Carbon Reduction Plan

Supplier name: Sahajanand Medical Technologies Ltd.

Publication date: 07 February 2023

Commitment to achieving Net Zero

Sahajanand Medical Technologies Ltd. is committed to achieving Net Zero emissions by 2050.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

We record GHG emissions for the period of April – March to align with financial reporting period. We have defined the period of April 2021 – March 2022 as the baseline year for GHG emissions monitoring.

Baseline Year: 2021-22	
Additional Details relating to the Baseline Emissions calculations	
At SMT, we are committed to sustainable manufacturing. GHG emissions monitoring, measurement and reduction is an integral part of this sustainable manufacturing commitment. We have a climate change mitigation strategy that commits us to environmental protection and offsetting company's impacts towards environmental depletion. Further SMT is also taking other environmental measures within the premises such as tree plantation, landscaping and rainwater harvesting. As part of the baseline emissions calculation, we have calculated Scope 1 and Scope 2 GHG emissions. We have also calculated Scope 3 GHG emissions for relevant categories. Baseline GHG emissions have been calculated to manufacturing operations SMT in India and Thailand. We have adopted the corporate accounting and reporting standard by GHG Protocol for quantifying the GHG inventory. We have selected relevant emission factors from the IPCC Emissions Factor Database. For electricity purchased from grid, we have selected emissions factor published by Central Electricity Authority, Ministry of Power, Government of India.	
Baseline year emissions:	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1 GHG Emissions	203.341
Scope 2 GHG Emissions	2,792.915
Scope 3 GHG Emissions (Included Sources)[1]	2,490.313
Total Emissions	5,486.569

[1]Scope 3 GHG emissions have been reported for following categories. Please see below for the categories and description.

Upstream transportation and distribution: This include GHG emissions due to transportation of raw materials from our tier-1 suppliers to our manufacturing facility. For raw material sourced from outside India, this includes GHG emissions due to international air cargo movement and domestic truck transportation. For raw material sourced within India, GHG emissions due to truck transportation are included.

Waste generated in operations: We have determined GHG emissions due to disposal and treatment of generated waste to be insignificant for our manufacturing operations.

Business travel: This includes domestic and international air travel as well as domestic train travel by our employees.

Employee commuting: Majority of employees and workers working at our manufacturing facility travel to and from work in the company owned and operated buses. The emissions due to fuel consumed during the operation of these buses are included in the Scope 1 GHG emissions.

Downstream transportation and distribution: GHG emissions from transportation of finished goods from our manufacturing facility to local warehouse and customer location are included in this category. We transport our products domestically using trucks and internationally through air cargo.

Current Emissions Reporting

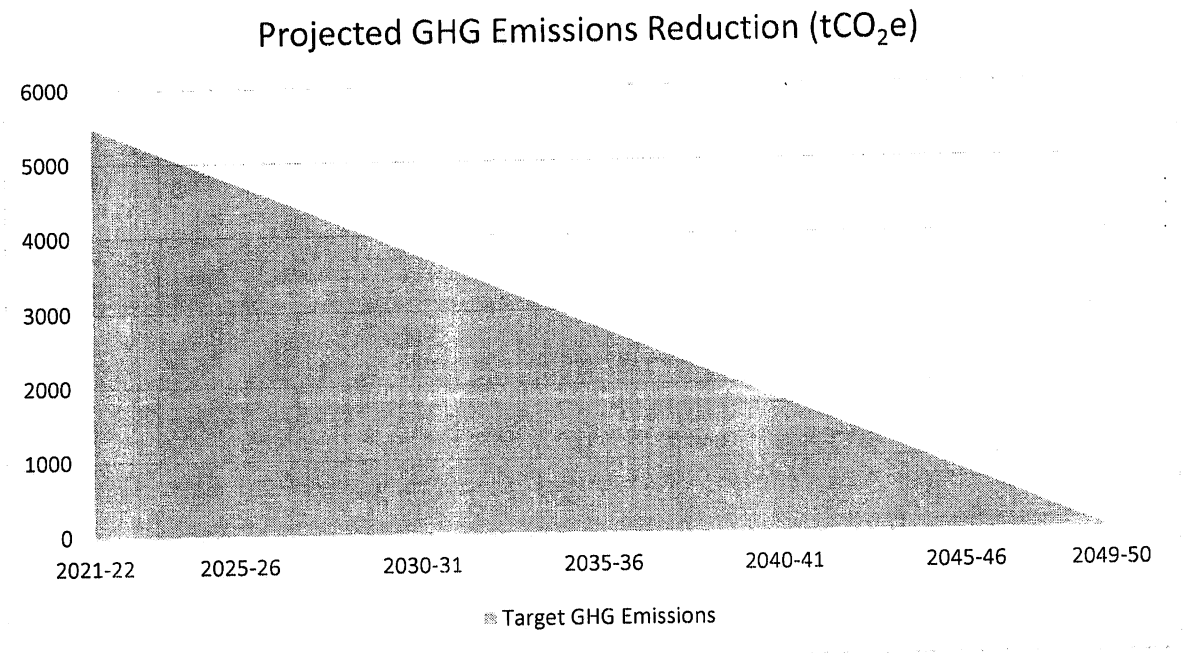
For the current year, we are monitoring GHG emissions for Apr 2022 – March 2023 period. We intend to report the emissions for this period after March 2023.

