APC Storage Technology

Sustainability Overview

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Sustainability Overview

Supporting Sustainable Outcomes

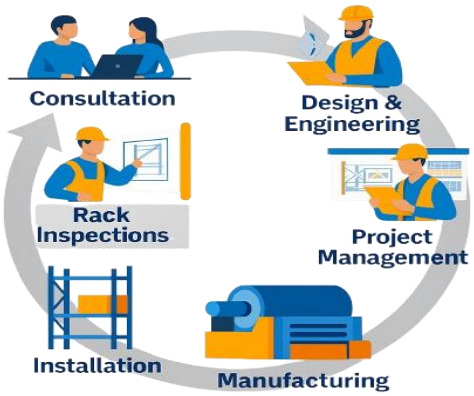
Who We Are

APC is a proudly Australian company established in 1972 to provide building, construction, warehouse and office solutions to a variety of industries. Today, we have our head office and main manufacturing hub in Perth, along with offices and warehouses in Melbourne, Sydney, Brisbane, and Auckland.

APC pallet racking and shelving solutions are designed, engineered, and manufactured locally here in Australia, by Australians and with Australian steel. This ensures we provide our customers with the most 'fit for purpose', flexible, cost-effective and Australian compliant designs.

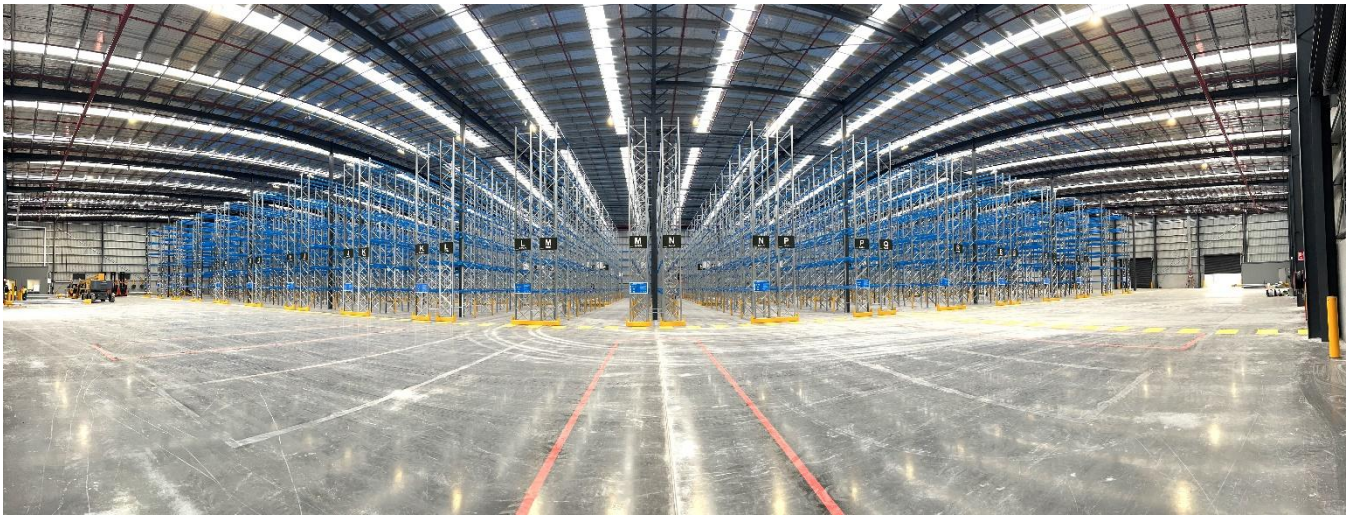
At every stage of our process, we integrate sustainability considerations into our thinking. We consider environmental impact, resource efficiency, and long-term performance in every decision we make.

Our commitment also extends to our partnerships, as we collaborate with trusted, responsible suppliers who share our values. Together, we aim to deliver smarter, greener solutions that support lasting environmental and economic benefits for our customers and communities.



What We're Doing to Drive Sustainability

At APC, sustainability isn't just something we're working towards — it's already part of how we operate. Through our products, partnerships, and everyday practices, we've implemented a range of actions that help reduce waste, support environmental responsibility, and encourage local, sustainable sourcing. These steps show our commitment to building smarter, more sustainable warehouse solutions for the future.



