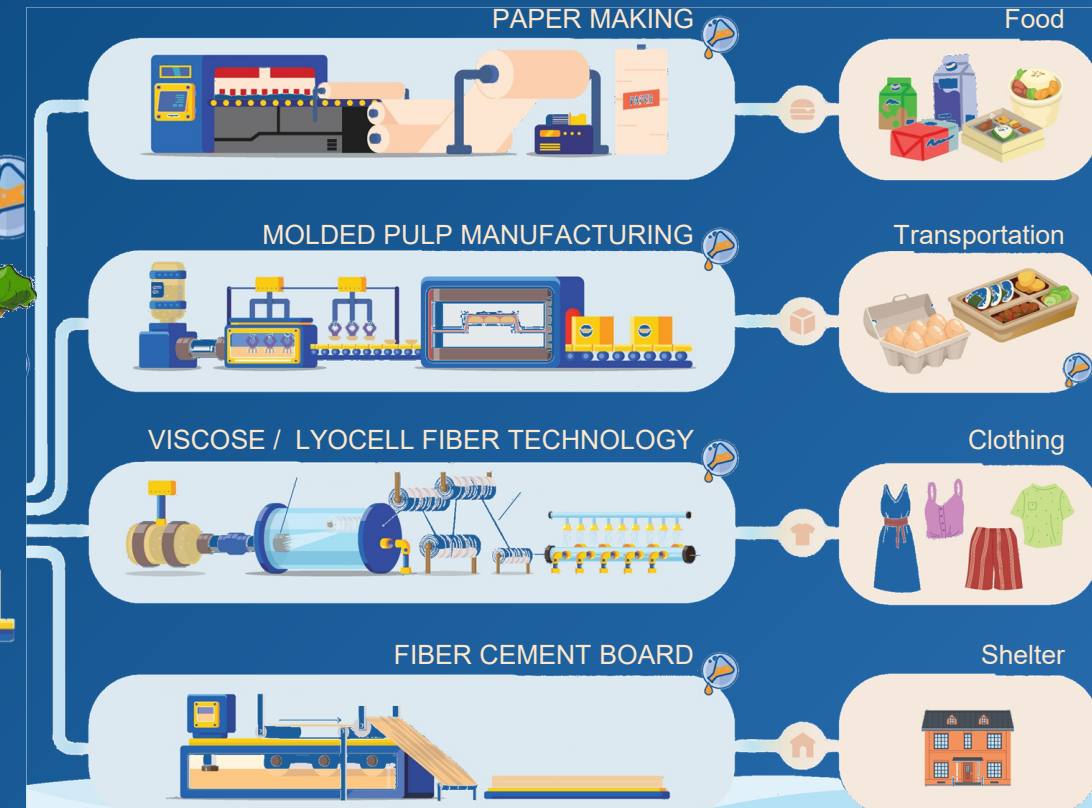


PULP
MAKING



WATER TREATMENT

This integrated approach enables cross-market solutions, new growth streams, and stronger partnerships. At APC Group, sustainability is not an add-on, but the lens through which we innovate, collaborate, and lead in advancing the circular economy.



Commissioning Major Solar Energy at our New Jiangmen Facility

APC Group embedded sustainability at the core of its new strategic production hub, which commenced operations in Q4 2024, and is targeting 85% renewable power usage.

In 2024, as a core part of our commitment to environmental stewardship and reducing our operational carbon footprint, APC Group advanced the construction and launch of our new production facility in Jiangmen, China. The facility successfully commenced operations in the fourth quarter of 2024.

From its inception, the facility was designed with energy efficiency as a priority. The architecture optimizes natural sunlight illumination and natural ventilation systems, reducing reliance on artificial lighting and climate control.

The cornerstone of our energy strategy is a major investment in on-site solar power generation. Construction began on a solar panel array across 2,324 m² of rooftop space, with installation and commissioning targeted for completion in Q3 2025. This installation is projected to have a profound impact on our environmental performance once operational.

This project underscores APC Group's dedication to innovating for a greener future and aligns our growth with our responsibility to the planet.



