Net-zero plan

Our plan to transition to a net-zero world

2025

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Foreword

A message from our Chief Executive Officer

At HH Global, our success is built on delivering big impact for big ideas. Ideas do not come much bigger than achieving net zero. This plan, essential for keeping global warming within manageable limits and avoiding the most severe effects of climate change, is at the heart of our commitment.

In this document, we share more than just our ambitions to support net-zero, but also a clear roadmap with the concrete actions we're taking, the ways we'll measure progress and how we'll hold ourselves accountable.

Sustainability is not new to us. I am proud of the strides we've made aligning our efforts with the United Nations Sustainable Development Goals. While our commitment to all the Goals remains steadfast, we recognize climate change as one of the most pressing challenges of our time.

As a global business, we believe we have both a responsibility and an opportunity to lead the way - driving positive change through our own actions and inspiring it in others. Our scale and reach amplify our impact, enabling us to create meaningful change across the industries and communities we touch.

At HH Global, we know that innovation with purpose is not a slogan but an imperative. But achieving net zero is not just about organization intent; it's about the collective effort of people. Reaching this goal will require the dedication, creativity and partnership of our colleagues, clients and strategic supplier partners.

Together, we have already achieved so much. But we recognize that there is a lot more to do. As regulations evolve and climate science progresses, our journey demands that we remain agile – continuously responding and adapting to meet new challenges.

To everyone contributing their energy, expertise and passion to our net-zero ambitions, I extend my deepest gratitude. Your commitment brings us closer to a future that benefits not just HH Global, but the world we share.

Kristian Elgey
Chief Executive Officer
HH Global

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A message from our Chief Sustainability Officer

The goal of limiting global temperature rise to 1.5°C is still within reach but achieving it demands bold, collaborative action. At HH Global, our commitment to this goal began five years ago, anchored in reducing carbon footprints and progressing toward net-zero emissions.

Since 2022, we've raised the bar with additional targets to accelerate our net-zero journey:

- 100% renewable energy in operations by 2025
- 50% reduction in emissions by 2030; and
- 90% reduction in value chain emissions by 2040

I am proud of the progress our team has made toward these goals. This plan sharpens our focus, enhances transparency and ensures we maintain momentum on this critical path.

Our approach is built around the principles of **"**Ambition, Action, and Accountability" as outlined by the UK Transition Plan Taskforce (TPT):

- **Ambition**: Through scenario analysis, we assess how varying levels of global warming could impact HH Global, identifying both the risks posed to us by climate change and the opportunities in transitioning to a lower carbon future
- **Action**: Our "15 to Zero" plan targets 15 initiatives across five key emissions sources in our business. Starting in 2025, we'll have 15 years to address these challenges – combining what we can directly control with efforts to influence change across our network
- **Accountability**: Clear targets, robust metrics and governance frameworks ensure we measure, monitor and hold ourselves responsible for our progress

This plan reaffirms our position as a leader in sustainability, showing not just our ambitions for net zero, but the concrete steps we are taking to get there.

Thank you for taking the time to learn about our journey. If you have feedback or insights, we'd love to hear from you at sustainability@hhglobal.com.

Kevin Dunckley
Chief Sustainability Officer
HH Global

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Introduction

This transition plan demonstrates how HH Global intends to achieve its net-zero ambitions and broader climate goals. We've used the Transition Plan Taskforce's (TPT) Disclosure Framework to guide its development, ensuring it is both comprehensive and aligned with the transition efforts of our industry.

Our alignment with the TPT's recommendations is deliberate and thorough, but we recognize that achieving net zero is an evolving journey. That is why we are committed to providing annual updates, refining our approach and tracking our progress as we work towards our climate objectives.

We are HH Global

HH Global is the global leader in responsible marketing activation services. Through creativity, technology and expertise, we connect brands to their customers across channels and markets to deliver big impact for big ideas.

For over 30 years, our team of more than 4,500 experts across 64 countries has helped many of the world's most recognizable brands drive stronger, more sustainable growth.

What sets us apart is our ability to help organizations work more sustainably. By leveraging cutting-edge technology and innovative thinking, we empower our clients to reduce waste, measure impact, grow responsibly and create lasting change.

Innovation with purpose

At HH Global, we aim to be the most impactful partner for our clients' brands, delivering innovation that drives measurable outcomes across proprietary technology and procurement. But there is a greater force behind what we do – a commitment to purpose.

In 2015, 193 world leaders adopted the 17 Sustainable Development Goals (SDGs), a universal framework to safeguard people and the planet. These goals guide our actions and aspirations.

At the heart of our approach, we've prioritized five SDGs, with climate action at the forefront. It is the most far-reaching of our commitments and shapes the foundation of our net-zero strategy.

Our approach

Achieving net zero requires more than operational changes; it demands a shift in mindset. Like many organizations, most of our greenhouse gas emissions originate in our supply chain, driven by client demand.

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To address this, we have developed a focused plan targeting five key sources of emissions in our business:

- Energy
- Travel
- Strategic sourcing
- Freight
- Waste

For each category, we've identified three initiatives, each with specific, measurable targets and clear governance. We have identified initiatives with outcomes that are within our control, and those for which we will need to use our influence to drive progress towards our targets.

Finally, we have recognized the initiatives presenting the greatest challenges – those heavily influenced by external factors.

Detailed insights into these actions and their alignment with our strategy can be found in the "Action" section of this report.

Alignment with standards

Our approach, and this report, is aligned with the recommendations of the UK Transition Plan Taskforce (TPT). We welcome the release of these standards as they provide a clear framework to document our transition plan.

This plan follows the "Ambition, Action, and Accountability" structure outlined by TPT.

It also considers the work we have already carried out to align with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which has now been incorporated into the International Sustainability Standards Board (ISSB), the International Financial Reporting Standards (IFRS), and Climate-related Disclosures (IFRS S2).

