

Pal International Ltd

Sustainability Report 2024 / 2025

1. Executive Summary

We remain committed to building a sustainable future by investing our resources in environmental stewardship and aligning our practices with global sustainability frameworks. Since 2019, we have formally participated in the United Nations Global Compact and adopted the Sustainable Development Goals (SDGs) as core drivers of our environmental and operational strategies.

As a company, we take responsibility for our environmental impacts and are proud to report significant progress across all key areas of our sustainability strategy—including carbon neutral status for scope 1 and 2 five years ahead of our 2030 target.

2. Sustainability Commitments and Frameworks

2.1 Global Frameworks and Standards

We work towards our goals in alignment with the following organisations:

- UN SDGs: Participation since 2019.
- ISO14001: Environmental Management System certified and maintained since 2014.
- Greenhouse Gas Protocol: Adopted for carbon emission accounting and transparency.
- Science Based Targets Initiative (SBTi): Commitment to 50% reduction in Scope 1 & 2 emissions by 2030—achieved carbon neutral status in 2025.
- SME Climate Hub: Annual carbon emissions reporting in place.

2.2 Environmental Strategy Objectives

Guided by science-based targets, we aim to maintain carbon neutrality for scope 1 and 2, with a long-term goal of achieving net zero (scope 1,2 & 3) by 2050.

3. Environmental Performance Overview

3.1 Carbon Emissions

Scope 1 & 2: Achieved carbon neutrality in 2025, five years ahead of schedule. Key enablers of carbon neutrality include:

- Relocation to an outstanding BREEAM facility:
 - Solar-powered electricity generation
 - HVAC system upgrades
 - LED lighting with motion sensors
 - Natural daylight via warehouse skylights
 - Rainwater harvesting system
 - Elimination of gas use
 - 100% electric vehicle fleet with 6 free EV charging points
 - 100% REGO-backed renewable electricity purchase
 - Three car share spaces introduced

