

NACL Industries Limited

Unit 1 : Plot No.177, Arinama Akkivalasa Village, Allinagaram Post,
Etcherla Mandal, Srikakulam – 532403, Andhra Pradesh, India.

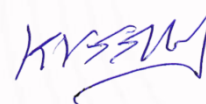
GHG EMISSION REPORT

JANUARY 2025 – DECEMBER 2025

Form No: NACL/ESG/090
Issue No : 01
Rev No : 00
Date : 19th January, 2026



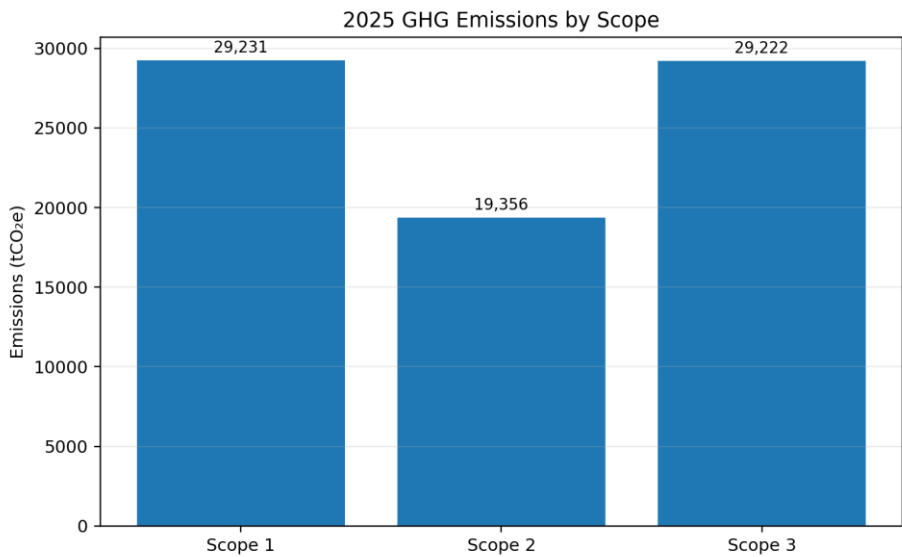
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1. Executive Summary

NACL is an Indian manufacturer of agrochemical technical-grade pesticides and intermediates. Its operations include production, utilities, quality assurance, environmental management, occupational health and safety, warehousing, maintenance, engineering and support functions. This report presents the organizational greenhouse gas inventory for the calendar year 2025 using an operational-control consolidation approach.



Key Findings

Organizational Boundary
NACL Industries Limited

Calculation period: January 2025 to December 2025

All values are in MT CO₂ e

GHG Emission Reporting Frequency: Annually

EMISSIONS	CURRENT YEAR JANUARY 2025 – DECEMBER 2025
Scope 1	29230.83
Scope 2	19356.43
Scope 3	29222.03
Scope 3 Upstream	27357.63
Scope 3 Downstream	1864.4
Total GHG Emission	77809.29

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Priority Reduction Opportunities

- Improve production yield and reaction efficiency to reduce process emissions and raw-material losses.
- Expand renewable electricity procurement and rooftop solar generation.
- Optimize boilers, thermic-fluid heaters, furnaces and DG sets through efficiency monitoring and fuel switching.
- Implement refrigerant inventory control, preventive leak detection and lower-GWP refrigerants.
- Engage high-emission raw-material and logistics suppliers and introduce product carbon-footprint data requirements.

2. Introduction

2.1 Purpose

The purpose of this report is to quantify, document and communicate NACL's greenhouse gas emissions for 2025 and to establish a repeatable inventory-management framework consistent with recognized international standards. The report supports internal management, ESG integration, customer disclosure, regulatory readiness and future independent verification.

2.2 Intended Users

Intended users include the Board and senior management, production and utility teams, EHS and sustainability personnel, finance and procurement functions, customers, lenders, investors, ESG rating agencies, regulators, certification or verification bodies and other interested stakeholders.

2.3 Reporting Objectives

- Voluntary corporate GHG accounting and ESG disclosure.
- Readiness for ISO 14064-1 verification and customer carbon-data requests.
- Identification of significant emission sources and reduction opportunities.
- Creation of a base year and consistent calculation controls.
- Support for climate targets, supplier engagement and capital-investment decisions.

