

CPG LOGISTICS ANNUAL REPORT 2025

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OUR COMPANY

MESSAGE FROM RICHARD LORD, MANAGING DIRECTOR

Welcome to the CPG Logistics Annual Report 2025.

At CPG we are dedicated to providing tailored, effective solutions for our customers and we are pleased to share the highlights and achievements over the last 12 months.

In 2025 we reached a significant milestone setting up an operation in the Netherlands, to strengthen our ability to support customers throughout Europe. Operating from state-of-the-art premises, we successfully implemented a European solution with our people, processes and systems. The dedication and collaboration shown by the UK and Dutch teams truly demonstrates what we can achieve together.

We have continued to build on our position within the freight forwarding sector, with our experienced and knowledgeable teams supporting customers overcome the challenges and complexities with importing and exporting goods.

Positive steps have been taken to become a more sustainable business. With the logistics sectors being carbon heavy, to achieve net-zero, we need to work with leading carriers and transport partners who share our goals. As we always say, it is a journey, and one which we will continue to focus on.

The last two years have seen us grow from our facilities in Gosport to operations in the Midlands and the Netherlands. To support this growth, we have strengthened the teams that work across the business to build a strong foundation to meet our long-term vision whilst remaining agile to adapt to market changes and customer needs.

Looking forward, we remain positive as we embark on this new chapter.



RICHARD LORD
MANAGING DIRECTOR



VISION FOR THE FUTURE

We remain committed to our core strengths – our people, culture and quality – and will continue to invest in technology, infrastructure and strategic partnerships to serve as a trusted extension to our customers’ businesses.

Our focus is on developing our operational capabilities and exploring opportunities to expand our offsite services, leveraging our strengths to drive sustained business growth.

Our vision: Providing world class logistics through our people, processes and systems



COMPANY VALUES

Well-being

We treat everyone with respect and dignity to create a safe, positive, and healthy work environment for our teams where they feel valued and can thrive.

Innovation

We embrace change and continuously seek creative, improved solutions to meet our customers' needs. We use leading technologies to generate efficiencies, increase productivity and reduce waste.

Quality

We strive to do the right thing, every time. We prioritise quality in all we do and are committed to providing the highest standards of service.