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Supporting Sustainable Outcomes

1 Certified Environmental Management as a Sustainability Driver

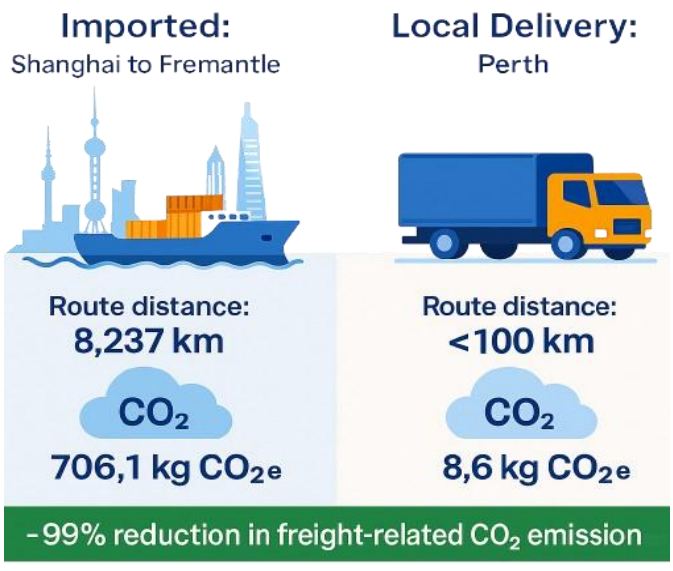
APC has implemented a structured Environmental Management System to ensure our operations meet regulatory requirements and align with long-term sustainability goals. Certified to ISO 14001, our system enables us to identify environmental risks, set clear targets, monitor performance, and drive ongoing improvement through established processes.

By integrating this framework into day-to-day operations, we're able to reduce waste, improve resource utilisation, and minimise environmental impacts across the business. It also supports compliance, strengthens stakeholder confidence, and helps our customers meet their own sustainability objectives.

2 Australian-Made Materials, Locally Sourced and Low in Carbon

Our pallet racking systems are manufactured in Perth, Western Australia, using raw materials sourced from local Australian suppliers. This approach reduces the carbon footprint typically associated with international freight and offshore production. Transporting heavy steel components over long distances, particularly from Asia or Europe, can generate significant greenhouse gas emissions. Choosing to source and produce locally not only reduces these emissions but also supports Australian industry, contributes to regional job growth, and enhances supply chain resilience.

To demonstrate the emissions savings from local sourcing compared to overseas imports, we used the **EcoTransIT World** emissions calculator to compare two typical delivery scenarios:



Imported Scenario (Shanghai to Fremantle)
Shipping 10 tonnes of pallet racking from Shanghai to Fremantle, a journey of approximately 8,237 km, results in:

- Transport activity: 82,370 tonne-kilometres
- CO_2 intensity*: 8.57 g CO_2e per tonne-kilometre
- CO_2 emissions: 706.1 kg CO_2e

Local Scenario (Within Perth)
By comparison, transporting the same 10 tonnes of Australian-made racking locally from our Perth facility involves less than 100 km of travel and generates:

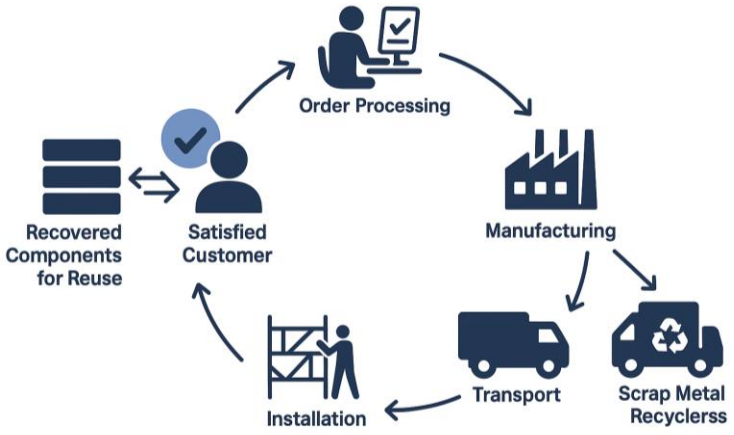
- Transport activity: ~1,000 tonne-kilometres
- CO_2 intensity: 8.57 g CO_2e per tonne-kilometre (same factor for consistency)
- CO_2 emissions: 8.6 kg CO_2e

***Note:** Emission intensity may vary depending on the vessel type and fuel source. For example, CN Rail Canada cites values as high as 11.97 g CO_2e per tonne-kilometre — which, for a 10-tonne shipment, could increase total freight emissions to over 1 tonne of CO_2e per delivery.*

3 Driving Circular Economy Outcomes Across Our Operations

Circular economy principles are increasingly shaping how we design, manufacture, and manage our warehouse systems. One such practical example is APC's initiative in collaborating with clients during warehousing upgrades to recover post-upgrade unusable components. These components are inspected for structural integrity and made available for reuse, thereby extending their service life and reducing the demand for newly manufactured steel.