3. Organization Description

3.1 Company Profile

NACL manufactures agrochemical technical-grade pesticides and intermediates for industrial and agricultural applications. Typical operations involve raw-material receipt and storage, chemical reaction and synthesis, separation, filtration, drying, milling, formulation or intermediate handling, packaging, quality control, effluent treatment, utilities and dispatch. The manufacturing profile can generate combustion, process, fugitive and value-chain emissions.

3.2 Organizational Structure

The GHG inventory is governed by senior management with implementation support from Sustainability/EHS, Production, Utilities, Engineering, Maintenance, Procurement, Logistics, Warehousing, Finance, Human Resources and Quality Assurance. Each department is expected to nominate an activity-data owner and retain supporting evidence.

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3.3 Operations, Facilities and Boundaries

The inventory is intended to cover all manufacturing facilities, utility areas, laboratories, warehouses, offices, owned or controlled vehicles, waste-treatment operations and support functions over which NACL exercises operational control. A final legal-entity and site list shall be appended before assurance.

4. Reporting Boundary

4.1 Organizational Boundary

The operational-control approach is adopted. NACL accounts for 100% of emissions from operations where it has authority to introduce and implement operating policies. Joint ventures, investments or facilities where NACL does not have operational control are excluded from Scope 1 and Scope 2 and considered under Scope 3 where relevant.

4.2 Operational Boundary

The operational boundary includes direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2), and relevant upstream and downstream value-chain emissions (Scope 3). Biogenic CO₂, removals and avoided emissions should be reported separately when applicable and are not netted from the inventory total.

4.3 Entities and Locations Covered

All NACL entities and Indian locations under operational control during 2025 are intended to be included. The inventory owner shall maintain a facility register recording legal entity, address, operational-control status, operational dates, major processes and metering arrangements. Any excluded site must be disclosed with a reason and materiality assessment.

5. Reporting Period

Parameter	Definition
Start date	1 January 2025
End date	31 December 2025
Frequency	Annual reporting, with monthly internal data capture
Cut-off rule	Transactions and consumption attributable to the reporting period
Reporting currency/unit	Metric tonnes CO ₂ equivalent (tCO ₂ e)

6. GHG Accounting Methodology

6.1 Standards Followed

- ISO 14064-1:2018 - specification with guidance at the organization level for quantification and reporting of GHG emissions and removals.
- GHG Protocol Corporate Accounting and Reporting Standard.
- GHG Protocol Scope 2 Guidance.
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- IPCC Guidelines and Assessment Report global warming potentials, where applicable.

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6.2 Calculation Approach

The principal calculation equation is: GHG emissions = activity data × emission factor × applicable conversion factor × global warming potential. Where mass-balance, stoichiometric or process-specific methods are more appropriate, documented engineering calculations shall be used. Supplier-specific or site-specific factors are preferred when verified and representative.

6.3 Tools and Software

The inventory may be managed using controlled spreadsheets, enterprise-resource-planning exports, utility databases and approved calculation templates. Each workbook should contain version control, protected formula cells, source references, units, factor year, reviewer approval and reconciliation checks. Specialist life-cycle databases may be used for Scope 3 calculations.

6.4 Materiality and Exclusions

No material source should be excluded solely because data are difficult to obtain. Where primary data are unavailable, conservative estimates should be applied and separately flagged. Exclusions should normally remain below a management-approved de minimis threshold and must not collectively distort stakeholder decisions.

