SPRING TECH IND. LLC

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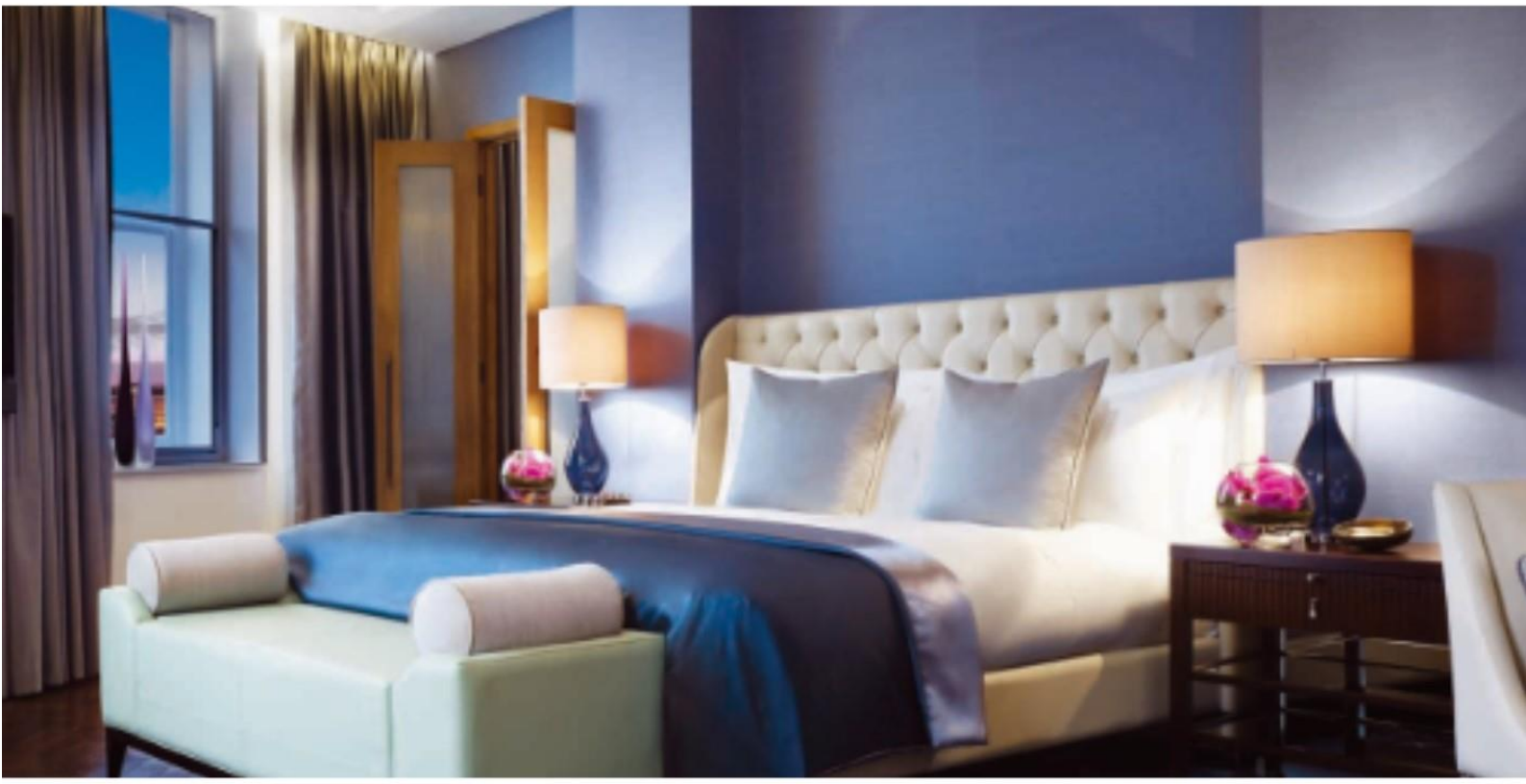
GHG EMISSION REPORT

For the year January 2024 - December 2024



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1. Executive Summary

SPRING TECH UAE is dedicated to actively managing and reducing its greenhouse gas (GHG) emissions across all operations in line with global best practices and the Science Based Targets initiative (SBTi). This commitment includes tracking Scope 1, 2, and 3 emissions, implementing energy efficiency measures, transitioning to renewable energy, and engaging suppliers to reduce value chain emissions. The company has established governance, budget allocation, and performance-linked incentives to ensure progress. Time-bound reduction targets, both absolute and intensity-based, are set for 2030 and 2050, supporting long-term net-zero goals while promoting sustainable growth and environmental stewardship.

