



HPG Brands

Greenhouse Gas Assessment, CY2025

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GENERAL NOTES

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EXECUTIVE SUMMARY

This greenhouse gas (GHG) assessment has been prepared by Nature Positive Ltd to estimate GHG emissions associated with the operations of HPG Brands during the reporting period 1st January 2025 to 31st December 2025.

HPG Brands (HPG) is a promotional product hard good supplier that employed approximately 1,108 full-time equivalent (FTE) employees at their nine sites in USA, Canada and Mexico; these sites had a gross internal area (GIA) of 59,158 m².

GHG emissions summary

HPG Brands' total GHG emissions assessed for 2025 were 38,503 tCO₂e using the market-based method and 38,417 tCO₂e using the location-based method¹.

Absolute GHG emissions can vary over time and often correspond to the expansion or contraction of an organisation. It is therefore useful to use reporting metrics that take these effects into account to establish emissions intensity. Common emissions intensity metrics include tCO₂e per £m turnover, employees, output, or floor area. Total emissions and HPG Brands' chosen intensity metrics are presented in Table ES1.

Table ES1: GHG Summary metrics

Metric	GHG emissions (tCO ₂ e)	
	Market-based*	Location-based*
Total GHG emissions	38,503	38,417
GHG emissions per FTE (1,108)	34.8	34.7
GHG emissions per GIA m ² (59,158)	0.7	0.6

GHG emissions by scope are presented in Figure ES1. Scope 3 emissions (other indirect emissions) represent the majority of emissions at 91% predominantly from end of life of sold products (it is typically found that scope 3 emissions account for the majority of an organisation's carbon footprint). This was followed by scope 2 emissions (approximately 7%) from electricity consumption. Scope 1 (direct) emissions from refrigerant gas losses account and fossil fuel consumption for the remaining 2% of the carbon footprint. Further details of HPG Brand's GHG emissions can be found in Section 5.

¹ For an explanation of market-based and location-based emissions, see section 2.6.2.

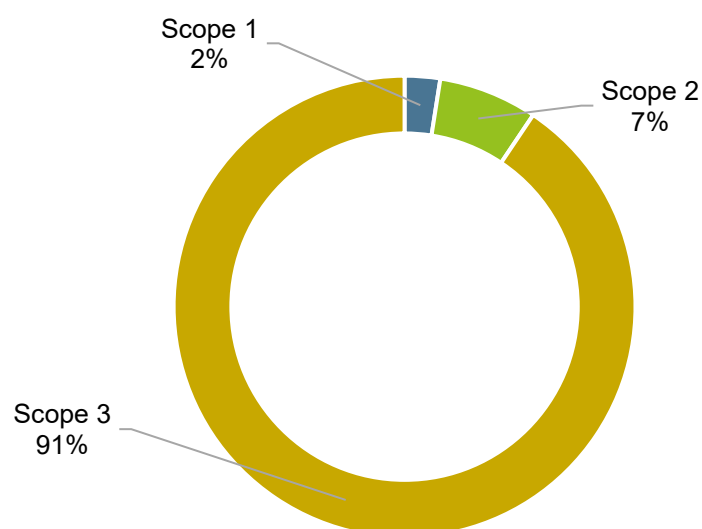


Figure ES1: Market-based GHG emissions by scope (tCO₂e)

Overall, GHG emissions for HPG Brands have decreased from the previous 2024 assessment. For more detail, please see Section 6: Comparison of annual emissions.

CONTENTS

1	INTRODUCTION	1
1.1	Scope of work	1
2	CONTEXT	4
2.1	Why measure greenhouse gas emissions?.....	4
2.2	The Kyoto Protocol GHGs	4
2.3	Methane's GWP	5
2.4	Calculating emissions	5
2.5	Reporting standards.....	5
2.6	Emissions scopes	6
2.6.1	Scope 1.....	6
2.6.2	Scope 2.....	6
2.6.3	Scope 3.....	7
2.7	Measuring climate impacts from aviation	7
2.8	GHG accounting principles	8
2.9	Data quality and accuracy	8
3	METHODOLOGY	9
3.1	Introduction	9
3.2	Approach.....	9
3.2.1	Scope 3 methods.....	10
3.3	Key assumptions.....	11
4	OPERATIONAL BOUNDARY AND DATA QUALITY.....	13
4.1	Data review	13
4.1.1	Key data improvement recommendations	13
5	GHG EMISSIONS OVERVIEW.....	18
5.1	GHG emissions metrics	18
5.2	GHG emissions by scope	18
5.3	GHG emissions by category	19
5.4	GHG emissions by source category	21
6	COMPARISON OF ANNUAL EMISSIONS	24
7	REFERENCES	26

LIST OF TABLES

Table 1:	GHG emissions summary.....	2
Table 2:	Kyoto Protocol GHGs and their global warming potential (GWP).....	4
Table 3:	Locations assessed	9
Table 4:	Operational boundary and data quality.....	14
Table 5:	GHG emissions metrics	18
Table 6:	GHG emissions by scope	19
Table 7:	GHG emissions category overview	20
Table 8:	GHG market emissions by source category.....	22
Table 9:	Comparison of 2023 & 2024 GHG emissions (market-based).....	24

LIST OF FIGURES

Figure 1. All-scopes schematic (adapted from the GHG Protocol)	6
Figure 2. Market-based GHG emissions by scope (tCO ₂ e)	19
Figure 3. Market-based GHG emissions by category (tCO ₂ e)	21
Figure 4. Market-based GHG emissions by source (tCO ₂ e)	23

1 INTRODUCTION

This GHG assessment has been prepared by Nature Positive to estimate GHG emissions associated with the operations of HPG Brands (HPG) during the reporting period 1st January 2025 to 31st December 2025.

