hotpack®

CARBON FOOTPRINT REPORT

HOTPACK HOLDING & INVESTMENTS LIMITED,

Jan 2024– Dec 2024

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Company Details

Hotpack provides solutions for Food Packaging and have been manufacturing and distributing packaging products for a variety of industries that include consumer packaged goods, Retail, Hospitality, Healthcare, Pharma and Construction.

The operations include 15 manufacturing plants having more than 2 Million Sq.ft. of manufacturing area with state-of-the-art equipment and logistics & warehousing support. The scope of this study covers 25 entities of Hotpack across the region.

Company Name	Hotpack
Location	Headquarerted in the UAE
Year Incorporated	1995
Number of Employees	4,000+
Period of Assessment	Jan 2024- Dec 2024

WHY IS CARBON FOOTPRINT IMPORTANT

Carbon Footprint is the amount of carbondioxide released into the atmostphere as a result of activities of particular individual, organization or community. It includes direct emission, such as those that result fossil fuel combustion in manufacturing, heating, and transportation, as well as emissions required to produce the electricity associated with goods and services consumed. In addition, the carbon footprint concept also often includes the emission of the other greenhouse gases, such as methane, nitrous oxide, or chloroflurocarbon (CFCs)

Reducing your Carbon footprint is important because it mitigates the effects of climate change, which has a possitive cascade effects on public health and plant and animal diversity. In addition, this boosts the global economy and leads to innovative, more environmental friendly solutions.

Businesses need to align with the local and global sustainability strategy drafted as a result of the Paris Climate Accord and the United Nations Climate Change Conference (COP) along with country wise target and federal laws.

HOW TO MEASURE CARBON FOOTPRINT

The Greenhouse Gas Protocol (GHG) is an organization that helps companies to reduce their greenhouse gas emissions by setting standards to help them manage their emissions. In other words, they provide “standards, guidance, tools and training for business and government to measure and manage climate-warming emissions.” The GHG Protocol is most well known for its classification of **Scope 1, 2, and 3 emissions.**

Total Greenhouse Gases

Scope 01

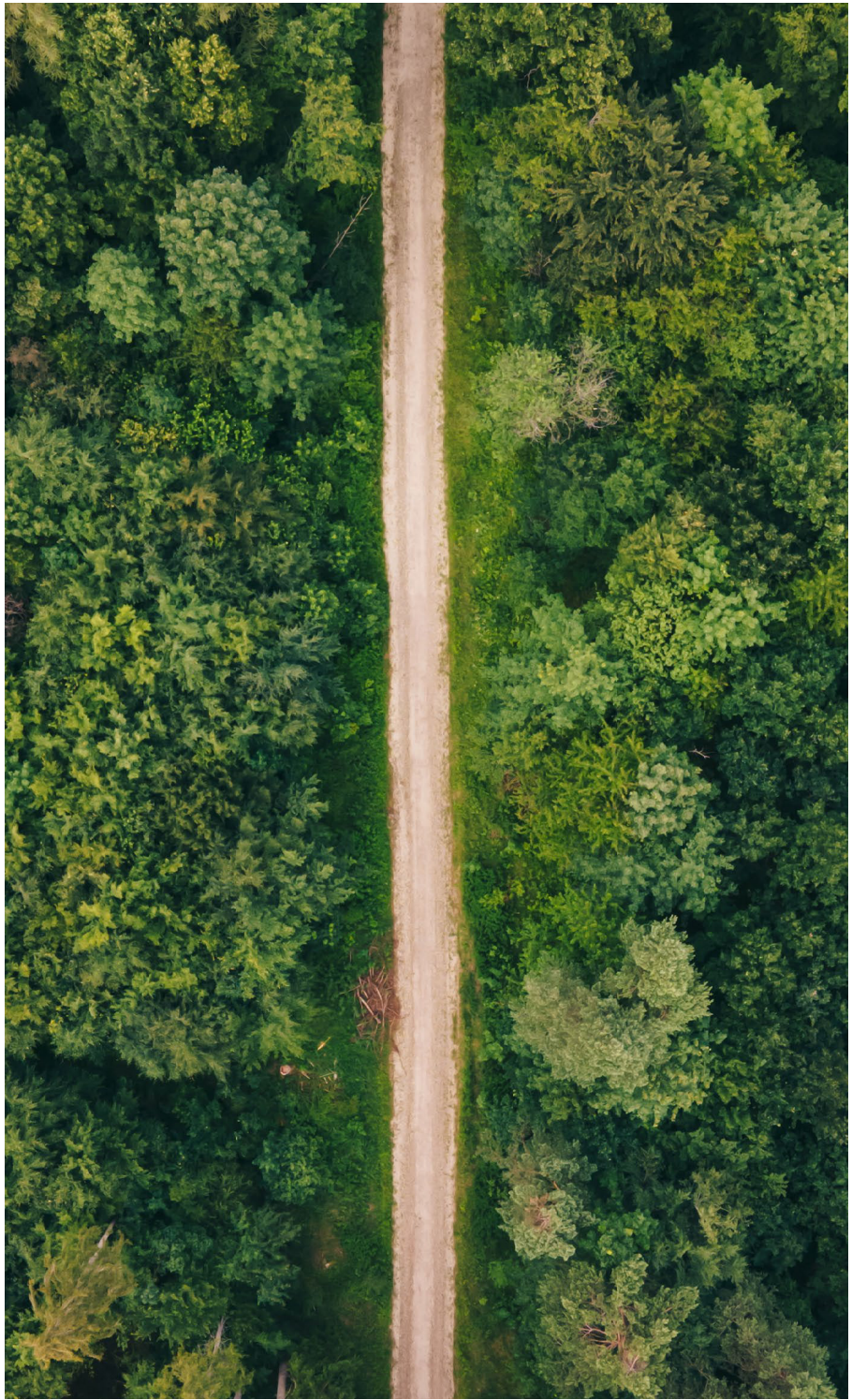
Direct emissions from owned or controlled sources.