2024 Milestone Achieved, 2025 Target Set

Phase 1: Facility Operation (Achieved 2024)

New Jiangmen Facility Start Operation

- Designed with natural light & ventilation
- Operations commenced Q4 2024

Phase 2: Solar Installation (Target: Q3 2025)

Solar Project Commissioning

- 2,324m² of panels installed
- Target: 530,000kWh annual generation
- Target: 300 tons of CO₂e saved per year

Result: 85% Renewable Power for Operation

Partnership ANNOUNCEMENT



Our Strategic Partnership for
China, India, SEA & Middle East market.

Strategic Partnership to Pioneer Enzyme-Based Circular Solutions

Our exclusive partnership with AB Enzymes is a key initiative in our strategy to reduce the environmental footprint of the industries we serve.

This alliance enables us to directly contribute to our sustainability goals by providing customers with innovative biological solutions that fundamentally make their processes more efficient and less wasteful.

The enzymatic technologies we now offer allow manufacturers to achieve significant environmental gains, including:

- **Lowering their carbon footprint** through reduced energy and chemical usage.
- **Minimizing waste** by improving process efficiency and fiber yield.
- **Transitioning to greener chemistries** by replacing harsher traditional chemicals with biodegradable enzyme alternatives.

This alliance is a testament to our commitment to providing solutions where operational performance (ROI) and tangible benefits (ESG) are intrinsically linked, helping our partners meet both regulatory demands and consumer expectations for truly sustainable manufacturing.



Advancing ESG Performance Through Data

Two years since its implementation, our integrated ESG performance dashboard has become a cornerstone of our governance and a key driver of our sustainability progress. This dynamic system provides robust, quarterly insights that confirm our key performance indicators are progressing firmly on track. This consistent data stream has been instrumental in allowing us to measure impact, optimize strategies in real-time, and demonstrate tangible accountability toward our long-term goals.

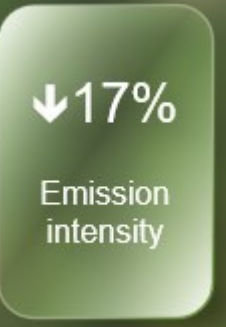
Topics		Metrics	Baseline (2021)	Result 2023	Result 2024	Targets achievement vs 2021 baseline	SDG
Environment	Energy consumption intensity to reduce by 5%*	KWH/Kg prod	0.0450	0.0399	0.0368	Reduce 10% 😊	12, 13
	Water consumption intensity to reduce by 5%*	Litres/Kg prod	0.8590	0.8382	0.8524	Reduce 2% 😐	6, 12
Social	Workplace Health, Safety and Security	TRIR** <1	0.45	1.69	0.77	Below 1 😊	3, 12
	Training hours offered by company(no of class)	hours	94 (29)	344 (41)	317 (48)	NA	8
	Employee Turnover rate	<10 %	8.8%	9.2%	9.5%	<10% 😊	8
Governance	Supplier code of conduct	100%	79.3%	100%	100%	100% 😊	12, 17
	Anti-Bribery & Corruption Management	100% trained	Nil	Nil	Average 92.33%	<100% 😐	8

* Factories Focus
 ** TRIR (Total Number of Recordable Incidents * 200 000 / Total Work Hours)



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

Progress on Emissions Reduction: Balancing Growth with Responsibility



In line with our commitment to sustainable growth, APC Group has achieved a **17% reduction in emission intensity** (from 0.073 to 0.063 tCO₂e per ton of production) from 2023 to 2024—surpassing our initial 2025 target of 5% ahead of schedule. This demonstrates the effectiveness of our investments in **energy-efficient technologies** and optimized production processes.

However, as anticipated during this phase of expansion, **total Scope 1 and 2 emissions increased by 12%** due to higher production volumes to meet market demand. Notably:

Scope 1 (direct emissions)

-8%

Reflecting successful upgrades to lower-emission equipment and cleaner fuels

Scope 2 (indirect emissions)

+26%

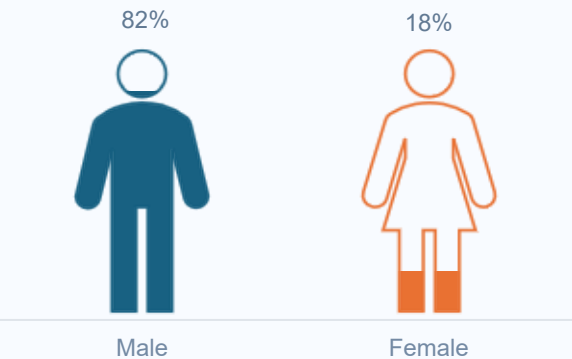
Primarily attributed to increased reliance on grid electricity at our newly operational facilities.