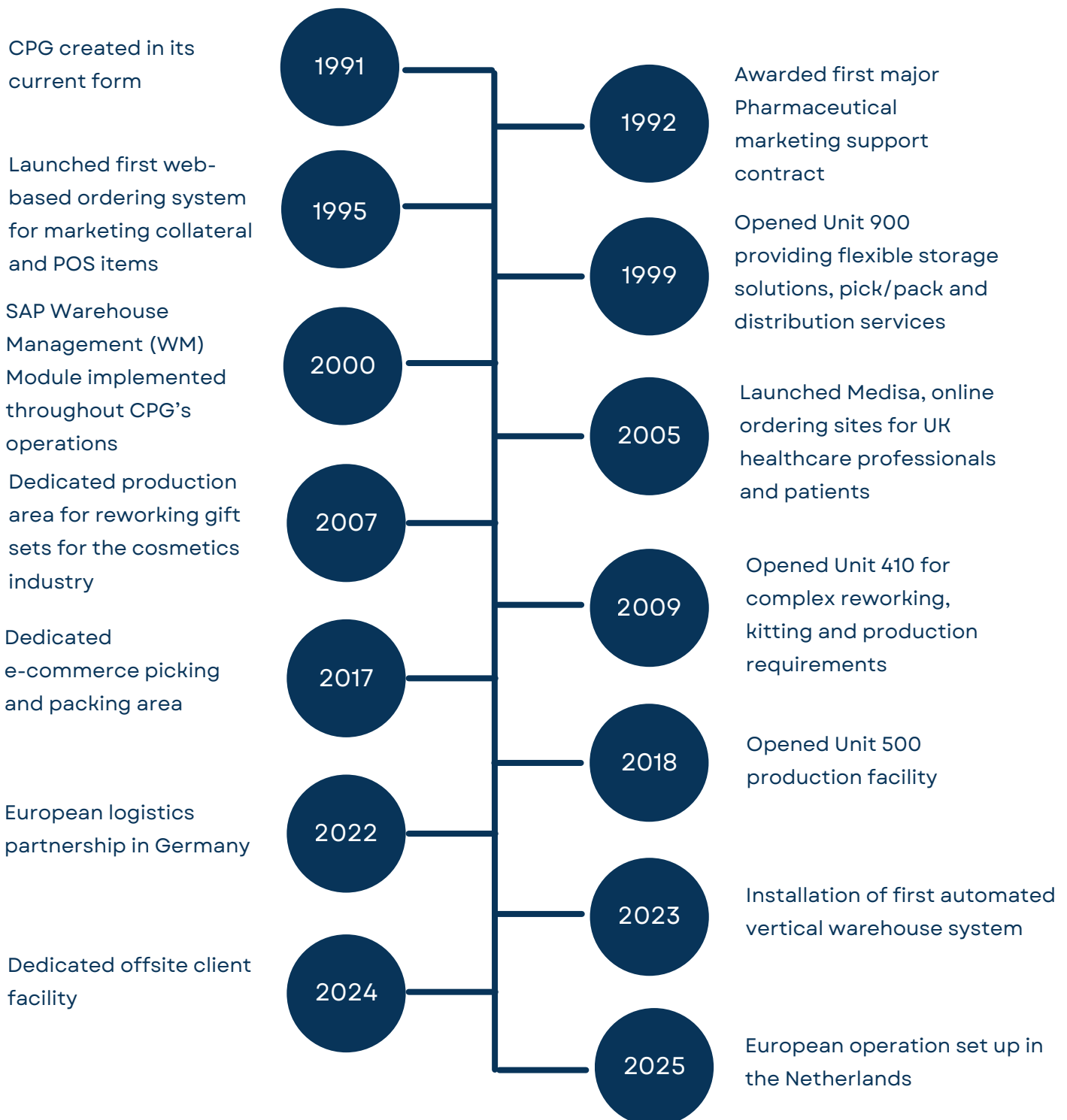
Teamwork

We believe in the strength of teamwork and shared success. We put customers first and seek to build long-term relationships.

