

Carbon Neutrality Report and Claim

Prepared for Upwing Energy in accordance with ISO 14068-1



Reporting Period: September 1, 2024 – August 31, 2025

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1. Introduction

This report has been prepared by DEKRA Certification, Inc. (DEKRA) to document and support the carbon neutrality claim of Upwing Energy, Inc. (“Upwing”) in accordance with ISO 14068-1:2023 – Climate change management: Carbon neutrality.

The purpose of this report is to provide a transparent and verifiable account of Upwing Energy’s carbon neutrality demonstration, including the quantification of its greenhouse gas (GHG) emissions, the assessment of emissions reduction activities, and the evaluation of carbon credits used to offset remaining emissions. Upwing Energy’s carbon footprint has been developed in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, including the quantification of Scope 1, Scope 2, and relevant Scope 3 emissions, to ensure consistency, transparency, and completeness.

As part of this engagement, DEKRA has conducted an independent verification of Upwing Energy’s GHG inventory, confirming that it has been prepared in accordance with the stated criteria, and has evaluated the carbon offsets procured to neutralize remaining emissions. This evaluation of the offsets confirmed that the carbon credits meet the quality, eligibility, and integrity requirements established under ISO 14068-1.

Upwing Energy’s carbon neutrality claim applies to the reporting period from September 1, 2024 through August 31, 2025. During this period, Upwing Energy quantified its carbon footprint and implemented the necessary measures, including the use of eligible carbon offsets, to ensure that net GHG emissions associated with the subject were reduced to zero in accordance with the requirements of ISO 14068-1.

The subject of the carbon neutrality claim is Upwing Energy’s defined operational boundary, encompassing its direct operations and relevant value chain emissions, as described in subsequent sections of this report.

This document includes both the Carbon Neutrality Report and the associated Carbon Neutrality Claim, in line with ISO 14068-1 requirements. These documents are intended to be publicly available, ensuring transparency and enabling stakeholders to review the basis, methodology, and evidence supporting the carbon neutrality claim.

2. Carbon Neutrality Report

2.1 Introduction to ISO 14068-1

At its core, ISO 14068-1 is designed to mitigate the risk of greenwashing by ensuring that neutrality claims are supported by measurable and verifiable actions. The standard adopts a clear hierarchy of mitigation measures, prioritizing the reduction of direct and indirect greenhouse gas (GHG) emissions, along with the enhancement of GHG removals. The use of carbon offsets is strictly limited to residual emissions that cannot be technically or economically eliminated, thereby reinforcing the integrity of the neutrality claim.

By establishing a more rigorous benchmark, ISO 14068-1 strengthens the credibility of carbon neutrality claims and supports organizations in aligning their decarbonization strategies with the 1.5°C objective of the Paris Agreement.

2.2 Information on the Subject of the Carbon Neutrality Claim

Table 1 | Information on the Subject

Requirement	Details
A description of the subject and its boundary	The subject of this carbon neutrality claim is the operational activities of Upwing Energy, comprising its direct operations and associated value chain greenhouse gas (GHG) emissions for the defined reporting period. The organizational boundary has been established using the operational control approach, whereby all facilities and activities over which Upwing has direct authority to implement operating policies are included in the carbon footprint.
Target years	Short-Term Target: 20% reduction in emissions per tool manufactured by 2030. Long-Term Target: To be set once business operations have transitioned from the current growth stage to steady-state operations.
Emission reduction strategy	Upwing Energy’s emission reduction strategy includes several projects aimed to lower GHG emissions companywide. These include employee education programs, on-site EV charging stations, advanced business travel planning and localized procurement of goods and services. Additional information on these and other reduction project initiatives are detailed in Upwing Energy’s Carbon Neutrality Management Plan.

