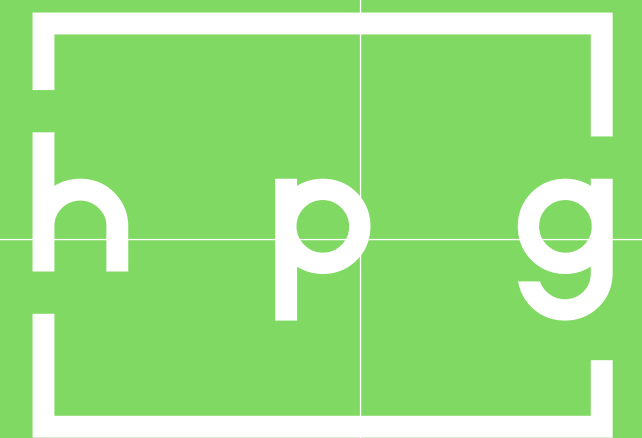
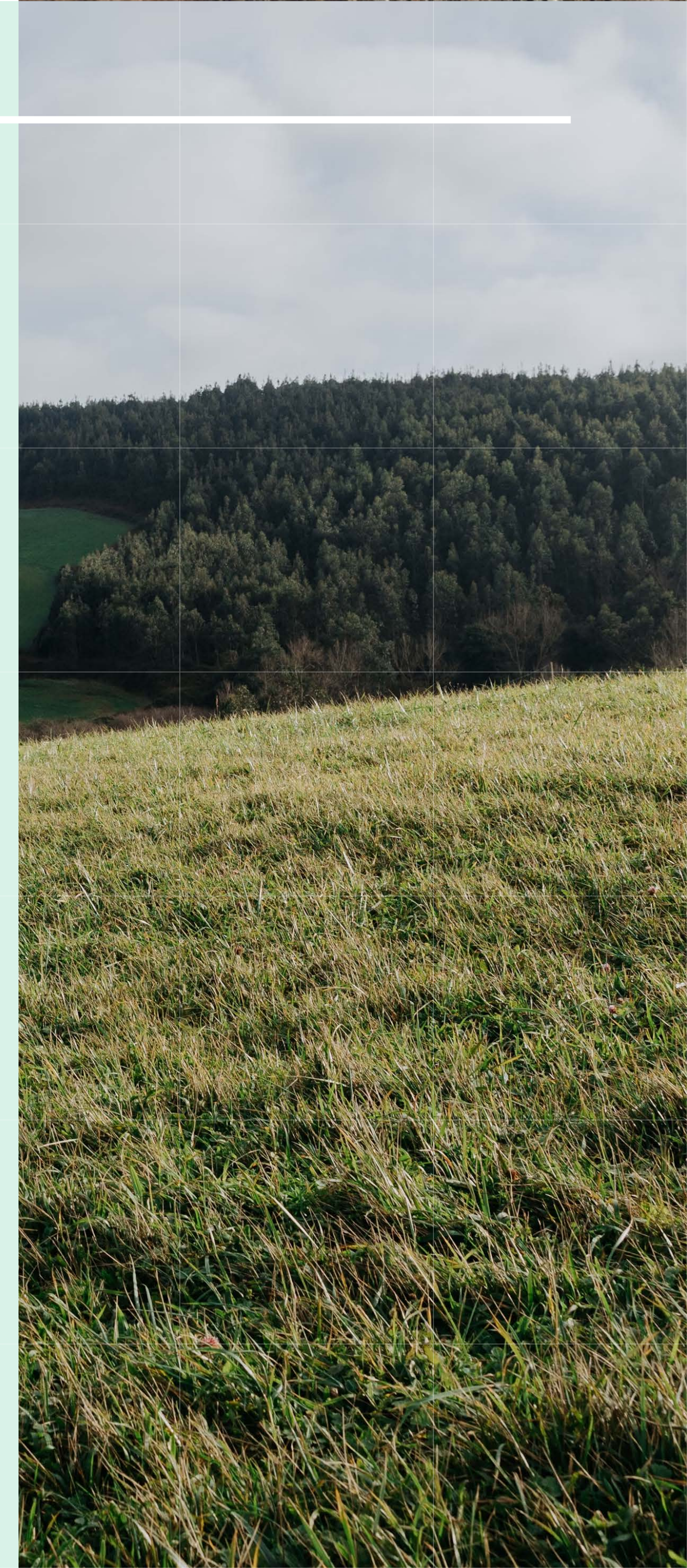