We've also enhanced our internal manufacturing practices to capture and recycle steel waste from racking production. Structural offcuts, rejected parts, and punch-outs from upright post processing are carefully sorted and sent to authorised scrap metal recyclers. These closed-loop systems ensure materials are handled responsibly and contribute to a more sustainable production model.



Within our own operations, the reuse of wooden pallets plays a key role. Serviceable pallets are inspected, stored, and redeployed across jobs and departments, reducing packaging waste, limiting the need for new timber, and easing pressure on forestry resources.

Together, these three strategies embody a practical and forward-thinking approach to circularity, supporting a lower-emission, low-waste supply chain while delivering smarter outcomes for warehouse operators and the broader industry.

4 Sustainable Sourcing Through Responsible Supply Chains

Responsible sourcing plays a crucial role in our approach to manufacturing and procurement. APC prioritises Australian-based suppliers that show measurable progress in reducing environmental impact and hold recognised sustainability certifications. BlueScope—Australia's leading producer of flat steel products—is a long-standing partner and a recognised leader in sustainable steelmaking.

By sourcing structural-grade and coated steel from a local, sustainability-focused manufacturer, we minimise transport-related emissions, strengthen domestic industry, and improve transparency across our supply chain.

BlueScope

Why This Matters

As Australia's largest steel manufacturer, BlueScope plays a key role in supporting APC's commitment to responsible sourcing and sustainable manufacturing. With major operations at Port Kembla and additional facilities across the country, BlueScope maintains a strong domestic presence and is widely recognised for its leadership in low-impact steel production. The company holds certifications to **ResponsibleSteel™, ISO 14001, and Environmental Product Declarations (EPDs),** demonstrating measurable progress in reducing environmental impacts and alignment with internationally recognised sustainability benchmarks.

By sourcing certified and locally produced materials from a trusted domestic supplier, APC enhances its supply chain resilience and reaffirms its commitment to delivering sustainable and transparent greener warehouse solutions.

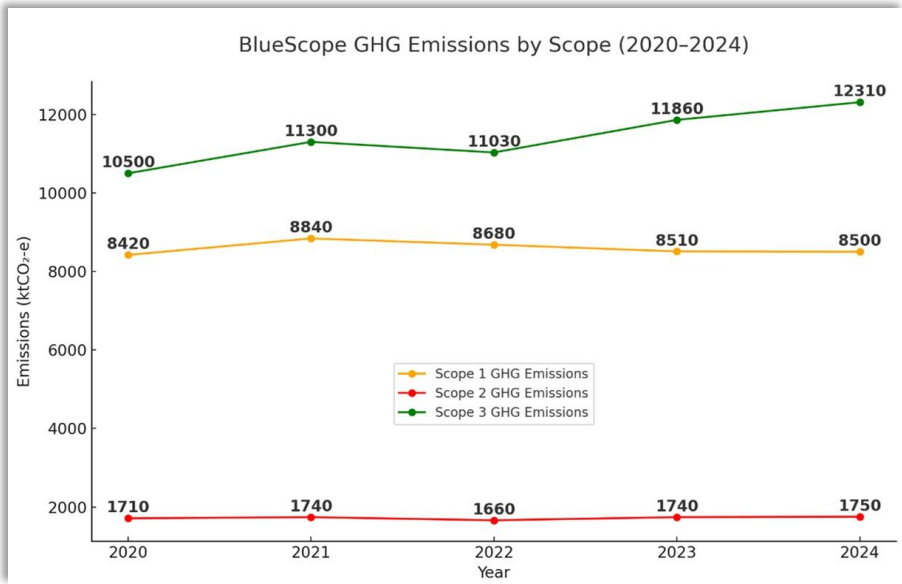
For our **industrial product range,** APC sources Galvaspan® (Zinc Hi-Ten) for uprights (posts and braces) and HA70T x 1.5 for beams— high-strength, Australian-made steels produced under rigorous environmental and quality frameworks. Galvaspan® is also certified to the Global **GreenTag™ GreenRate Level A standard**, confirming its environmental performance across the life cycle. These locally manufactured materials reduce transport-related emissions and contribute to our Scope 3 emissions reduction goals.