7. Emission Sources Identification

Facility / Activity	Emission source	Scope	Typical evidence
Production reactors / process vents	Process CO ₂ , CH ₄ , N ₂ O or other GHGs	Scope 1	Process logs, mass balance, CEMS/lab data
Boilers / thermic-fluid heaters / furnaces	Fuel combustion	Scope 1	Fuel invoices, tank records, meters
DG sets	Diesel combustion	Scope 1	Diesel logs, run hours
Owned vehicles and mobile equipment	Petrol/diesel/CNG use	Scope 1	Fuel cards, mileage, logbooks
Refrigeration and air conditioning	Refrigerant leakage	Scope 1	Equipment register, refill records
Purchased electricity	Grid electricity	Scope 2	Electricity bills and meters
Purchased steam/heat/cooling	Purchased energy	Scope 2	Supplier bills and factors
Raw materials, chemicals and packaging	Cradle-to-gate embodied emissions	Scope 3 upstream	Purchase quantities and supplier/secondary factors
Inbound and outbound logistics	Third-party freight	Scope 3	Tonne-km, vehicle-km, fuel data
Waste and wastewater	Treatment and disposal	Scope 3 / Scope 1 depending on control	Manifests, ETP records
Employee commuting and business travel	Travel emissions	Scope 3	HR survey and travel records
Use and end-of-life of products	Customer/application and packaging impacts	Scope 3 downstream	Sales, use assumptions, recovery data

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8. GHG Scope Classification

8.1 Scope 1 - Direct Emissions

Scope 1 emissions arise from sources owned or operationally controlled by NACL. The reported Scope 1 total is 29,230.83 tCO₂e. Because source-level data were not supplied, the following allocation is provisional and intended to guide collection and verification.

Source	Provisional emissions (tCO ₂ e)	Basis / required confirmation
Process emissions (assumed allocation)	18,823.456	Industry-based allocation; replace with actual source calculations
Stationary combustion	8801.219	Industry-based allocation; replace with actual source calculations
Fugitive refrigerants	1,180.83	Industry-based allocation; replace with actual source calculations
Mobile combustion	425.325	Industry-based allocation; replace with actual source calculations
Total	29,230.83	Reconciles to reported Scope 1

8.2 Scope 2 - Indirect Energy Emissions

The reported Scope 2 total is 19,356.43 tCO₂e. It is assumed to arise primarily from purchased grid electricity. Any purchased steam, heat or cooling shall be separately identified. Location-based Scope 2 is mandatory; market-based reporting should be added if contractual instruments, renewable power purchases or supplier-specific factors are available.

8.3 Scope 3 - Other Indirect Emissions

The reported Scope 3 total is 29,222.03 tCO₂e, comprising upstream emissions of 27,357.63 tCO₂e and downstream emissions of 1,864.40 tCO₂e. The following category split is a provisional allocation for report completeness.

Scope 3 category	Provisional emissions (tCO ₂ e)	Direction
Purchased goods and services	18,823.456	Upstream
Capital goods	1,502.781	Upstream
Fuel- and energy-related activities	1,997.364	Upstream
Upstream transportation and distribution	2,487.952	Upstream
Business travel	198.437	Upstream
Employee commuting	1,790.521	Upstream
Upstream leased assets / other	557.119	Upstream
Downstream transportation and distribution	603.184	Downstream
Processing of sold products	447.618	Downstream
Use of sold products	501.327	Downstream

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End-of-life treatment of sold products and packaging	312.271	Downstream
Total	29,222.03	Upstream + downstream

8.4 GHG Screening Register

Scope	Emission Source	Applicable	Included in Inventory	Remarks
Scope 1	Diesel consumption in DG Sets	Yes	Yes	Direct combustion emissions from emergency power generation.
	Furnace Oil / LDO / HSD in Boilers	Yes	Yes	Fuel combustion for steam generation and process heating.
	PNG / LPG / Natural Gas	Yes	Yes	Fuel used in process heating and utilities, where applicable.
	Thermic Fluid Heater Fuel	Yes	Yes	Direct fuel combustion in thermic fluid heating systems.
	Process Emissions (Chemical Reactions)	Yes	Yes	Emissions generated during manufacture of agrochemical intermediates.
	Company-owned Cars	Yes	Yes	Petrol/Diesel consumed by company-owned vehicles.
	Company-owned Trucks/Forklifts	Yes	Yes	Diesel/LPG consumed for internal logistics.
	Refrigerant Leakage (HVAC)	Yes	Yes	Fugitive emissions from refrigerants such as R134a, R410A, R407C.
	Fire Suppression Gases	No	No	No significant emissions identified.
	On-site Waste Incineration	No	No	Waste is managed through authorized external agencies.
Scope 2	Purchased Electricity (Grid)	Yes	Yes	Electricity purchased from the state electricity distribution company.
	Purchased Steam	No	No	Steam generated internally.
	Purchased Chilled Water	No	No	Not applicable.
	Purchased Heating	No	No	Not applicable.
Scope 3	Purchased Raw Materials	Yes	Yes	Major contributor due to chemical raw materials procurement.
	Capital Goods	Yes	Yes	Purchase of production equipment and infrastructure.
	Fuel & Energy Related Activities	Yes	Yes	Upstream emissions associated with purchased fuels and electricity.
	Upstream Transportation & Distribution	Yes	Yes	Transportation of raw materials from suppliers to NACL facilities.

