



CARBON FOOTPRINT REPORT 2025



Table of Contents

Introduction	03
About This Report	03
Company Overview	03
Why Measuring Carbon Emissions Is Important	04
How We Measure	04
Scope of the Study	05
Management's Assertion	05
Approach to Measuring GHG Emissions	06
Organisational Boundary & Base Year	06
Facilities Considered	07
Reported Emissions & Categories	07
Methodology	07
GHG Emission Data	09
Overall Emissions	09
Emissions by Scope	11
Emissions by Entity	14
Emissions by Parameter	17
GHG Reduction Targets and Mitigation Strategy	18
SBTi-Aligned Target Setting	18
Ratio Indicators	19
Conclusion	20

Introduction

About This Report

This document provides a comprehensive overview of Hotpack's greenhouse gas emissions for the 2025 reporting year. It includes data from our primary manufacturing facilities, offices, sales centres, and other corporate facilities, offering a transparent account of our Scope 1, 2, and 3 emissions.

Company Overview

Founded in 1995, Hotpack has evolved into a world-leading manufacturer and supplier of sustainable food packaging solutions. With over 30 years of industry experience, we have established ourselves as the largest packaging manufacturer in the GCC region, catering to a diverse clientele across the consumer packaged goods, retail, hospitality, healthcare, pharmaceutical, and construction sectors.

Our operational footprint is extensive and technologically advanced, encompassing over 25 manufacturing plants worldwide and a network of more than 50 sales outlets. Our manufacturing infrastructure includes state-of-the-art facilities totalling over 2 million square feet, equipped with advanced automation, robotics, and logistics support to ensure efficient, hygienic, and scalable production.

Committed to leading the transition toward a circular economy, Hotpack offers a comprehensive portfolio of over 4,000 products, with 96% of our lineup featuring eco-friendly, recyclable, or biodegradable options. Our sustainability performance has been globally recognised, earning us the EcoVadis Gold Certification, which places Hotpack among the top 5% of companies globally. Through our “one-stop shop model”, we integrate design, manufacturing, and distribution to serve over 25,000 international and local brands in more than 100 countries.



Why Measuring Carbon Emissions Is Important

Carbon emissions represent the measurable footprint of a business's operations across energy use, manufacturing processes, transportation, and the goods and services it depends on. By quantifying these emissions, organisations move from assumptions to accountability, enabling them to understand their true environmental impact and identify where meaningful reductions can be made. This is not only essential for mitigating climate change and its wide-ranging effects on ecosystems, public health, and biodiversity, but also for driving operational efficiency, innovation, and long-term resilience. In a rapidly evolving global landscape shaped by the Paris Agreement, COP commitments, and national climate targets, measuring carbon emissions is a critical step for businesses to align with both regulatory expectations and global sustainability priorities.

How We Measure: Our Commitment to the GHG Protocol Standard

This report is prepared in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. By utilising standardised methodologies, we ensure our climate data are robust, transparent, and consistent, allowing our stakeholders to track our progress against established environmental KPIs.



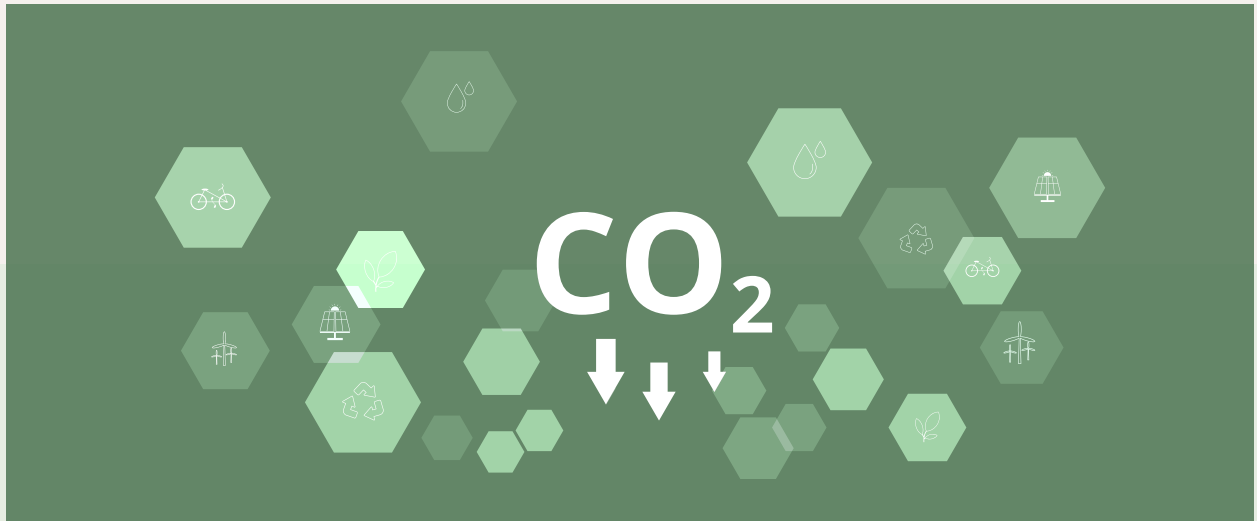
Scope of the Study

This study presents a comprehensive assessment of greenhouse gas (GHG) emissions across all Hotpack's operations. The assessment covers more than 25 manufacturing facilities, along with all relevant offices and sales centres where emission-generating activities were identified.

Primary data were collected through multiple engagement sessions with the respective site teams and consolidated for analysis. The collected data were systematically reviewed, standardised, and converted into appropriate units to enable application of emission factors in accordance with the GHG Protocol methodology. Where GHG Protocol emission factors were not available, credible secondary databases were referenced to ensure completeness and accuracy of calculations. In addition, region-specific emission factors for electricity and water consumption were incorporated using publicly available data from relevant government authorities.

