



# SPACE DECOR LLC

RKM Properties Warehouse # 72/73, Plot # 368/141,  
PO Box 22926, Al Quoz 3, Dubai, United Arab Emirates.

## GHG EMISSION REPORT

Form No : Space Decor/ESG/F-180

Issue No : 01

Rev No : 00

Date : 14<sup>th</sup> April, 2025



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## 1. Company Overview

SPACE DÉCOR LLC, headquartered in the UAE, specializes in Floor & Wall Tiling Works, Decoration Design & Implementation, Building Maintenance, Engraving & Ornamentation Works, Carpentry & Wood Flooring Works. The company integrates Environmental, Social, and Governance (ESG) principles across its operations to minimize environmental impact, enhance social responsibility, and ensure ethical governance. Our sustainability approach emphasizes energy efficiency, resource conservation, and climate action through continuous monitoring and reduction of greenhouse gas (GHG) emissions.

## 2. GHG Emission Summary

### 2.1 Organizational Boundaries

#### SPACE DECOR LLC

RKM Properties Warehouse # 72/73, Plot # 368/141, PO Box 22926, Al Quoz 3, Dubai, United Arab Emirates.

Calculation period: January 2024 to December 2024

All values are in MT CO2 e

### 2.2. Reporting Boundary & Scope Definition

| Scope                             | Included Activities  | Justification / Description   |
|-----------------------------------|--|---|
| <b>Scope 1 – Direct Emissions</b> | <ul style="list-style-type: none"> <li>• Fuel combustion from company-owned vehicles and machinery</li> <li>• Diesel or LPG use for on-site generators and equipment</li> <li>• Fugitive emissions from refrigerants used in air-conditioning and cooling systems</li> </ul> | Covers all direct GHG emissions from sources owned or controlled by SPACE DÉCOR LLC, such as construction equipment, service vehicles, and on-site energy generation. |

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| <b>Scope 2 – Indirect Emissions (Energy)</b> | <ul style="list-style-type: none"> <li>Purchased electricity used in manufacturing units, workshops, offices, and design studios</li> </ul>  | Captures indirect GHG emissions from energy purchased from the national grid; significant due to lighting, HVAC, tiling machinery, and carpentry equipment energy use.                                       |
| <b>Scope 3 – Upstream Emissions</b>          | <ul style="list-style-type: none"> <li>Procurement of raw materials (tiles, adhesives, paints, wood, etc.)</li> <li>Outsourced transportation and inbound logistics</li> <li>Employee commuting and business travel</li> <li>Waste generated in operations</li> </ul>  | Represents indirect GHG emissions from activities not owned or directly controlled by the company but occurring within the supply chain. These are influenced through procurement and operational practices. |
| <b>Scope 3 – Downstream Emissions</b>        | <ul style="list-style-type: none"> <li>Transportation of finished products and installation materials to project sites (third-party logistics)</li> <li>Use phase and maintenance of installed decorative materials</li> <li>End-of-life treatment of packaging and materials removed during renovation</li> </ul> | Accounts for value-chain emissions occurring after products and services leave company control, including logistics, customer use, and disposal impacts.   |
| <b>Excluded Activities</b>                   | <ul style="list-style-type: none"> <li>Capital goods (equipment manufacturing)</li> <li>Leased assets upstream/downstream</li> <li>Investments and franchises</li> </ul>   | Excluded due to negligible contribution to the company's GHG profile or lack of relevance to current operational boundaries. These will be re-evaluated during future GHG inventory expansions.              |

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## 2.3 Scope 3 Category Inclusion Table

| Scope 3 Category   | Included / Excluded | Justification / Description   |
|--|---------------------|---|
| 1. Purchased Goods & Services                              | Included            | Significant emissions arise from procurement of tiles, wood, adhesives, paints, and decorative materials used in production and installation.           |
| 2. Capital Goods   | Excluded            | Emissions from equipment and tools are minimal and already accounted for in Scope 1 and 2; no major new capital investment during the reporting period. |
| 3. Fuel- & Energy-Related Activities (not in Scope 1 or 2) | Included            | Covers upstream emissions from fuel extraction, production, and electricity transmission losses associated with purchased energy.                       |
| 4. Upstream Transportation & Distribution                  | Included            | Third-party logistics and material transportation from suppliers contribute to measurable indirect emissions.   |
| 5. Waste Generated in Operations                           | Included            | Construction debris, packaging, and wood offcuts contribute to indirect emissions and are part of waste management tracking.                            |
| 6. Business Travel   | Included            | Air and road travel by employees for client meetings, supplier visits, and project supervision contribute to indirect emissions.                        |
| 7. Employee Commuting                                      | Included            | Regular commuting of workers and staff to project sites and offices represents a recurring source of Scope 3 emissions.                                 |
| 8. Upstream Leased Assets                                  | Excluded            | No significant upstream leased assets or leased vehicles; hence impact is negligible.   |
| 9. Downstream Transportation & Distribution                | Included            | Distribution of finished products, furniture, and decorative materials through contractors and third-party logistics has measurable emissions.          |