Most importantly, our net-zero target is guided by the Science-Based Targets initiative's (SBTi) corporate net-zero standard.

We have reported on our sustainability progress for more than five years now. Our aim is to share our progress transparently while always aligning with the key sustainability frameworks that not only form part of our compliance requirements, but which also help our business improve.

Other reporting standards we align with, which do not form part of this plan, include:

- Global Reporting Initiative (GRI) disclosures
- Carbon Disclosure Project (CDP)
- Sustainability Accounting Standards Board (SASB)
- IFRS S1
- EU Corporate Sustainability Reporting Directive (CSRD)
- European Sustainability Reporting Standards (ESRS)

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Ambition

Our ambition is simple yet transformative: to achieve net-zero greenhouse gas emissions by 2040.

Sustainability has been a cornerstone of HH Global's journey for many years. It's driven by a clear understanding of the dual value it brings – doing what's right for the planet while unlocking business benefits. The emergence of standards in recent years has shaped our ambitions, enabling us to structure our strategy and report on progress.

Why net-zero matters

Everything we do at HH Global is underpinned by a stable climate. From the reliability of food systems to the predictability of weather patterns, climate stability shapes our world.

Climate change threatens to disrupt the balance that sustains the way we live and the businesses we depend on. We have identified several significant risks climate change poses to our operations and the broader ecosystems we engage with. For us, the best way to mitigate these risks is by committing wholeheartedly to net-zero emissions.

Transitioning to net zero is about more than managing the risks; it's about seizing opportunities. We have already seen business benefits from having a robust sustainability strategy and we have identified significant opportunities associated with continuing our transition to becoming a net-zero business.

We understand the complexities involved in achieving net-zero emissions and that it is a complex challenge which requires changes to our business model. It is a challenge we are fully embracing, and we welcome the opportunities that the transition to net-zero brings.

Our net-zero targets

Our target for net-zero is aligned with the SBTi corporate net-zero standard. It targets a near-term reduction of our emissions by 50% by 2030, and a 90% reduction by 2040.

Both the near-term and the 2040 target cover emissions from Scopes 1, 2, and 3 as defined in the GHG Protocol Corporate Standard. The base year for our target is the 2022 financial year, which covers the period 1 April 2021 to 31 March 2022.

Scenario analysis

We understand that achieving net zero is not just essential for our company but is also critical for the global economy in addressing climate change. As part of our climate-related financial disclosures, we've conducted a scenario analysis to evaluate how the effects of climate change might unfold under three global warming scenarios.

Our analysis explored the effects of warming at 1.5°C, 2.5°C and 3.5°C. We also compared the impacts of climate change under the 1.5°C scenario (where we and others achieve net-zero targets)

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to the higher warming scenarios. The results underscored the vital role of achieving net zero in mitigating the most severe and costly consequences of a warming planet.

This process has been invaluable in assessing our resilience to climate change within the framework of our current strategy. It highlighted areas where we can better anticipate and address potential climate risks. And it highlighted the opportunities to leverage lower-carbon activities and enter markets aligned with the transition to a net-zero economy.

Risks and opportunities

Our scenario analysis has provided us with insights to the most significant risks posed by climate change and the opportunities that arise from adapting to it. By transitioning to lower-carbon activities as part of a low-carbon economy, we can protect our business and create new value.

While these risks and opportunities were developed as part of our climate-related financial disclosures, their relevance extends far beyond compliance. Understanding the risks enables us to refine our strategy and business performance with climate considerations in mind, which is vital for reducing our environmental impact and mitigating climate change.

The key risks we identified included:

- Operational disruptions due to extreme weather events, e.g., flash flooding, wildfires, hurricanes (acute physical risk)
- Increased cost of raw materials due to extreme weather events (acute physical risk)
- Reduced demand for less sustainable goods and services or "as a service" versus product purchase (market-based transitional risk)

The key opportunities we identified included:

- Increased demand for more sustainable products (product and service-related transitional opportunity)
- Access to new markets (market-based transitional opportunity)
- Improved ability to respond to sustainability and climate-related inquiries by staying ahead of regulatory requirements and, consequently, reducing compliance costs (compliance-based transitional opportunity)

Each year, our executives and senior management review these climate-related risks and opportunities. By assigning ownership to key members of the organization, we ensure that actionable targets are set, monitored and adjusted to mitigate risks and capitalize on opportunities effectively. This proactive approach positions us to not only navigate the challenges of climate change but also thrive as a leader in the transition to a sustainable, low-carbon future.

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Action – our 15 to Zero plan

Reducing our environmental impact has been part of our DNA for years. Our “Innovation with Purpose” strategy, launched over seven years ago, articulates how we contribute to the UN’s 17 SDGs. However, our commitment to sustainability began long before that.

We believe that ambition must be matched with action. Creating this transition plan has given us the opportunity to focus on where our efforts will make the greatest impact and demonstrate how they will help us achieve net zero.

Our “15 to Zero” plan focuses on 15 initiatives spanning the five key emission sources within our operations: energy, travel, strategic sourcing, freight and waste.

These initiatives address our entire value chain and will involve several activities. For each initiative, we will take one of the following two approaches:

- **Control** – Directly managing outcomes within our operational control
- **Influence** – Working with stakeholders to drive change where outcomes depend on others

Like most organizations, achieving net zero requires collaboration across our ecosystem of clients, strategic suppliers and partners. Systemic change on this scale depends on collective effort. That’s why our Chief Sustainability Officer actively champions industry-wide collaboration, working with clients, supplier partners, industry groups and non-governmental organizations (NGOs) to accelerate progress. As he often says, “A rising tide lifts all ships.” By working together, we can drive the large-scale change needed to create a sustainable future.

Energy

Energy is by far the single most important global issue when it comes to achieving net zero. According to the International Energy Agency (IEA), it is estimated to be responsible for more than three-quarters of emissions globally.