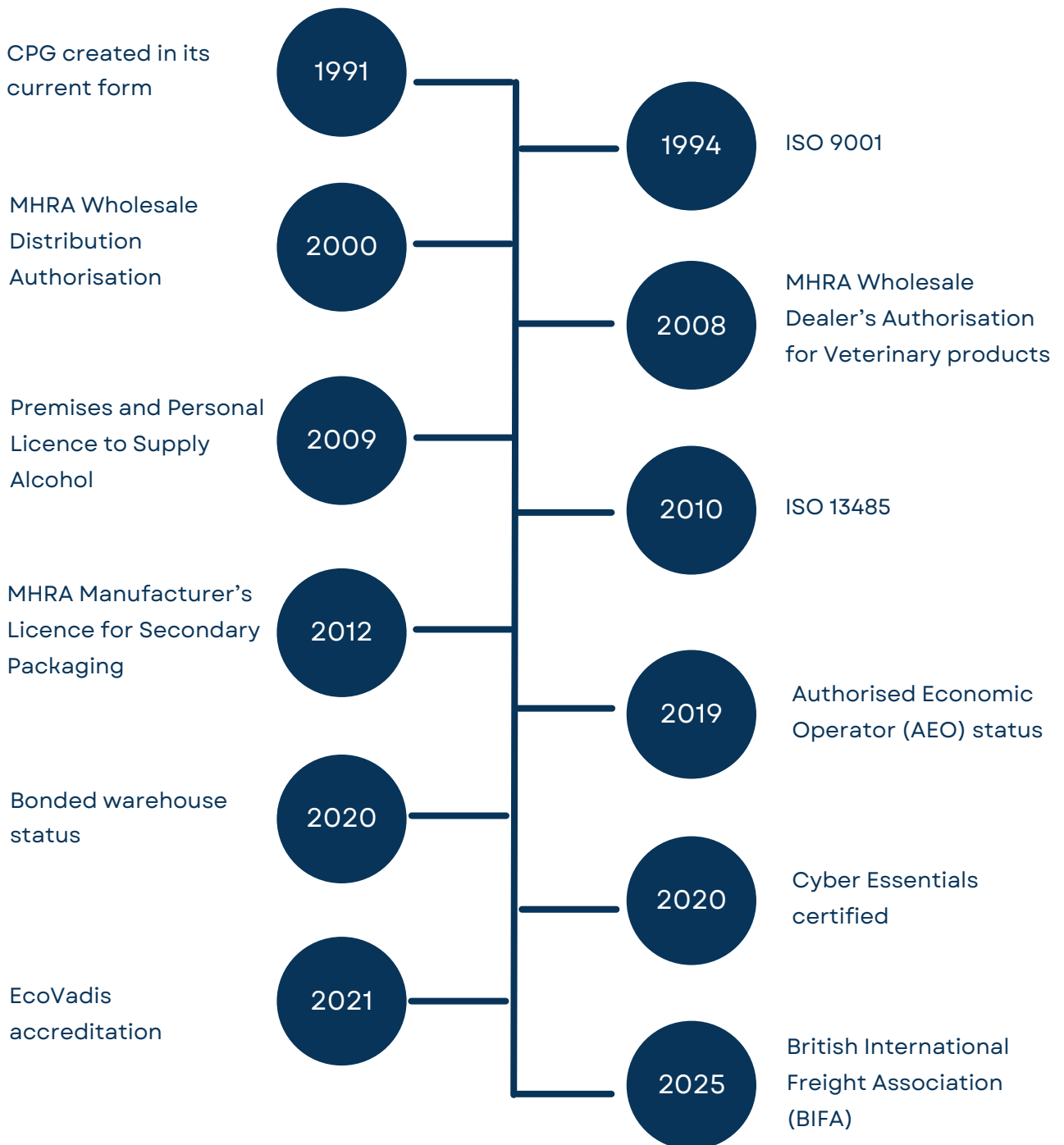
Accountability

We use sustainable practices and ethical sourcing to reduce our environmental impact. We take responsibility for the decisions we make and actions we take.

OUR STORY SO FAR



QUALITY STANDARDS & ACCREDITATIONS





OUR BUSINESS TODAY

CPG Logistics

- Warehousing and distribution
- Order processing and fulfilment
- E-commerce integration
- Production and co-packing services
- Supply chain management
- Freight forwarding
- Inventory management
- Returns processing
- Secure destruction
- Reporting
- Offsite warehousing and operational solutions

Pharmisa

- Warehousing and distribution
- Web based ordering and fulfilment
- Web based administration system
- Physical and digital asset management
- Mailings
- Meeting/events support
- Recall and withdrawal process
- Returns processing
- Secure destruction
- Reporting

Medisa

- Warehousing and distribution
- Web based ordering and fulfilment
- Physical and digital asset management
- Systems integration with online platforms
- Returns processing
- Secure destruction
- Reporting and forecasting
- Campaign support
- Patient support programmes

KEY STATS

2025 at a glance

170+ employees



**Average length of service
8 years**

610,000 orders despatched



135,000,000 items despatched

Deliveries to 121 countries

UK
79%

EU
18%

ROW
3%



4,600 Pharmisa users



59,900 Medisa users

CPG BOARD

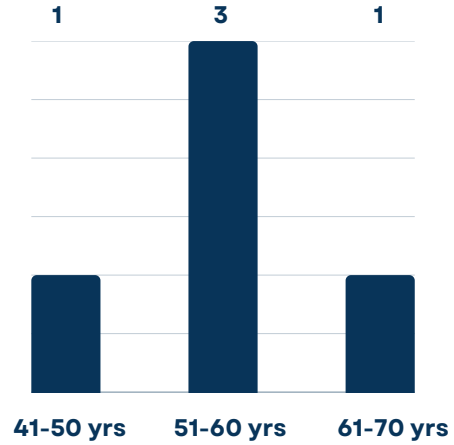
CPG's Board of Directors are collectively responsible for the management of the company, guiding the business to success and stability.