For our **commercial product range**, APC uses ZINCALUME® steel, also manufactured by BlueScope and covered under the same GreenTag **GreenRate Level A certification.** This provides assurance of its low environmental impact and eligibility for maximum points under sustainability rating tools such as Green Star. ZINCALUME® steel also offers superior corrosion resistance and long-term durability.

As part of our responsible sourcing approach, APC recognises the importance of understanding the environmental performance of our key suppliers. BlueScope, our steel supplier, reports its greenhouse gas (GHG) emissions in line with the internationally recognised **GHG Protocol.** This framework categorises emissions into **Scope 1** (direct onsite emissions), **Scope 2** (indirect emissions from energy consumption), and **Scope 3** (indirect upstream and downstream emissions across the supply chain). This visibility helps APC make more informed decisions about the materials we source and how they contribute to our broader sustainability goals.

Breakdown of GHG Emissions by Scope:

From FY2020 to FY2024, BlueScope's total Scope 1 and 2 emissions increased only slightly, from 10.13 to 10.25 million tonnes CO_2-e (a modest 1.2% rise). This indicates that emissions have remained relatively stable over recent reporting periods, despite significant growth in production capacity (such as the North Star facility) and the first-time inclusion of BlueScope Coated Products within the reporting boundary.



In contrast, Scope 3 emissions have followed an upward trend, driven by increased production volumes and greater demand for raw materials and transport. BlueScope's total Scope 3 GHG emissions increased to 12.31 million tonnes CO_2-e in FY2024, rising from 10.5 million tonnes in FY2020. However, this is not negative, as this growth also reflects enhanced reporting accuracy and a shift towards supplier-specific emissions data, enabling more targeted engagement across the value chain.

Figure: *BlueScope's Scope 1, 2 and 3 greenhouse gas (GHG) emissions.*
Chart created by APC based on data from BlueScope, 2024, Second Climate Action Report, p. [12].

Scope 3 GHG emissions now account for 54% of the company's overall emissions profile. While Scope 3 emissions remain complex to manage due to their occurrence beyond BlueScope's direct operational control, these efforts are enabling more effective engagement with suppliers and supporting broader decarbonisation across the value chain.

One particularly positive result is the stability of Scope 1 and Scope 2 emissions — which fall directly under BlueScope's operational control. Notably, Scope 1 emissions decreased from 41% to 38% of the company's total emissions share over the reporting period, reflecting improved management of direct greenhouse gas outputs.