Scope 02

Indirect emissions from the generation of purchased utilities

Scope 03

All other indirect emissions (not included in scope 2) that occurin the value chain of the reporting company, including both upstream and downstream emissions



SCOPE OF THE STUDY

This study analyses the carbon emissions of the organization and all the sites that were a part of the assessment stage.

Relevant data was collected and received from hotpack in multiple sessions. The data was analysed and converted to the correct units of measurements against which the GHG protocol emission factors can be applied. In cases where the emission factors are not available from GHG, other reputed databases were used to arrive at the correct values. Local emission factors related to electricity and water were also used from the published reports of government bodies.

The number of parameters can vary with each business and in this case the dataset was primarily formed of key parameters such as Electricity, Water, Industrial Waste, Gases, Travel, Upstream and Downstream Supply Chain, Industrial Process, Waste. The accuracy of data is key in the calculation of carbon footprint and care was taken to collect the relevant data and ensure that sufficient proof of the same can be generated within company records.

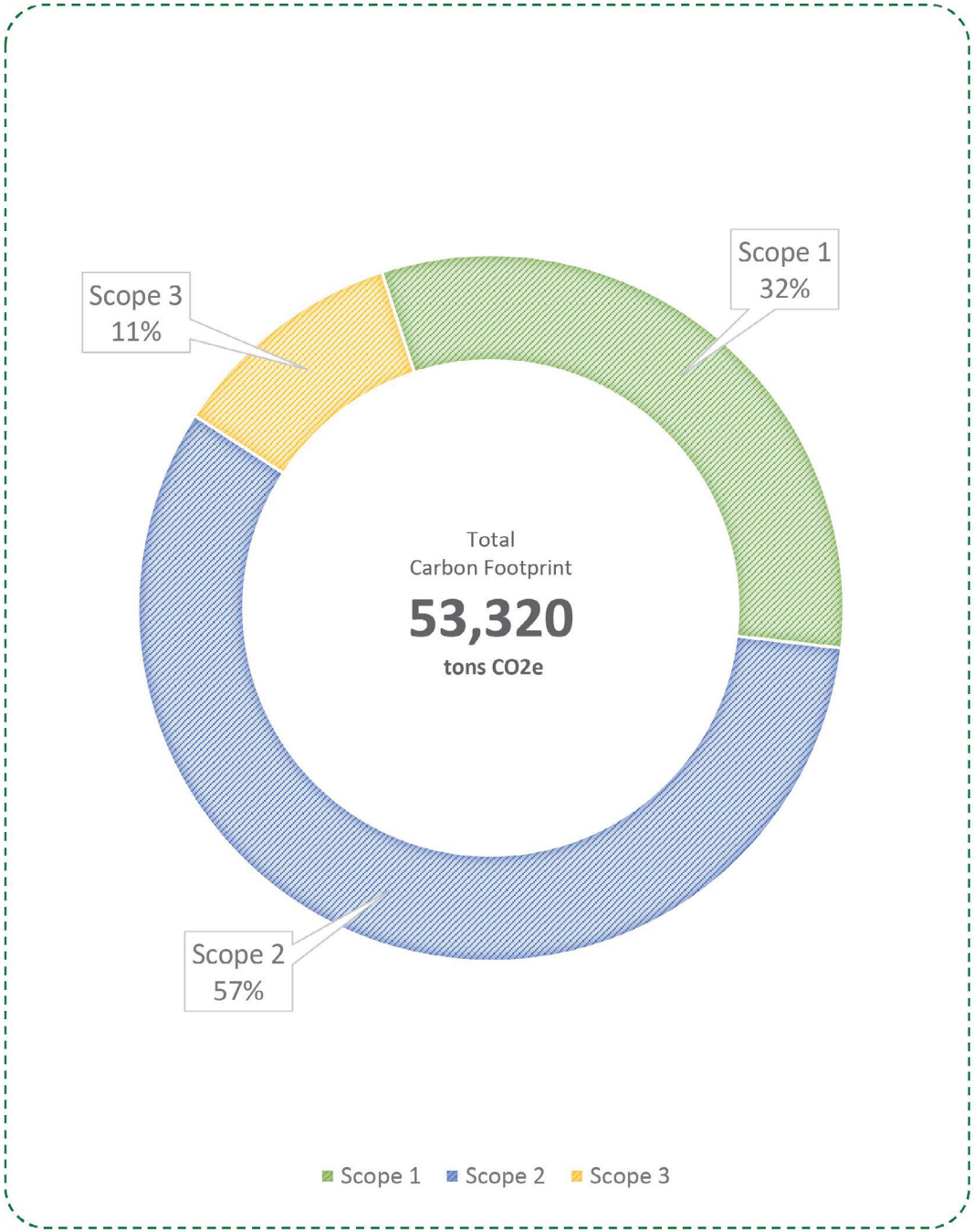
LOCATIONS & PARAMETERS

LOCATIONS

The table below contains information provided by the client in an iterative process.Certain values may be derived with assumptions considering lack of accurate data for the reporting period.