Within HH Global, energy accounted for less than **1%** of our emissions in our base year, approximately **3,135 tCO_2e**. Despite its relatively small share of our footprint, energy remains a top priority for two reasons.

First, we can influence energy use directly in several of our offices by purchasing renewable energy and selecting locations with favorable energy profiles.

Secondly, we need to set an example to others. The overwhelming majority of our emissions arise from our supply chain, largely driven by the energy consumption of our supplier partners and their networks.

By addressing our own energy use, we demonstrate leadership and create a blueprint for others to follow. Success here strengthens our ability to influence and inspire change throughout our supply chain.

Key initiatives

Reducing energy usage

The cleanest energy is the energy we do not use. By lowering overall energy consumption, we will lower costs, reduce emissions, and alleviate pressure on national energy grids.

The UK's Energy Savings Trust estimates that the average small to medium enterprise (SME) can save 18-25% of energy through efficiency measures. While we operate on a much larger scale, these principles are equally applicable to our offices and warehouses.

We will introduce a range of measures in our offices and warehouses to reduce energy usage, targeting savings of **15%** of energy-related emissions by 2030 and **25%** by 2040 (against our base year) through energy efficiency measures.

Against our base year, these targets equate to a reduction in emissions of **470 tCO_2e** by 2030 and **784 tCO_2e** by 2040.

We classify this as a control action because energy consumption within our capabilities is fully within our management.

By committing to these actions, HH Global reinforces its commitment to sustainable leadership, both within our operations and across our value chain.

Purchasing renewable electricity

Most of our energy-related emissions stem from electricity purchases, totaling **3,090 tCO_2e** in our base year, almost 99% of our total energy-related emissions.

Purchasing renewable electricity is the single most effective step we can take to reduce these emissions. We will implement this strategy in facilities where we have direct control over energy procurement and where renewable energy tariffs are available.

Many of our offices operate on a fully serviced basis, with electricity included in the service fee. In these locations, and where renewable electricity options are not accessible, we will purchase sufficient Energy Attribution Certificates (EACs) to offset the volume of non-renewable energy consumed.

These EACs will be directed towards renewable energy projects within the same countries as our energy usage, in-line with the Renewable Energy 100 corporate renewable energy initiative guidelines. This will ensure the EACs are accounted for as zero emissions, aligning with the market-based method of carbon accounting as defined by the GHG Protocol.

We are aiming for a complete reduction of purchased electricity emissions by 2030, targeting savings of 100% against our base year. This translates to a reduction of **2,434 tCO_2e** by 2030 and **2,147 tCO_2e** by 2040, factoring in the emissions already mitigated by our energy efficiency measures.

This is classified as a **control** action, as we can control our energy usage and our purchasing of EACs.

Switching to low-carbon heating

Our direct fuel consumption within the business is minimal – our operations don't include a vehicle fleet or manufacturing goods that use fuels.

However, natural gas is still utilized for heating in many of our offices. Since these systems are often managed by landlords and shared with multiple tenants, we lack direct control over heating sources in these locations.

We will work closely with our landlords to encourage them to switch to lower-carbon heating sources, such as air-source heat pumps and district heat networks, targeting savings of **10%** of heating-related emissions by 2030 and **75%** by 2040 (against our base year).

We will also use the availability of low-carbon heating and electricity as a factor to influence our choice of office locations.

Against our base year, these targets equate to a reduction in emissions of **4 tCO_2e** by 2030 and **25 tCO_2e** by 2040, considering the emissions that will already have been saved by reducing energy usage.

We classify this as an **influence** action as, often, we do not have direct control over the heating source.

Travel

As a global organization with 4,500 employees operating in 64 countries, travel is an integral part of how we do business. In our base year, business travel and employee commuting contributed **2,282 tCO_2e** to our emissions.

While meeting face-to-face with clients and delivering the services they rely on is essential, reducing travel-related emissions is critical to achieving our net-zero targets.

Travel is a sector heavily reliant on technological innovation for emissions reduction. Promising progress is being made, particularly with the growing affordability of battery electric vehicles. However, challenges remain, such as the still-distant reality of low-carbon air travel which makes addressing emissions in a global business especially complex.

To reduce emissions from travel, we've identified three targeted initiatives. These focus on practical, achievable actions we can implement with today's technology.

Flying less

Air travel accounted for **70%** of business travel emissions in our base year, equating to **597 tCO_2e**.

The most straightforward way to lower these emissions is to fly less. This approach not only cuts emissions but also reduces costs.

That said, air travel is often a necessity for our business, enabling us to maintain close relationships with clients around the world. To balance this, we are committed to reducing air travel emissions by **10%** by 2030 and **67%** by 2040, using our base year as a benchmark.

To meet our 2030 targets, we'll further leverage collaborative technologies and implement reasonable travel restrictions. Achieving the remaining reductions beyond 2030 will depend on advancements in technology, such as sustainable aviation solutions.

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Compared to our base year, these targets represent a reduction of **60 tCO_2e** by 2030 and **398 tCO_2e** by 2040.

This initiative classifies as a control action because we can directly manage and influence our business air travel activities.

Switching to EVs

Business travel via employee-owned vehicles generated **368 tCO_2e** in our base year.

To address this, we are committed to transitioning any company-owned vehicles to electric vehicles while encouraging employees to switch to electric vehicles through incentives like salary sacrifice programs. These measures aim to achieve a **20%** reduction in emissions by 2030 and **75%** by 2040, compared to our base year.

Our targets align with the broader goals of governments and vehicle manufacturers, who are rapidly scaling EV production and phasing out internal combustion engines by 2035.

This initiative classifies as an **influence** action, as employee decisions ultimately determine the outcome. However, the projected reductions, **74 tCO_2e** by 2030 and **276 tCO_2e** by 2040, demonstrate the significant potential of this approach.