# Sustainability Report 2024





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# Our Commitment to Sustainability

*At HPG, partnership is at the heart of everything we do—including sustainability. Just as suppliers and distributors work together for success, we believe collaboration is key to meaningful change.*

Our Environmental, Social, and Governance (ESG) efforts go beyond ticking boxes; we set ambitious goals, measure impact, and keep our distributors at the center of it all.

This report highlights where we stand today in reducing carbon emissions, supporting social causes, and practicing responsible business. The data we have included covers the period from January 1st - December 31st, 2024.

**Together, we're driving progress and shaping a more sustainable future.**

HPG Brands earned a Platinum Medal from EcoVadis, ranking in the top 1% of companies for our strong sustainability practices and commitment to transparency.





# Embracing the UN Sustainable Development Goals

HPG aligns its sustainability efforts with five key areas identified from the SDGs to drive meaningful impact and contribute to the broader global agenda.

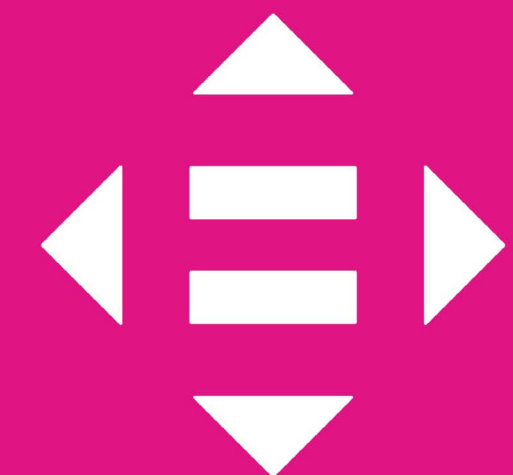
**3** GOOD HEALTH  
AND WELL-BEING



**8** DECENT WORK AND  
ECONOMIC GROWTH



**10** REDUCED  
INEQUALITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



# ENVIRONMENTAL



## Understanding Our Environmental Footprint:

What areas do we have the most influence over and where our products have the potential to make a positive impact.

## Material Sourcing and Manufacturing:

We strongly emphasize sustainability in products made in the USA by brands like BEST Promotions, Mixie, and Evans.

## Distribution:

We recognize the significant environmental impact of transportation within the promotional supply chain.

## Product Usage:

We prioritize promoting the longevity and eco-friendliness of our products.

## End-of-Life Disposal:

We recognize the importance of addressing end-of-life disposal concerns, despite limited direct contact with end users.



► Our environmental commitment revolves around reducing energy consumption, improving waste management, as well as promoting reuse and recycling as sustainable alternatives.



# Energy Use & Greenhouse Gas Emissions

HPG is committed to achieving net zero greenhouse gas (GHG) emissions across all our brands, following the Science Based Targets Initiative (SBTi) standards.

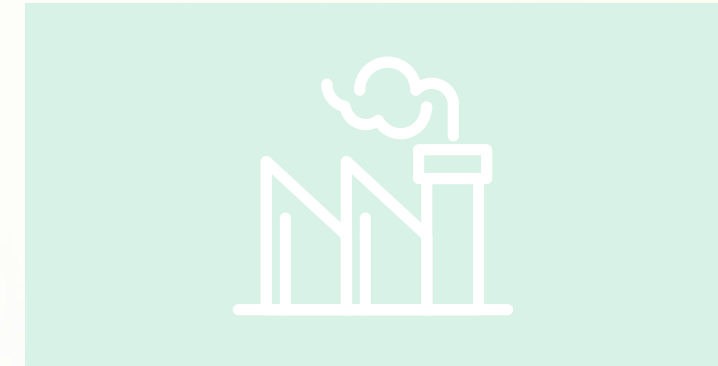
## Our Goals

- ▶ Reduce Scope 1 & 2 Emissions: Cut GHG emissions by 70% by 2028 (2023 baseline).
- ▶ Supplier Engagement: Ensure 60% of spending is with suppliers with science-based targets by 2028.