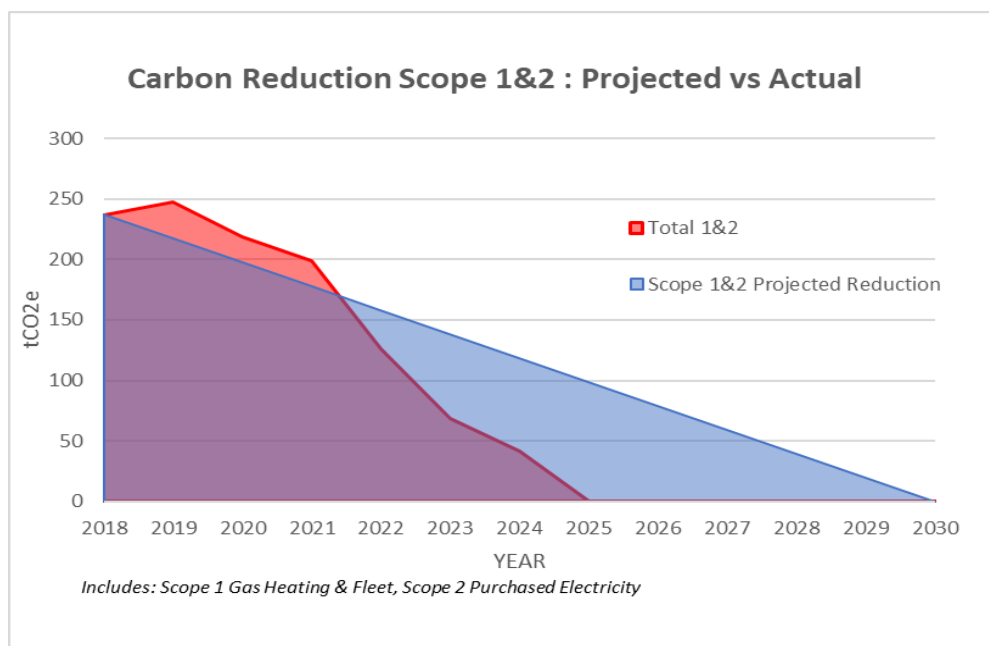


Fig 1. Carbon Reduction Plan for scope 1 & 2: Projected vs Actual

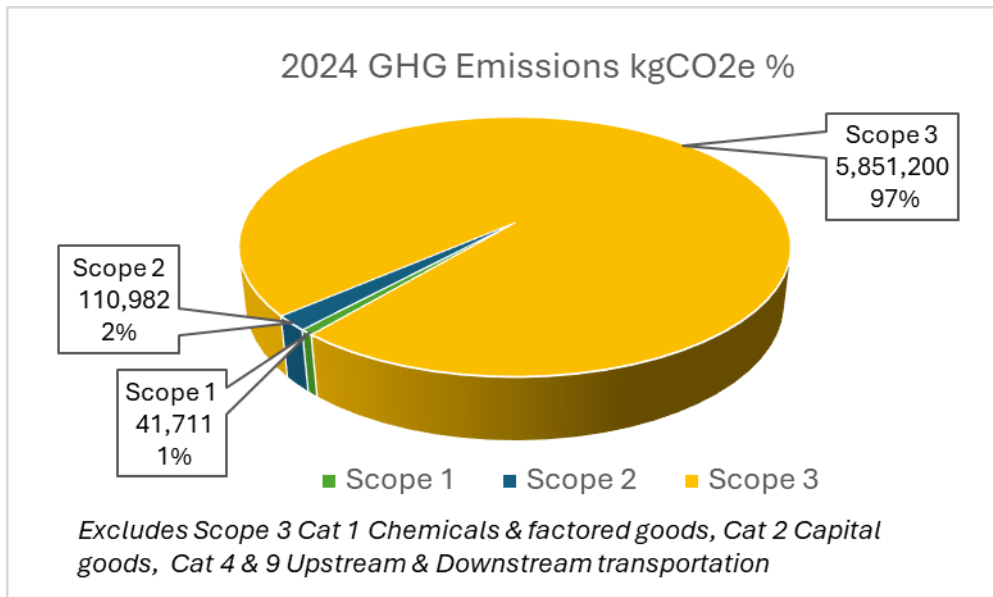


Fig 2. Scope 3 accounts for 97% of total emissions in 2024

3.2 Resource Efficiency and Waste Management

Water Consumption	↓ 6% (to 5862 cu ²)
Waste to Landfill	0% maintained
Total Waste	↑ 50% (to 214 tonnes)*
General Waste	↑ 90% (to 170 tonnes)
Recycled Materials	↓ 30% (to 32 tonnes) of which:
- Paper/Board Recycling	↑ 35% (to 7 tonnes)
- Plastic Recycling	↓ 310% (to 7 tonnes)
- Pallet Recycling	↑ to 17.5 tonnes
Hazardous Waste	↑ 66% (to 12 tonnes)

Additionally, we centralised our office bins to further segregate waste and removed the need for plastic bins liners.

**Site relocation contributed to temporary waste increase.*

3.3. Sustainable Procurement & Supply Chain

Our suppliers chain partners holding ISO14001 certification increased from 33% to 36%

3.4. Community Engagement

We provided lab equipment to our local school and PPE kits to Inter Care and LOROS

5. 2025 Sustainability Targets

Short and Medium-Term (2030)

- Regularly review and improve the Environmental Sustainability Strategy
- Maintain carbon neutrality for scope 1 & 2
- Strengthen data for scope 3 emissions
- Continue supplier certification growth for ISO14001 and other sustainability schemes
- Innovate environmentally sustainable products
- Expand employee awareness and engagement
- Adopt best practices across operations, logistics, and supply chains
- Expand renewable sourcing measures
- Collaborate with partners to reduce product carbon emissions
- Substitute harmful materials and promoting circular economy solutions

Long-Term

- Aim for Net Zero (Scopes 1–3) by 2050

6. Conclusion

Our environmental sustainability journey is driven by measurable goals, globally recognized standards, and a desire to prioritise our goals for peace, prosperity for people and the planet while supporting business growth. By investing in innovation, renewable infrastructure, and stakeholder collaboration, we continue to lead by example—proving that environmental responsibility and operational excellence can go hand in hand.