LOCATIONS	SCOPE 1	SCOPE 2	SCOPE 3
Hotpack - Bahrain	Yes	Yes	Yes
Hotpack - KSA	Yes	Yes	Yes
Hotpack - Jordan	Yes	No	Yes
Hotpack - Oman	Yes	Yes	Yes
Hotpack - Qatar	Yes	Yes	Yes
Hotpack - UAE	Yes	Yes	Yes
Hotpack - UK	Yes	Yes	Yes

EMISSIONS BY SCOPE

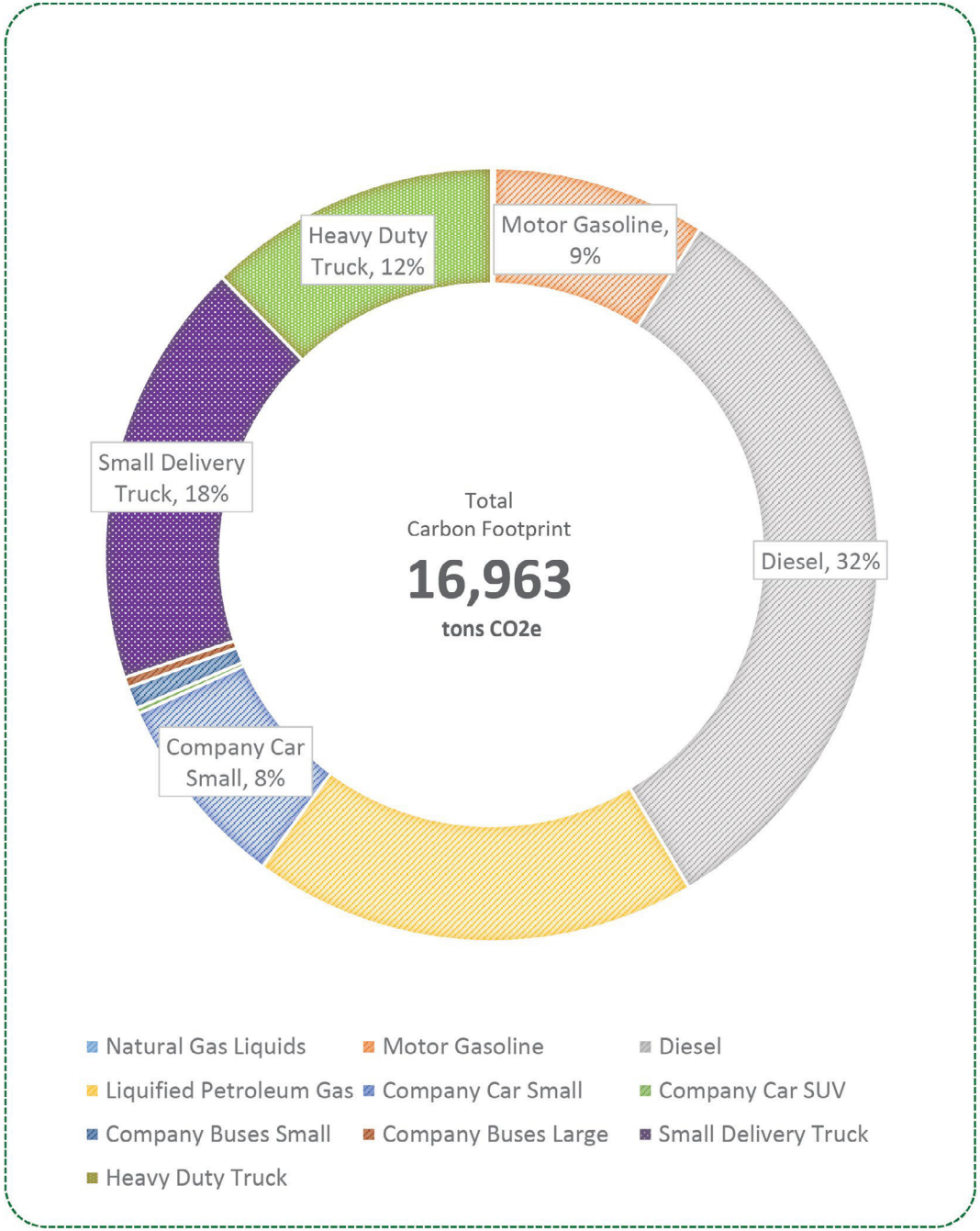


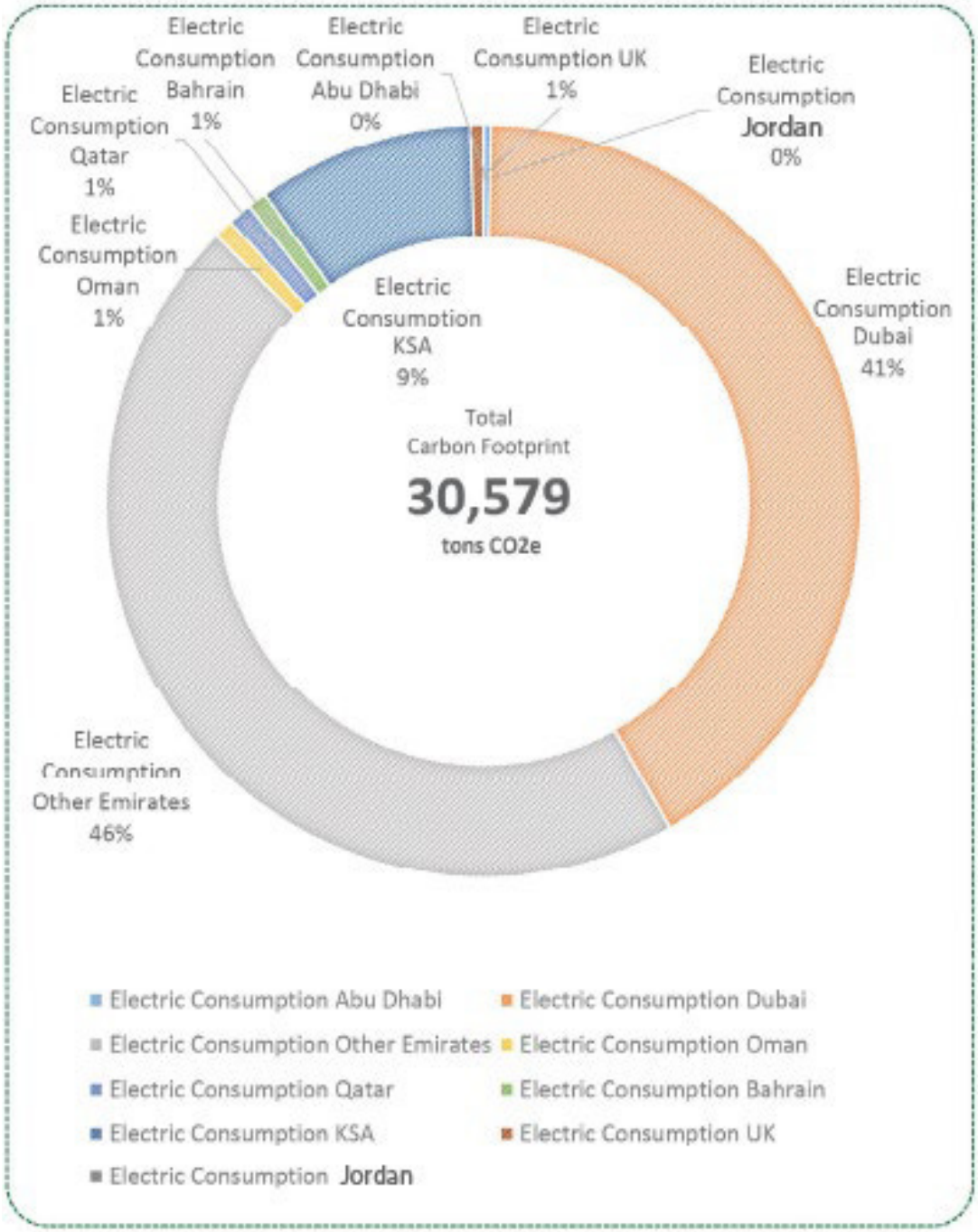
SUMMARY OF ALL SCOPES

In the figure below you will see the TOTAL CARBON FOOTPRINT generated. This assessment takes into account the sum total of all Scope 1,2,3 Emissions. Each Scope is further discussed in detail in the following pages thereafter.

Scope 1 Carbon

Scope 1 emissions are those greenhouse gases resulting from fuel combustion from sources the company own or operate—like vehicles or natural gas for heating. The carbon footprint calculations were done according to GHG Protocol Guidelines and IPCC Tools, and results were:





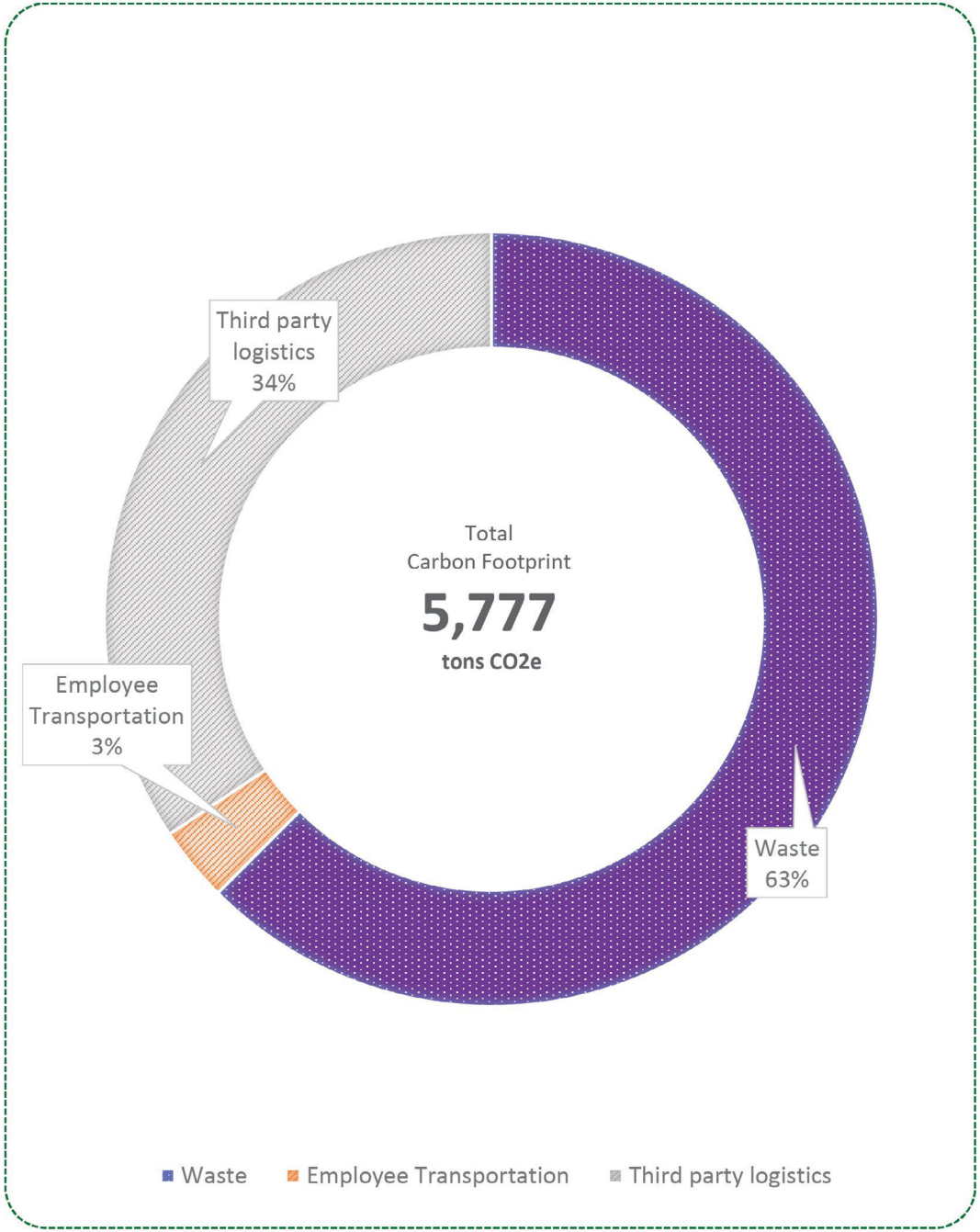
Scope 2 Carbon

Scope 2 emissions refer to those resulting from the use of electricity. Renewable energy generates minimal Scope 2 emissions, whereas burning coal, oil, or natural gas to produce electricity releases carbon dioxide and other greenhouse gases into the atmosphere.

Scope 3 Carbon

Scope 3 emissions refer to all other indirect emissions that occur in a company's value chain, including upstream and downstream activities.

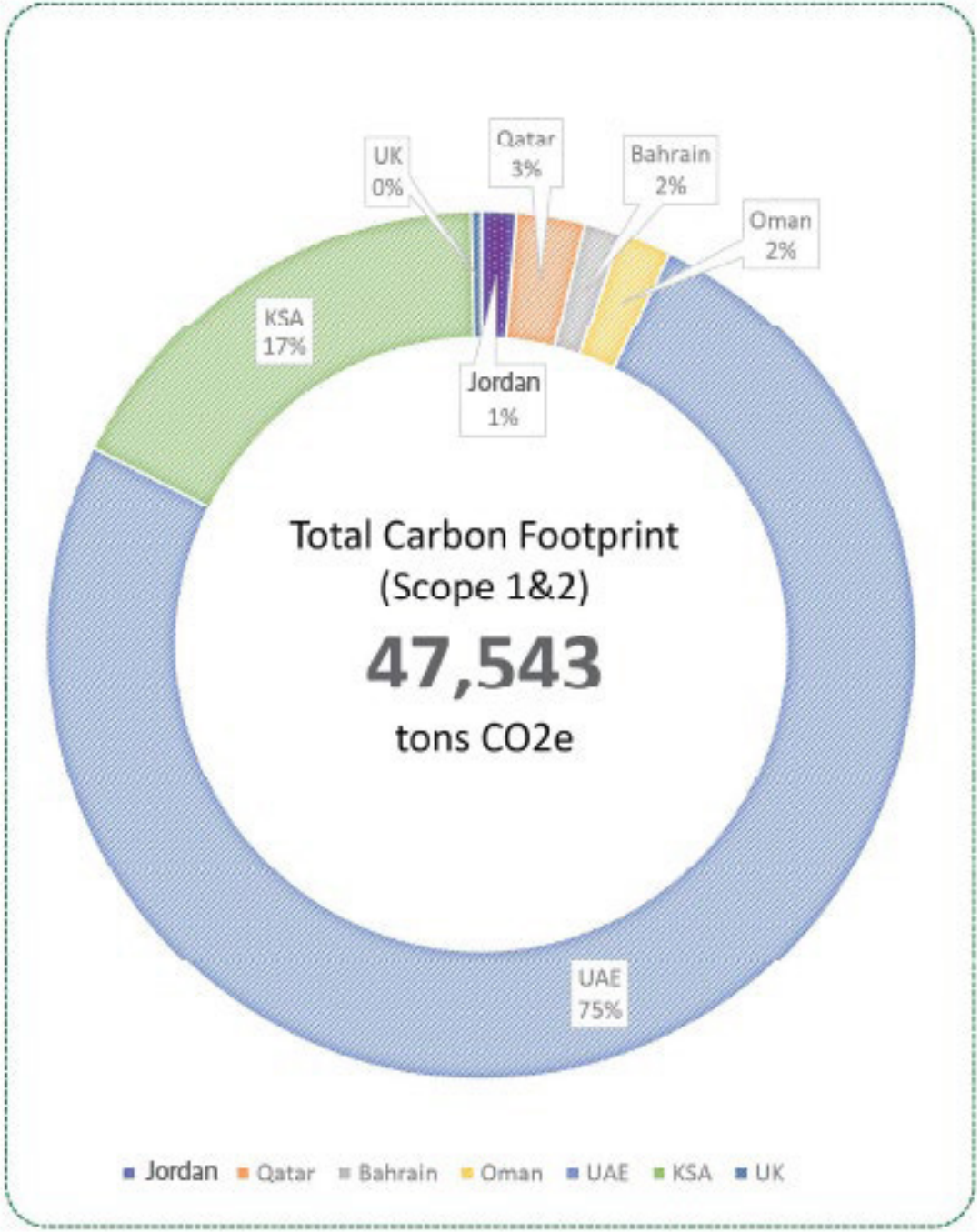
For the assessment year 2024, we have included the emissions from employee transportation, third party logistics and waste generated during operations. For the assessment year 2025, Hotpack has started the data collection process for rest of the scope 3 categories such as material purchase for category 1, inbound and outbound logistics for category 4&9 and other relevant data for all the applicable categories, which will be reported in this year.