The board convenes monthly to review organisational performance and establish the strategic direction necessary to achieve the company's objectives.

Board statistics

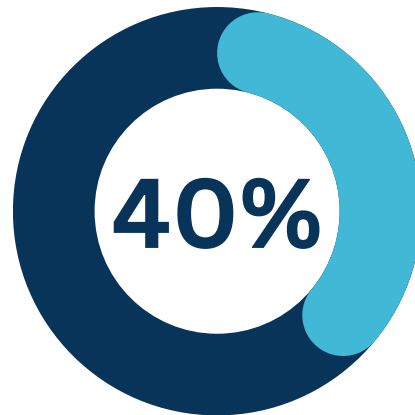
55 Years

Average age



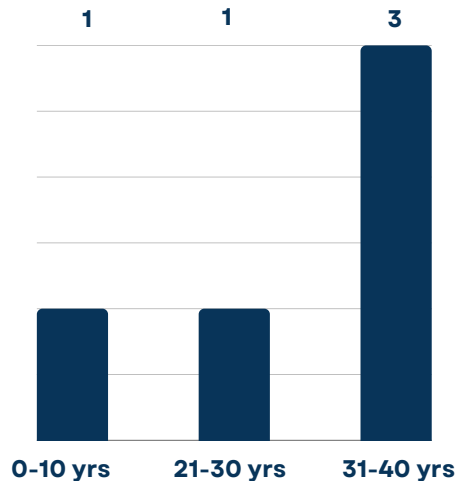
Women

(2 of 5 Directors)



24 Years

Average tenure



Richard Lord
Managing Director

Richard Lord joined CPG Logistics in 1993 as Sales Director before being appointed to Managing Director in 1998. Richard has overall responsibility for the growth and strategy of CPG. With a sales and operations background in global supply chain solutions, Richard's experience has been the driving force behind CPG's focus on technology and quality driven solutions.



Suzy Lord
Director

Suzy worked at CPG for over 30 years, holding a number of senior management roles in Customer Service and Business Performance. Suzy brings a wealth of experience to support the continued growth and development of the business.



Darren Jones
Operations Director

Darren has been with CPG for over 30 years and oversees the core operational functions across CPG's facilities in the UK and Europe. Joining CPG in 1992, Darren previously led the packaging division. Promoted to Operations Director in 2001, Darren has responsibility for improving efficiencies and service levels and in recent years has been fundamental in the growth in our production services and e-commerce operation.



Lisa Goddard
Sales and Marketing Director

Lisa joined CPG in 2001 as Sales and Marketing Director. With a background in mail and carrier services, Lisa's role has evolved to provide strategic oversight of business development and marketing activities as well as overseeing GDPR and data protection.



Andy Haynes
Finance Director

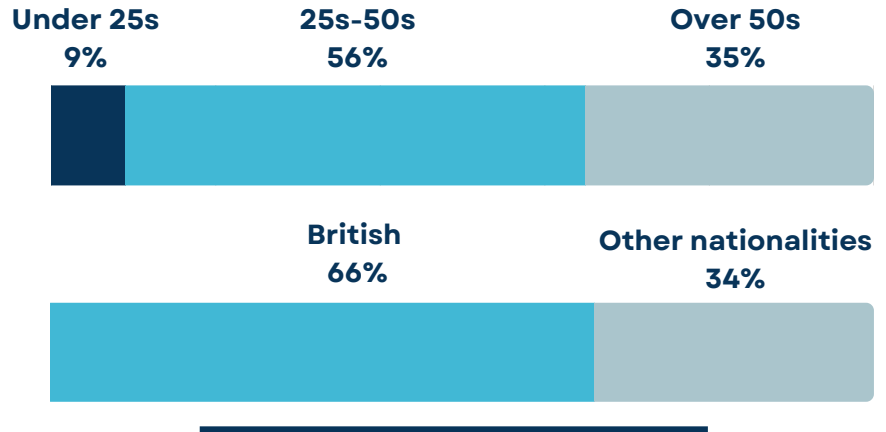
Joining CPG in 2023, Andy's role is Finance Director and Company Secretary, responsible for both the Finance and IT departments. Andy is qualified as a Chartered Certified Accountant (ACCA) and holds a BA (Hons) degree in Accountancy and Law. Prior to CPG, Andy held senior positions within the construction industry.