## Our Approach

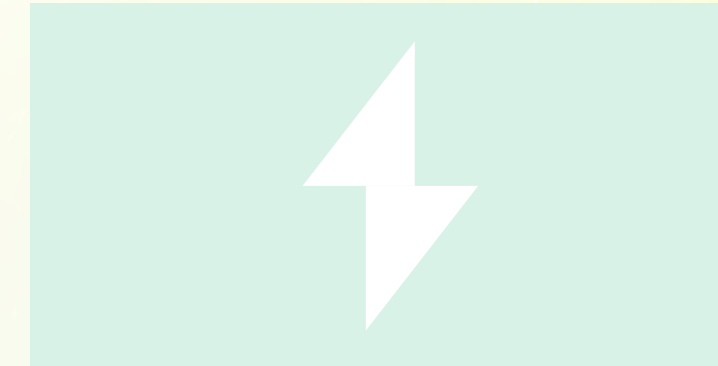
To ensure transparency and accountability, we implement tailored strategies and roadmaps to reduce GHG emissions across Scope 1 and 2, address all material sources, and annually calculate, report, and track progress using a transparent methodology and KPIs.

## Our 2024 GHG emissions were:



**Scope 1**  
**Direct Emissions**  
These are emissions from resources the company owns and operates directly.

**Market Based: 1,119 tCO<sub>2</sub>eq**  
**Location Based: 1,119 tCO<sub>2</sub>eq**



**Scope 2**  
**Indirect Emissions**  
These emissions are indirectly caused by the energy purchased from utility providers

**Market Based: 1,119 tCO<sub>2</sub>eq**  
**Location Based: 1,119 tCO<sub>2</sub>eq**

**Market-Based Emissions:** These are greenhouse gas emissions calculated based on the energy you choose to buy, like renewable energy or electricity from specific suppliers.

**Location-Based Emissions:** These are emissions calculated based on the average energy mix (like coal, gas, or renewable) used in the area where your business operates.



In 2024, HPG achieved carbon neutrality by offsetting unavoidable emissions through the purchase of high-quality carbon credits, aligned with international standards and publicly disclosed —carbon credits are rolling over in 2025 and additional offsetting methods are under review.





# Transportation and Distribution Emissions

Each HPG brand must ensure that all GHG emissions from transportation and distribution are aligned with the group's net-zero targets.

## Our Goals

- ▶ **Reduce Scope 3 Emissions:** Cut transportation, distribution, and waste emissions by 90% by 2030 (2023 baseline).
- ▶ **Offset Carbon Emissions:** Offset 100% of carbon emissions from domestic shipments.
- ▶ **Align Transportation with Net-Zero Targets:** Ensure all transportation and distribution activities align with HPG's net-zero emissions goals.

## Approach

Where zero-carbon logistics were not possible, we calculated and valued our residual emissions by applying an internal carbon price.

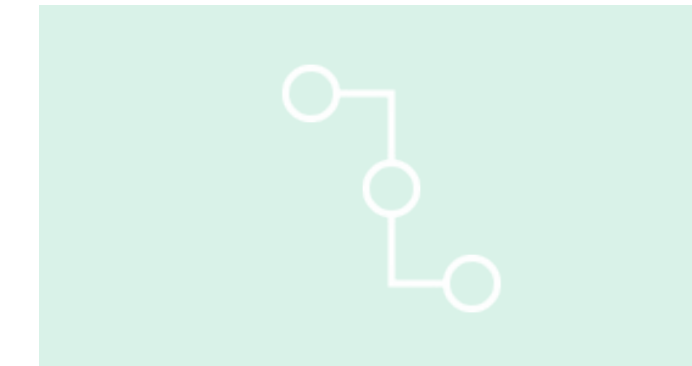
We utilized UPS' Carbon Neutral shipping service for domestic deliveries, which offsets emissions to reduce the environmental impact of shipping.



