SCIENCE-BASED TARGETS REPORT 2025

Fancy Fashions

A-10, Sector 7, Noida,

Uttar Pradesh

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INTRODUCTION

This report presents the Science-Based Targets initiative (SBTi) alignment for Fancy Fashions, analyzing greenhouse gas (GHG) emissions for 2024 and 2025, with 2024 as the base year. It includes short-term and long-term strategies to reduce Scope 1, 2, and 3 emissions, aiming for a low-carbon transition in line with the GHG Protocol and CDP reporting standards.

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Alignment with the 1.5°C Pathway

The 1.5°C pathway refers to the global goal of limiting temperature rise to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement.

The Science-Based Targets initiative (SBTi) encourages companies to set targets in line with this trajectory, ensuring that their emissions reductions contribute to global climate action.

The SBTi continues to play a pivotal role in guiding corporate climate action, providing a framework for companies to align their strategies with the goals of the Paris Agreement.

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How Companies Align with the 1.5°C Pathway in SBTi Reporting

Setting Near-Term Science-Based Targets (SBTs)

Reduce absolute Scope 1 & 2 emissions by at least 42% by 2030.

Address Scope 3 emissions if they make up >40% of total emissions.

Setting Long-Term Net-Zero Targets

Choosing Approved Decarbonization Pathways

Transition to 100% Renewable Energy

Implement Carbon Reduction Strategies

Tracking & Reporting Progress

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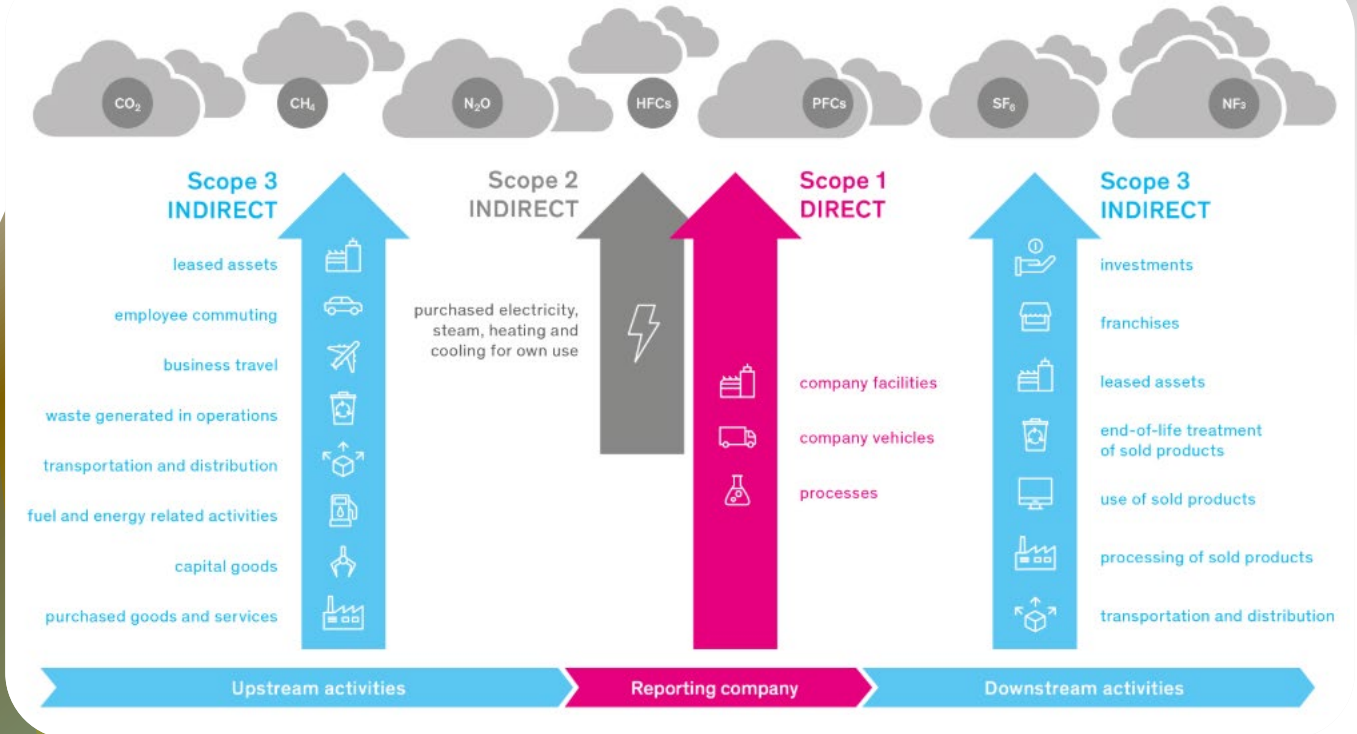
SBTi engagement triples since 2023—over 12,800 companies now committed to science-based climate action.