The assessment includes key emission sources such as electricity consumption, water usage, industrial waste, fuel and gas consumption, transportation, and selected industrial processes. For the 2025 reporting cycle, the scope of analysis has been significantly expanded to include Scope 3 emissions, covering major upstream and downstream categories such as purchased goods and services, capital goods, waste generated in operations, employee commuting, business travel, and supply chain-related emissions.

Data quality and traceability were prioritised throughout the study, with efforts made to ensure that all inputs are supported by verifiable records maintained within the organisation. This approach strengthens the reliability of the carbon footprint calculation and ensures alignment with recognised reporting standards.



Management's Assertion

Management of Hotpack is responsible for the completeness, accuracy, and validity of the disclosures included in this Report for the year ended December 31, 2025. Management is also responsible for the collection, quantification, and presentation of the information included in this Report and for the selection of the criteria, which management believes provide an objective basis for measurement and reporting. Management of Hotpack asserts that the GHG Emissions Report for the year ended December 31, 2025, is presented in accordance with the GHG Protocol.

Approach to Measuring GHG Emissions

Organisational Boundary & Base Year

This report adopts an operational control approach, covering all 25 entities under Hotpack's direct management. The reporting period encompasses the fiscal year from January 1, 2025, to December 31, 2025.

For the 2025 reporting cycle, Hotpack significantly expanded the boundary of its greenhouse gas inventory by broadening Scope 3 coverage to include Purchased Goods and Services (Category 1), encompassing both the major raw materials consumed in our manufacturing operations and the finished goods procured externally for resale. As purchased goods represent the most significant source of emissions for our business, this category now accounts for the substantial majority of our total footprint. This represents a significant change in inventory methodology and category coverage compared with previous cycles, which focused primarily on Scope 1, Scope 2, and a limited set of Scope 3 categories.

In accordance with the GHG Protocol's requirements on base-year recalculation, a structural change of this magnitude necessitates a revision of our base year to preserve consistency and comparability in performance tracking. As comparable purchased-goods data is not available for previous years, recalculation of the historical 2024 inventory on a like-for-like basis is not feasible. Accordingly, Hotpack has established 2025 as its revised base year — representing the first reporting cycle in which our greenhouse gas inventory reflects comprehensive Scope 3 coverage. This revised base year provides a complete, credible, and stable foundation against which future emissions performance and reduction targets will be measured.

Facilities Considered

Key facilities include:

Manufacturing Sites	Offices & Sales Centres
 Hotpack UAE	 Hotpack Bahrain
 Hotpack KSA	 Hotpack Oman
 Hotpack Qatar	 Hotpack UAE
 Hotpack UK	 Hotpack KSA
 Hotpack India	 Hotpack Qatar
 Hotpack Jordan	 Hotpack USA
 Hotpack Malaysia	

Reported Emissions & Categories

Emissions are categorised into Scopes 1, 2, and 3 in alignment with the GHG Protocol:

SCOPE 1	SCOPE 2	SCOPE 3
Direct emissions from combustion and industrial processes from owned or controlled sources.	Indirect emissions from the generation of purchased electricity and utilities.	All other indirect emissions included in the following categories: 1. Purchased Goods and Services 2. Capital Goods 4. Upstream Transportation and Distribution 5. Waste Generated from Operations 6. Business Travel 7. Employee Commuting

Scope 3 Category 3: Fuel and Energy Related Activities (FERA) has been excluded from this cycle and is planned for future inclusion.

Methodology

This section outlines the methodology used to calculate emissions for each scope in the current reporting year, along with any changes from the prior year.

Scope 1

Scope 1 emissions are direct emissions from sources owned or controlled by Hotpack, including stationary combustion, mobile combustion, and industrial process emissions.

Stationary Combustion: Emissions from stationary combustion were calculated using fuel purchase invoices and meter readings.

Mobile Combustion: Emissions from company-owned vehicles used for logistics and employee transportation were calculated using fuel consumption logs (litres) and odometer readings (km), applying appropriate emission factors for each fuel type.

Scope 2

Scope 2 emissions include indirect emissions from the consumption of purchased electricity across Hotpack facilities. We applied location-based grid emission factors, reflecting the average emissions intensity of the national electricity grids where consumption occurs.