All business flights have been switched to Delta Airlines, which is committed to becoming carbon neutral by 2030.

We implemented a policy encouraging employees to opt for conference calls over travel to reduce business travel and associated carbon emissions.

## Results



### Scope 3

**Other Indirect Emissions**  
These are emissions that the company is indirectly responsible for through our supply chain.

**Market Based: 28,645 tCO<sub>2</sub>eq**

**Location Based: 28,645 tCO<sub>2</sub>eq**





# Sustainability in Waste and Resource Management

We are deeply committed to reducing waste and managing resources responsibly across all our brands. This involves understanding and addressing the environmental impact of our waste and resource use in the sourcing and production of our products.

## Goals:

- ▶ Expand our Goods2Know™, sustainable product range by 30%, integrating sustainable design principles, eco-friendly materials, and recyclability into product development.
- ▶ Achieve zero incidents of hazardous substance spills and zero incidents of direct harm to biodiversity from operational issues in 2025.
- ▶ Continue to partner with Evergreen to plant trees to offset our carbon emissions in 2025.
- ▶ Offset 100% of the carbon emissions related to our domestic shipments.
- ▶ Achieve zero waste to landfill by 2030.

## Our Approach:

We continuously assess and adopt solutions to minimize environmental impact across various areas including paper, plastic, electronics, batteries, and water usage. Furthermore, we actively promote products made from recycled and sustainable materials, facilitate recycling for end-of-life products, and partner with organizations like TerraCycle for recycling initiatives. This ensures a comprehensive and holistic approach to waste management, promoting a circular economy and reducing our environmental footprint.

## 2024 Results Waste Management

Hazardous Material: **0 tons**

Non-hazardous Material: **5466 cy**

Recycling Material: **245 tons**



31% of new products launched by HPG in 2024 had sustainability features such as being made from natural materials and being made in the USA.



**TerraCycle** uses innovative recycling and upcycling methods to process products that municipal recycling centers cannot. We partner with TerraCycle to bring their unique Zero Waste Boxes to the promo market, and in 2025, we'll offer Zero Waste Boxes in Canada.



**Rooting for Change with Partners like Evergreen.**  
For every order including a product made from natural materials, HPG plants a tree with Evergreen, helping to mitigate our environmental footprint and contribute to a greener future for all.

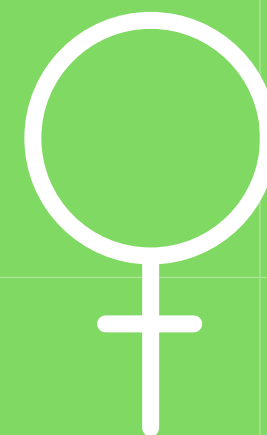
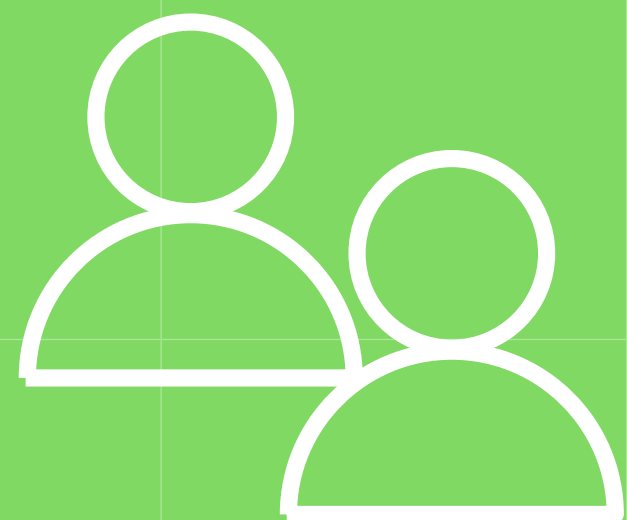
**8,245**  
**Trees planted**  
(0 gifted)

**5,238.10**  
**Tonnes of CO2 being offset**

[Click here to see our progress!](#)



# SOCIAL



► Our social responsibility extends to caring for our employees, communities, and global social causes. We're dedicated to fostering a work environment where employees reflect our communities, feel valued, find purpose, and reach their fullest potential.