The target year by which only residual GHG emissions will remain	2050
The period for which carbon neutrality is being claimed	September 1, 2024 – August 31, 2025
Whether there are still unabated GHG emissions in excess of residual GHG emissions	Upwing Energy is currently in the early stages of its carbon neutrality pathway, characterized by ongoing business expansion and increasing operational activity. As a result, not all GHG emissions have been reduced to a residual level, and a portion of emissions remains unabated through direct reduction or removal measures. In line with ISO 14068-1, these unabated emissions are addressed through the use of carbon offsets to achieve net carbon neutrality for the reporting period, while Upwing continues to prioritize the implementation of emission reduction measures over time.
Description of the carbon neutrality pathway and where the reporting period stands within this pathway	Upwing Energy has established a carbon neutrality pathway with the objective of progressively reducing greenhouse gas (GHG) emissions such that only residual emissions remain by the year 2050. The pathway reflects the company’s current stage of development, characterized by ongoing growth and expansion of operations. As such, emissions associated with the subject are expected to evolve over time, with a near-term focus on improving emissions performance while business activities scale. The defined baseline period for the carbon neutrality pathway is September 1, 2022 through August 31, 2023, representing the first full reporting cycle following a material change in operations. The most recent reporting period covered by this disclosure is September 1, 2024 through August 31, 2025, during which Upwing Energy has continued to operate in the early stages of its carbon neutrality pathway.

2.3 Carbon Footprint

Methodology, Reporting Criteria and Data Quality

The greenhouse gas (GHG) inventory for Upwing Energy has been developed in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, which provides an internationally recognized framework for the quantification and reporting of emissions. The inventory includes the calculation of Scope 1 (direct), Scope 2 (energy indirect), and relevant Scope 3 (other indirect) emissions, ensuring a comprehensive representation of the carbon footprint associated with the subject. The reporting criteria incorporate applicable guidance from the GHG Protocol, including the Scope 2 Guidance and Corporate Value Chain (Scope 3) Standard, to support consistency, transparency, and completeness in emissions reporting.

GHG emissions were quantified using activity data collected from Upwing Energy’s operations and supporting records, including energy consumption, fuel usage, procurement data, and relevant value chain inputs. Emissions were calculated by applying appropriate emission factor datasets, including internationally recognized and regionally applicable sources such as government-published conversion factors and industry-standard databases. These datasets were selected based on relevance, geographic appropriateness, and alignment with GHG Protocol requirements, ensuring that emission estimates reflect best available data and accepted methodologies.

Scope 3 categories that were determined to be not applicable or not material to Upwing Energy’s operations were excluded from the inventory. All exclusions have been evaluated and justified based on relevance, magnitude, and data availability, and do not materially affect the integrity or completeness of the reported carbon footprint.

There were no significant aviation or shipping activities included in this footprint, therefore associated climate impacts (such as those arising from water vapor, contrails, soot and black carbon) are not included in the carbon footprint.

Data quality and uncertainty were considered throughout the quantification process. Upwing Energy assessed the accuracy, completeness, consistency, and reliability of data inputs, including the evaluation of data sources, assumptions, and calculation methods. While some degree of uncertainty is inherent—particularly for indirect (Scope 3) emissions—efforts were made to minimize uncertainty through the use of credible data sources, standardized calculation methods, and ongoing data validation procedures. The resulting carbon footprint is considered to provide a fair and reasonable representation of Upwing Energy’s GHG emissions, suitable for the purpose of demonstrating carbon neutrality in accordance with ISO 14068-1.

Table 2 | Baseline breakdown

Baseline item	Details
Baseline period	September 1, 2022 – August 31, 2023

Baseline carbon footprint	1,797 MtCO ₂ e per GHG Protocol on an absolute basis and 599 MtCO ₂ e on an intensity basis (per commercial product built).
Baseline rationale / recalculations	The initial baseline greenhouse gas inventory covered the period of September 1, 2019 – August 31, 2020. At this time, Upwing Energy was in a pilot production phase and has since built a number of full-commercial products. This represented a significant change in operations and resulted in a revised baseline period covering September 1, 2022 – August 31, 2023.

Table 3 | Scope breakdown – Baseline Period

Scope	Emission source category	Emissions (MtCO ₂ e)	% contribution
Scope 1	Direct Emissions	21.2	1.2%
Scope 2	Indirect Emissions -Purchased Electricity	123.8	6.9%
Scope 3	Indirect Emissions – Value Chain	1,651.6	91.9%
Total Emission	Absolute Intensity – Units Built	1,796.6 598.9	100%

Table 4 | Scope breakdown – Current Reporting Period

Scope	Emission source category	Emissions (MtCO ₂ e)	% contribution
Scope 1	Direct Emissions	196.0	9.2%
Scope 2	Indirect Emissions -Purchased Electricity	124.4	5.9%
Scope 3	Indirect Emissions – Value Chain	1,800.8	84.9%
Total Emission	Absolute Basis Intensity – Units Built	2,121.2 303.0	100%