Making low-carbon commuting choices

Our flexible working practices, including hybrid home/office routine, empower employees to maintain work-life balance while reducing commuting emissions.

To build on this, we will encourage further reductions by promoting low-carbon commuting options, such as cycling, walking and public transportation. These efforts complement our initiatives to increase EV adoption and will be supported by enhanced flexible working policies,

Our goal is to achieve a **20%** reduction in emissions from commuting by 2030 and **75%** by 2040. This translates to reductions of **262 tCO_2e** by 2030 and **981 tCO_2e** by 2040.

Like our EV initiative, this is classified as an **influence** action, as the final decisions rest with our employees.

Strategic sourcing

As a global provider of marketing products and services, we work with a vast network of over 5,800 strategic supply chain partners to meet the unique needs of our clients. This network supports the sourcing of printed collateral, point of sale (POS) displays, branded merchandise and more, contributing 99% of our base year emissions, totaling **985,677 tCO_2e**.

We've long prioritized responsible sourcing, supported by our Sustainable Procurement Framework (SPF) platform. SPF helps assess supplier partners, educate them on sustainable practices and guide them in creating improvement plans.

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To reach net zero however, we must go further. We've identified three critical levers to reduce emissions from our sourcing activities: volume, energy and materials.

Each lever represents a focused action that enables us to transform our sourcing practices while reducing emissions on a meaningful scale.

Reducing volume

Reducing the volume of materials we purchase is one of the most impactful ways to lower our emissions, even though it may seem counterintuitive to our business model.

By collaborating closely with our clients, we help them pinpoint precise needs, leveraging advanced ordering techniques to minimize overstocking. This approach not only reduces emissions but also cuts costs for our clients.

Our Conscious Creative design initiatives support these efforts by reimagining product designs. Modular displays, for example, allow POS materials to be reused and adapted for new campaigns, while lighter materials reduce emissions during transportation. These innovations also open the door to entirely new, less resource-intensive business models.

We aim to reduce sourcing-related emissions by **33%** by 2030 and **67%** by 2040. This equates to cutting **270,853 tCO_2e** by 2030 and **547,124 tCO_2e** by 2040, with additional savings from reduced freight and waste volumes.

As the ultimate purchasing decisions lie with our clients, this is classified as an **influence** action. However, as we cannot control the requests of our clients who are primarily responsible for the volumes of products ordered.

Decarbonizing supplier partners

Approximately 34% of a product's emissions stem from production translating to about **279,061 tCO_2e** in our base year. These emissions originate from the energy used in supplier partner operations, such as printing and assembly.

To address this, we are working to inspire action across our supply chain. We encourage supplier partners to switch to renewable energy, reduce fuel use by electrifying operations and promote similar practices among their own suppliers, creating a ripple effect of positive change.

Although progress depends on the availability of renewable and technological advancements, our long-term vision is clear: a fully decarbonized supply chain.

We target reductions of **33%** by 2030 and **67%** by 2040, combining efforts with our volume reduction strategy to cut **61,700 tCO_2e** by 2030 and **62,020 tCO_2e** by 2040.

This initiative is classified as an **influence** action, as we cannot directly control supplier partner operations. However, the opportunity to lead through partnerships and shared goals underscores its importance.

Choosing low-carbon materials

Materials account for 66% of emissions from our purchased goods and services, or **541,707 tCO_2e** in our base year.

Reducing these emissions is our most significant challenge, requiring shifts in client and supplier partner behavior alongside systemic industry changes.

We tackle this through Conscious Creative, our program empowering designers to embed sustainability into their processes. This includes providing training on circular economy principles and offering access to a database of low-carbon materials.

Additionally, we influence client decisions using our carbon calculator technology, which quantifies emissions for different material choices and detailed dashboards that track campaign-level impacts. By agreeing on emissions reduction targets, we ensure transparency and accountability.

Innovation is central to our approach. We partner with forward-thinking suppliers to scale the availability of sustainable materials and engage with experts, and NGOs like Canopy and A Plastic Planet.

Our goal is to reduce material-related emissions by **33%** by 2030 and **67%** by 2040, achieving reductions of **120,969 tCO_2e** by 2030 and **120,391 tCO_2e** by 2040, when combined with volume reductions.

This initiative is classified as an **influence** action, as success depends on global changes in material production and consumption. Nevertheless, we are committed to being a catalyst for that change.

Freight

Freight is essential to ensuring our clients' marketing materials reach the right place at the right time, but it represents a significant source of emissions, accounting for **39,602 tCO_2e** in our base year. Globally, freight contributes a third of total emissions, underscoring the urgency of addressing this challenge.

Although HH Global does not own a fleet, we actively collaborate with freight partners to support their decarbonization efforts and align with their net-zero strategies. Our sustainable freight tools, built to ISO14083 standard and aligned with the Global Logistics Emissions Council (GLEC) recommendations, empower clients to make lower-carbon shipping decisions by understanding the emissions impact of their choices.

Our freight strategy focuses on reducing product weight through volume reduction initiatives and addressing the other key freight emissions drivers: distance and transport mode.

Optimizing freight

By consolidating shipments and optimizing delivery routes with advanced transportation management software, we aim to reduce transportation distances. Collaboration with freight partners and clients ensures materials are delivered efficiently without compromising timelines.

Target impact:

- **33%** reduction in upstream transportation emissions by 2030

- **67%** reduction by 2040
- Emissions reduction of **8,844 tCO_2e** by 2030 and **8,801 tCO_2e** by 2040

This is classified as an influence action, given our reliance on factors such as client timelines and shipping routes.

Minimizing air freight

Air freight is exceptionally emissions-intensive, with up to 100 times the impact of sea freight. It constituted **27%** of transportation emissions in our base year (about **10,639 tCO_2e)**.

Our carbon calculators and client management strategies prioritize alternatives to air freight, such as better planning to avoid rush orders.