Scope 3

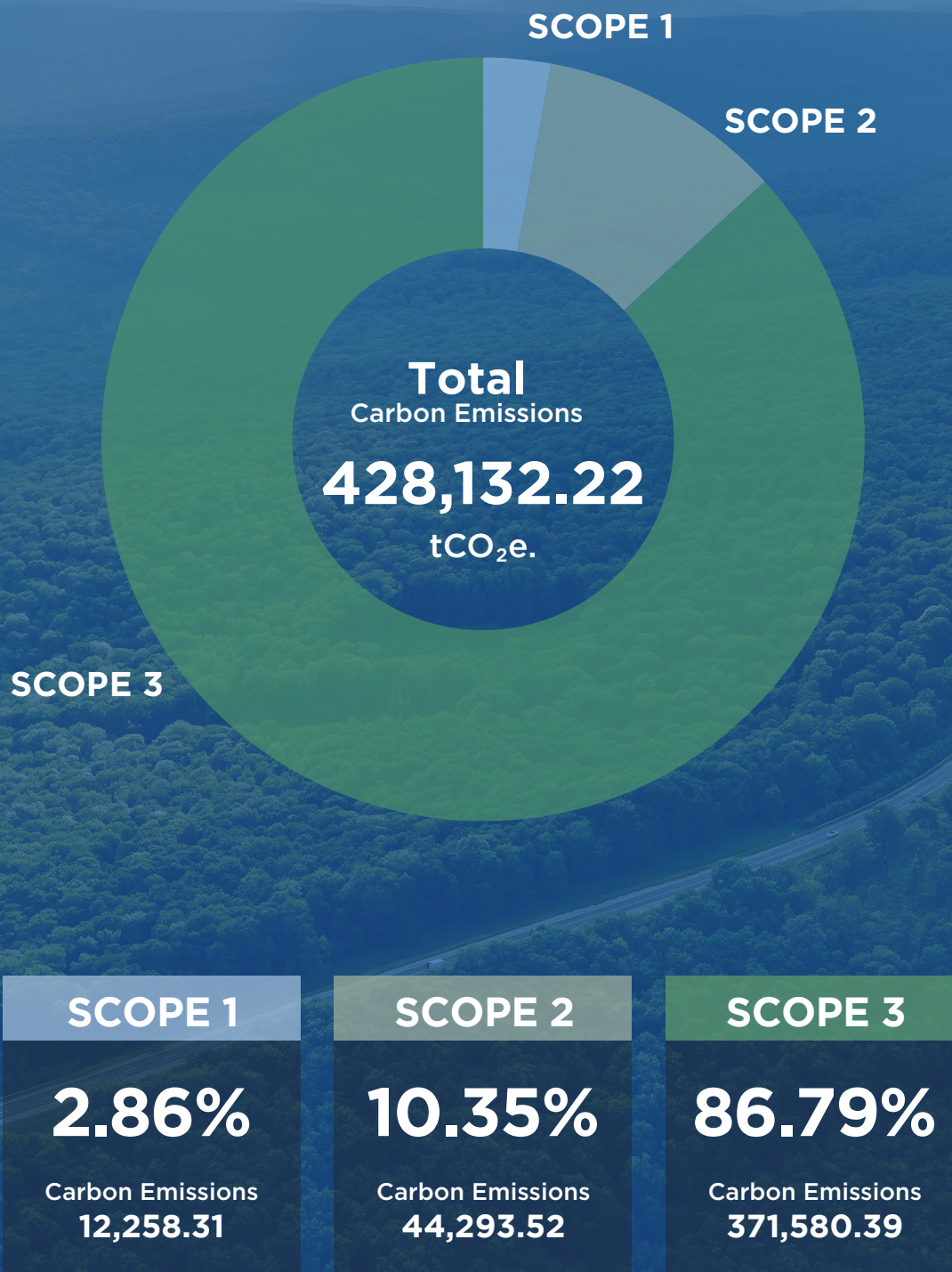
- Categories 3.1 and 3.2 - Purchased Goods and Services and Capital Goods: Emissions for manufacturing raw materials were calculated using the average-data (mass-based) method of the GHG Protocol, based on physical activity data (kg of materials) multiplied by material-specific emission factors from established databases (DEFRA/BEIS, ecoinvent). For externally purchased finished goods procured for resale, where quantities are recorded in mixed units, emissions were calculated using the spend-based method, applying environmentally-extended input-output (EEIO) emission factors (EXIOBASE) to procurement spend. These two sub-methods are combined to give the total Category 1 figure.
- Category 3.4 - Upstream Transportation and Distribution: Calculations are based on the distance travelled (kilometres) for each mode of transport and vehicle.
- Category 3.5 - Waste Generated from Operations: Emissions from waste generated in operations (Category 3.5) were calculated using the waste-type-specific method as defined by the GHG Protocol, applying individual emission factors to each waste type and treatment pathway reported by our facilities.
- Category 3.6 - Business Travel: Emissions include commercial air travel, car rental/taxi travel, and bus travel. Calculations are based on distance travelled (kilometres) for each mode of transport, as recorded from internal travel records and expenses, multiplied by applicable emission factors. A spend-based approach was applied in limited cases where only financial expenditure data was available.
- Category 3.7 - Employee Commuting: Emissions relate to employee-owned and third-party vehicles used for commuting. Calculations are based on distance travelled (kilometres) for diesel, petrol, electric, and two-wheeler vehicles, collected from all sites. Distance data is multiplied by fuel-specific emission factors.

GHG Emission Data

Overall Emissions

The total greenhouse gas (GHG) emissions for all Hotpack manufacturing entities, including the manufacturing facilities and the offices/sales centres for the reporting year, are summarised below. Emissions are calculated using the GHG Protocol methodology and are expressed in tonnes of carbon dioxide equivalent (tCO₂e).

Scope	Category	Emissions in tCO ₂ e	Percentage
1	Fuel	7,801.28	1.82%
	Employee Transportation	1,356.74	0.32%
	Logistics	3,100.29	0.72%
2	Electricity Consumption During the Year	44,293.52	10.35%
3	Purchased Goods and Services	366,251.58	85.55%
	Capital Goods	515.31	0.12%
	General Waste	2,045.11	0.48%
	Construction Waste	0.18	0.00%
	Employee Transportation (employee-owned vehicles / third-party vehicles)	298.35	0.07%
	Employee Business Travel	448.18	0.10%
	Upstream Transportation and Distribution	2,021.69	0.47%
Total		428,132.22	