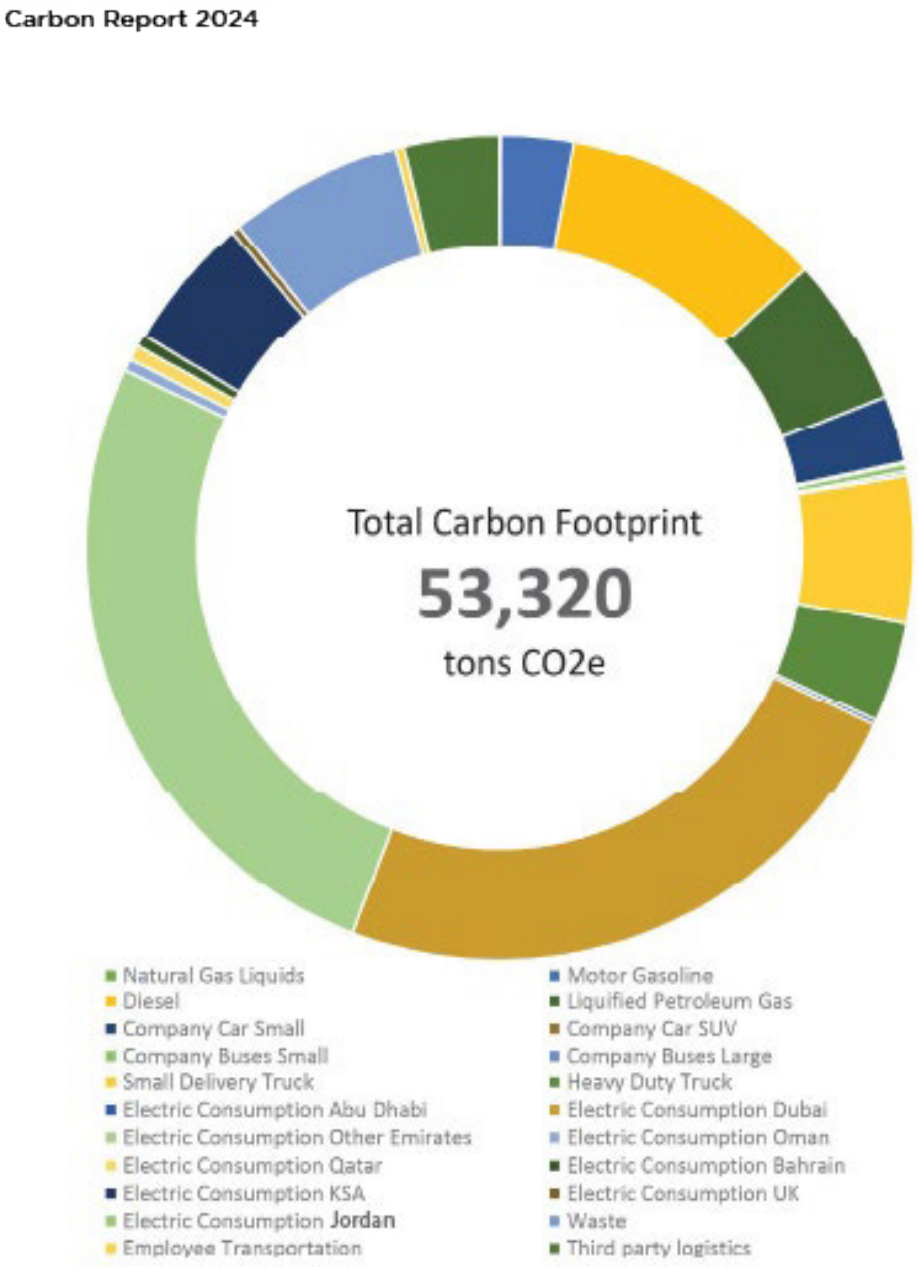
EMISSIONS BY ENTITY

ALL ENTITIES– TOTAL EMISSIONS

The figure below shows all the subsidiaries from Scope 1, and 2 together in terms of the Carbon Emissions. This will help the reader understand the impact of the major contributing entities when seen from a macro level.