OUR PEOPLE

OUR PEOPLE

Our people are our greatest strength. At CPG, we are proud to be an equal opportunity employer, as reflected in our diverse workforce.



Average length of service

8 years

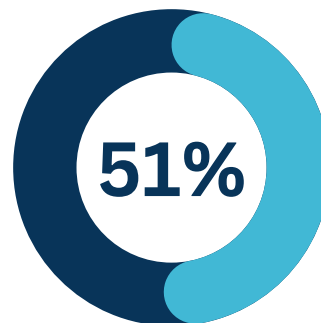
All employees

11 years

Management team

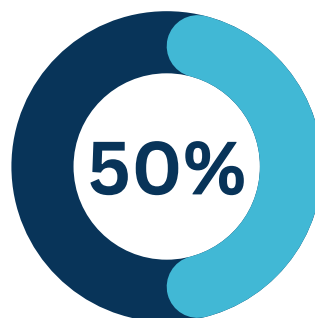
All employees

(51% Women)

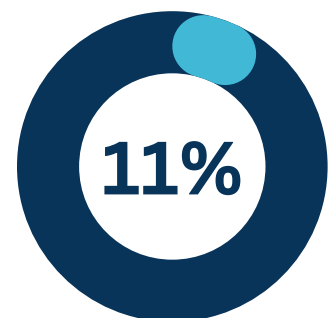


Management team

(50% Women)



Management team from a minority or vulnerable group





OUR PEOPLE

We prioritise training and development to enable employees to enhance their skills and advance within the organisation. The annual performance review incorporates personal development and training elements, which has improved transparency, enabling line managers to better identify development opportunities.

We actively support ongoing professional development through Level 3 programmes as well as management apprenticeships. In addition, all employees have access to online training courses covering both professional and well-being topics.

CPG has always been proud of the length of service of our employees, placing great emphasis on retaining skilled and experienced staff. This year 46% of vacancies were filled through internal promotions. The opportunities to progress within the business is a positive step in retaining valued employees.

*This year 46% of vacancies were filled through
internal promotions*



OUR CULTURE

The culture at CPG has always and will always be pivotal in who we are as a business.

The last two years has seen us grow, with operations in the Midlands and the Netherlands. Rapid growth presents challenges, recruiting talent and promoting the company values. Regardless of location, it is essential that every employee feels they are part of CPG. The cross facility training and support from the teams has been instrumental in achieving this.

We aim to create a culture where people feel respected, motivated and supported. By embedding our values across the business, each and every employee plays a role in keeping our organisation strong.

We are committed to creating a culture where everyone feels supported



SOCIAL DIALOGUE

CPG's employee voice forum meet every two months to discuss views and feedback across the business. The forum consists of representatives from different departments, with a new member joining this year from our Midland's facility. The forum offers a formal platform for employees to openly share any ideas, concerns, and feedback on new initiatives.

Suggestions raised in the forum are shared with the Board of Directors which have led to several improvements including additional uniform options for the operations team and extending the main cycle shelter in Gosport.

Actively listening and addressing employee feedback is vital in building long-term satisfaction and engagement. For those who prefer indirect communication, suggestion boxes are available throughout our facilities.

EMPLOYEE WELLNESS

We are committed to employee well-being, recognising that a healthy and engaged workforce underpins our success. We provide a comprehensive range of employee benefits to support both physical and mental health.

Financial benefits: Long service awards, financially reward employees for every 5 years at CPG.

Pension scheme: We offer all employees access to a company pension scheme with Aviva.

Healthcare benefits: Medicash health benefits scheme provides a contribution towards a range of health services such as eye care, dental care, prescriptions, complementary therapies, inoculations, and health screening. Medicash can be extended to cover up to four dependent children up to their 24th birthday at no extra cost.