The report includes the following sections:

- Section 2: Context, reporting standards and emission scopes.
- Section 3: Methodology
- Section 4: Operational boundary, those categories assessed or not applicable and data quality.
- Section 5: GHG emissions summary
- Section 6: Comparison of GHG emissions with previous year.

1.1 Scope of work

This is a full GHG assessment, to assess scopes 1, 2 and all relevant scope 3 categories. HPG identified relevant scope 3 categories, as well as those categories not applicable to their operations (refer to Section 4).

Table 1: GHG emissions summary

Organisation:		HPG Brands	
Reporting Standard		GHG Protocol Corporate	
Reporting period:		1st January 2025 – 31st December 2025	
Consolidation approach:		Operational control	
Scope	Emissions source category		tCO ₂ e
1	Direct emissions from owned, leased or directly controlled stationary sources that use fossil fuels or emit fugitive gases		951
	Direct emissions from owned, leased or directly controlled mobile sources		6
2	Emissions from generation of purchased energy	Assessed	2,581
		Market-based	2,667
3 (Up-stream)	Purchased goods and services		9,463
	Capital goods (Printers, laptops, computers etc.)		2,644
	Fuel and energy related activities	Upstream emissions from purchased fuels	157
		Upstream emissions from purchased electricity	857
		Transmission and distribution (T&D) losses	184
	Upstream transportation and distribution	Outbound courier deliveries of packages	-
		Third-party transportation and storage of inbound production-related goods, including internal movement	1,467
		Third-party transportation and storage of sold product to first customer	-
	Waste generated in operations	Wastewater	3.8
		Other waste	3,998
	Business travel	All transport by air, public transport, rented/leased vehicle, and taxi	308

Organisation:			HPG Brands	
Reporting Standard			GHG Protocol Corporate	
Reporting period:			1st January 2025 – 31st December 2025	
Consolidation approach:			Operational control	
		Emissions from hotel accommodation	Assessed	39
	Employee commuting	Employee transport between home and places of work	Assessed	3,184
		Emissions arising from employee remote working	Assessed	59
	Upstream leased assets	Operation of assets leased by the reporting company (lessee) in the reporting year and not included in Scope 1 or Scope 2 – reported by lessee	Assessed	8.7
3 (Downstream)	Downstream transportation and distribution	Third-party transportation and storage of sold products to first customer not already included in upstream	Assessed	71
		Third party transportation and storage of sold products beyond first customer including retail and storage	Assessed	71
	Processing of sold products		Not applicable	-
	Use of sold products		Assessed	2,071
	End-of-life treatment of sold products		Assessed	10,297
	Downstream leased assets		Not applicable	-
	Franchises		Not applicable	-
	Investments		Not applicable	-
	Total: location-based scope 2			38,417
Total: market-based scope 2			38,503	

Not applicable (N/A) refers to those emissions that HPG Brands has identified as not applicable to their operations

2 CONTEXT

2.1 Why measure greenhouse gas emissions?

Greenhouse gas (GHG) emissions assessments quantify the climate impact, direct and indirect, from a business' or organisation's activities, or for specific projects, events, products or services. Colloquially known as a carbon footprint, a GHG assessment is a key tool for monitoring and reducing an organisation's climate change impact as it allows carbon hotspots to be identified, reduction targets set, and action plans formulated.

GHG assessment results can also allow organisations to be transparent about their climate impacts through reporting results to customers, shareholders, employees, and other stakeholders. Regular – at a minimum, annual – assessments allow organisations to track their decarbonisation progress over time, and to contribute to broader sustainability or corporate social responsibility (CSR) reporting.

2.2 The Kyoto Protocol GHGs

GHG assessments quantify the Kyoto Protocol greenhouse gases, as applicable, and are measured in terms of tonnes carbon dioxide (CO₂) equivalence, or tCO₂e, where equivalence means having the same warming effect ('global warming potential', or GWP) as CO₂, typically measured over 100 years (see Section 2.3).

The six original Kyoto Protocol gas groups are CO₂, methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF₆) and perfluorocarbons (PFCs); nitrogen trifluoride (NF₃), a chemical released in certain high-tech industries, was added in 2013. The global warming potential (GWP) of each is presented in Table 2.

Table 2: Kyoto Protocol GHGs and their global warming potential (GWP)

Greenhouse gas/group	Chemical formula	GWP (CO ₂ e)
Carbon dioxide	CO ₂	1
Methane	CH ₄	28
Nitrous oxide	N ₂ O	265
Hydrofluorocarbons	HFCs	Depends on specific gas
Sulphur hexafluoride	SF ₆	23,500
Perfluorocarbons	PFCs	Depends on specific gas
Nitrogen Trifluoride	NF ₃	16,100

The global warming potentials above are aligned with the IPCC's Fifth Assessment Report (AR5) as per DESNZ methodology. Some UK emission factors – those for hotel stays, bioenergy, WTT bioenergy and material – are still based on the previous IPCC report, AR4. In most cases this will have minimal impact.

2.3 Methane's GWP

Methane (CH₄) is the most abundant GHG after CO₂. It has a higher heat-trapping potential than CO₂ but remains in the atmosphere for a shorter period (typically ~12 years). This means that its relative GWP depends on the reporting timeframe, which can lead to ambiguity. This is because when reporting GHG emissions, either the 20- or 100-year timeframe multiplier for methane can be used; use of the 100-year timeframe – as stipulated by the Greenhouse Gas Protocol Corporate Standard – can significantly underestimate the short-term warming impact of the emissions.

There is also evidence that methane leaks from parts of the oil and gas industry could be significantly higher than some official estimates (Alvarez *et al.*, 2018), which will increase short-term atmospheric methane emissions. Again, this is not reflected in current official emissions factors.

The practical upshot is that the climate mitigation potential for any reductions in natural gas (and to some extent all fossil fuel) consumption may be considerably higher than reflected in figures derived using the most commonly used (100-year) CO₂e emissions factors.