Companies adopting science-based targets have demonstrated substantial progress in reducing greenhouse gas emissions.



GHG EMISSION INVENTORY 2024 & 2025

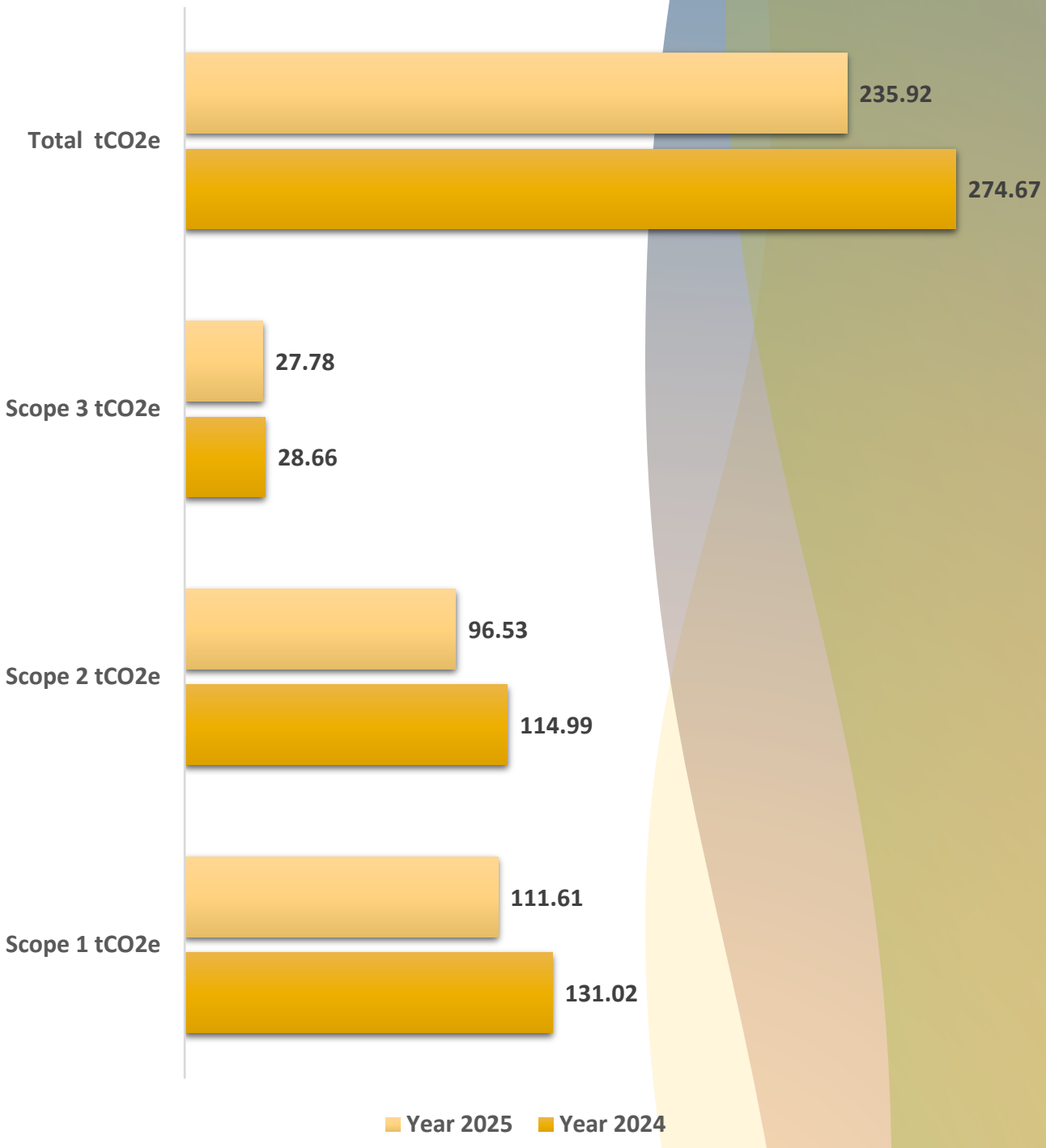
GHG EMISSION INVENTORY 2024 & 2025

Absolute	Scope 1 tCO2e	Scope 2 tCO2e	Scope 3 tCO2e	Total tCO2e
Year 2024	131.02	114.99	28.66	274.67
Year 2025	111.61	96.53	27.78	235.92

Normalised	Scope 1 tCO2e Per Pc	Scope 2 tCO2e Per Pc	Scope 3 tCO2e Per Pc	Total tCO2e Per Pc
Year 2024	0.00025	0.00022	0.00005	0.00053
Year 2025	0.00014	0.00012	0.00003	0.00029

Data Verified by: Mr. Rajiv Chaturvedi
Reporting and Accounting: Green Compliance Services

GHG emission inventory - ABSOLUTE



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What are Science-based Target Commitments

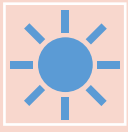
Science-based targets (SBTs) are greenhouse gas (GHG) reduction goals set by companies in line with the latest climate science to limit global warming to well below 2°C, preferably 1.5°C, as per the Paris agreement. These targets must be validated by the science-based targets initiative (SBTi).

5 to 10-year emission reduction goals

Complete Scope coverage –

Scope 1, 2 and 3

Enhancement of energy efficiency



Adoption of renewable energy

Aim for at least 90-95% absolute emissions reduction by 2050

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SHORT-TERM GOALS

2026 - 2029

Energy Efficiency & Electrification:

- Upgrade to high-efficiency machinery and predictive maintenance to reduce energy waste.