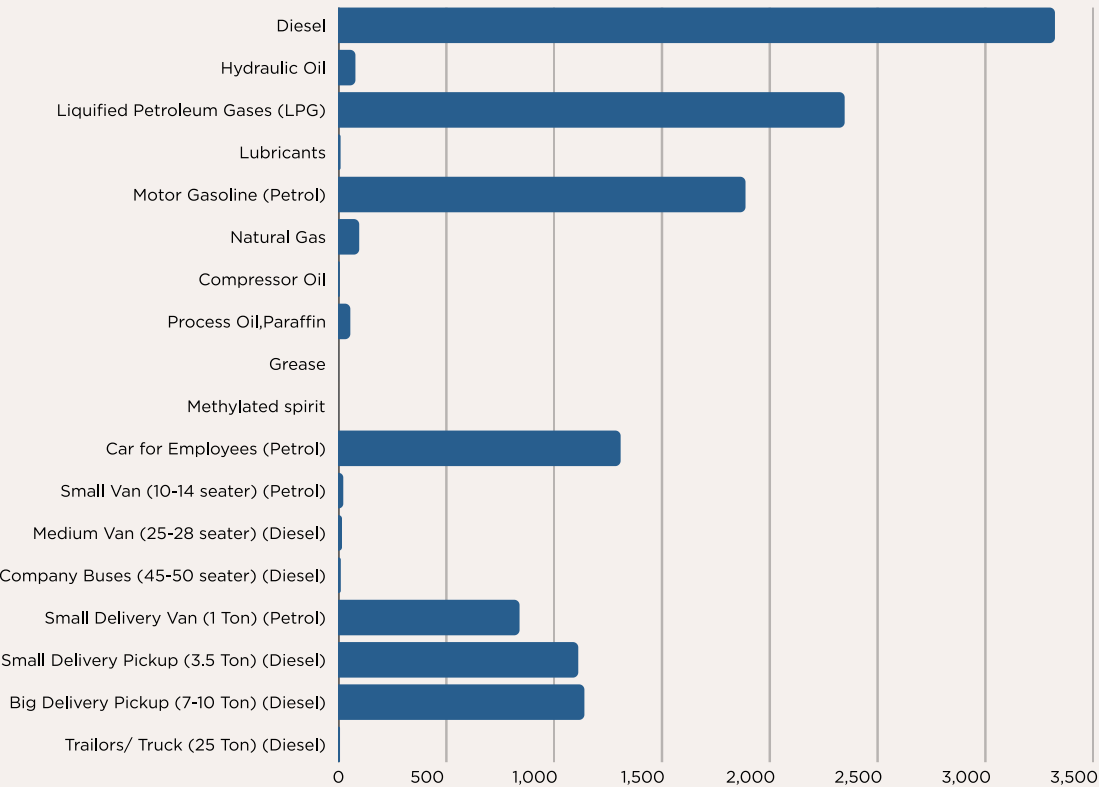
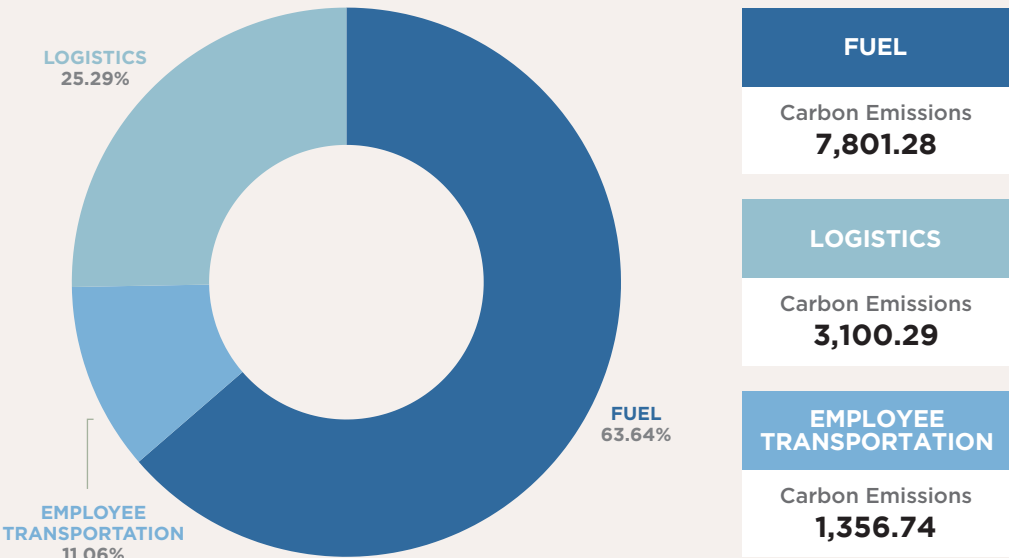


*Emission values are expressed in tCO₂e.

Emissions by Scope

Emissions from fuels and solvents consumed at all sites. The carbon footprint calculations were performed according to GHG Protocol Guidelines and IPCC tools, and the results are as follows:

SCOPE 1



*Emission values are expressed in tCO₂e.

SCOPE 2

Emissions from the burning of coal, oil, or natural gas to produce electricity result in the release of carbon dioxide and other greenhouse gases into the atmosphere. These emissions were calculated using location-based grid factors for each country of operation.