We recommend that organisations with significant emissions from these sources take this into account when assessing their decarbonisation priorities.

2.4 Calculating emissions

GHG assessments require two types of data: **activity data** and **emission factors**.

Activity data represents a level of activity (such as kilowatt hours of electricity consumed, or litres of fuel combusted) contributing to the organisation's climate impact. Activity data can be primary or secondary; this is discussed further in section 2.9 below. Activity data is typically supplied by the reporting organisation.

The activity data is then used to quantify GHG emissions by applying the most relevant emission factors. An emission factor is a representative value that relates the quantity of a pollutant released to the atmosphere with an activity associated with the release of that pollutant. Factors are typically available from government publications, independent agencies, and scientific research journals; however, the quality and accuracy of factors can vary. Factors can differ depending on the research body and/or underlying methodologies applied. It is therefore good practice to apply factors from reputable and reliable sources, such as the UK government or the US EPA.

2.5 Reporting standards

GHG assessments are typically carried out in accordance with one of two recognised standards for accounting and reporting corporate GHG emissions. The best-known is the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* (WRI and WBCSD, 2004), developed in a partnership between the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI).

The International Organization for Standardization (ISO) has also produced the ISO14064² series, detailing specification and guidance for the organisation and project levels, as well as for the validation and verification of emissions.

2.6 Emissions scopes

Most standards separate GHG emission sources into three categories, known as scopes. The GHG Protocol provides an overview of GHG scopes and emissions across the value chain as presented in Figure 1.

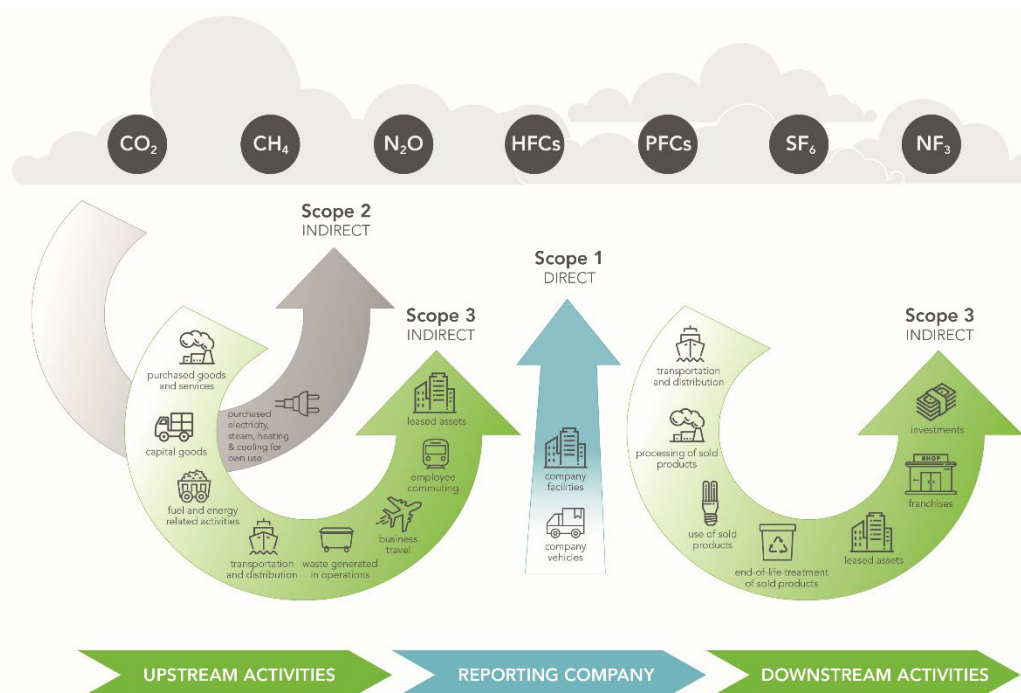


Figure 1. All-scopes schematic (adapted from the GHG Protocol)

2.6.1 Scope 1

Scope 1 accounts for direct emissions released from sources that are owned or controlled by the reporting company. It includes fuel used in vehicle fleets, fuel combustion for heating and power, and any process or fugitive emissions such as refrigerant gas leakages.

2.6.2 Scope 2

Scope 2 accounts for indirect emissions associated with off-site generation of energy purchased by the reporting organisation. This includes purchased electricity, heat, steam, and cooling.

The GHG Protocol's *Scope 2 Guidance, an amendment to the Corporate Standard* (WRI and WBCSD, 2015) states that operations in markets providing product- or supplier-specific data in the form of contractual instruments should report scope 2 emissions in two ways:

² ISO 14064 – Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

using the location-based method, and the market-based method. This is termed ‘dual reporting’.

2.6.2.1 *Location-based reporting*

This reflects the average emissions intensity of grids on which energy (usually electricity) consumption occurs. This applies to all locations where grids are used for the distribution of energy and where electricity demand causes the need for energy generation and distribution. Grid-average emission factors are used, based on statistical emissions information and electricity output, aggregated and averaged within a defined boundary and timeframe. This includes regional, sub-national and national production grid averages.

2.6.2.2 *Market-based reporting*

The market-based method reflects proportional emissions from specific electricity tariffs that consumers select in the market. Under this method an energy consumer uses the emissions factor associated with the qualifying contractual instruments it purchases. Available contractual instruments vary by market, but can include Energy Attribute Certificates (EACs, which can include RECs, REGOs, and I-RECs), Power Purchase Agreements (PPAs) and other low-carbon products purchased from energy suppliers.

If an organisation does not have any such contracts (or its instruments do not meet the quality criteria), a residual mix factor, representing untracked or unclaimed energy emissions for that region, is used. If the residual mix is not available, the location-based method is applied, in which case the market-based and location-based totals will be the same.