2. GHG Emissions Summary (Baseline FY24–25)

Emission Category	GHG Emissions (tCO_2e)	Notes
Scope 1 (Direct)	71.582	Emissions from combustion in owned boilers, furnaces, vehicles, and process equipment.
Scope 2 (Indirect)	43.448	Emissions from purchased electricity, heating, and cooling.
Scope 3 (Value Chain)	316.16	Total of upstream and downstream emissions.
– Upstream	308.39	Purchased goods, capital goods, fuel/energy activities, transport, business travel, employee commuting.
– Downstream	7.774	Product distribution, use, and end-of-life treatment.
Total Scope 3	316.16	Consolidated Scope 3 emissions.
Overall Emissions	431.19	Scope 1 + Scope 2 + Scope 3.

3. Governance & Resources

3.1. Dedicated Budget

SPRING TECH UAE has allocated a dedicated budget to support its GHG management and reduction initiatives. This budget covers investments in renewable energy installations, energy-efficient machinery, and process upgrades across manufacturing facilities. It also funds supplier engagement programs to encourage low-carbon practices throughout the value chain. Regular financial reviews ensure funds are effectively utilized to meet GHG reduction targets, accelerate sustainability initiatives, and support long-term climate commitments aligned with the company's ESG objectives.

3.2. Management Team

The ESG & Sustainability Department at SPRING TECH UAE is responsible for planning, implementing, and monitoring all GHG reduction initiatives. The team oversees energy efficiency programs, renewable energy projects, and supplier engagement efforts while ensuring alignment with international standards such as the GHG Protocol and SBTi guidelines. They coordinate cross-departmental activities, track emissions data, and provide regular reports to senior management to drive accountability and continuous improvement in the company's carbon reduction performance.

3.3. Compensation Linkage

Management compensation at SPRING TECH UAE is directly linked to the achievement of GHG reduction targets, ensuring accountability and motivation. Key Performance Indicators (KPIs) include reductions in Scope 1, 2, and 3 emissions, energy efficiency improvements, and supplier engagement progress. By tying bonuses to these measurable outcomes, the company ensures that leadership decisions actively support sustainability goals. This approach fosters a performance-driven culture focused on achieving time-bound, science-based emission reduction objectives.

4. GHG Emission Reduction Targets

Scope	Baseline FY24–25	FY2027 Milestone (SBTi pace*)	FY2030 Near-Term Target	FY2050 Long-Term (Net-Zero)	Notes / SBTi Alignment
Scope 1	71.582 tCO_2e	61 tCO_2e (−15%)	42 tCO_2e (−42%)	0 tCO_2e	Fleet electrification, process efficiency; aligned with SBTi 1.5°C pathway.

Scope 2	43.448 tCO_2e	37 tCO_2e (−15%)	25 tCO_2e (−42%)	0 tCO_2e	Renewable energy adoption, energy efficiency improvements.
Scope 3	316.16 tCO_2e	284 tCO_2e (−10%)	253 tCO_2e (−20%)	Net-zero	Supplier engagement, low-carbon materials, product lifecycle improvements.
Total Emissions	431.19 tCO_2e	382 tCO_2e (−11%)	320 tCO_2e (−26%)	0 tCO_2e	Consolidated reduction across Scope 1+2+3.
GHG Intensity	100% baseline	−20%	−35%	−100%	Reduction per mattress/divan produced.
Renewable Energy Share	0%	25%	50%	100%	Supports Scope 2 reductions; aligns with RE100 goals.
Supplier Engagement	Initiated	40% suppliers	67% suppliers	100% suppliers	Encourages Scope 3 reduction through value chain.