Table 5 | Scope Detail breakdown – Current Reporting Period

Scope	Emission source category	Emissions (MtCO ₂ e)	% contribution
Scope 1	Stationary combustion	16.2	.7%
	Mobile combustion	-	-
	Fugitive emissions	179.8	8.5%
Scope 2	Purchased electricity *	124.4	5.9%
	Purchased heat / steam / cooling (if applicable)	-	-
Scope 3	Purchased Goods and Services	808.5	38.1%
	Capital Goods	519.0	24.5%
	Fuel and Energy-Related Activities	57.8	2.7%
	Upstream Transportation and Distribution	117.6	5.5%
	Waste Generated in Operations	12.6	.6%
	Business Travel	124.6	5.9%
	Employee Commuting	101.5	4.8%
	Downstream Transportation and Distribution	59.1	2.8%
Total	Absolute Basis	2,121.2	100%

* Location-based and market-based Scope 2 emissions are equal due to the absence of contractual instruments or supplier-specific emission factors.

Table 6 | Baseline vs Reporting Year Comparison

Metric	Baseline year (MtCO ₂ e)	Reporting year (MtCO ₂ e)	% change
Total Scope 1 emissions	21.2	196.0	
Total Scope 2 emissions	123.8	124.4	
Total Scope 3 emissions	1,651.6	1,800.8	
Total carbon footprint	1,796.6	2,121.2	
Intensity metric (MtCO ₂ e/Unit Built)	598.9	303.0	49.4%

2.4 Emission reductions and removal enhancements

Metric	Value
Total emission reductions since the baseline period (on an intensity basis)	295.9 MT CO ₂ e per unit built equating to a 49.4% reduction
Total emission reductions since the last reporting period	7.0 MT CO ₂ e
GHG removals in the reporting period	Zero
GHG removal reversals (expected to be 0)	Zero

2.5 Carbon credits purchased

The carbon offsets applied by Upwing Energy have been demonstrated to meet the requirements of ISO 14068-1 through the provision of an official Voluntary Cancellation Certificate issued by the United Nations Framework Convention on Climate Change (UNFCCC) Clean Development Mechanism (CDM) Registry. The certificate confirms the permanent retirement of Certified Emission Reductions (CERs) associated with the Maracanã Small Hydropower Project. A total of 2,122 CERs, equivalent to 2,122 tonnes of CO₂e, were canceled on May 15, 2026 for the stated purpose of offsetting greenhouse gas emissions. The use of CERs from a recognized international compliance mechanism demonstrates alignment with ISO 14068-1 requirements regarding the use of high-quality, externally verified carbon credits.

Traceability and uniqueness of the offsets are clearly established through the disclosure of specific serial number ranges (BR-5-162327336-2-2-0-8474 to BR-5-162329457-2-2-0-8474), which are recorded within the CDM Registry system. This level of detail provides transparent evidence that each unit retired is uniquely identified and cannot be reused, thereby supporting compliance with ISO 14068-1 criteria related to traceability, transparency, and avoidance of double counting. The inclusion of the applicable monitoring period (June 1, 2015 to December 6, 2019) further substantiates that the emission reductions were generated, verified, and issued in accordance with an established project methodology prior to their use as offsets.

The certificate explicitly confirms that the units have undergone voluntary cancellation within the CDM Registry, which is a critical requirement under ISO 14068-1 to ensure permanence of the offset claim. Once canceled, these CERs are removed from circulation and cannot be transferred, traded, or claimed by another entity. This retirement mechanism demonstrates conformity with the standard's requirements to avoid double claiming and to ensure exclusive attribution of emission reductions to the reporting entity. Additionally, the stated purpose of cancellation—to offset organizational greenhouse gas emissions—provides clear documentation linking the offsets to the intended use within the carbon neutrality assertion.

Based on the evidence reviewed, the offsets meet the ISO 14068-1 expectations for credibility, transparency, and integrity. The use of a recognized registry, verified emission reductions, unique serial identification, and confirmed retirement collectively demonstrates that the carbon credits satisfy the applicable requirements, supporting their appropriate use in the organization's carbon neutrality claim.