MetLife's Employee Assistance Programme (EAP) offers access to registered nurses for advice.

Financial well-being: MetLife Employee Assistance Programme (EAP) offers confidential support from legal advisers.

Mental well-being: MetLife Employee Assistance Programme (EAP) offers confidential support from qualified counsellors. The mProve YOURSELF app provided by Medicash helps to improve both mind and body with a range of helpful tips. We have five trained mental health first aiders, offering onsite confidential support as well as one trained menopause support staff.

Additional benefits: Medicash extra, providing online discounts on shopping, travel, entertainment and dining. Bright Exchange providing various high street and online discounts. Discounted membership at gyms, pools, studios and outdoor fitness events.

SUPPORTING EMPLOYEE WELL-BEING

At CPG Logistics, supporting our employees' health and well-being is a core priority. We regularly communicate well-being benefits and during 2025, the number of employees enrolled in our Medicash scheme grew by 14%.

In April we conducted a well-being survey to assess employee's perceptions of their well-being and work. 58% of employees submitted a response providing us with a firm foundation to build on. The results from the survey showed that 92% of staff feel safe in their work environment and 87% responded that their direct line manager supports their well-being.

It is important that all employees feel safe and supported at work and we want our employees to know the importance we place on their well-being. Follow up conversations have been encouraged for line managers to offer well-being check ins with their teams, and our trained mental health first aiders are available to offer peer-led support.

We are proud to share feedback from an NHS staff member regarding our support for an employee returning to work after a period of long-term absence.

“Thank you for the support provided to enable an employee's return to work. You engaged positively and proactively, going out of your way to implement recommendations. Through reasonable adjustments and a strong network of support and monitoring, the employee successfully followed a well-managed graded return-to-work programme, culminating in a full-time return.”

CUSTOMERS AND SUPPLIERS

OUR CUSTOMERS

We strive to deliver high-quality services that support our customers' business goals.

Our customers span multiple industries with often complex requirements. We work hard to understand their business and are proud to have retained long standing relationships, with the average contract length 11 years.

CPG's Customer Service department is both driven and passionate, focused on providing an outstanding service. With an average length of service of 8 years, the team bring a wealth of industry knowledge and expertise to support our customers day-to-day activities, as well as bespoke projects and campaigns. They take the time to listen and consistently deliver impactful results. We routinely gather feedback from users of our Pharmisa service, with 97% of respondents rating our Customer Service team positively for their responsiveness, efficiency and helpfulness.

WHAT OUR CUSTOMERS SAY...

“Customer service is brilliant, the team are always so helpful, it's greatly appreciated.”
(New customer)

“Excellent ordering system only surpassed by very efficient and very helpful staff.”
(Long standing customer)

“Really clear website, great efficient service & the team are always so helpful to advise.” (Long standing customer)



OUR SUPPLIERS

Supplier Code of Conduct

At CPG Logistics, we value strong supplier partnerships and require adherence to our Supplier Code of Conduct which mandates safe working conditions, treating workers with dignity and respect, acting ethically and being environmentally responsible.

CPG's Supplier Code of Conduct is provided to every supplier onboarding with CPG and is intended to ensure the highest level of ethical practices and business integrity. Our supplier base is varied, with both long-standing and new suppliers.

To better serve our customers diverse and often complex freight forwarding requirements, we added 13 new partners to our approved supplier list this year. This expansion allows us to meet our customers' needs with greater flexibility, to deliver the most efficient routes and optimal transport solutions for every shipment.

In 2025 we onboarded 19 suppliers, with 100% agreeing to comply with our Code of Conduct



Sustainable Procurement

This year we published our Sustainable Procurement policy. The policy encourages buyers of goods and services to evaluate the environmental, social and economic impact of purchasing decisions.

All purchasing staff and senior management have been trained, emphasising the importance of responsible purchasing decisions. Through a combination of behavioural changes and working with approved suppliers, we aim to promote a more sustainable supply chain.