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	Waste Generated in Operations	Yes	Yes	Hazardous and non-hazardous waste treatment and disposal.
	Business Travel	Yes	Yes	Air, rail and road travel by employees.
	Employee Commuting	Yes	Yes	Daily commuting of employees to and from work.
	Upstream Leased Assets	No	No	No material leased assets identified.
	Downstream Transportation & Distribution	Yes	Yes	Transportation of finished products to distributors and customers.
	Processing of Sold Products	Yes	Yes	Downstream processing where applicable.
	Use of Sold Products	Yes	Yes	Emissions associated with product application where relevant.
	End-of-Life Treatment of Sold Products	Yes	Yes	Disposal/recycling of product packaging and containers.
	Downstream Leased Assets	No	No	Not applicable.
	Franchises	No	No	NACL does not operate franchises.
	Investments	No	No	Not considered material for this inventory boundary.

9. GHG Data Collection and Quality

9.1 Data Sources and Collection Method

Data stream	Primary source	Owner	Frequency
Fuel consumption	Invoices, tank dip, flow meters, issue registers	Utilities / Finance	Monthly
Electricity	Utility invoices and sub-meter readings	Utilities	Monthly
Production/process	Batch records, mass balance, process monitoring	Production / EHS	Batch / monthly
Refrigerants	Asset register, service and refill records	Maintenance	Event / monthly
Raw materials and packaging	ERP purchase quantity and specification	Procurement / Stores	Monthly
Freight	Tonne-km, shipment and vendor records	Logistics	Monthly
Waste and wastewater	Manifests, weighbridge, ETP records	EHS	Monthly
Travel and commuting	Travel portal and employee survey	HR / Admin	Quarterly / annual
Sales and product data	ERP sales quantity and destination	Sales / Finance	Monthly

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9.2 Accuracy, Completeness and Reliability

Primary metered or invoiced data are preferred. Data completeness shall be checked against all months, facilities and relevant accounts. Estimates must state the estimation method, period, source and uncertainty. Unit conversions must be independently reviewed. Duplicate entries and missing months should be detected through automated reconciliation and year-on-year reasonableness checks.

9.3 Data Management Controls

- Departmental data-owner certification.
- Evidence retention and traceability to invoices or logs.
- Locked factor library and formula protection.
- Independent preparer-reviewer approval.
- Monthly completeness dashboard and exception log.
- Change-control and recalculation log.
- Internal audit and management review before external verification.

10. Emission Factors

Emission source	Preferred factor source	Typical unit	Selection rationale
Stationary/mobile fuels	Country-specific factor; IPCC default where unavailable	kg CO ₂ e per litre, kg or GJ	Fuel-specific and calorific-value consistent
Grid electricity	Latest official India grid emission factor / CEA database	kg CO ₂ e per kWh	Represents Indian generation mix
Refrigerants	IPCC AR6 GWP values and actual leakage mass	kg CO ₂ e per kg refrigerant	Gas-specific climate impact
Purchased materials	Supplier product carbon footprint or recognized LCA database	kg CO ₂ e per kg material	Material and geography specific
Freight	Carrier fuel data or DEFRA/recognized transport factors	kg CO ₂ e per tonne-km	Mode and vehicle specific
Waste	Authorized vendor data or recognized waste-treatment factors	kg CO ₂ e per kg waste	Treatment-pathway specific
Business travel / commute	Travel provider or recognized mode-distance factors	kg CO ₂ e per passenger-km	Mode and distance specific
Product use / end-of-life	Product-specific study, IPCC or LCA database	kg CO ₂ e per unit sold	Use scenario and disposal specific

11. Calculation Results

11.1 Total GHG Emissions

Category	2025 emissions (tCO ₂ e)
Scope 1	29,230.83
Scope 2	19,356.43

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Scope 3 upstream	27,357.63
Scope 3 downstream	1,864.40
Total Scope 3	29,222.03
Overall total	77,809.29

11.2 Emission Breakdown by Source

The principal estimated contributors are process emissions, purchased electricity, purchased raw materials and fuel combustion. This profile is typical of chemical manufacturing but must be validated from NACL's source-level workbook before decision-making or external claims.