To achieve this, we prioritize diversity & inclusion, wellbeing, and talent development.





# Diversity & Inclusion

At HPG, we believe in the power of diverse and inclusive teams to make smarter decisions for business, the environment, and society. Our commitment is to be a diverse and inclusive employer, ensuring our workforce and workplace reflect society and the communities we support.

## Goals:

- ▶ Each HPG brand must take steps to improve the representation of underrepresented groups in management, aiming for a minimum of 40% representation by the end of 2026.
- ▶ 100% of employees receive annual training on equality, inclusion, and diversity in 2025.
- ▶ Zero incidents of harassment or discrimination in 2025.

## Our Approach:

- ▶ HR departments continuously monitor diversity across the workforce, gathering data on all legally possible metrics and regularly reporting progress to the group.
- ▶ Ensure fair and equal pay for equal work through regular reviews of remuneration data and the creation of evidence-based action plans to rectify any variations.
- ▶ Ensure fair and equal access to work for all employees by using inclusive language in role advertisements and providing skills and career coaching support.
- ▶ Oppose and avoid all forms of unlawful discrimination and harassment, with processes in place for reporting and follow-up on all allegations.

## 2024 Results

Number of reports of harassment: 0

Number of reports of discrimination: 0

Percentage of women employed in the organization: 65%

Percentage of women at top management level: 44%



## Empowering Women!

In honor of Women's History Month, we were proud to celebrate the amazing women at Hub who help to drive our success every day. More than two-thirds of Hub employees are women. Watch our tribute to the women who make Hub strong!





# Wellbeing

At HPG, we prioritize creating a work environment where employees feel mentally healthy, engaged, fulfilled, and connected, both in the workplace and when working remotely. We recognize wellbeing across physical, social, mental, financial, and environmental aspects.

## Goals:

- ▶ Fewer than 20 injuries suffered by employees at work in 2025.
- ▶ Fewer than 20 workplace accidents in 2025.
- ▶ 100% of full-time staff are offered healthcare packages by the end of 2025.

## Our Approach:

- ▶ Ensure group-wide wellbeing offerings are easily accessible to all employees, promoting flexibility, trust, and individual accountability.
- ▶ Provide regular training on wellbeing issues for managers and intervene where poor wellbeing outcomes are identified, resolving issues identified in anonymous surveys and supporting employees access to help and sickness absence where necessary.
- ▶ Treat all matters relating to employee health with the strictest confidence, providing access to medical plans and an Employee Assistance Program run by Mutual of Omaha.

## 2024 Results

Percentage of employees offered healthcare benefits: 100%

Percentage of employees accepted healthcare benefits: 85%

Days lost to work-related injuries, fatalities and ill health: 11

Work-related accidents: 8

## Giving Back:

### Hurricane Helene Relief

HPG raised \$10,096 for Hurricane Helene relief, with all funds donated to the Red Cross to support North Carolina communities. Our company matched employee donations, surpassing our \$5,000 goal and making a meaningful impact on recovery efforts.



### Hub's Annual Back-to-School Pen Giveaway

Each year, Hub donates thousands of pens and pencils to schools in need. In 2024, we gave away nearly 20,000 writing instruments to over 60 schools! We collect surplus pens and pencils with various imprints year-round, giving them new life in classrooms where they're needed most.







# Talent for the Future

HPG prioritizes ensuring business continuity, resilience, and strategy delivery through robust talent succession and workforce planning. It is our commitment to manage talent effectively by identifying and nurturing potential at all organizational levels while also facilitating external recruitment as necessary.

## Goal:

- ▶ Advertising all vacancies on HPG's intranet, poster, and bulletin boards in 2025.
- ▶ Provide at least 4 hours of training for each employee in 2025.
- ▶ 100% of employees have a performance appraisal in 2025.