United Nations
Framework Convention on
Climate Change

Date: 15 MAY 2026
REFERENCE: VC41444/2026

VOLUNTARY CANCELLATION CERTIFICATE

Presented to
Upwing Energy

Project
Maracanã Small Hydropower Project

Reason for cancellation
I am offsetting greenhouse gas emissions for my company



**Number of units
cancelled**

2,122 CERs

Equivalent to 2,122 tonne(s) of CO₂

Start serial number: BR-5-162327336-2-2-0-8474
End serial number: BR-5-162329457-2-2-0-8474
Monitoring period: 01-06-2015 - 06-12-2019

The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason included in this certificate is provided by the cancellor.

2.6 Verification Opinion – GHG Emissions Inventory

Based on the verification procedures performed and the evidence obtained, DEKRA concludes with limited assurance that Upwing Energy's quantified greenhouse gas (GHG) emissions inventory is free from material misstatement and is prepared, in all material respects, in accordance with the applicable Greenhouse Gas Protocol standards and defined reporting criteria. A positive verification opinion has been issued, indicating that DEKRA concludes with limited assurance that there is no evidence that the reported Scope 1, Scope 2 (location-based and market-based), and applicable Scope 3 emissions are:

- Not materially correct
- Not a fair representation of the GHG emissions data and information; and
- Not prepared in accordance with the applicable WRI/WBCSD Greenhouse Gas Protocol Standards

Upwing Energy's Executive team ensures that the company has set rigorous emissions reduction targets and that the established Carbon Neutrality Management Plan will remain a priority in all aspects of Upwing's business. As such, Upwing Energy's Executive team is committed to achieving and maintaining carbon neutrality in accordance with the requirements of ISO-14068-1.

3. Carbon Neutrality Claim

Executive summary

Upwing Energy, Inc. declares that it has achieved carbon neutrality for the reporting period September 1, 2024 through August 31, 2025, in accordance with ISO 14068-1:2023. This claim is based on the complete quantification of greenhouse gas (GHG) emissions, the implementation of emissions reduction measures, and the retirement of eligible carbon credits to neutralize residual emissions. The following table provides information which supports the carbon neutral claim.

ISO 14068-1 requirement	Details
Name of the entity making the claim	Upwing Energy
The subject of the declaration	Upwing Energy's operational activities, including direct operations and relevant value chain emissions.
Organizational and operational boundary	Defined using the operational control approach, encompassing Scope 1, Scope 2 (location-based and market-based), and relevant Scope 3 emissions.
Carbon Neutral Claim Period	September 1, 2024 – August 31, 2025
Baseline Period	September 1, 2022 – August 31, 2023
Carbon neutrality pathway	Upwing Energy is in the early stage of its decarbonization pathway, targeting a progressive reduction of emissions such that only residual emissions remain by 2050.
Total carbon footprint (reporting period)	2,121.2 MtCO ₂ e (absolute basis)
Emissions reduction approach	Emissions reductions have been prioritized through operational improvements and reduction initiatives, consistent with the ISO 14068-1 mitigation hierarchy.
Residual emissions and neutralization	Residual emissions remaining after reduction efforts have been fully neutralized through the retirement of carbon offsets.
Type of carbon offsets used	Certified Emission Reductions (CERs) issued under the UNFCCC Clean Development Mechanism (CDM).

Statement confirming that the footprint has been offset in CO₂e

The net GHG emissions associated with the defined subject have been reduced to zero MtCO₂e for the reporting period. Carbon offsets equally 2,122 MtCO₂e have been permanently canceled in a recognized registry, ensuring no reuse, resale, or double claiming. The quantity of offsets is equivalent to the verified carbon footprint for the reporting period.

Emissions included in the claim on carbon neutrality

Scope 1, Scope 2 (location-based and market-based), and relevant Scope 3 emissions.

Statement confirming that double claiming has been avoided

Measures have been taken to ensure that carbon offsets are uniquely identified, retired, and exclusively attributed to Upwing Energy.

The carbon neutrality claim has been verified by

Independently verified by DEKRA Certification, Inc.

Verification conclusion

Limited assurance with a positive verification opinion confirming the GHG inventory is free from material misstatement and prepared in accordance with applicable criteria.

Reference to full report

This claim shall be read in conjunction with the full Carbon Neutrality Report prepared in accordance with ISO 14068-1.