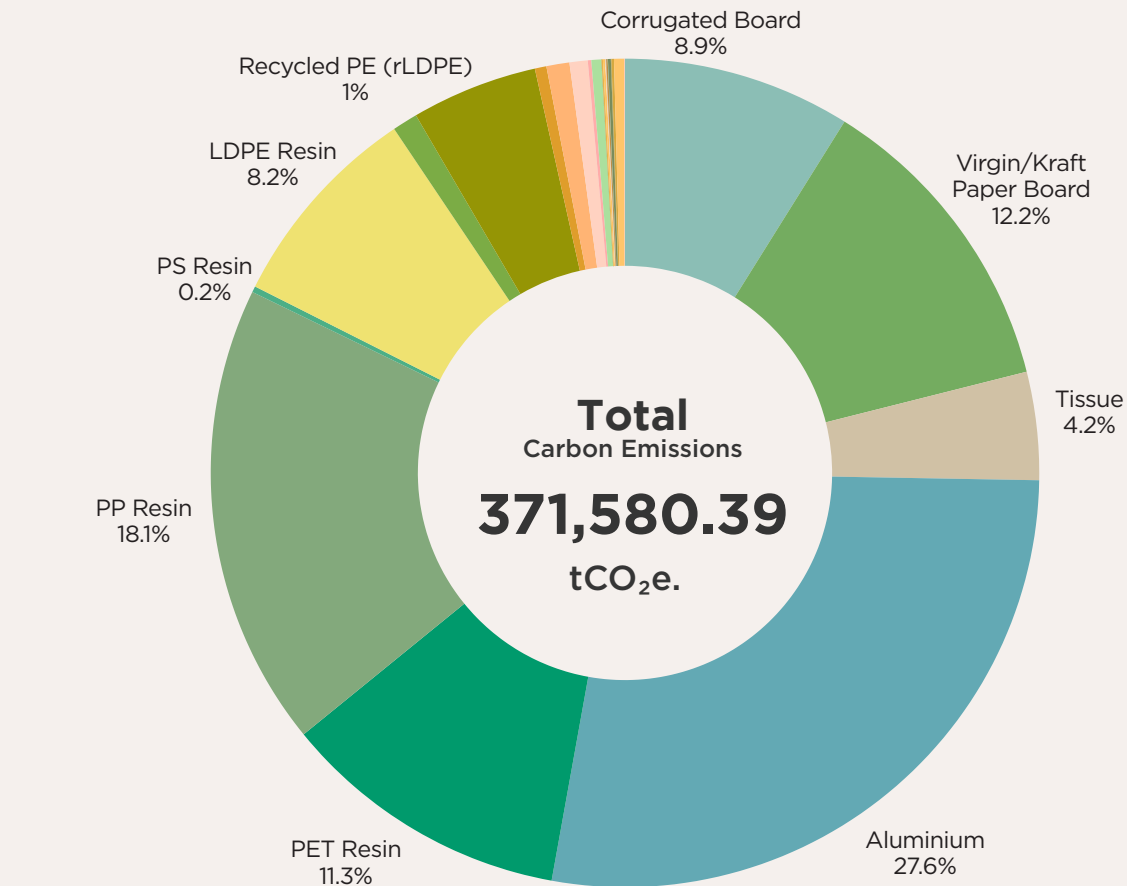
UAE	KSA	JORDAN
Carbon Emissions 37,393.41	Carbon Emissions 5,244.78	Carbon Emissions 12.73
UK	MALAYSIA	QATAR
Carbon Emissions 186.69	Carbon Emissions 35.01	Carbon Emissions 762.49
INDIA	OMAN	BAHRAIN
Carbon Emissions 212.12	Carbon Emissions 379.93	Carbon Emissions 66.34

*Emission values are expressed in tCO₂e.

SCOPE 3

Emissions from all other indirect sources that occur in the company's value chain, including upstream and downstream activities. These emissions were calculated using a mix of material-specific, waste-treatment, and distance-based factors. For the assessment year 2025, Hotpack has expanded our Scope 3 reporting to include additional categories such as Purchased Goods and Services, capital goods, and business travel, alongside the categories reported in 2024. Category 1 currently covers Hotpack's major raw materials and externally procured finished goods, representing the substantial majority of procurement spend/mass. Remaining minor materials will be incorporated progressively in future cycles.

Category	Emission (tCO ₂ e)
Purchased Goods and Services	366,251.58
Capital Goods	515.31
General Waste	2,045.11
Construction Waste	0.18
Employee Transportation (EMPLOYEE-OWNED VEHICLES/THIRD PARTY VEHICLES)	298.35
Employee Business Travel	448.18
Upstream Transportation and Distribution	2,021.69
Total	371,580.39



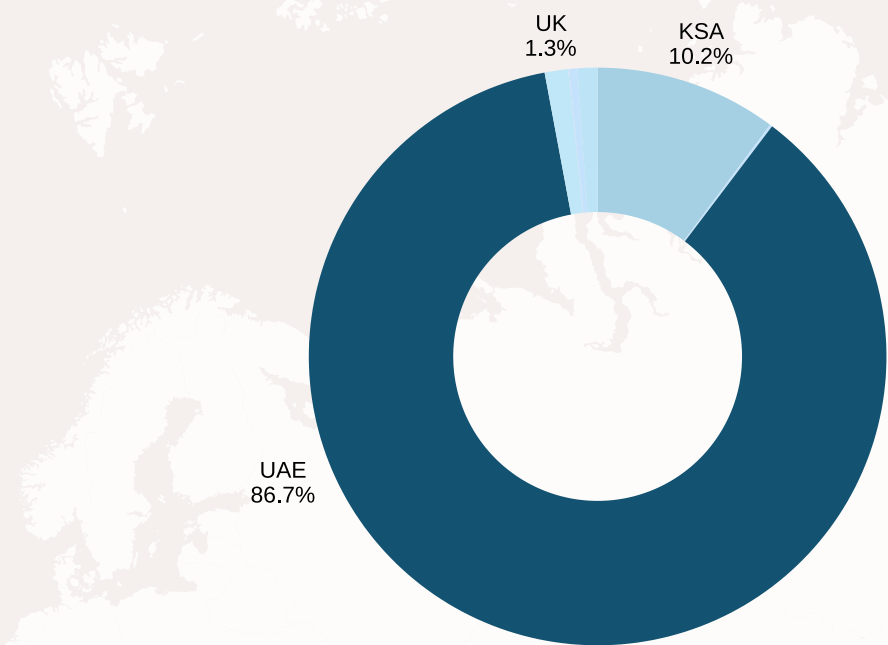
- Corrugated Board
- Virgin/Kraft Paper Board
- Tissue
- Aluminium
- PET Resin
- PP Resin
- PS Resin
- LDPE Resin
- Recycled PE (rLDPE)
- Plastic finished goods
- Paper finished goods
- Eco-friendly goods
- Other finished goods
- Water Consumption during the month
- New machines
- New Molds
- Paper Waste/Tissue
- Sand/Dust Waste
- Plastic Waste
- Domestic/Municipal Garbage waste
- Chemical Waste
- Liquid Paint Waste
- ETP Sludge Waste
- Hydraulic Oil Waste
- Gear Oil Waste
- Other Oil Waste
- Steel Waste
- Aluminum Waste
- Other Metal Waste
- Wood Waste
- Packaging Waste (Paper/Cardboard)
- Packaging Waste (Plastic)
- Glass Waste
- Food Waste
- Cement
- Other Waste
- Own Car Diesel
- Own Car Petrol
- Other ELECTRIC CAR
- Public Transport (By Bus)
- Other (Bike)
- Air travel
- Car travel
- Bus travel
- Scheduled Passenger Air Transportation
- Small Delivery Pickup (3-5 Ton)
- Big Delivery Pickup (7-10 Ton)
- Trailers (25 Ton)
- Containers via Sea
- Company Vehicles Small
- Company Vehicles Large