2.6.3 **Scope 3**

Scope 3 includes all other indirect emissions sources not accounted for within scopes 1 and 2. The sources applicable will depend on a reporting organisation’s activities but could include purchased goods and services, capital goods, business travel, commuting, waste disposal, emissions from use of company-derived products or materials, and outsourced activities such as deliveries.

The GHG Protocol’s *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (WRI and WBCSD, 2011) groups scope 3 emissions into 15 categories to provide a framework to organise, understand and report these emissions.

Scope 3 activities typically contribute a significant proportion of an organisation’s overall emissions.

2.7 **Measuring climate impacts from aviation**

To capture the overall aviation effects on climate, as well as GHG emissions, it is recommended that reporting organisations account for radiative forcing in their greenhouse gas assessment. This is a result of unfolding evidence suggesting that high altitude jet fuel combustion also provokes non-greenhouse gas climate effects; such as aviation induced clouds or soot particles. It is considered excluding emissions associated with radiative forcing would under-state the overall climate impact of flights and is therefore not recommended.

2.8 GHG accounting principles

Nature Positive's approach to carbon accounting is to follow the GHG Protocol's core principles where possible:

- **Relevance:** selecting an appropriate inventory boundary that reflects the GHG activities of the company and serves the decision-making needs of users.
- **Completeness:** accounting for all emission sources within the chosen inventory boundary, with any specific exclusions disclosed and justified.
- **Consistency:** aiming to collect meaningful and consistent data over time whilst transparently documenting any significant changes to data quality and/or format.
- **Transparency:** addressing all relevant issues in a coherent and clear manner.
- **Accuracy:** minimising uncertainty and avoiding systematic over- or under-quantification of emissions, and ensuring any necessary estimates or assumptions required are conservative and guided by industry standards.

2.9 Data quality and accuracy

The accuracy of a GHG assessment is directly related to the quality of the activity data provided. Primary data should be used where available: this represents actual activities during the reporting period (such as metered kWh of electricity consumed).

Secondary data – in the form of estimates, extrapolations, modelling, benchmarks, industry averages or other proxy sources – may be used when reliable primary data is not available. Assessments based largely on secondary data should be viewed as an estimate of GHG emissions impact, and actual emissions may vary significantly.

Although comprehensive primary data may not always be available for all emissions sources, in general it is good practice to continually improve the proportion of primary data over time. This applies to many scope 3 emissions sources, where primary data is unlikely to be available for an initial assessment but should be improved over time.

3 METHODOLOGY

3.1 Introduction

This report considers GHG emissions associated with the sites listed in Table 3. During the reporting period HPG employed approximately 1,108 FTEs at their nine sites with a total GIA (floor area) of 59,158 m².

Table 3: Locations assessed

Site name and location	Floor area (m ²)	FTE
BCG, Canada	387	11
Beacon, USA	3,760	75
Best, USA	4,404	126
Debco, Canada	16,819	166
Evans Garden Grove, USA	5,110	83
Evans Nogales, Mexico	10,470	303
Handstands, USA	4,645	84
Hub, USA	8,919	195
Mixie, USA	4,645	65
Total	59,158	1,108

3.2 Approach

Following project inception, possible emissions sources across all scopes were screened for relevance and a bespoke data form was provided.

On receipt of the activity data, Nature Positive completed data quality assurance process. Conservative benchmarks and assumptions were used where applicable in line with good practice, and in agreement with HPG Brands, as described in Section 3.3.

GHG emissions were then quantified by applying the most relevant emission factors. GHG emission factors relating to the 2025 reporting year are predominantly sourced from the 2025 UK Government GHG Conversion Factors for Company Reporting (DESNZ July 2025) and from the US EPA's Emission Factors Greenhouse Gas Inventories (USEPA 2025) as appropriate. Electricity consumption outside of the UK or US uses International Energy Agency (IEA 2025) emission factors. Expenditure based analysis was informed by recent US EPA Environmental Extended Input-Output (EEIO) datasets.

Well-to-tank emissions (those associated with extraction and primary processing) for fuels and electricity, as well as transmission and distribution emissions (those associated with grid and network losses) from purchased electricity have been included. Well-to-tank

emissions have also been included for transport and distribution (freight/logistics), employee commuting and business travel. Radiative forcing (see Section 2.7) has been included for aviation.

Note, results within the tables of this report are accurate to the number of significant figures presented. Any inconsistencies in totals versus individual values are due to rounding and should not be viewed as erroneous.

HPG identified the following scope 3 categories as not applicable to their operations:

- Processing of sold products (category 10)
- Downstream leased assets (category 13)
- Franchises (category 14)
- Investments (category 15)

3.2.1 Scope 2 methods

3.2.1.1 Electricity Emissions Methodology

Electricity GHG emission factors are applied using a defined hierarchy of data sources, prioritising country-specific and authoritative datasets to help ensure completeness, consistency, and accuracy.

Supplier-reported factors (which are typically expressed in kgCO₂e/kWh) are applied for market-based emissions where the Supplier is known and has a publicly available factor. (Note that where the supplier has reported in kgCO₂/kWh, this is assumed to represent CO₂e; this is due to the relatively immaterial contribution of non-CO₂ gases and is consistent with standard Scope 2 market-based reporting practice.)

For the UK, electricity emission factors for electricity generation (location-based approach), transmission and distribution (T&D), well-to-tank (WTT), and WTT T&D emissions are sourced from the UK Department for Energy Security and Net Zero (2025 edition). Market-based emission factors are derived from the UK government's published electricity fuel mix data.

For the US, market-based emission factors are sourced from Green-e Energy. Location-based electricity generation and T&D factors are sourced from Cornerstone Sustainability Data Initiative (2025 edition), reflecting regional grid variations. WTT and WTT T&D factors are taken from the International Energy Agency (2025 edition), using US national average values.