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| 10. Processing of Sold Products            | Excluded | Products are installed directly at client sites; there is no post-sale processing or manufacturing phase outside company operations.   |
| 11. Use of Sold Products                   | Excluded | Installed decorative materials such as tiles or flooring do not emit GHGs during use phase; minimal relevance to emissions accounting. |
| 12. End-of-Life Treatment of Sold Products | Included | End-of-life disposal and recycling of packaging materials and waste from renovation projects contribute to downstream emissions.       |
| 13. Downstream Leased Assets               | Excluded | SPACE DÉCOR does not lease significant assets downstream; no material GHG contribution.  |
| 14. Franchises                             | Excluded | The company operates directly; no franchise model applies to current operations.   |
| 15. Investments                            | Excluded | Investments are limited and non-material to operational emissions; excluded from reporting boundary.                                   |

### 3. GHG Emission Summary

#### 3.1 Breakdown of GHG scope 1 emission

| Source  | Activity Data   | Emission Factor                     | Emissions (tCO <sub>2</sub> e) | Notes / Description  |
|---|---|-------------------------------------|--------------------------------|--|
| <b>Diesel Fuel – Company Vehicles</b>           | Liters of diesel consumed by project and transport vehicles                     | 2.68 kg CO <sub>2</sub> e per liter | <b>22.50</b>                   | Includes fuel used in vans, pickup trucks, and material delivery vehicles. |
| <b>Petrol – Small Machinery &amp; Equipment</b> | Liters of petrol used in tile-cutting machines, polishing tools, and generators | 2.31 kg CO <sub>2</sub> e per liter | <b>5.25</b>                    | Used for small on-site equipment and handheld power tools.                 |

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| <b>LPG / Natural Gas – On-site Heating &amp; Curing</b> | Kilograms of LPG consumed                      | 2.98 kg CO <sub>2</sub> e per kg         | <b>3.10</b> | Used for heating, curing, and minor workshop processes.            |
| <b>Refrigerant Leakage (R-410A)</b>                     | Kilograms leaked from air-conditioning systems | 2,088 kg CO <sub>2</sub> e per kg leaked | <b>8.50</b> | Covers refrigerant leakage from offices, workshops, and showrooms. |
| <b>Backup Diesel Generators</b>                         | Liters of diesel consumed during power outages | 2.68 kg CO <sub>2</sub> e per liter      | <b>1.00</b> | Backup power used for lighting and emergency operations.           |

#### 4. GHG Emissions Summary (All values are in MT CO<sub>2</sub>e)

| <b>Scope</b>                | <b>Emission Source</b>  | <b>Baseline 2023 (tCO<sub>2</sub>e)</b> | <b>Current Year 2024 (tCO<sub>2</sub>e)</b> | <b>Reduction (tCO<sub>2</sub>e / %)</b> |
|-----------------------------|---|---|---|---|
| <b>Scope 1</b>              | Direct emissions from fuel combustion, company vehicles, on-site equipment, and refrigerant leakage | 42.00                                   | 40.35                                       | 1.65 / 3.93%                            |
| <b>Scope 2</b>              | Indirect emissions from purchased electricity used in workshops, offices, and showrooms             | 308.00                                  | 298.48                                      | 9.52 / 3.09%                            |
| <b>Scope 3 – Upstream</b>   | Indirect emissions from material procurement, logistics, waste generation, and employee travel      | 162.00                                  | 156.31                                      | 5.69 / 3.51%                            |
| <b>Scope 3 – Downstream</b> | Indirect emissions from product transportation, use phase, and end-of-life treatment                | 565.00                                  | 550.94                                      | 14.06 / 2.49%                           |

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| <b>Total Scope 3<br/>(Upstream +<br/>Downstream)</b> | Combined value chain<br>emissions | 727.00   | 707.25    | 19.75 / 2.72%  |
| <b>Total Emissions (All<br/>Scopes)</b>              | Scope 1 + Scope 2 +<br>Scope 3    | 1,077.00 | 1,753.10* | <b>(Baseline recalibrated for<br/>value-chain inclusion)</b> |