The policy will be reviewed annually and updated as needed to reflect changes in purchasing methods and criteria, industry standards, and organisational goals.

ENVIRONMENTAL SOCIAL & GOVERNANCE



ESG

CPG's Environmental, Social & Governance (ESG) committee continue to explore ways that we can positively contribute to the environment and local community. This year the committee have implemented the following initiatives:

- Planted 720 trees through Treeapp, supporting the UN Sustainable Development Goals: Quality Education, Responsible Consumption and Production, Climate Action and Life on Land
- Food waste collections to comply with the new government regulation
- Sustainable Procurement training for purchasing staff and senior management
- Through the 'CPG Charity Match Funding Scheme' we continued to support the charities closest to our colleagues' hearts including Macmillan Cancer Support, Save the Children and Look Good Feel Better
- Our colleagues supported Dunelm's Delivery Joy at Christmas, donating gifts to vulnerable people in our local community



ECOVADIS

2025 marks our fourth EcoVadis assessment. First completed in 2021, the assessment provides a way for us to demonstrate the quality of our Corporate Social Responsibility (CSR) management system focusing on 4 key areas: the environment, labour, ethics and sustainable procurement. The recommendations from each assessment help us to improve and implement best practice where possible. This year we retained the bronze medal, placing CPG Logistics among the top 35% of companies assessed by EcoVadis. We improved in every assessed area, increasing our score from the 70th percentile to the 82nd.

Environment



Labour & Human Rights



Ethics



Sustainable Procurement



ENVIRONMENTAL FOCUS

Our indirect, value-chain emissions are still the largest portion of our footprint.

Purchased Goods and Services account for 54% of Scope 3 emissions. Whilst it's an inescapable part of business, we acknowledge that we need to make improvements and efficiencies where possible. This year we implemented a Sustainable Procurement policy as we recognise that integrating environmental and social criteria into our purchasing decisions is key in driving responsible sourcing.

Upstream and downstream transportation of goods contributes 33% of Scope 3 emissions. As transportation remains integral to our operations, we actively work with carriers committed to reducing environmental impact.

Carbon reduction initiatives from leading carriers and transport companies include:

- Expanding drop off locations and parcel lockers to reduce end point deliveries
- Smarter route planning and use of load optimisation tools
- Advanced efficiency technology to provide real-time driving feedback and identify behavioural improvements
- Redesigned, more aerodynamic trailers to reduce drag
- Deployment of electric and hydrotreated vegetable oil (HVO) vehicles

Supplier engagement remains a critical factor in our decarbonisation journey



CARBON EMISSIONS - SCOPE 1, 2 & 3

CPG's Carbon Reduction Plan demonstrates measurable progress in reducing our carbon footprint, with annual assessments to track progress and drive continuous improvement. This year we used EcoVadis' Carbon Estimator, covering all three Scopes in line with the Greenhouse Gas (GHG) Protocol. The estimates are based on our 2024 activity data combined with industry-average emission factors. Whilst the methodology differs to the calculations used for our 2023 baseline year*, the results demonstrate a reduction in emissions across all three Scopes. All measurements are in tonnes of carbon dioxide equivalent (tCO₂e).

Scope 1: Direct emissions	186.2
Scope 2: Indirect emissions	134.32
Scope 3: Upstream and Downstream emissions	4365.68
Total emissions	4686.2

*BASELINE YEAR EMISSIONS DEVELOPED AND CALCULATED BY POSITIVE PLANET ECO TECHNOLOGY LTD

PLAN TO ACHIEVE NET ZERO



To keep us on track to achieve Net Zero by 2050, we have set the following near-term targets by 2032:

- Reduce Scope 1 emissions intensity (revenue-based) by 80%
- Reduce Scope 2 emissions to zero
- Reduce Scope 3 emissions intensity (revenue-based) by 42%

Our long-term targets are:

- Reduce total market-based emissions intensity (revenue-based) for Scope 1, 2 and 3 by at least 97% by 2050
- Neutralise any residual emissions using verified carbon offsets

We are committed to achieving Net Zero emissions by 2050