Reporting Year: 2022-23	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1 GHG Emissions	n/a
Scope 2 GHG Emissions	n/a
Scope 3 GHG Emissions (Included Sources)	n/a
Total Emissions	n/a

Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets. We project that carbon emissions will decrease over the next five years to about 4,300 tCO_2e by 2027-28. This is a reduction of about 21%.

Progress against these targets can be seen in the graph below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented at the manufacturing facility. While some of these measures have been implemented before we set the GHG emissions baseline in 2021-22, we have accelerated our efforts since GHG emissions baseline exercise in order to meet the Net Zero target.

Replacement of lights with LED lights – At our manufacturing facility we have been replacing existing lights with LEDs since past few years. This has helped us reduce the electricity consumption due to lighting load. We regularly monitor the electricity consumption at the facility and every replacement is made with energy efficient alternative.

Variable Frequency Drives (VFD) for motors – We have progressively replaced motors used in HVAC equipment and compressors with VFD. This is significantly energy efficient compared to conventional motors and has helped us reduce electricity consumption. Apart from this replacement, we also undertake periodic maintenance of the motors to ensure that they operate at optimum efficiency.

Energy efficient HVAC equipment – Due to the nature of manufacturing activity, we need to maintain appropriate temperature and humidity levels. We ensure this through efficient operation of HVAC equipment. For example, we have defined zones based on their temperature and humidity requirements. This has allowed us to select the HVAC system suited for the required temperature and humidity profile. By effective zoning, we have been able to optimise the HVAC operations and reduce the overall electricity consumption.

Use of natural gas in the canteen – We use piped natural gas instead of liquified petroleum gas in the canteen located in our manufacturing facility. This not only helps reduce the GHG emissions but also reduces the transportation requirements.

We have set the baseline for GHG emissions in 2021-22. We are now regularly monitoring the GHG emissions as well as measuring the reduction in GHG emissions achieved due to implementation of these measures. We estimate that implementation of these scheme will lead to reduction of about 190 tCO_2e in 2022-23, about 3% reduction against the 2021-22 baseline. These measures will be in effect when performing the contract.

In the future we hope to implement further measures such as:

Renewable energy – We are actively exploring opportunities for installation of on-site solar PV panels. These will help us reduce the electricity purchase from grid. We are further evaluating procurement of electricity generated from off-site renewable sources through open access power procurement.

Packaging optimization – We recognize that a significant amount GHG emissions occur due to transportation of raw materials and finished products. We are engaging with our suppliers to optimize the packaging so as to reduce the weight. We are also evaluating potential to reduce the weight of our product packaging.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body). A copy of this Carbon Reduction Plan is available on our company website at https://smtpl.com/carbon_reduction_plan.

Signed on behalf of the Supplier:

Ganesh Sabat

CEO, Sahajanand Medical Technologies Ltd.

Date: 07 February 2023