Minimum SBTi pace assumes ~4.2% annual reduction in Scope 1+2 absolute emissions.

5. Public Announcement

5.1. Base Year: FY24–25

SPRING TECH UAE has selected FY24–25 as its official base year for GHG emissions accounting, establishing a transparent foundation for future comparisons and target-setting. This baseline includes Scope 1, Scope 2, and Scope 3 emissions, measured using the GHG Protocol. Using this year as the benchmark ensures that all progress is traceable and verifiable, enabling consistent evaluation of performance over time and providing credibility to the company's long-term de carbonization journey.

5.2. Scope 1 Target: 42 tCO_2e by 2030 (−42%)

Direct operational emissions under Scope 1, including fuel combustion in vehicles, machinery, and production processes, are targeted for significant reduction. By 2030, SPRING TECH UAE aims to lower emissions to 42 tCO_2e, representing a 42% decrease from the baseline. Strategies include electrification of company vehicles, adoption of cleaner fuels, and installation of energy-efficient equipment. This target demonstrates alignment with SBTi requirements and a commitment to reducing direct emissions within company control.

5.3. Scope 2 Target: 25 tCO_2e by 2030 (−42%)

Scope 2 emissions, resulting from purchased electricity, are being targeted for a 42% reduction by 2030, reaching 25 tCO_2e. This will be achieved through energy efficiency measures, on-site renewable energy installations such as solar PV systems, and the purchase of certified renewable electricity where available. These actions not only reduce carbon impact but also enhance energy resilience and cost savings, aligning with both business efficiency goals and international climate reduction pathways.

5.4. Scope 3 Target: 253 tCO_2e by 2030 (−20%)

SPRING TECH UAE recognizes that most emissions arise within its value chain under Scope 3. The company has set a target to reduce these emissions by 20% by 2030, reaching 253 tCO_2e. Initiatives include sustainable sourcing of raw materials, low-carbon logistics, waste minimization, and collaboration with suppliers and customers. Engagement programs will require suppliers to disclose and reduce their emissions, ensuring shared accountability. This approach addresses the company's broader environmental footprint and drives systemic change.

5.5. Overall Target: 320 tCO_2e by 2030 (−26%)

By consolidating Scope 1, 2, and 3 efforts, SPRING TECH UAE aims to achieve overall emissions of 320 tCO_2e by 2030, representing a 26% reduction from baseline levels. This target reflects a balanced approach between direct operational control and value chain collaboration. It also positions the company competitively within its sector by demonstrating measurable progress toward sustainability. The overall target is designed to be ambitious, achievable, and consistent with a 1.5°C de carbonization pathway.

5.6. Long-Term Goal: Net-zero across all scopes by 2050

In line with international climate commitments and the Science Based Targets initiative, SPRING TECH UAE is committed to achieving net-zero emissions across Scope 1, Scope 2, and Scope 3 by 2050. This long-term vision will be supported by continuous innovation, investment in renewable technologies, and supplier/customer collaboration. Achieving net-zero will involve reducing emissions as close to zero as possible and addressing residual emissions through credible carbon removal projects, ensuring alignment with global sustainability goals.

6. Supplier & Value Chain Engagement

6.1. Supplier Code of Conduct

SPRING TECH UAE has embedded climate responsibility into its Supplier Code of Conduct, requiring all suppliers to disclose their GHG emissions and demonstrate reduction measures. This ensures alignment with the company's sustainability goals and encourages transparency across the value chain.

Suppliers are further expected to adopt science-based targets or equivalent reduction commitments. Through training, collaboration, and monitoring, the company works with suppliers to build capacity for emissions reduction, driving shared progress toward de carbonization and long-term climate resilience.

6.2. Procurement Policy

SPRING TECH UAE's procurement policy prioritizes products and services with demonstrably lower carbon intensity, ensuring environmental performance is a key criterion in purchasing decisions. By comparing life-cycle emissions and favoring eco-efficient solutions, the company reduces upstream Scope 3 impacts while promoting innovation in sustainable supply chains. Preference is given to partners offering certified renewable materials, energy-efficient equipment, and reduced packaging. This approach strengthens supplier accountability, embeds sustainability into business decisions, and supports overall corporate GHG reduction targets.