- Implement LED lighting and motion sensors.
- Replace diesel-powered equipment with electric alternatives.

Renewable Energy Integration:

- Procure renewable electricity via Power Purchase Agreements (PPAs).

Freight & Logistics Optimization:

- Partner with low-carbon logistics providers.
- Optimize transport routes to reduce fuel consumption.

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LONG-TERM GOALS

2027 - 2040

100% Renewable Energy Transition:

- Phase out fossil fuel energy and fully transition to renewable electricity.
- Explore biomass or hydrogen energy sources.

Carbon Neutrality:

- Implement carbon offset programs.
- Invest in carbon capture technology.

Water Efficiency Measures:

- Install water recycling and rainwater harvesting systems.
- Reduce water usage per unit washed through process optimization.

Employee Commute Reduction:

- Implement carpooling programs and incentivize public transportation.

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SUMMARY

- This report outlines the greenhouse gas (GHG) emissions profile of Fancy Fashions, assessing Scope 1, 2, and 3 emissions for 2024 (base year) and 2025.
- It establishes short-term (2026-2029) and long-term (2027-2040) reduction strategies, aligning with the Science-Based Targets initiative (SBTi) and global decarbonization pathways.
- Key Findings:
  - Total Emissions: Decreased from 275 tCO2e in 2024 to 236 tCO2e in 2025.
  - Normalized Emissions (per unit of shipment): Improved due to higher production, showing efficiency gains.