Emissions by Entity

Hotpack’s 2025 emissions are reported by entity to show the contribution of each operating location within the Group. The analysis is further segmented by country and by operational type, including manufacturing sites, offices, sales centres, and other relevant entities, to provide a more detailed view of emissions performance across the organisation.

Manufacturing Sites

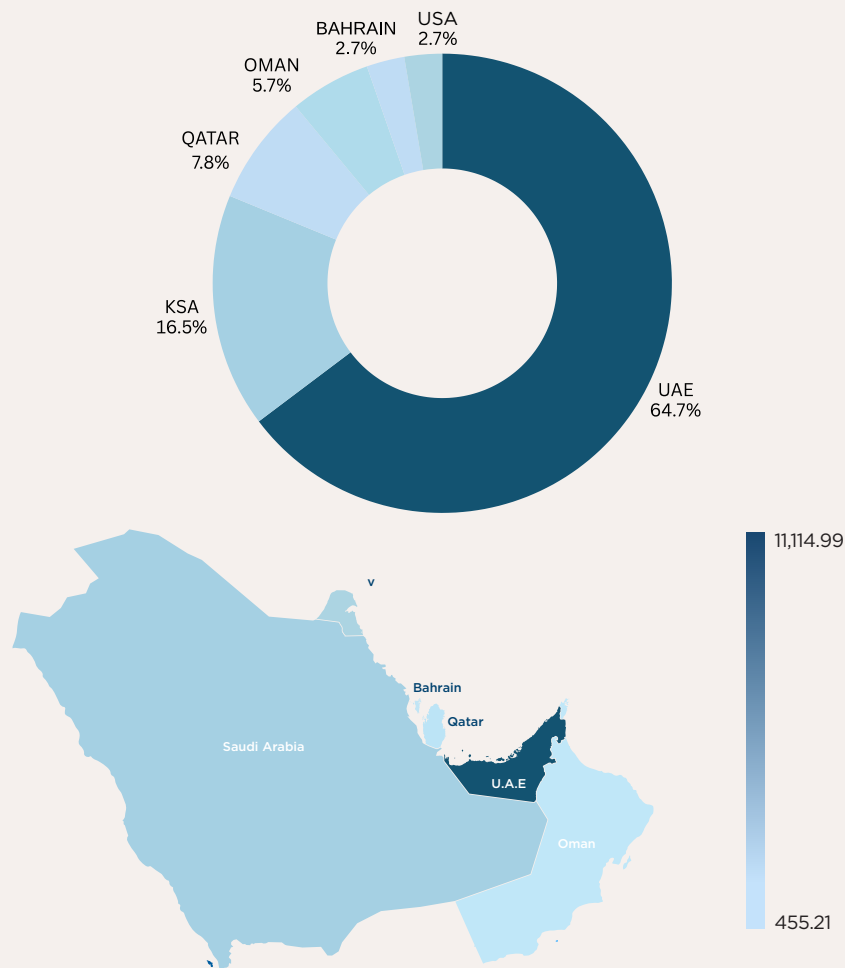
Emissions from manufacturing sites are reported separately to reflect the operational intensity of production facilities. This allows a clearer comparison of country-level performance, with the UAE contributing the highest share among manufacturing locations.



*Emission values are expressed in tCO₂e.

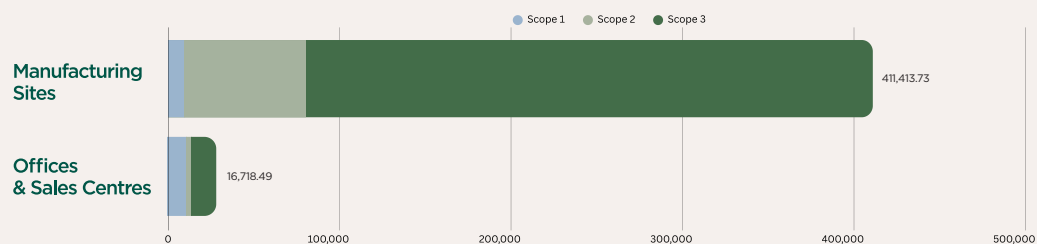
Offices and Sales Centres

Emissions from offices and sales centres are shown independently from manufacturing operations to distinguish administrative and commercial impacts from production-related emissions. This segmentation provides a more accurate view of Hotpack’s non-manufacturing footprint across its regional network.