EMISSIONS BY PARAMETER



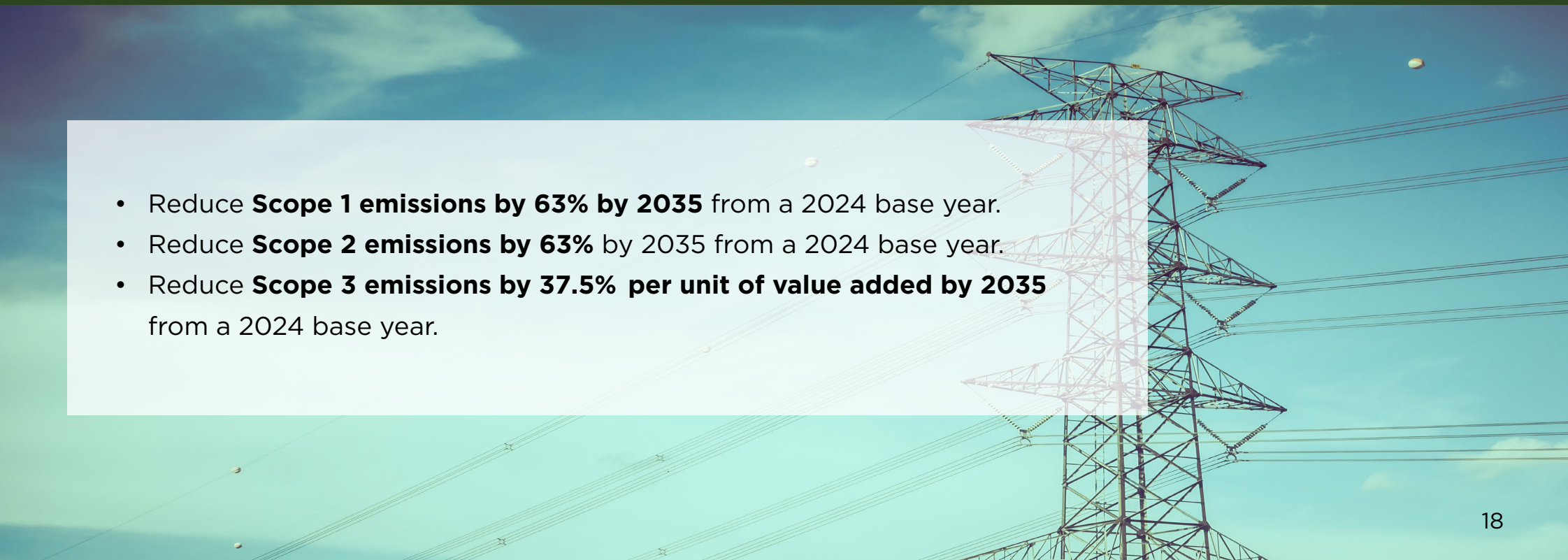
ALL PARAMETER COMPARISON

The figure below shows all the parameters from Scope 1,2,3 together in terms of the Carbon Emissions. This will help the reader understand the impact of the major contributing parameters when seen from a macro level.

GHG Reduction Targets and Mitigation Strategy

As a rapidly expanding organisation, Hotpack Global operates in a dynamic environment where operational growth, facility expansion, and rising production demand inherently drive increased energy and resource consumption. This growth trajectory poses challenges in managing emissions across Scope 1 (direct fuel combustion), Scope 2 (purchased electricity), and Scope 3 (supply chain, logistics, and waste). For example, new manufacturing sites may temporarily increase energy use, while scaling production can amplify raw material-related emissions.

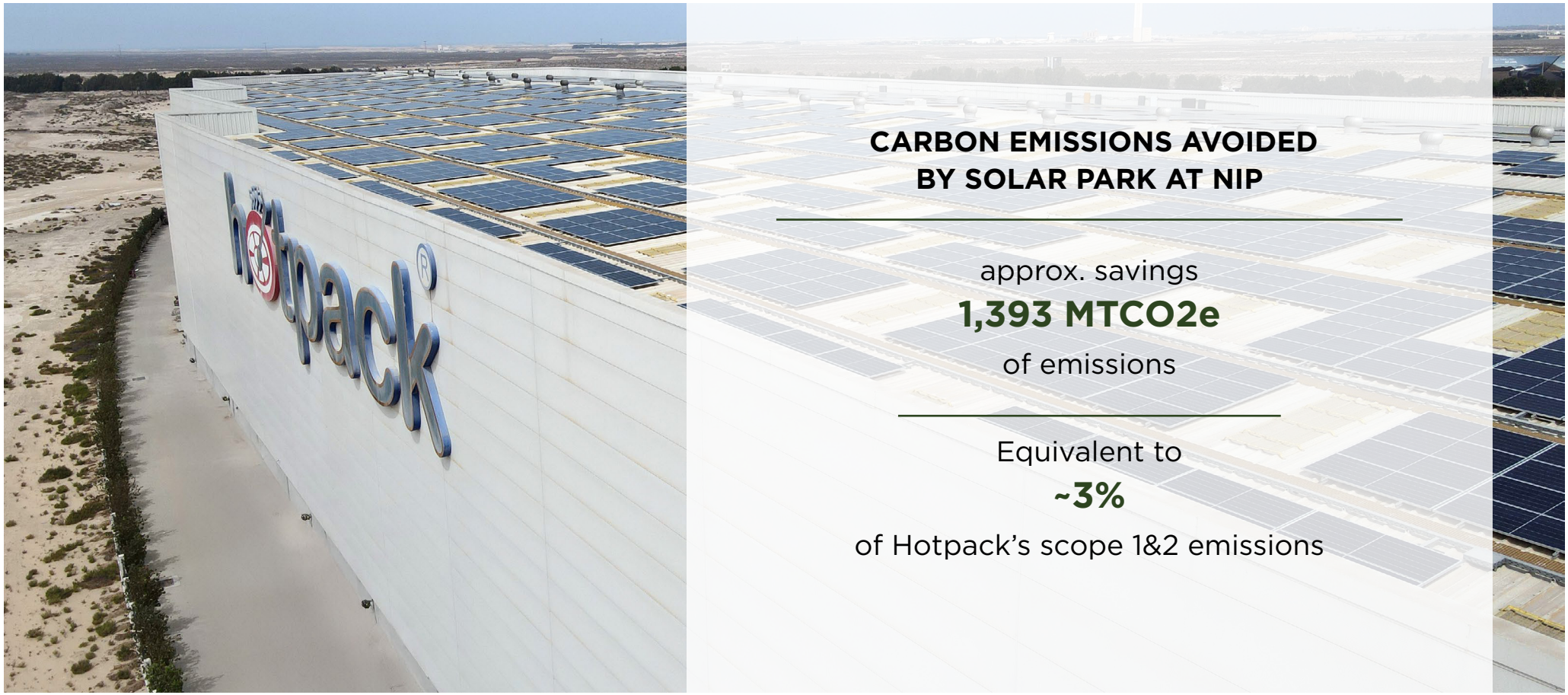
Despite these challenges, Hotpack is unwavering in its commitment to science-driven climate action. By aligning with the Science-Based Targets initiative (SBTi), we ensure our targets adhere to the latest climate science and sector-specific pathways. The 1.5°C decarbonization pathway outlined by the Paris Agreement - a critical threshold to avoid the worst impacts of climate change, requiring organisations to reduce emissions and reach net-zero by 2050. Hotpack's targets are calibrated to meet this urgency by committing to:



- Reduce **Scope 1 emissions by 63% by 2035** from a 2024 base year.
- Reduce **Scope 2 emissions by 63%** by 2035 from a 2024 base year.
- Reduce **Scope 3 emissions by 37.5% per unit of value added by 2035** from a 2024 base year.