For all other countries where data is available, location-based electricity generation factors are sourced from the International Energy Agency (2025 edition). T&D, WTT, and WTT T&D factors are also sourced from the IEA. Where market-based emission factors are available for European countries, these are sourced from the Association of Issuing Bodies (AIB) 2025 edition. Where country-specific data is not available, the most appropriate regional or national proxy is applied in line with IEA data structure and definitions.

Where market-based emission factors are not available, location-based emission factors are applied as a proxy, in line with general GHG accounting principles. Location-based emission factors are derived by aggregating CO₂, CH₄, and N₂O emissions per kWh using the most recent underlying IEA datasets available (typically covering 1990–2024). Where

constituent datasets are based on different reporting years, the most recent available data for each parameter is applied.

3.2.2 Scope 3 methods

Obtaining activity data for some scope 3 emission sources can be challenging. For example, the typical scope 3 methods for estimating GHG emissions from purchased goods and services and capital goods are listed below in descending order of accuracy:

- Supplier-specific
- Hybrid (combination of supplier-specific and average data)
- Average data (such as industry average emission factors)
- Spend-based

The goal should therefore be to move from a spend-based assessment to a supplier-specific assessment (for key goods and emission sources) over time.

Similarly, when determining freight and business travel emissions, actual fuel consumption in vehicles is the most accurate data source but will often be unavailable, in which case mass, mileage and transportation method form an adequate proxy.

In this report, due to data limitations, some categories may have been assessed with high-level or spend-based data and emissions factors with a view to refining these in future iterations. Where appropriate, this report recommends priority areas for improving activity data or supplier-specific emissions factors.

3.3 Key assumptions

Primary data was used where possible for the GHG assessment. However, where data was unavailable, efforts were made to estimate the likely associated emissions for the reported activity. Following the quality assurance phase, the following assumptions were agreed with HPG brands for the reporting year.

- No data was available relating to refrigerant gas losses for some sites; therefore, data has been assumed based on the following: 0.0125 tonne air conditioning (AC) unit per m², with a 2.27kg refrigerant gas charge per tonne AC weight and a 3% annual leakage, as per the Screening Method set out in Defra's 2020 reporting guidelines.
- Wastewater is assumed to be equal to water consumption.
- Staff commuting: average km travelled per working day was calculated for each site per mode of transport and uplifted to represent FTEs. Total number of working days applied to each site.
- End of life of sold products: where weight was not stated, an average weight was applied based on received data. Based on secondary research, recycled and landfilled proportions were estimated. Where unstated, key material makeup was also assumed based on averages of data received. There has been a significant decrease in product weight compared to the previous years, which was confirmed by HPG during the quality assurance process.

- Shipments: Outbound shipment data only covered transportation from HPG to the first customer. Emissions were therefore uplifted to account for the additional leg from first customers to final customers. As distance data for outbound shipments was not available, estimated distances were applied based on 2024/ 2023 values for each supplier or subsidiary. Average HGV assumed for Truck as mode of transport. Due to limited data on distances for outbound upstream transport and distribution, average distances from inbound data were applied.
- Use of sold product: As 2025 data is not available, 2024/ 2023 data used as a proxy as per HPG's request.
- Upstream leased assets: 2025 emissions were estimated based on the same methodology as 2024/2023, where energy consumption data was not available.
- Business travel: limited data available and therefore previous year's data used and extrapolated to represent 2025 FTE numbers.
- All car journeys have been assumed as average car size.
- Where business travel flight class is unknown, 'average' class was assumed.
- PGS: where purchases were not categorised by material/product, this was estimated and proportioned based on available categories, and applied spend data to EEIO³ categories.

³ EEIO – environmental extended input-output analysis used to assess the environmental impacts of economic activities

4 OPERATIONAL BOUNDARY AND DATA QUALITY

4.1 Data review

HPG has advised those emissions sources for inclusion for the assessment as well as those emission sources that are not considered relevant to their operations. Table 4 presents the GHG categories across all three scopes, and identifies whether they were assessed, not assessed or not applicable (NA) to the operation. It also provides a high-level data quality review, with suggested improvement actions for future GHG assessments.

A combination of primary and secondary data was considered for the assessment. Total primary data provided for the assessment was 28%.

We recommend that HPG prioritises efforts to collect primary data for all emission sources within scopes 1 and 2. Collation of primary data for scope 3 tends to be more challenging; however, efforts to obtain this data for significant scope 3 emissions sources would yield greater accuracy to the assessment.

4.1.1 Key data improvement recommendations

The following steps are recommended to improve data quality for future assessments:

- PG&S: To improve data quality, we strongly recommend requesting supplier-, product- and service-specific emissions factors for key products to better inform future reporting iterations and to track reduction progress. It is recommended that high-level spend data is reviewed and a Pareto analysis is carried out to focus initially on those product and service suppliers that are more significant for HPG.
- End-of-Life of sold product: To enhance data quality for future reporting, it is recommended to collect the following data related to sold products, as this category has been identified as a key source of emissions, it should be a focus for future assessments:
 - Total weight of sold products and packaging: Track the total weight from the point of sale by HPG to the end-of-life after consumer use, including packaging.
 - Material composition of products: Document the key materials in each product type, along with their corresponding percentages.
 - Waste treatment methods: Record the proportion of waste treated by different methods, such as the percentage that is landfilled, recycled, or incinerated.