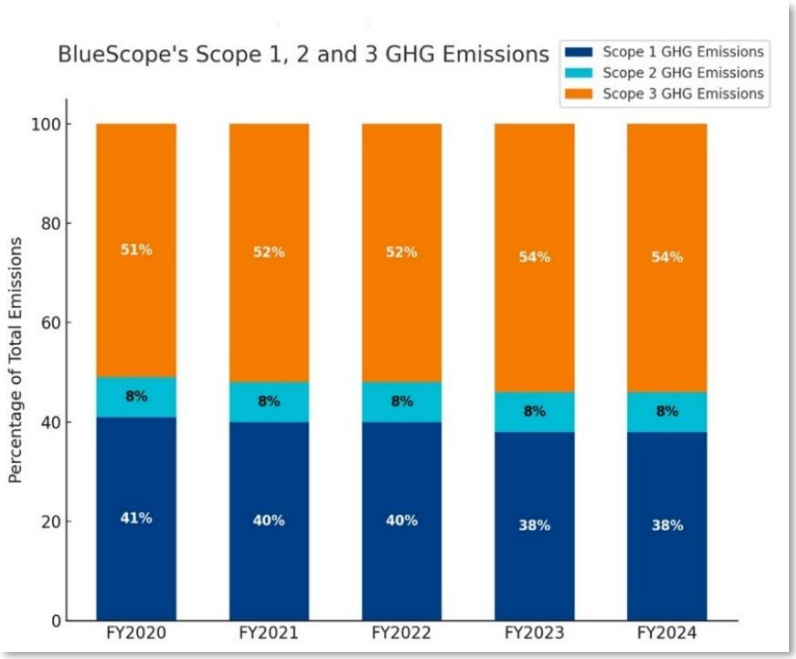
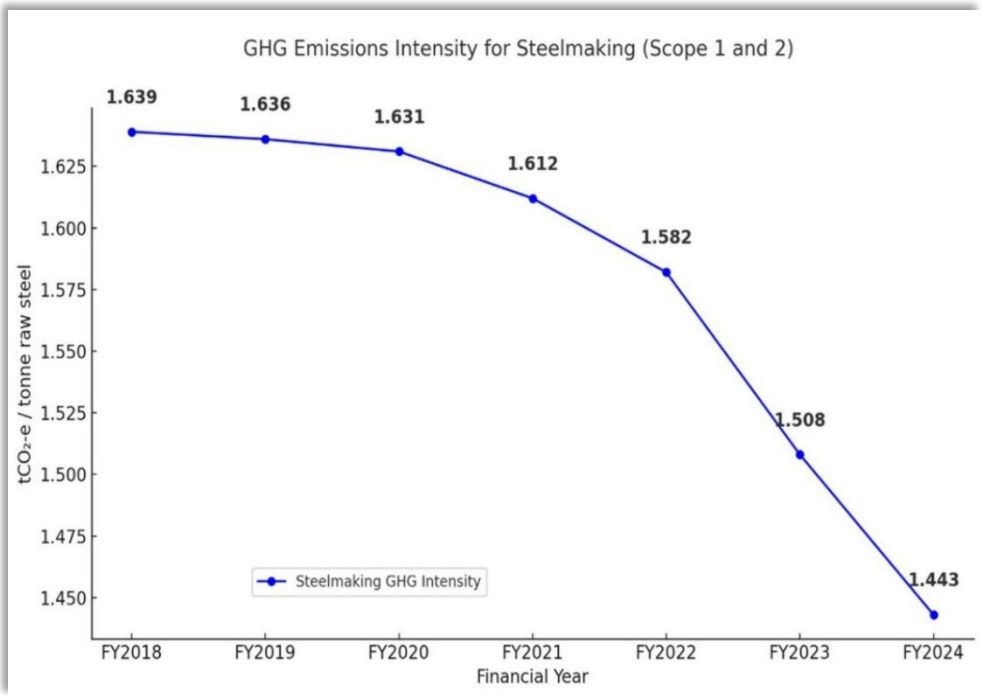


Figure: *Breakdown of BlueScope's Scope 1, 2 and 3 greenhouse gas (GHG) emissions.*
Chart created by APC based on data from BlueScope, 2024, Second Climate Action Report, p. [16].

GHG emissions intensity for steelmaking

By sourcing structural-grade and coated steel from BlueScope, APC benefits from lower embedded carbon in our materials, supporting our sustainability objectives and helping to reduce downstream emissions. BlueScope's steelmaking operations have already achieved their 2030 greenhouse gas (GHG) emissions intensity target (six years ahead of schedule). As of FY2024, BlueScope recorded a 12% reduction in Scope 1 and 2 GHG emissions intensity compared to its FY2018 baseline. This equates to just 1.443 tonnes of CO_2-e per tonne of raw steel produced.



This GHG emissions intensity metric measures the emissions released per tonne of steel produced. It is not the same as total (absolute) emissions — rather, it reflects how efficiently and cleanly each tonne of steel is manufactured. This makes it an essential indicator when evaluating the embedded carbon of steel products used in construction, manufacturing, and infrastructure.

Figure: *GHG emissions intensity for steelmaking (Scope 1 and 2) from FY2018 to FY2024.*
Chart created by APC based on data from BlueScope, 2024, Second Climate Action Report, p. [15].

Recycled and fresh water consumption

Fresh Water Consumption: BlueScope has reduced its fresh water consumption from 15,700 ML in FY2018 to 11,600 ML in FY2024 (a 26% decrease). This is particularly notable in steelmaking, where water plays a critical role in cooling, dust suppression, and process operations. By sourcing steel products manufactured in Australia by BlueScope, APC aligns with a supply chain that demonstrates meaningful reductions in natural resource use.

Recycled Water Consumption: Since FY2018, BlueScope has more than doubled its use of recycled water — from 3,290 ML (17% of total water use) to 6,530 ML (36%) in FY2024. This reflects an ongoing shift toward circular water practices within its production facilities. APC acknowledges the environmental benefits of sourcing materials from suppliers that prioritise efficient and responsible resource use. BlueScope's increased reliance on recycled water supports broader industry progress toward sustainable manufacturing.

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