## 5. SBTi-Aligned GHG Reduction Targets

| Scope                                 | Baseline<br>(2024) | Target<br>Year | Target<br>(tCO <sub>2</sub> e) | Reduction<br>vs<br>baseline | Long-<br>term<br>Target<br>Year | Long-<br>term<br>Target<br>(tCO <sub>2</sub> e) | Notes / SBTi<br>Criterion   |
|---------------------------------------|--------------------|----------------|--------------------------------|-----------------------------|---------------------------------|---|---|
| Scope 1<br>(Direct)                   | 40.35              | 2030           | 28.25                          | 30.0%                       | 2050                            | 0 – 5   | Absolute contraction<br>(30% by 2030 is<br>consistent with<br>typical SBTi sector<br>practice for direct<br>emissions; aim for<br>near-zero by 2050). |
| Scope 2<br>(Purchased<br>Electricity) | 298.48             | 2030           | 172.10                         | 42.3%                       | 2050                            | 0 – 5   | Absolute contraction<br>+ zero-carbon<br>electricity<br>procurement (target<br>≥42% by 2030 aligns<br>with SBTi minimum<br>ambition for<br>S1+S2).    |
| Scope 3 —<br>Upstream                 | 156.31             | 2030           | 117.23                         | 25.0%                       | 2050                            | ~40–60  | Absolute contraction<br>/ supplier<br>engagement; set<br>reduction target plus<br>supplier<br>engagement to   |

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|--------------------------------|-----------------|-------------|--|-----------------------|-------------|---|--|---|
|                                |                 |             |  |                       |             |   |  | cover required fraction of Scope 3 emissions.   |
| <b>Scope 3 — Downstream</b>    | <b>550.94</b>   | <b>2030</b> | <b>413.20</b>                                  | <b>25.0%</b>          | <b>2050</b> | <b>~80–120</b>  |  | Absolute contraction / collaboration with logistics/customers to reduce use-phase and end-of-life impacts. Same method as upstream.                                 |
| <b>Total Scope 3 (Up+Down)</b> | <b>707.25</b>   | <b>2030</b> | <b>530.43</b>                                  | <b>25.0%</b>          | <b>2050</b> | <b>~120–180</b>   |  | Combined Scope 3 reduction of 25% by <b>2030</b> (SBTi-consistent near-term ambition for Scope 3 when dominant). Coverage & supplier engagement requirements apply. |
| <b>Total (S1+S2+S3)</b>        | <b>1,753.10</b> | <b>2030</b> | <b>730.78 (S1+S2) + 530.43 (S3) = 1,261.21</b> | <b>~28.1% overall</b> | <b>2050</b> | <b>Net-Zero (residuals minimize d; limited, credible removals only)</b> |  | Combined approach: S1+S2 aligned to 1.5°C ambition; S3 aligned to well-below/1.5°C mix as applicable.   |

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## 6. Absolute Reduction Targets

| Scope  | Base Year (2024) | Target Year | Target Reduction (%) | Target Emissions (tCO <sub>2</sub> e) | Reduction (tCO <sub>2</sub> e) | Strategy / Key Actions  |
|--|------------------|-------------|----------------------|---------------------------------------|--------------------------------|---|
| Scope 1 – Direct Emissions                           | 40.35            | 2030        | 30%                  | 28.25                                 | 12.10                          | <ul style="list-style-type: none"> <li>Shift to hybrid/electric vehicles. <ul style="list-style-type: none"> <li>Optimize route planning and fuel efficiency.</li> </ul> </li> <li>Replace high-GWP refrigerants.</li> <li>Implement preventive maintenance and eco-driving programs.</li> </ul>          |
| Scope 2 – Indirect Emissions (Purchased Electricity) | 298.48           | 2030        | 40%                  | 179.09                                | 119.39                         | <ul style="list-style-type: none"> <li>Install rooftop solar PV systems.</li> <li>Procure renewable energy (Green PPAs). <ul style="list-style-type: none"> <li>Upgrade to LED lighting and efficient HVAC systems.</li> <li>Deploy Energy Management System (EMS) for monitoring.</li> </ul> </li> </ul> |

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|---|----------|------|--------------|----------|--------|---|
| Scope 3 – Value Chain Emissions (Upstream + Downstream) | 707.25   | 2030 | 25%          | 530.43   | 176.82 | <ul style="list-style-type: none"> <li>Engage suppliers covering ≥7% of Scope 3 emissions.</li> <li>Source low-carbon materials (tiles, paints, wood).</li> <li>Collaborate with eco-logistics partners.</li> <li>Promote reusable packaging and end-of-life recycling programs.</li> </ul> |
| Total (Scope 1 + Scope 2 + Scope 3)                     | 1,753.10 | 2030 | ≈28% overall | 1,261.21 | 491.89 | <ul style="list-style-type: none"> <li>Combined approach: renewable energy adoption, operational efficiency, and supplier decarbonization aligned with SBTi 1.5 °C pathway.</li> </ul>  |

## 7. Statement of Uncertainty

### 7.1 Scope 1 Emissions Reduction Plan

SPACE DÉCOR LLC aims to reduce direct Scope 1 emissions by 30% by 2030 from its 2024 baseline. Key actions include transitioning to hybrid or electric company vehicles, implementing route optimization software, conducting regular maintenance to ensure engine efficiency, and providing eco-driving training for drivers. High-global-warming-potential refrigerants will be replaced with low-GWP alternatives, and leakage detection systems will be installed. The company will monitor fuel consumption through digital logs and periodic audits. These initiatives will collectively minimize fossil-fuel dependency and ensure compliance with the SBTi 1.5 °C pathway for direct operational emissions.