6.3. Recognition & Incentives

SPRING TECH UAE motivates suppliers by offering recognition and incentives to those who achieve measurable GHG reductions. Awards, certifications, and public acknowledgment are provided to highlight best-performing suppliers, creating a culture of sustainability across the value chain. Additionally, preferential treatment in procurement and long-term partnerships are extended to suppliers who consistently demonstrate strong environmental performance. This approach not only rewards climate leadership but also fosters healthy competition, encouraging all partners to accelerate their own emissions reduction journeys.

7. Energy, Travel & Commuting Initiatives

SPRING TECH UAE is committed to reducing operational emissions through a combination of renewable energy adoption, efficiency upgrades, and smarter mobility practices. The company is investing in renewable energy systems and energy-efficient equipment to minimize reliance on fossil fuels, while optimizing energy use in production. Business travel will be reduced through route optimization and virtual collaboration. To further cut emissions, green commuting options are encouraged for employees, and the fleet is transitioning to low-emission vehicles, aligning with long-term sustainability and de carbonization goals.

8. Monitoring, Verification & Reporting

8.1. GHG Inventory

SPRING TECH UAE has developed a comprehensive GHG inventory aligned with the GHG Protocol and ISO 14064-1 standards. This inventory covers Scope 1, Scope 2, and Scope 3 emissions, ensuring completeness and consistency. Data sources include fuel usage, electricity consumption, logistics activities, and supplier disclosures.

The system allows tracking of emissions trends over time, providing a solid basis for target setting and reduction planning. Regular updates maintain data integrity and ensure accuracy for both internal and external stakeholders.

8.2. Third-Party Verification

To assure credibility and reliability, SPRING TECH UAE submits its GHG inventory and reduction progress to third-party verification in line with ISO 14064-3 and ISAE 3410 standards. Independent auditors validate data collection processes, emission factors, and calculations, ensuring full compliance with recognized international protocols. This verification provides stakeholders with confidence that reported emissions are accurate and transparent. It also strengthens accountability, supports external disclosures, and enhances the company's reputation as a responsible manufacturer committed to verifiable climate action.

8.3. Frequency

SPRING TECH UAE conducts annual data collection, monitoring, and performance reviews of its GHG emissions. Each year, emissions data is gathered from operational sources, supplier inputs, and energy consumption records, which are then analyzed to track reduction progress. The annual review also informs management decisions and enables timely corrective actions. By maintaining this regular monitoring cycle, the company ensures that it remains on track toward meeting its GHG reduction targets and can demonstrate continuous improvement in sustainability performance.

8.4. Scope 3 Screening

Recognizing the importance of value chain emissions, SPRING TECH UAE performs Scope 3 screening to identify high-impact hotspots. Using tools such as the Quantis Scope 3 Evaluator, the company assesses upstream and downstream activities including raw material sourcing, logistics, and product use. This analysis allows prioritization of reduction initiatives and engagement with critical suppliers. Through hotspot identification, SPRING TECH UAE ensures efficient allocation of resources and collaboration across the supply chain to drive meaningful and measurable emissions reductions.

8.5. Public Reporting

SPRING TECH UAE is committed to transparent disclosure of its GHG performance through annual Sustainability Reports and submissions to CDP (Carbon Disclosure Project). Public reporting ensures external stakeholders—including investors, customers, and regulators—are kept informed of progress against science-based targets. Disclosures cover emissions data, reduction measures, and progress toward net-zero. By maintaining openness and accountability, the company demonstrates leadership in climate action while fostering trust, credibility, and stronger relationships with stakeholders who value sustainable business practices.

9. Performance Review

SPRING TECH UAE conducts an annual performance review to assess progress against its GHG reduction targets. This review evaluates actual emissions compared to baseline levels, identifies gaps, and implements corrective actions if targets show delays. Findings are reported to management and integrated into the company's ESG strategy for continuous improvement. Current results indicate that SPRING TECH UAE is on track to achieve its FY2030 targets, demonstrating alignment with its reduction roadmap and commitment to long-term climate goals.