Table 4: Operational boundary and data quality

Ref	Emission source description	Emissions source	Boundary	Data quality review	Suggested improvement actions	Priority
1	Scope 1	Refrigerant gas losses	Assessed	Air conditioning used, primary data available for Evans Garden Grove and Handstands, for other sites a benchmark was used	Annual monitoring of F-gas recharge for air conditioning units	Low
		Stationary sources	Assessed	Primary data provided for natural gas in therms. Primary data provided for propane used	-	-
		Mobile sources	Not applicable	-	-	-
2	Scope 2	Electricity consumption	Assessed	Primary data provided in kWh for all sites	-	-
3-1	Purchased goods and services (PG&S) ⁴	Water	Assessed	Water: primary data provided in m3 per site	-	-
		All other PG&S	Assessed	Data provided in spend per category	Request product- and service-specific emissions factors from strategic suppliers to enhance future reporting and track reductions	High
3-2	Capital goods ⁵	All capital goods	Assessed	Data provided in spend per category	Request product- and service-specific emissions factors from strategic suppliers	Medium

⁴ Purchased goods and services tends to be a significant emissions source for most organisations, however, water and paper tend to only account for a very minor portion of this, but often monitored by organisations for wider ESG purposes.

⁵ Capital goods may be a significant emissions source, where assessed this is limited to laptops, monitors and printers.

Ref	Emission source description	Emissions source	Boundary	Data quality review	Suggested improvement actions	Priority
					to enhance future reporting and track reductions	
3-3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	T&D losses ⁶	Assessed	Derived from electricity consumption data	Refer to electricity consumption	-
		Upstream electricity (WTT)	Assessed	Derived from electricity consumption data	Refer to electricity consumption and mobile consumption	-
		Upstream fuels (WTT ⁷)	Assessed	Derived from fuel(s) consumption data	Refer to stationery fuel consumption	-
3.4	Upstream transportation and distribution ⁸	Outbound courier deliveries of packages	Not applicable	-	-	-
		Upstream third-party distribution and storage of production-related goods	Assessed	Primary data provided as transport type, distance travelled in miles, and weight in kg	-	-
3-5	Waste generated in operations	Waste	Assessed	Waste provided for majority of the sites split by type. Benchmark applied for BCG	-	-
		Wastewater	Assessed	Derived from water consumption	Wastewater discharge volume derived from water consumption is a suitable proxy	-
3-6	Business travel ⁸	Business travel	Assessed	2024 business travel data used to estimate emissions from business	Collect primary business travel data for all employees during	Medium

⁶ Transmission and distribution (T&D) losses refer to the scope 3 emissions associated with grid losses (the energy loss that occurs in getting the electricity from the power plant to the organisations that purchase it).

⁷ Well-to-tank (WTT) emissions refer to the impact of the extraction, refining and transportation of primary fuels before their use in the generation of electricity.

⁸ Upstream WTT emissions are included for all relevant categories, including freight, business travel, staff commuting and use of sold products

Ref	Emission source description	Emissions source	Boundary	Data quality review	Suggested improvement actions	Priority
				travel for the 2025 reporting year	the applicable reporting year	
		Hotel stays	Assessed	Hotel secondary data provided as estimated nights stayed and country	Collect primary data (nights stayed per person) within expenses claims procedure	Low
3-7	Employee commuting ⁸	Employee commuting	Assessed	Some data available - estimated distance and transport mode per site location	Conduct employee commuting surveys to gather data on distance, mode, and frequency by transport type	Medium
		Remote working	Assessed	Homeworking days per site location provided	-	-
3-8	Upstream leased assets	Operations of assets leased (not included in scope 1 and 2)	Assessed	No data provided, gas and electricity usage modelled from previous year assessment averages per floor area	Record electricity and gas consumption (kWh) per asset	Medium
3-9	Downstream transportation and distribution ⁸	Downstream third-party distribution and storage of production related goods (not already included in 3-4)	Assessed	Distances not provided – average distances modelled from previous year assessment. All outbound shipments were delivered to customers and products were further distributed to end users (i.e. 2 layers of distributions). Uplift applied to account for the distribution from HPG customers to end users	Aim to collect distance (km) of shipments and shipment data for the second layer of distribution (from HPG customers to end users)	Medium
3-10	Processing of sold products	Processing of intermediate products sold by downstream companies -	Not applicable	-	-	-

Ref	Emission source description	Emissions source	Boundary	Data quality review	Suggested improvement actions	Priority
		such as manufacturing				
3-11	Use of sold products ⁹	End use of goods and services sold (e.g. electricity consumption)	Assessed	No data available, previous assessment used	Collect information for locations and percentage of products being sold to the locations	Medium
3-12	End-of-life treatment of sold products	Waste disposal and treatment of products sold	Assessed	List of sold products and quantity sold were provided. Assumptions applied for key material and % of which is recyclable	Record the key materials and recyclable % for each product	High
3-13	Downstream leased assets	Operation of assets owned and leased ⁹	Not applicable	-	-	-
3-14	Franchises	Operation of franchises ⁹	Not applicable	-	-	-
3-15	Investments	Operation of investments ⁹	Not applicable	-	-	-
Assessment emissions based on primary data:						28%

HPG advises that categories 3-10 and 3-13 through to 3-15 are not applicable to their company.

⁹ Not included in scopes 1 and 2

5 GHG EMISSIONS OVERVIEW

5.1 GHG emissions metrics

HPG's total GHG emissions assessed for 2024 were 38,503 tCO₂e under the market-based¹⁰ approach and 38,417 tCO₂e using the location-based method.

Absolute GHG emissions can vary over time and often correspond to the expansion or contraction of an organisation. It is therefore useful to use reporting metrics that take these effects into account to establish emissions intensity. Common emissions intensity metrics include tCO₂e by turnover, employees, or GIA.

GHG emissions for market and location-based reporting, together with intensity metrics related to company activities, are presented in Table 5.

Table 5: GHG emissions metrics

Metric	GHG emissions (tCO ₂ e)	
	Market-based	Location-based
Total GHG emissions	38,503	38,417
GHG emissions per FTE (1,108)	34.8	34.7
GHG emissions per GIA ft ² (59,158 m ²)	0.7	0.6

5.2 GHG emissions by scope

HPG Brands' scope 3 (other indirect emissions) account for 91% of total emissions assessed, with the majority arising from end of life of sold products. This is typical for many organisations, where scope 3 value chain emissions significantly exceed scope 1 and 2 operational emissions combined. On average, supply chain emissions are more than eleven times greater than operational emissions (Carbon Disclosure Project, 2021).