Emission (tCO ₂ e)	2024	2023	Δ
Scope 1	292	317	-8%
Scope 2	438	326	+26%
Scope 1 and 2	731	642	+12%
Emission Intensity (tCO ₂ e / tons of production)	0.063	0.073	-17%

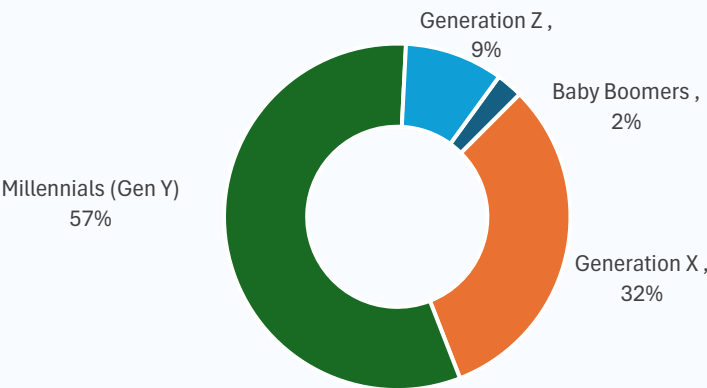


Matrix of Diversity 2024: Crafting Balanced Compositions

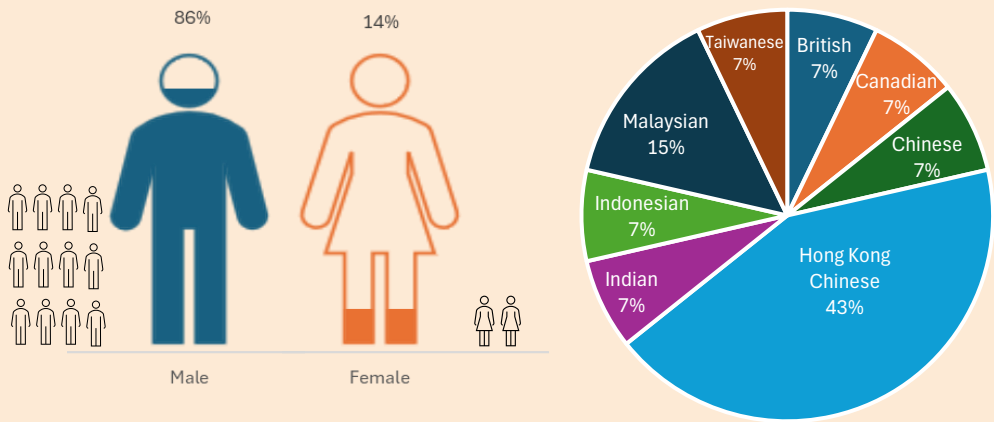
Gender Diversity



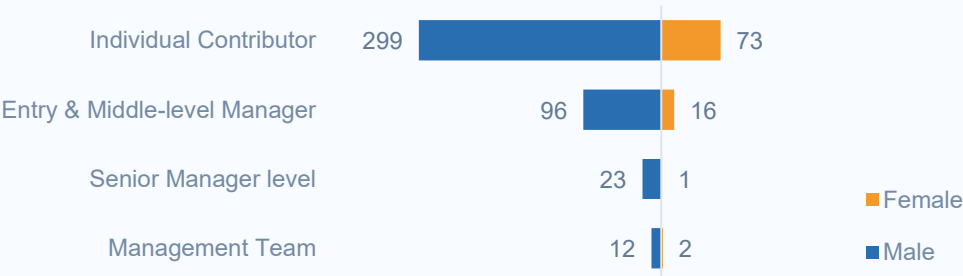
Hires by Generation



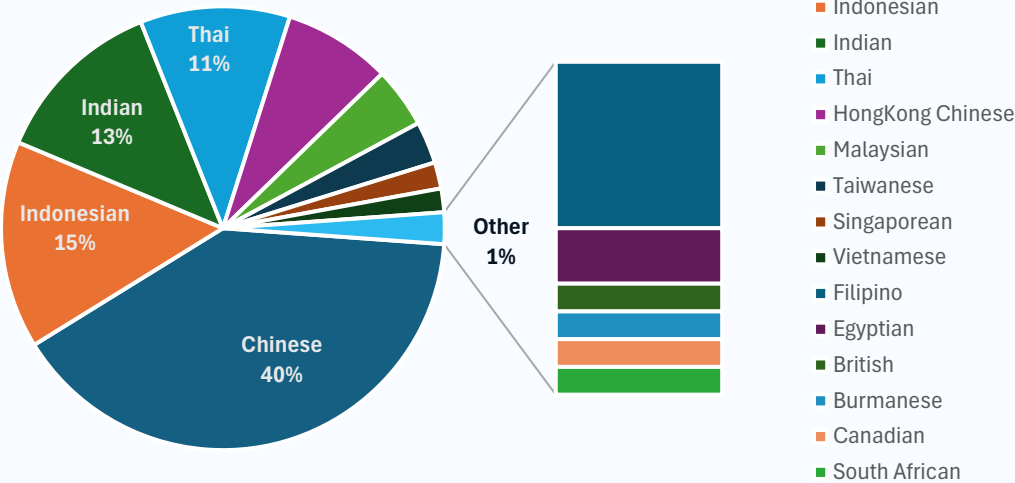
Diversity in Management Team



Headcount by Seniority and Gender



Ethnicity by Region



Integrating Safety and Sustainability at Our Jiangmen Facility

At APC Group, our commitment to Environmental, Health, and Safety (EHS) excellence is fundamental to our sustainable operations. Our new Jiangmen production hub demonstrates this commitment through robust systems that protect both people and planet.



1

Comprehensive Safety Protocols

The facility operates under a stringent EHS framework featuring:

- 24/7 monitored fire detection and emergency response systems
- Strict chemical handling protocols with mandatory PPE requirements
- Controlled access and clearly marked emergency evacuation routes

2

Continuous Training

All employees receive:

- Regular safety training including chemical handling and emergency procedures
- Practical drills in fire extinguisher use and first aid
- Scheduled evacuation exercises

3

Operational Risk Management

Advanced controls mitigate high-risk activities:

- Strict Lockout-Tagout (LOTO) procedures for maintenance safety
- Managed entry protocols for confined spaces
- Daily EHS inspections to proactively address hazards

Through these measures, the Jiangmen plant upholds our commitment to workplace safety, environmental responsibility, and sustainable operational excellence.

Community Engagement & Social Responsibility

APC Group is committed to creating long-term social value through strategic partnerships and targeted community initiatives.

Education : For over a decade, supported 733+ students via long-term university scholarships and industry-academia partnerships.