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## 7.2 Scope 2 Emissions Reduction Plan

To reduce Scope 2 emissions by 40% by 2030, SPACE DÉCOR LLC will transition to renewable and energy-efficient electricity sources. The company plans to install rooftop solar photovoltaic panels, enter renewable power purchase agreements, and gradually phase in 100% LED lighting and energy-efficient HVAC systems across all sites. Real-time energy monitoring via an Energy Management System will be implemented to identify inefficiencies and track reductions. Staff awareness programs will promote responsible energy behavior. These measures will substantially decrease grid electricity dependence, align with the UAE Net Zero 2050 strategy, and contribute to a measurable decline in indirect energy-related emissions.

## 7.3 Scope 3 Emissions Reduction Plan

SPACE DÉCOR LLC commits to a 25% reduction in Scope 3 emissions by 2030 by engaging suppliers and customers throughout its value chain. The company will prioritize sustainable procurement, selecting suppliers with certified low-carbon products and verified GHG management systems. Logistics partners will be encouraged to adopt fuel-efficient and electric vehicles, while packaging will shift to reusable and recyclable materials. End-of-life waste management programs will promote recovery and recycling. Employee commuting and business travel will be optimized through carpooling and virtual meetings. These collaborative actions ensure that indirect emissions across upstream and downstream activities steadily decline in alignment with SBTi guidelines.

## 7.4 Intensity-Based Target Plan

Alongside absolute reductions, SPACE DÉCOR LLC will track emission intensity per unit of output to ensure sustainable growth. The company targets a 35% reduction in GHG intensity (tCO<sub>2</sub>e per square meter of work completed) by 2030 from its 2024 baseline. This will be achieved through continuous process optimization, equipment efficiency upgrades, material reuse, and digital monitoring of production activities. Energy-efficient machinery and lean-resource practices will reduce waste and enhance productivity. The intensity-based approach provides flexibility as business volumes expand, ensuring each project contributes proportionally less to overall emissions while reinforcing the company's alignment with SBTi intensity-based target guidance.

## 8. ESG Integration and Next Steps

SPACE DÉCOR LLC will continue embedding ESG principles across its operations to strengthen climate resilience, social responsibility, and ethical governance. The company will integrate GHG reduction targets into corporate strategy, supplier contracts, and investment decisions. Annual ESG disclosures will transparently report progress, verified under ISO 14064-3 standards.

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Training programs will enhance employee awareness on sustainability practices, while innovation in renewable energy, waste reduction, and green materials will drive continuous improvement. Future priorities include SBTi validation, expanding solar capacity, digital emissions tracking, and deepening supplier engagement to achieve long-term, science-based decarbonization aligned with the UAE Net Zero 2050 vision.

## 9. Monitoring & Verification

SPACE DÉCOR LLC ensures that its GHG emission data and reduction progress are accurate, transparent, and independently validated. Monitoring is conducted through an internal Energy and Carbon Management System that tracks fuel, electricity, and material usage across all operations. Annual verification is performed by an accredited third party in accordance with ISO 14064-3 standards to confirm data reliability. Emission factors are periodically reviewed to reflect updated IPCC and GHG Protocol values. Quarterly performance reviews assess progress toward SBTi-aligned targets. All verified data and corrective actions are documented in the company's annual ESG report to ensure accountability and continuous improvement.

## 10. Conclusion

SPACE DÉCOR LLC reaffirms its commitment to environmental stewardship and climate action through transparent GHG accounting and science-based targets. By implementing reduction measures across Scopes 1, 2, and 3, the company is actively contributing to global decarbonization goals and the UAE Net Zero 2050 Vision. Continuous investment in renewable energy, energy efficiency, sustainable materials, and supplier collaboration demonstrates SPACE DÉCOR's dedication to responsible growth. Through ISO 14064 verification, SBTi alignment, and robust ESG integration, the company ensures accountability, operational excellence, and stakeholder trust—positioning itself as a sustainability-driven leader in the UAE's construction and interior design industry.

Prepared By: ESG-Committee

Approved By: Managing Director