Scope 2 (indirect) emissions from electricity consumption were approximately 7%, scope 1 (direct) emissions mainly from mains gas but also from refrigerant gas losses account for the remaining 2% of the carbon footprint.

¹⁰ For an explanation of the difference between market-based and location-based emissions, refer to Section 2.6.2.

Table 6: GHG emissions by scope

Scope	GHG emissions (tCO ₂ e)	
	Market-based	Location-based
Scope 1	957	957
Scope 2	2,666	2,581
Scope 3	34,880	34,880
Total	38,503	38,417

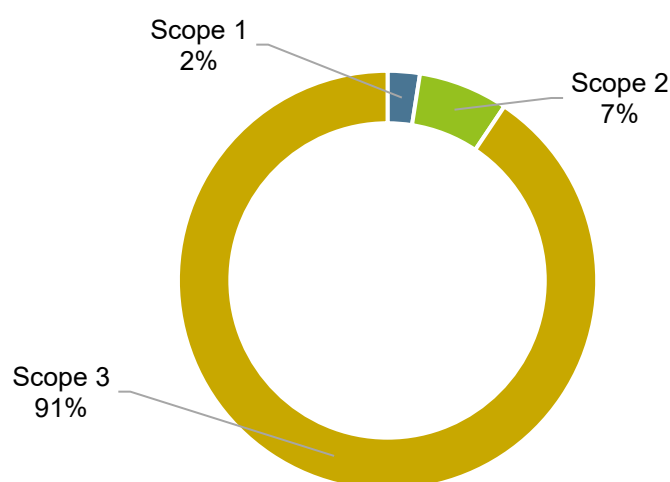


Figure 2. Market-based GHG emissions by scope (tCO₂e)

5.3 GHG emissions by category

Table 7 presents the detailed GHG emissions for the scopes, including those scope 3 categories assessed (as per the GHG Protocol), these results are further illustrated in Figure 3.

The largest category assessed, accounting for 27% of the total, is End-of-life treatment of sold products. The other key categories assessed include:

- Purchased goods and services at 25% of total emissions.
- Waste generated in operations at 10% of total emissions.
- Employee commuting at 8% of total emissions.

Table 7: GHG emissions category overview

Scope	Category name	GHG emissions (tCO ₂ e)	% of total
1	Direct emissions	957	2%
2	Purchased energy	2,666	7%
3-1	Purchased goods and services	9,463	25%
3-2	Capital goods	2,644	7%
3-3	Fuel and energy related activities	1,197	3%
3-4	Upstream transportation & distribution	1,466	4%
3-5	Waste generated in operations	4,001	10%
3-6	Business travel	346	1%
3-7	Employee commuting & remote working	3,243	8%
3-8	Upstream leased assets	9	<1%
3-9	Downstream transportation & distribution	142	<1%
3-11	Use of sold products	2,071	5%
3-12	End of life of sold products	10,297	27%
Total		38,503	100%

The following scope 3 categories have included WTT emissions: transportation and distribution, business travel, employee commuting and freight (transport and distribution). (Scope 3 category 3, fuel and energy related activities include WTT emissions for scopes 1 and 2 in line with GHG Protocol reporting requirements). HPG advises that categories 3-10 and 3-13 through to 3-15 are not applicable to their company.

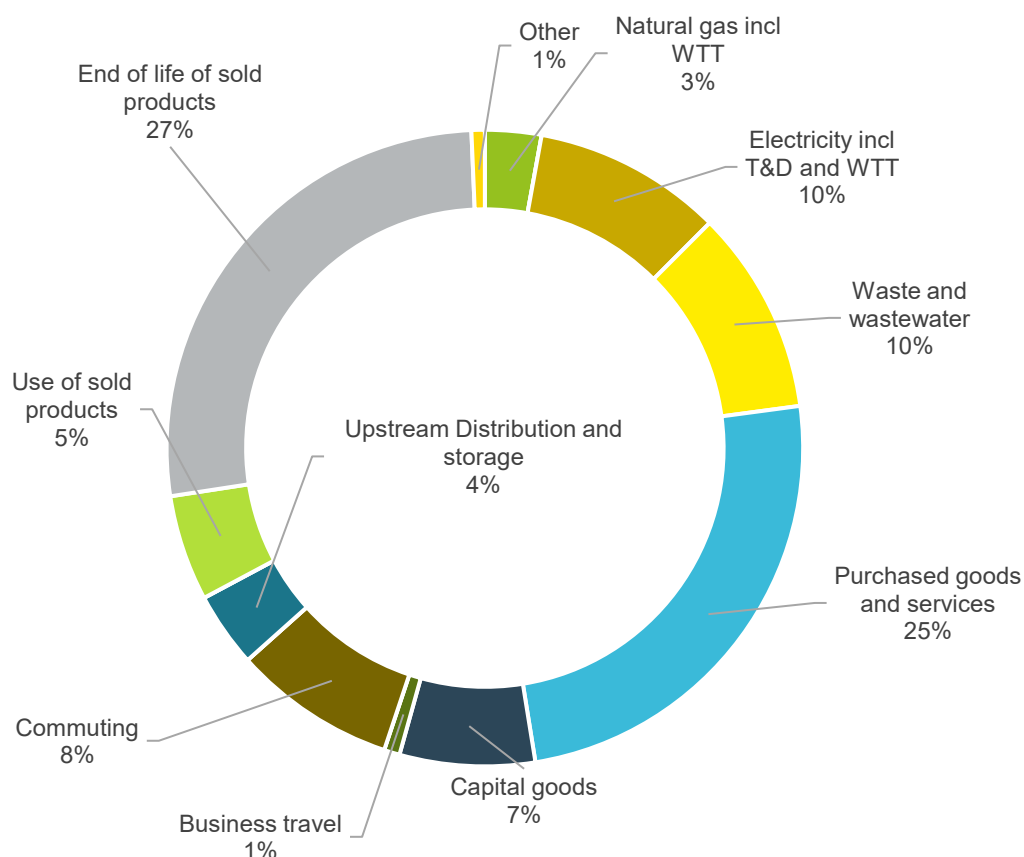


Figure 3. Market-based GHG emissions by category (tCO₂e)