Target impact:

- **33%** reduction in air freight emissions by 2030
- **67%** reduction by 2040
- Emissions reduction of **1,584 tCO_2e** by 2030 and **788 tCO_2e** by 2040

This is classified as an **influence** action, as external factors such as client timelines and shipping availability are beyond our control.

Decarbonizing road freight

Road freight accounts for about **64%** of transportation emissions (**25,500 tCO_2e**). The sector is rapidly evolving, with low and zero-emission vehicles expected to scale by the end of the decade,

By partnering with freight providers to decarbonize their operations, we ensure sustainable transport options are prioritized whenever feasible.

Target impact:

- **33%** reduction in road freight emissions by 2030
- **75%** reduction by 2040
- Emissions reduction of **3,759 tCO_2e** by 2030 and **2,126 tCO_2e** by 2040

This is classified as an **influence** action, reflecting our dependency on broader industry advancements,

Waste

Waste is one of our most complex challenges, representing 13% of our base year emissions (**125,307 tCO_2e).** Its impact spans greenhouse gas emissions, water and soil contamination and risks to human health.

Our efforts focus on reducing waste through reuse, minimizing landfills and innovative packaging. These initiatives align with our circular economy principles and are supported by client education, innovation and carbon calculation technology.

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Increasing reuse

Modular displays and other innovations help clients release products, limiting the need for new purchases and reducing waste. Our Conscious Creative program fosters sustainable design practices that prioritize reuse.

Target impact:

- **33%** reduction in disposable emissions from 2030
- **67%** reduction by 2040
- Emissions reduction of **27,705 tCO_2e** by 2030 and **27,849 tCO_2e** by 2040

This is classified as an **influence** action, as clients ultimately determine product disposal.

Sending less to landfills

Most products we supply are paper or board-based which are easily recycled or compostable. However landfilling these materials produces methane, a potent greenhouse gas with global warming potential far greater than carbon dioxide. Methane emissions from landfill disposal of paper and board are over 50 times higher than those from recycling.

Reducing landfill waste also minimizes soil and water contamination and the generation of harmful microplastics. We work with clients to understand and influence their disposal plans, seeking to develop solutions that reduce landfill use.

Target impact:

- **33%** reduction in landfill emissions by 2030
- **67%** by 2040
- Emissions reduction of **18,094 tCO_2e** by 2030 and **8,961 tCO_2e** by 2040

This is classified as an **influence** action, as client decisions and waste provider practices are outside our direct control.

Minimizing packaging

Packaging contributes approximately **11,278 tCO_2e** annually, with emissions tied to the weight and material of packaging. Although we can control the packaging used by our business, much of the packaging originates from our strategic supplier partners.

To address this, we collaborate with strategic supplier partners to minimize packaging and explore lighter, stronger materials that reduce emissions while ensuring product safety.

Target impact:

- **33%** reduction in packaging emissions by 2030

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- **67%** reduction by 204
- Emissions reductions of **1,687 tCO_2e** by 2030 and **836 tCO_2e** by 2040

This is classified as an **influence** action, given our limited control over supplier partner practices.

Investing in nature

Although the greenhouse effect, which causes global warming is primarily due to the high volume of greenhouse gases that have been produced by humankind, the effect is compounded by the widespread removal of natural resources that act as “sinks” for these gases.

Deforestation, the removal of natural peatlands, soil degradation and many other impacts on nature have reduced our planet’s ability to absorb and store carbon dioxide from our atmosphere. If we are to tackle the climate crisis, we need to simultaneously tackle the nature crisis.

We are aware of our operations' impact on the natural world, particularly the link between paper production, the primary material we source, and deforestation.

To address this, we integrate nature conservation into our sustainability strategy, recognizing the link between paper sourcing and deforestation. We have adopted recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD) and set targets aligned with UN SDG 15, Life on Land, including achieving a 100% deforestation-free supply chain by 2030.

This commitment supports both our net-zero goals and the broader global objectives for mitigating climate change and protecting biodiversity,

Beyond our value chain

Reducing our emissions is a priority, but addressing the global climate crisis requires broader action. We align with the Science-Based Targets initiative (SBTi) recommendations to invest in nature-based solutions beyond our direct emissions.

Key actions:

- Invest significant funds to nature-based investments by FY2030
- Collaborate with clients to align and amplify these efforts
- Continue investing beyond 2030 to support global net-zero targets

These investments, while not directly tied to our value chain, reinforce our commitment to driving meaningful environmental change.

The final 10%

Even after achieving a 90% reduction in emissions by 2040, we must neutralize the remaining 10% (approximately **98,807 tCO_2e** annually) to achieve net- zero.

Following SBTi guidance, we will invest in high-quality, rigorously verified nature-based projects to offset this residual footprint. These investments will commence after achieving our reduction targets but will be complemented by contributions to nature-based initiatives beyond our value chain.

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This approach ensures that we remain accountable for our entire emissions footprint while continuing to support global climate action.

Accountability

Accountability is the foundation of any successful strategy, ensuring it remains a business priority. Since launching our “Innovation with Purpose” sustainability strategy in 2017, we have prioritized governance and cultural transformation.