Manufacturing vs. Offices and Sales Centres

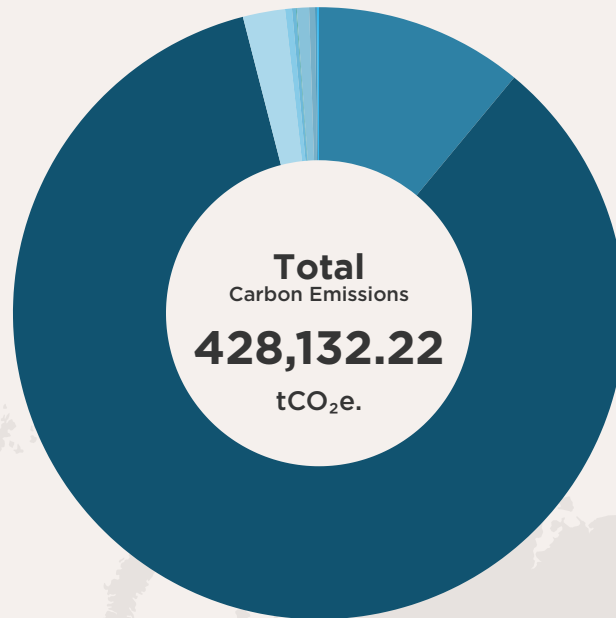
To improve reporting clarity, emissions are further segmented between manufacturing sites and offices/sales centres. This approach allows a more accurate comparison of operational emissions profiles across Hotpack’s business units.



*Emission values are expressed in tCO₂e.

Country-wise Emissions

A country-wise comparison is included to show how emissions vary across Hotpack's regional operations. This helps identify the largest emitting countries within both manufacturing and office/sales centre portfolios.

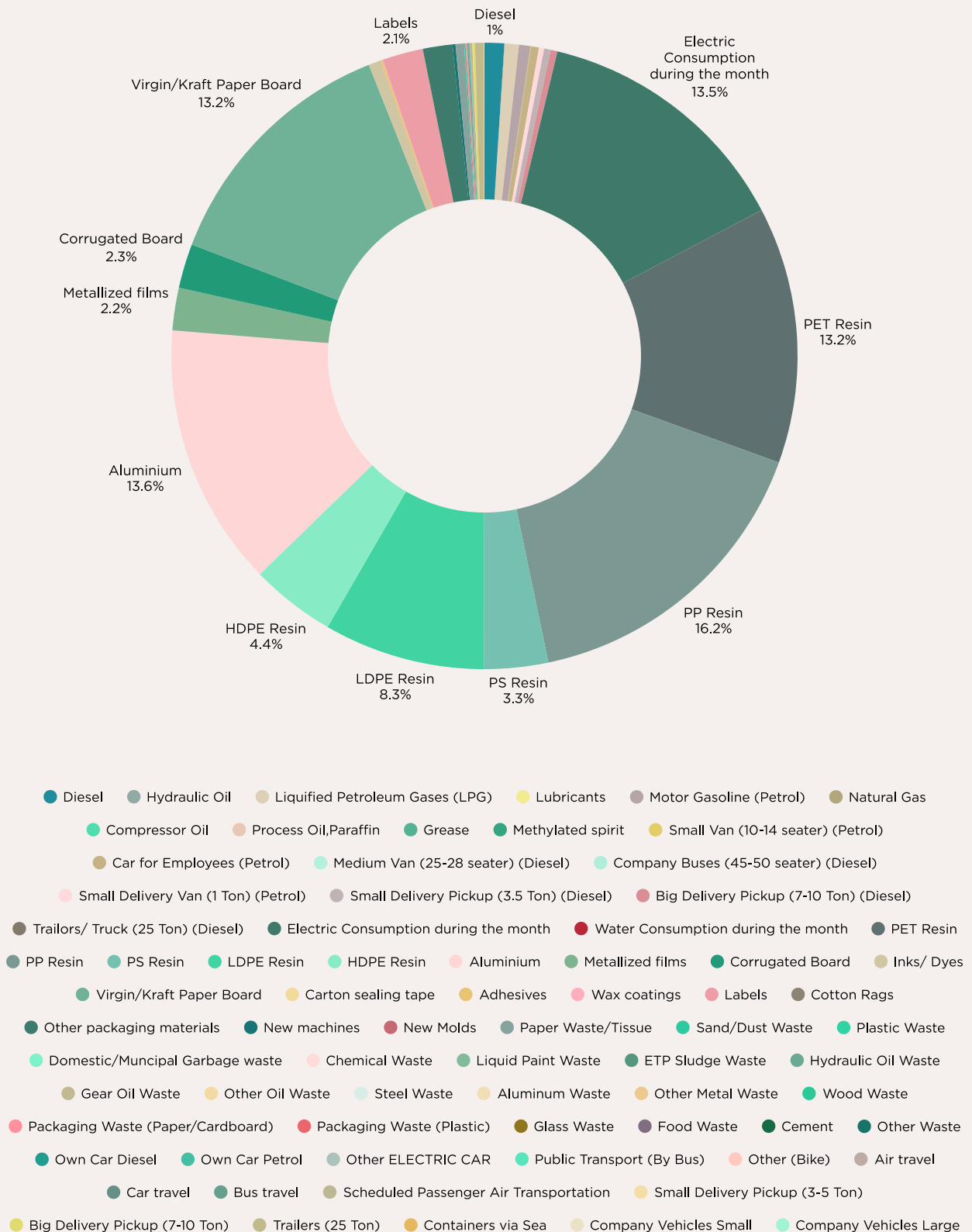


UAE Carbon Emissions 363,529.47	KSA Carbon Emissions 47,075.02	JORDAN Carbon Emissions 438.66
UK Carbon Emissions 1,320.11	MALAYSIA Carbon Emissions 194.76	QATAR Carbon Emissions 9,535.75
INDIA Carbon Emissions 2,749.18	OMAN Carbon Emissions 1,548.79	BAHRAIN Carbon Emissions 871.55
USA Carbon Emissions 455.21	BUSINESS AIR TRAVEL (ALL COUNTRIES) Carbon Emissions 413.72	

*Emission values are expressed in tCO₂e.

