

Appvion's response to "Skip the Slip" legislation proposed in California

(Appleton, Wisconsin, January 10, 2019) <u>Appvion Operations, Inc.</u> ("Appvion"), North America's largest producer of direct thermal receipt paper, is concerned about California's misguided legislation attempt to limit paper receipts for environmental and health protection. Appvion continues to closely monitor activities in Sacramento.

Paper receipts are the valued choice of retailers and consumers to document sales transactions. Appvion shares the industry's anxiety over privacy issues and fraud with electronic receipts. "It is concerning that this proposed mandate in California would limit the choice of obtaining a paper receipt for retailers and consumers," said Appvion's CEO George W. Wurtz III. Results of a 2017 Toluna U.S. consumer survey indicated that 90 percent of consumers agree that they should have the right to choose how they receive communications (printed or electronic) from financial organizations and service providers.

Regarding Appvion direct thermal products, Appvion led the industry to discontinue the use of BPA in thermal paper formulation in 2006 as a result of toxicology reports and available studies caused growing concerns in the market about the safety of the chemical. In light of the scientific evidence, Appvion felt such action was the responsible thing to do.

In addition, Appvion actively participated in the <u>EPA's Design For Environment</u> ("DfE") partnership program. Through DfE, multiple stakeholders – including manufacturers, retailers, public interest groups and regulators – were engaged in evaluating safer alternatives to BPA for use in thermal paper. As part of Appvion's long commitment to producing safe thermal paper, Appvion welcomed this rigorous safety review of potential BPA substitutes.

Appvion will continue to seek new information and technologies that offer additional opportunities to improve its portfolio of direct thermal products. As part of that effort, Appvion has developed an alternative to the standard point-of-sale receipt paper that is both free of chemical developers and phenols. This new technology relies on a physical change to develop the image. The product is past the prototype stage and will be market tested soon.

About Appvion

Appvion creates product solutions through its development and use of coating formulations and applications. The Company produces thermal, carbonless, security, inkjet, digital specialty and colored papers. Appvion, headquartered in Appleton, Wisconsin, has manufacturing operations in Wisconsin, Ohio and Pennsylvania, and employs approximately 1,150 people. For more information, visit www.appvion.com.

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