

# Environmental Policy

## Introduction

HPG is committed to conducting our business in a manner that aligns with sustainable principles, minimizing our environmental impact, contributing to the well-being of our stakeholders and the communities in which we operate.

We commit to:

- Integrating sustainability into our company culture, decision-making processes, and operations.
- Continuously strive to improve our environmental performance and reduce our carbon footprint.
- Collaborate with partners, suppliers, and customers to drive sustainable practices throughout our industry.
- Transparently report our progress towards our sustainability goals to all stakeholders.

## Scope

This policy applies to all individuals associated, contracted, or employed by any of our brands; HPG, Batch & Bodega, BCG, Beacon, Best, Debco, Evans Manufacturing, Handstands, Hub, Mixie, Origaudio and SugarSpot. It encompasses all business functions, addressing every aspect outlined in this policy.

## Responsibilities

The CEO is ultimately responsible for these policies, including the qualitative and quantitative goals for the business and ensuring they are achieved. Senior Management are responsible for day-to-day oversight of matters, which helps the company achieve our goals. We report our results against these goals in our Sustainability Report which is published annually. These policies are reviewed annually to ensure they are up to date. The policies were last reviewed in January 2024.



## Use of Materials, Waste Management, Recycling

Through product design and operational efficiencies, we minimize waste and maximize recycling of materials. Wherever possible we donate misprinted products to charitable organizations instead of sending them to landfill. We reuse corrugated boxes for shipping goods. We conduct training for our employees in waste sorting and recycling.

### Quantitative Targets

- We will put in place a Waste Diversion Committee at each of our locations to reduce waste and increase recycling by 2024.
- We will find a Waste Exchange Partner for scraps produced during the manufacturing process by 2024.
- Increase the sale of products shipped in more environmentally friendly packaging by 5% in 2024.
- 50% of employees will be trained in sorting of waste and recycling in 2024.
- Reduce waste sent to landfill by 40% by the end of 2024.
- Reduce waste sent to landfill by 60% by the end of 2028.
- 0% waste sent to landfill by end of 2030.

## Pollution and Biodiversity

We strive to ensure any pollution from our operations is kept to a minimum. We risk assess the use of hazardous substances and maintain clear work instructions for employees responsible for handling them. We train staff in safe use and what to do in an emergency. We do not want to have any negative impact on biodiversity and the environment around our facilities.

### Quantitative Targets

- Zero incidents of hazardous substance spills in 2024
- Zero incidents of direct harm to biodiversity as a result of operational issues in 2024



## Energy Consumption, Greenhouse Gasses and Water Use

HPG is serious about our love for our planet, and we demonstrate that by carbon offsetting 100% of our domestic shipments through our major logistics partners. HPG's partner programs track the origin, destination and transportation method of each package leaving our seven distribution centers across North America, calculating each shipment's carbon footprint. That impact is then transferred into environmental efforts, such as reforestation, rainforest conservation, renewable energy, and water filtration.

We continually look for opportunities to invest in more energy efficient equipment and facilities and we use renewable energy sources where available.

We implement work processes to minimize the use of water where it is necessary in production. We remind employees of the importance of not wasting water and turning off taps when not in use.

We minimize business travel to reduce our carbon emissions. For any necessary flights we use Delta Air Lines which has committed to being carbon neutral by 2030. We encourage more conference calls in place of physical meetings and the implementation of employees working from home has reduced our commuting-related footprint.

### Quantitative Targets

- We will form energy saving committees to review opportunities for upgrades in equipment and processes in 2024.
- We will begin to fund the planting of trees to offset our carbon emissions in 2024.
- We have begun to track our carbon footprint and will publish Scope 1 and 2 greenhouse gas emissions in 2024.
- 50% of employees trained on energy consumption and minimizing GHG in 2024.
- Offset 100% of the carbon emissions related to our domestic shipments in 2024.
- 50% of employees trained on energy consumption and minimizing GHG in 2024
- Offset 100% of purchased energy by 2028.
- All ocean transportation to be carbon neutral by 2028.
- All logistics to be carbon neutral by 2030.



## Environmental Advocacy

We partner with our customers and supply chain to further our environmental aims. We design and source packaging and products that are better for the environment than other options, and we promote them to our customers above alternatives. In our marketing materials and on our website, we highlight the environmental benefits and impacts of the products we offer.

### Quantitative Targets

- 20% of all products in “Goods to Know” category in 2024.
- 30% of all products in “Goods to Know” category in 2028.
- 40% of all products in “Goods to Know” category in 2030.

## Customer Health and Safety

We want to do all we can to ensure our products do not pose any possibility of injury to customers. We design products to be safe and use the knowledge and expertise of our employees as well as third party technical experts to assess our concepts for potential hazards.

We have developed our own Safety Protocol to ensure all products comply with California’s Proposition 65 and all other national safety standards. To ensure compliance with the Safety Protocol, we require that our products demonstrate – via testing by a world-recognized independent analytical laboratory – that they comply with both the California Proposition 65 exposure standard as well as the federal Consumer Product Safety Commission’s toughest content requirement.

We collect customer feedback on product quality issues and potential safety concerns. The information gathered is used to further develop products and make them even safer in future.

### Quantitative Targets

- Zero customer complaints related to health and safety in 2024.
- 100% of products to be compliant with Prop 65 in 2024.
- 100% of products to be compliant with PFAS regulations by 2025.
- 100% of products to be compliant with Resse's law by 2025.