10. SBTi-Aligned GHG Emissions Reduction Targets

Target category	Current year (FY24–25 baseline)	FY2027 milestone (min. SBTi pace*)	FY2030 near-term target	FY2050 long-term (net-zero)	Notes / SBTi criterion
Scope 1 (Direct)	**71.582**	**60.845** (−15%)	**41.518** (−42%)	**0**	2030 target follows SBTi 1.5°C pace for direct emissions. Measures: fleet electrification, fuel switching, process efficiency. Baseline = FY24–25.
Scope 2 (Purchased energy)	**43.448**	**36.931** (−15%)	**25.200** (−42%)	**0**	2030 target achieved via on-site renewables + RECs / PPAs and efficiency. Baseline = FY24–25.
Scope 3 (Value chain)	**316.160**	**284.544** (−10%)	**252.928** (−20%)	**0 (net-zero pathway)**	Emphasis on supplier engagement, low-carbon materials, logistics optimisation. SBTi expects strong supplier engagement and/or specific category targets. Baseline = FY24–25.
Total (1+2+3)	**431.190**	**382.320** (−11.3%)	**319.646** (−25.9%)	**0**	Consolidated absolute reductions across scopes.

GHG intensity (per unit output)	100% baseline	**−20%** intensity	**−35%** intensity	**Net-zero intensity**	Intensity target expressed as % reduction vs FY24–25 (e.g., CO_2e per mattress/divan produced). Use production units as denominator.
Renewable energy share (electricity)	**0%** (current)	**25%**	**50%**	**100%**	Supports Scope 2 reductions; combine on-site + off-site renewables and supplier green tariffs.
Supplier engagement	**Initiated**	**40% suppliers active**	**67% suppliers engaged**	**100% aligned**	SBTi requires meaningful supplier engagement for Scope 3—aim for ≥67% engagement by 2030 (supplier coverage by spend/impact).

11. References

- **Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard**
  World Resources Institute (WRI) & World Business Council for Sustainable Development (WBCSD), 2004.
  https://ghgprotocol.org/corporate-standard

- **GHG Protocol – Scope 3 Standard**
  World Resources Institute (WRI), 2011.
  https://ghgprotocol.org/standards/scope-3-standard

- **ISO 14064-1:2018 – Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals**
  International Organization for Standardization (ISO).
  https://www.iso.org/standard/66453.html

- **ISO 14064-3:2019 – Greenhouse gases — Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions**
  International Organization for Standardization (ISO).
  https://www.iso.org/standard/66454.html

- **Science Based Targets Initiative (SBTi) – Business Guidance**
  Provides methodology, criteria, and target-setting guidance for corporate GHG reduction.
  https://sciencebasedtargets.org/resources/files/SBTi-Business

- **SBTi – Sectoral Decarbonization Approach (SDA) Guidance**
  Guidance for specific sectors including manufacturing.
  https://sciencebasedtargets.org/sectors

- **CDP – Climate Change Guidance for Companies**
  Provides frameworks for disclosing emissions and reduction targets.
  https://www.cdp.net/en/guidance/guidance-for-companies

- **The Climate Registry – General Reporting Protocol**
  Standardized GHG reporting protocol for organizations.
  https://www.theclimateregistry.org/reporting/protocols/

- **Quantis Scope 3 Evaluator**
  Tool to identify upstream and downstream emissions hotspots for corporate value chains.
  https://quantis-suite.com/Scope-3-Evaluator/

- **GHG Protocol – Scope 3 Calculation Guidance**
  Detailed methodology for calculating Scope 3 emissions across 15 reporting categories
  https://ghgprotocol.org/sites/default/files/standards/Scope3_Calculation_Guidance_

ACKNOWLEDGEMENT

I acknowledge that I have received, read, and understood the GHG Emission Report. of SPRING TECH**.** I agree to follow the principles, rules, and guidelines mentioned in this document.

Signature : 

Name **:** Santhosh Sivaraj

Date **:** 14th May, 2025