5.4 GHG emissions by source category

Table 8 and Figure 4 presents GHG emissions by source relating to company activities. Total GHG emissions attributed to HPG's premises were 20,929 tCO₂e, business travel emissions were 346 tCO₂e, emissions associated with sold products were 13,977 tCO₂e, employee commuting and homeworking were 3,243 and other activities from upstream leased assets were 9 tCO₂e.

Table 8: GHG market emissions by source category

Activity	GHG emissions (tCO ₂ e)	Subtotal (tCO ₂ e)
Premises		
Natural gas	1,102	20,929
Refrigerant gas losses	5.1	
Electricity	3,707	
Water	5.2	
Waste and wastewater	4,001	
Purchased goods and services	9,458	
Capital goods	2,644	
Propane	6.7	
Business travel		
Flights	107	346
Road and public transport	200	
Hotel stays	39	
Sold Products		
Use of sold products	2,071	13,977
End of life of sold products	10,297	
Transport and Distribution	1,609	
Employee Commuting		
Remote Workings	59	3,243
Employee commuting	3,184	
Other		
Upstream leased assets	9	9
Total		38,503

All fuels, company owned vehicles, business travel, employee commuting and transportation & distribution include WTT. Electricity includes T&D and WTT.

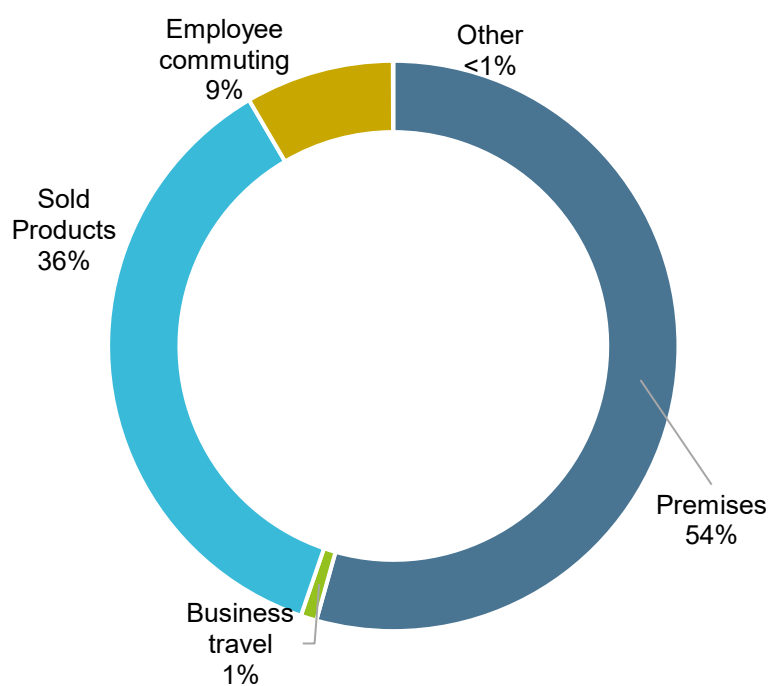


Figure 4. Market-based GHG emissions by source (tCO₂e)

6 COMPARISON OF ANNUAL EMISSIONS

Table 9 compares GHG emissions from HPG's current (2025) and previous (2024) GHG assessments.

Overall, there has been a decrease in total emissions, mainly due to a decrease in product weight and distances travelled within upstream transportation and distribution and purchased goods and services. The decrease in reported emissions reflects HPG's commitment to reducing their emissions through streamlining their operations.

Table 9: Comparison of 2023 & 2024 GHG emissions (market-based)

Emissions source category	GHG emissions (tCO ₂ e)			
	2024	2025	Change tCO ₂ e	Change %
Mains gas	1,269	1,102	-168	-13%
Refrigerant gas losses	6	5	-1	-11%
Other fuels	191	7	-184	-96%
Company owned vehicles	20	0	-20	-100%
Electricity	3,620	3,707	87	2%
Waste and wastewater	4,726	4,001	-724	-15%
Water	6	5	0	-6%
Purchased goods and services	12,975	9,458	-3,518	-27%
Capital goods	938	2,644	1,706	182%
Business travel	379	307	-72	-19%
Hotels	14	39	24	171%
Employee commuting	1,068	3,184	2,115	198%
Remote working	40	59	19	47%
Upstream transportation & distribution	8,149	1,466	-6,682	-82%
Downstream transportation & distribution	155	142	-13	-8%
Upstream leased assets	7	9	2	30%
Use of sold products	2,025	2,071	46	2%
EoL sold products	10,238	10,297	60	1%

Emissions source category	GHG emissions (tCO ₂ e)			
	2024	2025	Change tCO ₂ e	Change %
Total (market-based)	45,827	38,503	-7,323	-16%
Market emissions per FTE	41.2	34.8	-6.5	-15.7%
Market emissions per GIA, m ²	0.07	0.06	0.0	-16.0%
Total (location-based)	45,754	38,417	-7,336.3	-16.0%
Location emissions per FTE	41.1	34.7	-6.5	-15.7%
Location emissions per GIA, m ²	0.07	0.06	0.0	-16.0%

All fuels, company owned vehicles, business travel, employee commuting and transportation & distribution include WTT. Electricity includes T&D and WTT.

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