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Emission reduction strategies

Short–term goals (2026-2029)

Goals	KPI	2029 Target (from 2025 baseline)
Reduce Scope 1 emissions	Scope 1 tCO_2e (absolute)	Reduce 16.8% to ≤92.86 tCO_2e
Reduce Scope 2 emissions	Scope 2 tCO_2e (absolute)	Reduce 16.8% to ≤80.31 tCO_2e
Reduce Scope 1 & 2 combined	Scope 1+2 tCO_2e (absolute)	Reduce 16.8% to ≤173.17 tCO_2e
Increase renewable electricity	% renewable electricity consumption	Achieve ≥90% renewable electricity by 2029
Reduce Scope 3 emissions*	Scope 3 tCO_2e (absolute)	Reduce ≥12% to ≤24.45 tCO_2e
Reduce total emissions	Total Scope 1+2+3 tCO_2e	Reduce to ≤196.29 tCO_2e (≈17% reduction)

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Near-Term Science-Based Target (2026–2029)

- The company commits to reduce **absolute Scope 1 and Scope 2 greenhouse gas emissions 16.8% by 2029 from a 2025 base year**. This target is aligned with a **1.5°C pathway** and is consistent with the level of decarbonization required to limit global temperature rise to 1.5°C.

- The company also commits to reduce **absolute Scope 3 greenhouse gas emissions 12% by 2029 from a 2025 base year**. Although Scope 3 emissions represent approximately 12% of total emissions and are below the 40% SBTi threshold requiring a mandatory Scope 3 target, the company has voluntarily set this target to drive value chain decarbonization.

- These targets cover company-wide greenhouse gas emissions across all relevant categories in accordance with the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard.

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LONG–term goals – 2027 - 2040

Goals	KPI	2040 Target (from 2025 baseline)
Reduce Scope 1 emissions	Scope 1 tCO_2e (absolute)	Reduce 90% to ≤11.16 tCO_2e
Reduce Scope 2 emissions	Scope 2 tCO_2e (absolute)	Reduce 90% to ≤9.65 tCO_2e
Reduce Scope 1 & 2 combined	Scope 1+2 tCO_2e (absolute)	Reduce 90% to ≤20.81 tCO_2e
Reduce Scope 3 emissions	Scope 3 tCO_2e (absolute)	Reduce 90% to ≤2.78 tCO_2e
Reduce total emissions	Total Scope 1+2+3 tCO_2e	Reduce 90% to ≤23.59 tCO_2e
Renewable energy transition	% renewable electricity consumption	Achieve 100% renewable electricity by 2035 and maintain through 2040
Value chain decarbonization	% key suppliers (by emissions) with science-based targets	≥90% of suppliers by emissions to have SBTi-aligned targets by 2040

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Near-Term Science-Based Target (2027–2040)

The company commits to reduce **absolute Scope 1 and Scope 2 greenhouse gas emissions 90% by 2040 from a 2025 base year**. This target is aligned with a **1.5°C pathway** and reflects the level of decarbonization required to achieve deep emissions reductions consistent with net-zero by 2050 or earlier.

The company also commits to reduce **absolute Scope 3 greenhouse gas emissions 90% by 2040 from a 2025 base year**, covering all relevant categories in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard.

By 2040, the company aims to achieve near-zero emissions across its operations and value chain. Any residual emissions remaining at that time will be neutralized through permanent carbon removals in line with best practice net-zero frameworks.

These targets apply company-wide and will be reviewed periodically to ensure continued alignment with evolving climate science and Science Based Targets initiative (SBTi) criteria.

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CONCLUSION

- By implementing these strategies, Fancy Fashions aims to significantly reduce its emissions and align with SBTi targets.

- Continuous monitoring and periodic reassessment will ensure progress toward a low-carbon future.

- By following these strategies, the company aims to align with SBTi's 1.5°C pathway, reducing its climate impact and ensuring sustainable business growth.

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END OF REPORT

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