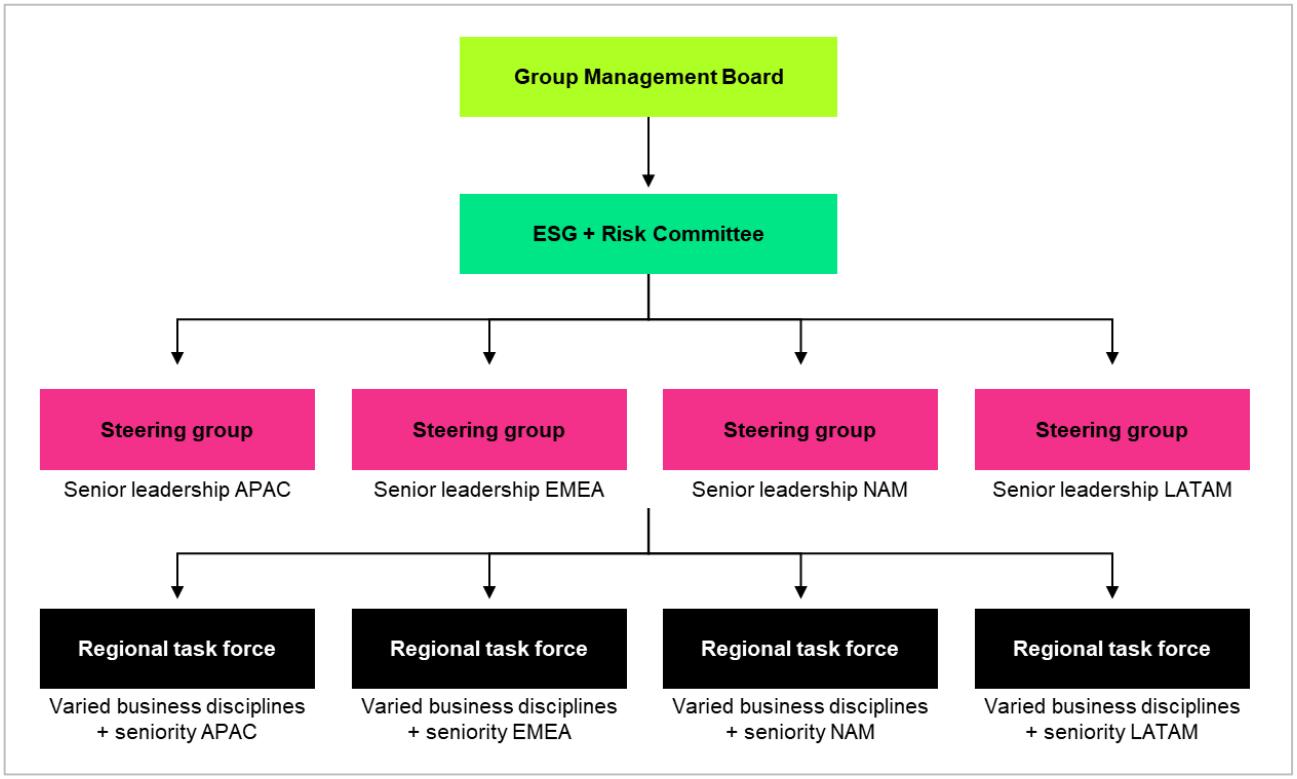
Key actions for accountability:

- Regular training, team updates and dedicated social media channels to engage employees
- Engagement and education for employees to help support environmental causes
- Collaborative activities with our clients to strengthen shared goals

To embed the “15 to Zero” plan, we will enhance employee engagement through training, fun activities, volunteering opportunities and integrated process changes. Strong metrics and defined responsibilities for executives, managers and employees will drive accountability and progress.

Governance

Our net-zero plan is governed under our ESG + Risk Committee, which oversees the overall sustainability strategy and reports to the Group Management Board.



The ESG + Risk Committee comprises our Chief Sustainability Officer, Internal Audit Director, General Counsel, Chief Human Resources Officer, Chief Procurement Officer, VP of Global Real Estate, IT Director, Group Head of ISR, VP of Client Engagement and our Group Financial

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Controller. The Chief Procurement Officer is responsible for reporting on performance to the Group Management Board.

The committee is supported by regional steering groups in four global regions: Asia Pacific (APAC), Europe, Middle East, and Africa (EMEA), North America (NAM), and Latin America (LATAM). These regional steering groups comprise regional managers who span a range of relevant business disciplines. They are responsible for driving performance towards our targets in their region.

The steering groups are supported by regional task forces – passionate individuals who get involved in taking action towards our targets and reporting back to the steering group.

Each of the five key themes in our “15 to Zero” plan is assigned an executive sponsor, who is a member of our ESG + Risk Committee. These sponsors are accountable for performance against the initiatives and associated targets within their theme.

Each initiative is assigned a manager who is responsible for it and is accountable to the executive owning the theme.

Every member of the ESG + Risk Committee, regional steering groups and regional task forces has received training on the fundamentals of net-zero and carbon accounting.

Our targets and metrics

We aim to achieve net zero by 2040 in alignment with SBTi’s corporate net-zero standard.

Key targets:

- **Overall net-zero target**: HH Global commits to reach net-zero greenhouse gas emissions across the value chain by FY40 from an FY22 base year
- **Near-term targets**: HH Global commits to reduce absolute Scope 1, 2, and 3 GHG emissions 50% by FY30 from an FY22 base year
- **Long-term targets**: HH Global commits to reduce absolute Scope 1, 2, and 3 GHG emissions 90% by FY40 from an FY22 base year

We set our commitment to net-zero in May 2020 and our targets have been validated by SBTi to be in-line with a pathway to keep warming below 1.5 C. Further details of our targets and validation are at target dashboard - Science Based Targets Initiative.

2030 is still some ways off so it is important that, as well as our overall GHG emissions, we track additional metrics to ensure our plan remains on track.

It is also important to ensure that our carbon accounting approach takes account of our initiatives, so we are making changes to some of our measurements to ensure this happens.

Although our approach aligns fully with the GHG Protocol Corporate Standard, some methodology changes will be required to add additional metrics to our plan. For example, our methods for measuring purchased goods and services will need to include metrics for supplier partner energy usage and materials.

Each of the five themes within its own plan has its own target, as does each initiative within the theme. You can find further details of these below, along with a summary of how these add up towards our target.

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Energy

Our energy-related initiatives will reduce emissions by **2,908 tCO_2e** per year by 2030 and **2,956 tCO_2e** per year by 2040.