## Our Approach:

- ▶ Conduct regular workforce planning exercises to identify hiring and upskilling needs, ensuring alignment with business objectives.
- ▶ Provide accessible training and educational resources to all employees, promoting fair access and dedicated time for learning and development.
- ▶ Encourage open two-way feedback between employees and managers, empowering individuals to take ownership of their personal development plans.
- ▶ Align internal mobility practices with employees' long-term career goals and prioritize diversity in external recruitment efforts, adhering to inclusive language and corporate recruitment procedures.

## 2024 Results

Percentage of employees with completed performance appraisals: 89%

Average hours of training per employee: 5.4

Internal job opportunity advertisements: 85% were posted via internal platform and website

Completed living wage and gender pay study

### Opportunities for Advancement

Internal roles are advertised on our [paylocity.com](https://paylocity.com) platform so that all employees have visibility and can apply.



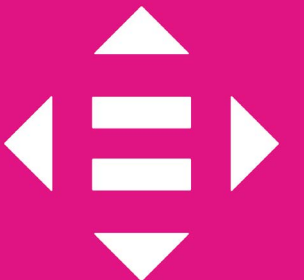


# GOVERNANCE

**8** DECENT WORK AND  
ECONOMIC GROWTH



**10** REDUCED  
INEQUALITIES

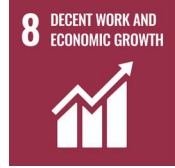


## Product Safety

We take pride in our stringent product safety and compliance standards. To ensure transparency and accessibility, we provide our product safety data in easy-to-download formats, making it effortless to access and share.

► Sustainability is more than just a goal—it's woven into how we do business. We believe in being transparent and ethical in all our dealings to ensure fairness and reduce risks. **With clear principles guiding our Corporate Governance, Supply Chain, and Human Rights practices, we strive for accountability, integrity, and sound decision-making.**





# Corporate Governance

HPG is dedicated to strong and transparent governance practices that promote accountability, integrity, and sustainability. Our corporate governance principles form the bedrock of ethical conduct, efficient risk management, and thoughtful decision-making across all aspects of our operations.

## Goals:

- ▶ Ensure 100% of employees at each brand complete ethics training by the end of 2025.
- ▶ Zero acts of bribery or fraud within the business in 2025.
- ▶ Zero acts of illegal activity in 2025.
- ▶ 100% of all violations will be addressed by our policy in 2025.
- ▶ Cease partnerships with 100% of third-party partners found to be involved in illegal activity such as bribery, corruption, or other fraud in 2025.

## Our Approach:

- ▶ The HPG Enterprise Leadership Team (ELT) provides oversight and accountability, guiding management in assessing and responding to ESG-related risks and opportunities. We also prioritize transparency and consistency in disclosing material ESG-related risks, opportunities, and strategic decisions, facilitating effective governance at both local and group levels.
- ▶ Implementing appropriate whistleblowing mechanisms to identify and address risks.
- ▶ Establishing adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures.
- ▶ Formalize local management's role in assessing and managing ESG matters and disclose oversight details in annual reporting.

## 2024 Results

Percentage of Employees Trained on Ethics: **100%**

Number of Reports of Whistleblower Incidents: **0**

Number of Confirmed Corruption Incidents: **0**

Number of Confirmed Information Security Incidents: **2 (without compromise of data)**

## Ensuring Data Security

HPG mandates KnowBe4's Security Awareness Training to combat social engineering, spear phishing, and ransomware threats. This proactive measure ensures staff are equipped to manage IT security challenges effectively.





# Sustainable Supply Chains & Human Rights

HPG is dedicated to promoting sustainable business practices across our operations and supply chain with a strong focus on upholding human rights. We are dedicated to promoting sustainable business practices across our operations and supply chain, with a particular emphasis on upholding human rights.