To meet these ambitious targets, we have already implemented and continue to expand a variety of mitigation strategies, including:

Installation of solar panels at our National Industries Park (NIP) site, with expansion plans across other manufacturing facilities. Hotpack is already taking concrete steps to reduce its Scope 1 and Scope 2 emissions through renewable energy projects. The ongoing solar power generation at Technopark, NIP, is expected to reduce annual carbon emissions by approximately 1,393 $MTCO_2e$ of emissions, assuming a constant emissions baseline



Organization-wide installation of LED lights for improved energy efficiency and **motion sensors** to reduce unnecessary energy use.

Use of **variable frequency drives (VFDs)** in pumps and processes to optimize energy use during part-load operations.

Installation of **IE4 energy-efficient motors** in all new machinery above a certain threshold.

Implementation of **water-saving faucets** and other conservation technologies to reduce water consumption.

Gradual transition to **electric and hybrid vehicles**, and low-emission equipment for internal logistics.

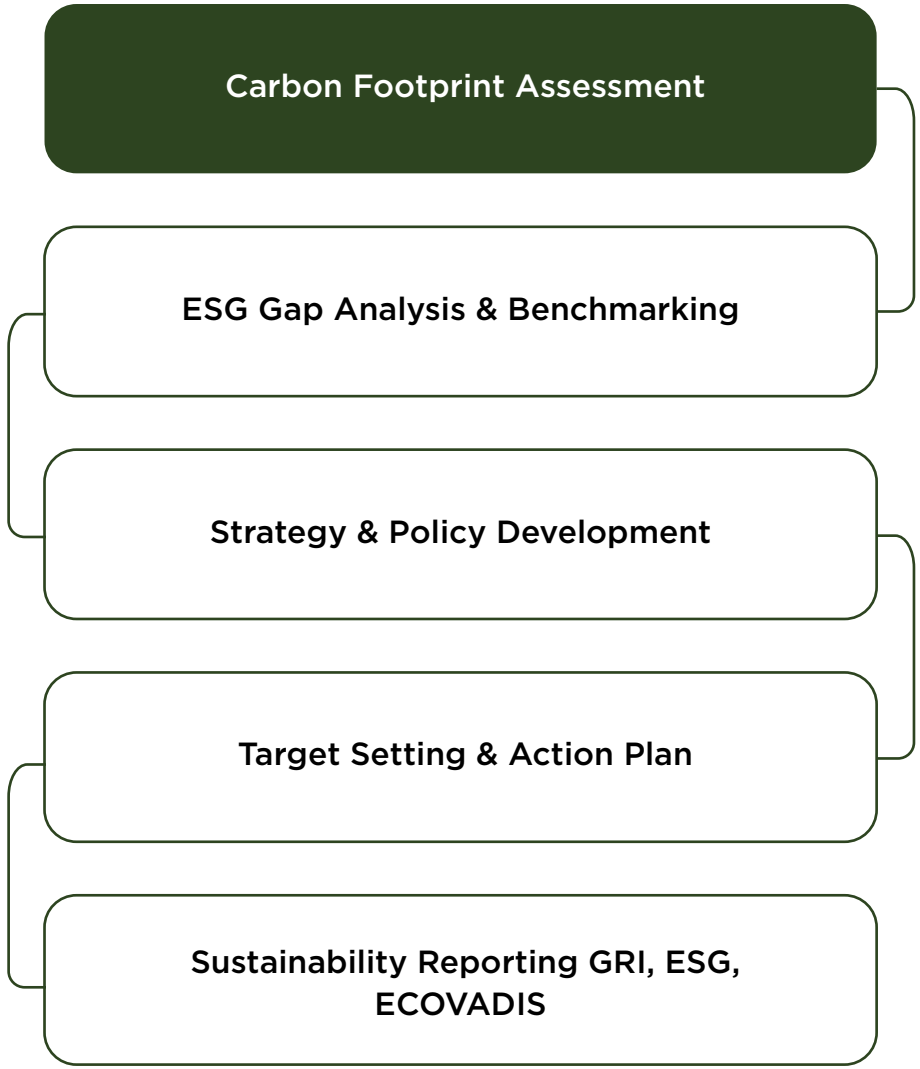
Strengthening of **supplier and employee engagement** to drive low-carbon awareness across the value chain.

These measures reflect Hotpack's commitment to integrating climate-conscious decisions into our operational strategy while staying aligned with global climate targets. This alignment also ensures our growth is decoupled from emissions growth, demonstrating that industrial expansion and sustainability can coexist.

CONCLUSION & RECOMMENDATIONS

The purpose of the report was to develop a framework to correctly measure the carbon footprint of Hotpack. These frameworks help organizations measure, manage, report and reduce their carbon emissions. Carbon Footprint calculation is an ongoing exercise and should be performed for each year as a part of the company policy. Hotpack has taken a positive step in the direction of sustainability with the development of this report.

A dedicated strategy is now required to be implemented keeping in mind the larger requirements of Environmental, Social & Governance (ESG) aspects. The recommended next steps for such a process are as follows:



THIS CARBON EMISSIONS REPORT WAS COMPILED BY CLENERGIZE FOR HOTPACK HOLDING & INVESTMENTS LIMITED

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