Key initiatives:

- **Reducing energy usage** – 470 tCO2e by 2030 and 784 tCO2e by 2040
- **Purchasing renewable electricity** – 2,434 tCO2e by 2030 and 2,147 tCO2e by 2040
- **Switching to low-carbon heating** – 4 tCO2e by 2030 and 25 tCO2e by 2040

Travel

We will reduce travel-related emissions by **395 tCO_2e** per year by 2030 and **1,655 tCO_2e** per year by 2040.

This is to be achieved through the following targeted reductions from each initiative:

- **Flying less** – 60 tCO_2e by 2030 and 398 tCO_2e by 2040
- **Switching to EVs** – 74 tCO_2e by 2030 and 276 tCO_2e by 2040
- **Making low-carbon commuting choices** – 262 tCO_2e by 2030 and 981 tCO_2e by 2040

Strategic Sourcing

Our strategic sourcing initiatives target reductions of **453,523 tCO_2e** per year by 2030 and **729,535 tCO_2e** per year by 2040.

Key initiatives:

- **Reducing volume** – 270,853 tCO_2e by 2030 and 547,124 tCO_2e by 2040
- **Decarbonizing supplier partners** – 61,700 tCO_2e by 2030 and 62,020 tCO_2e by 2040
- **Choosing low-carbon materials** – 120,969 tCO_2e by 2030 and 120,391 tCO_2e by 2040

Freight

We aim to reduce freight-related emissions by **14,186 tCO_2e** per year by 2030 and **11,715 tCO_2e** per year by 2040.

Key initiatives:

- **Optimizing freight** – 8,844 tCO_2e by 2030 and 8,801 tCO_2e by 2040
- **Minimizing air freight** – 1,584 tCO_2e by 2030 and 788 tCO_2e by 2040
- **Decarbonizing road freight** – 3,759 tCO_2e by 2030 and 2,126 tCO_2e by 2040

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Waste

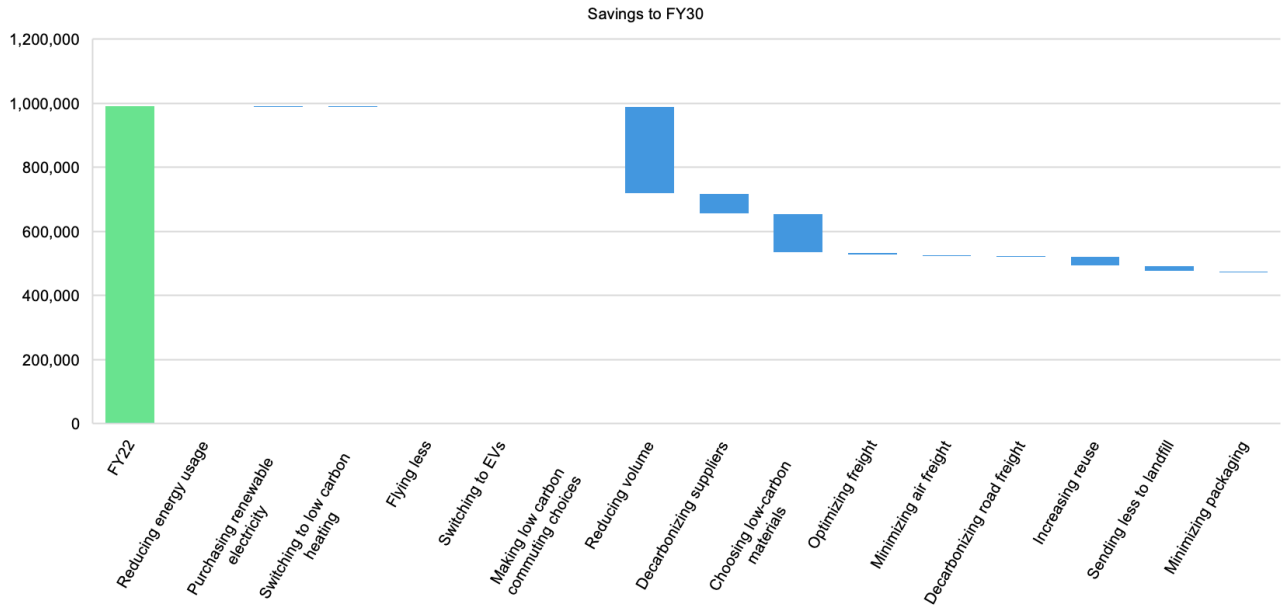
Our waste initiatives will reduce emissions by **47,487 tCO_2e** per year by 2030 and **37,645 tCO_2e** per year by 2040.

Key initiatives:

- **Increasing reuse** – 27,705 tCO_2e by 2030 and 27,849 tCO_2e by 2040
- **Sending less to landfill** – 18,094 tCO_2e by 2030 and 8,961 tCO_2e by 2040
- **Minimizing packaging waste** – 1,687 tCO_2e by 2030 and 836 tCO_2e by 2040

Adding it up

The targeted savings from all five themes contribute to our overall net-zero targets. Our comprehensive approach ensures that every initiative supports our progress towards net zero while driving industry-wide transformation.



The table below shows the targeted reductions from each initiative, aligned with Scopes 1-3 from the GHG Protocol, including all the Scope 3 categories we have determined are relevant to our business.