International Projects: Launched clean water initiative in Indonesia, improving health and educational access.

Local Action: Donated supplies to elderly homes, supported youth sports, and aided vulnerable communities through regional partnerships.



Closing Statement and Year Ahead

Our sustainability journey at APC Group has been one of purposeful transformation. Despite the complexities of global supply chains and evolving market demands, we have remained steadfast in our commitment to decarbonize industry. The progress highlighted in this report—from our strategic organizational shift to our partnership with green solution and the launch of our renewable-powered Jiangmen facility—demonstrates our resolve to align growth with responsibility.

Looking back, we are proud of what we have achieved, particularly in reducing emission intensity ahead of schedule. Yet, we recognize that this is only the beginning. The increase in our absolute emissions underscores the need for continued innovation and scale.

In the year ahead, APC will intensify efforts across three priority areas:

1. Deepening Operational Excellence: Expanding the renewable energy integration at our Jiangmen plant and extending energy efficiency initiatives across all sites.
2. Strengthening Value Chain Collaboration: Working closely with customers and suppliers to improve the adoption of sustainable technologies, enhance material efficiency, and advance the development of greener chemical solutions.

3. Leveraging Data-Driven Insights: Enhancing our ESG dashboard to track progress transparently and inform strategic decisions across our market segments.

Guided by our core values of safety, innovation, and integrity, we will continue to collaborate with customers, partners, and stakeholders to turn sustainability ambitions into tangible outcomes. By staying focused on our long-term vision, we are not just adapting to a changing world—we are helping to shape it.

Together, we are building a more sustainable and resilient future.





www.amazon-papyrus.com