Emissions by Parameter

Emissions are presented by parameter to illustrate the contribution of each activity across Scopes 1, 2, and 3 combined. This analysis highlights the primary drivers of Hotpack's carbon footprint, including electricity consumption, fuel use, purchased materials, waste generation, and business travel.



GHG Reduction Targets & Mitigation Strategy

SBTi-Aligned Target Setting

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 recognised decarbonisation pathways. Following the expansion of our Scope 3 inventory boundary to almost fully account for Purchased Goods and Services — now representing approximately 87% of our total emissions — 2025 has been established as the recalculated base year against which all targets are measured.

Hotpack's near-term targets have been developed using the Absolute Contraction Approach, the cross-sector method applied where no sector-specific pathway is available. Our Scope 1 and 2 targets are aligned with the 1.5°C ambition, while our Scope 3 target meets the well-below-2°C threshold, reflecting the current stage of supplier engagement across our value chain. Hotpack commits to:

- Reduce absolute Scope 1 and Scope 2 GHG emissions 42% by 2035 from a 2025 base year.
- Reduce absolute Scope 3 GHG emissions 25% by 2035 from a 2025 base year.

To meet these ambitious targets, we have already implemented and continue to expand a variety of mitigation strategies, with significant progress made in renewable energy. A key milestone is the solar panel system at our National Industries Park (NIP) site, which was fully commissioned and operational in 2024. Generating 2.2 MW of clean energy, this installation has already been delivering annual carbon savings of 1,393 tCO₂e since its launch, well ahead of our initial projections. Building on this proven success, we are now actively rolling out expansion plans to replicate this model across our other manufacturing facilities, further reinforcing our commitment to reducing Scope 1 and Scope 2 emissions.

Other operational decarbonisation levers, apart from the solar project, include:

Variable Frequency Drives (VFDs).

Mandated across all pumping systems and key processes for energy optimisation during part-load operation.

IE4 Motors.

Mandatory procurement standard for IE4 premium-efficiency motors in all new machinery above designated thresholds.

LED & Motion Sensors.

Facility-wide LED retrofit with motion-sensor integration in progress to eliminate parasitic energy consumption.

Energy-Efficient Compressed Air & HVAC.

All compressors upgraded to efficient units; compressed-air leak audits and pressure optimisation completed across all plants.

Recycled Raw Materials.

Sharjah facility runs on 100% recycled polymer resin for garbage bags; all Corrugated Carton divisions use 90% recycled paper, with PCR prioritised elsewhere where food safety allows.

Water-Based Inks & FSC Sourcing.

Mono-carton, corrugated, paper-bag, and paper-cup plants use exclusively water-based inks; all plants source FSC-certified paper.

Production Scrap Reduction & In-House Regrind.

Changeover and print-registration waste reduction tracked as a KPI across plants; in-house regrind reincorporated into products and paper scrap sold to recyclers.

Water Conservation.

Low-flow fixtures and water-saving technologies deployed to cut operational water intensity and embedded energy.

Effluent Treatment & Water Reuse (TSE).

Treated wastewater reused for landscaping per Dubai Municipality regulations, with effluent screening, filtration, and routine pH/BOD/COD monitoring; DIP sites use centralised treatment infrastructure.

Other Governance & Value-Chain levers:

Fleet Transition.

Gradually increasing lower-emission vehicle options — hybrid and electric — for internal logistics where technically and commercially feasible.

Employee Capacity Building.

Mandatory training on GHG Protocol-aligned accounting and internal carbon-data management for relevant personnel.

Policy Reinforcement.

Greenhouse Gas Emissions Policy and Sustainable Procurement Policy updated to formalise strengthened climate commitments.

Production Partner Code.

New Code of Conduct for Key Production Partners mandating a 50% reduction in their Scope 1 and 2 emissions by 2035.

Supplier Engagement.

Broader supplier base briefed on Hotpack's targets and their role in delivering Scope 3 value-chain milestones.

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

Ratio Indicators

To provide a meaningful measure of our carbon efficiency and enable year-on-year tracking, we calculate a carbon intensity ratio based on Scope 1 and 2 emissions per tonne of product output. This metric normalises our operational GHG footprint against production volume, supporting comparability within the packaging sector and demonstrating manufacturing performance independent of supply chain variability.

For the 2025 assessment year, Hotpack's carbon footprint intensity is 0.308 tCO₂e per tonne of packaging produced.

Reporting Boundary Note: Scope 3 emissions are excluded from this primary intensity metric to maintain focus on directly controlled operational emissions, consistent with industry manufacturing standards.

Conclusion

This year marks the fourth consecutive reporting cycle in which Hotpack has disclosed its greenhouse gas emissions, reflecting our unwavering commitment to transparency and consistent environmental accountability. Our ambition to achieve net-zero emissions by 2050 remains central to our long-term strategy, and we are proud to align our efforts with the UAE Net Zero 2050 Strategic Initiative. By embedding sustainability into the core of our manufacturing operations, we continue to invest in energy efficiency, renewable energy, and responsible - sourcing including our 2.2 MW rooftop solar installation at our Dubai facility to systematically reduce our carbon footprint. In recognition of our progress, Hotpack was awarded the Dubai Chamber of Commerce ESG Label in the Advanced category, scoring 87 per cent and ranking among the programme's top performers, an achievement that reflects our strengthened governance, environmental stewardship, and social responsibility. This recognition follows our EcoVadis Gold Medal certification, which places Hotpack in the top five per cent of assessed companies globally. Together, these milestones reaffirm our commitment to ESG excellence and continuous improvement. Looking ahead, Hotpack will continue to measure, report and enhance its emissions performance, ensuring that our growth is accompanied by measurable and meaningful environmental progress.



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