Scope	Category	FY22 emissions (tCO2e)	FY30 emissions (tCO2e)	FY30 reduction	FY40 emissions (tCO2e)	FY40 reduction
1	N/A	196	162	18%	70	64%
2	N/A (market-based)	2,863	0	100%	0	100%
1 + 2	**Total**	**3,059**	**162**	**95%**	**70**	**98%**
3	1 - Purchased goods and services	820,768	367,245	55%	91,233	89%
	3 - Fuel and energy-related activities	227	193	15%	170	25%
	4 - Upstream transportation and distribution	39,602	12,347	69%	1,488	96%
	5 - Waste generated in operations	35	35	0%	35	0%
	6 - Business travel	855	746	13%	270	68%
	7 - Employee commuting	1,554	1,292	17%	573	63%
	12 - End-of-life treatment of sold products	125,307	38,156	70%	4,968	96%
	Total	**988,348**	**420,014**	**58%**	**98,737**	**90%**
1 + 2 + 3	**Total**	**991,407**	**420,176**	**58%**	**98,807**	**90%**

Reviewing performance

To ensure transparency and accountability, we actively measure and review our greenhouse gas emissions and overall progress towards sustainability targets.

We have been measuring our greenhouse gas emissions since 2017, supported by sustainability advisors TBL. Our emissions are tracked quarterly using the Emitwise carbon accounting platform and are regularly verified by Bureau Veritas to ensure accuracy. Emissions data is shared quarterly with the ESG + Risk Committee, regional steering groups and sustainability task forces,

Each year, we publish a comprehensive sustainability report detailing our environmental and social initiatives, target achievements and contribution to the UN SDGs. Since FY23, our report has aligned with TCFD recommendations covering governance, strategy, risk management, metrics and targets.

We also disclose our climate action strategies and progress to CDP every year, reaffirming our commitment to transparency.

Internal performance reviews

Each quarter, the ESG + Risk Committee receives updates on performance against each initiative, along with identified challenges. A global progress summary is submitted to the Group Management Board for strategic alignment and decision-making.

Reporting progress

Progress against the net-zero plan is published annually in our sustainability report and disclosed to CDP. This ensures stakeholders are informed about our advancements and remaining challenges.

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Updating the plan

Over the 15-year duration of our net-zero plan, adjustments may be necessary due to changes in business operations, progress achieved relative to targets or updates to standards such as the TPT (Transition Plan Taskforce) framework. Any amendments to the plan will be updated and published publicly, ensuring ongoing clarity and commitment to our goals.

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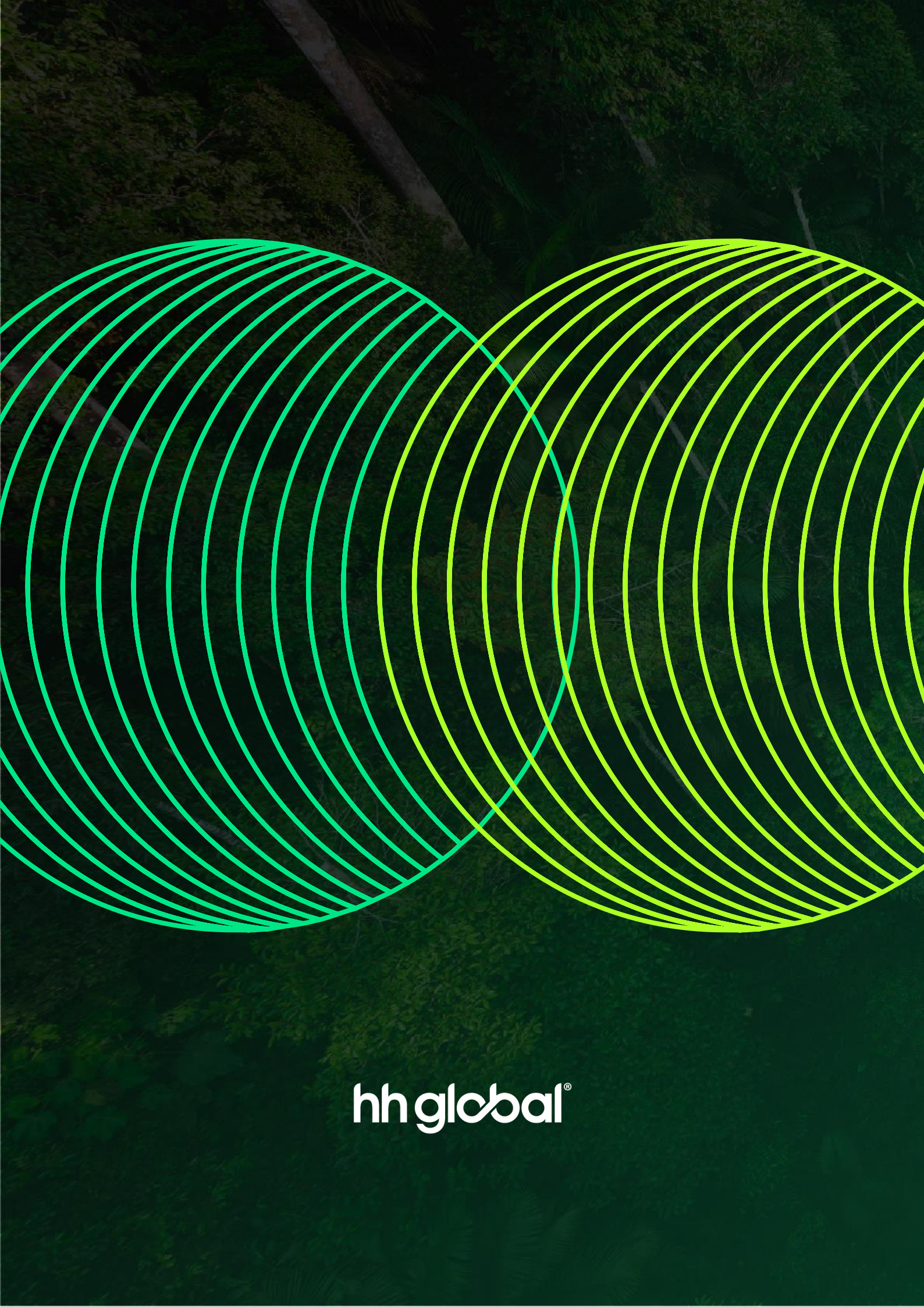
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