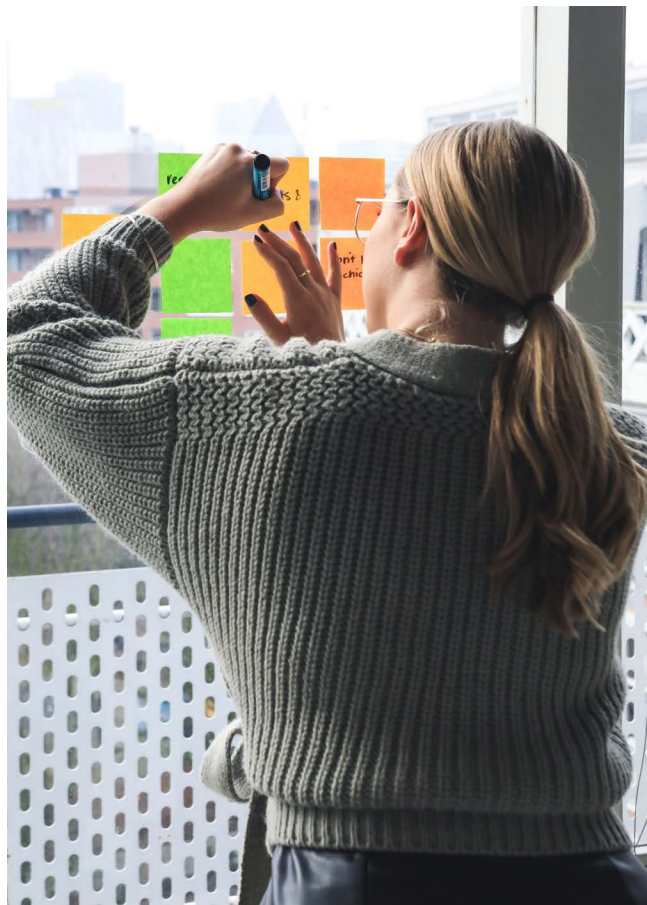
## Goals:

- ▶ 100% of HPG’s suppliers must sign our Code of Conduct in 2025.
- ▶ 80% of HPG’s suppliers in high-risk countries will complete a 4-pillar SMETA or BSCI audit, covering environmental and social aspects by 12/31/2026.
- ▶ 100% of HPG’s suppliers’ corrective action plans will be completed by 2025.
- ▶ 100% of HPG’s suppliers in low-risk countries have their own code of conduct in place and reviewed by HPG.

## Our Approach:

Integrate ESG considerations into supplier selection and management decisions, guided by the Sustainable Procurement Policy, with a strong emphasis on human rights.

- ▶ Conduct proportionate ESG due diligence on suppliers, focusing on human rights issues, and ensuring compliance with HPG’s Supplier Code of Business Conduct.
- ▶ Regularly audit and monitor suppliers’ adherence to human rights standards through accredited third-party audits and robust oversight mechanisms.
- ▶ Require suppliers to uphold ethical standards outlined in the Supplier Code of Business Conduct, with a specific focus on human rights protections.
- ▶ Monitor the diversity of our supply base and actively support businesses owned by women or individuals from minority groups, contributing to the promotion of human rights and diversity across our supply chain.



## 2024 Results

Percentage of targeted suppliers that have signed our Code of Conduct: **96%**

Percentage of suppliers that have signed our Master Terms and Conditions covering social and environmental issues: **87%**

Percentage of new suppliers covered by our social and ethical assessment: **86%**

Percentage of Far East suppliers that have had an ethical audit within 2 years: **100%**

Percentage of Far East suppliers that are being followed up on their audit corrective action plans: **24%**

Percentage of procurement team that have completed sustainable procurement training: **100%**



# HPG's ESG Toolkit

Thank you for reading through our Sustainability Report. If you're ready to support our journey, here is a summary of tools and services distributors can take advantage of today:

For the latest news and to download our ESG policies:  
**[hpgbrands.com/esg](http://hpgbrands.com/esg)**



See how many trees we've planted through Evertreen.  
**[hpgbrands.com/plant-trees/](http://hpgbrands.com/plant-trees/)**



Shop HPG's Goods2Know™ products:  
**[hpgbrands.com/g2k](http://hpgbrands.com/g2k)**



Download product safety reports from HPG's portal:  
**[hpgbrands.com/safetyportal](http://hpgbrands.com/safetyportal)**



Any feedback or questions?  
**Email [sustainability@hpgbrands.com](mailto:sustainability@hpgbrands.com)**