11.3 Emission Intensity Indicators

Indicator	Value	Status
Total emissions per employee	112.28 tCO ₂ e/employee	Calculated using assumed 693 employees
Scope 1 + 2 per employee	70.11 tCO ₂ e/employee	Calculated
Scope 3 per employee	42.17 tCO ₂ e/employee	Calculated
Emissions per tonne of production	Not calculated	Annual production quantity required
Emissions per INR crore revenue	Not calculated	Confirmed 2025 revenue and reporting convention required
Emissions per square metre	Not calculated	Consolidated occupied floor area required

12. Base Year and Trend Analysis

Calendar year 2025 is recommended as the base year because it is the first year for which a full Scope 1, Scope 2 and Scope 3 total has been consolidated in the submitted dataset. Before formal adoption, NACL should confirm that all material sites, processes and Scope 3 categories are included and that no major acquisition, divestment or exceptional shutdown makes the year unrepresentative.

12.1 Recalculation Policy

- Recalculate the base year for significant structural changes such as acquisitions, divestments, outsourcing or insourcing.
- Recalculate for material methodology, emission-factor or data-error changes that affect comparability.
- Do not recalculate for organic growth, normal production variation or ordinary efficiency changes.
- Adopt a quantitative significance threshold, for example 5% of total base-year emissions, subject to management approval.

12.2 Trend Reporting

Historical trend analysis is not presented because comparative source-level data were not included in the submitted sheet. Future reports should show absolute emissions, intensity, scope/category changes, production drivers, renewable-energy effects and recalculations for at least three years.

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13. Uncertainty Assessment

13.1 Sources of Uncertainty

- Meter accuracy and invoice-period cut-off.
- Fuel stock movement and density conversion.
- Process mass-balance assumptions and reaction yields.
- Refrigerant leakage estimation and incomplete servicing records.
- Scope 3 reliance on spend-based or average secondary factors.
- Freight distance, vehicle loading and return-trip assumptions.
- Product-use and end-of-life scenario assumptions.

13.2 Method

A semi-quantitative uncertainty assessment is recommended using activity-data uncertainty and emission-factor uncertainty for each source. Where probability distributions are available, combined uncertainty may be estimated by root-sum-of-squares for multiplication and addition. For material categories, Monte Carlo simulation may be used. Until source-level data are available, the inventory should be regarded as having moderate-to-high uncertainty, driven primarily by Scope 3 and process-emission assumptions. A numerical 95% confidence interval for the total footprint cannot be responsibly stated until activity-data and factor uncertainty are assigned at source level.

14. Data Quality Assessment

Criterion	Rating scale	2025 preliminary assessment	Required improvement
Completeness	1 poor - 5 excellent	3 - consolidated totals available	Confirm all sites, gases and categories
Accuracy	1 - 5	2 - detailed source evidence not supplied	Link every calculation to primary evidence
Temporal representativeness	1 - 5	4 - 2025 reporting period defined	Confirm cut-off and missing months
Geographical representativeness	1 - 5	3 - India factors expected	Use site/country-specific factors
Technological representativeness	1 - 5	2 - source allocation assumed	Use process- and supplier-specific factors
Consistency	1 - 5	3 - standard framework established	Freeze methodology and factor library
Transparency	1 - 5	4 - assumptions explicitly disclosed	Complete calculation and exclusion register

14.1 Cross-checks and Validation

- Reconcile annual fuel and electricity totals to finance accounts.
- Compare energy intensity against production and prior periods.
- Cross-check refrigerant additions with equipment capacity and service invoices.
- Reconcile purchased-material quantities to inventory movements and production yield.
- Verify freight totals against dispatch tonnage and logistics spend.
- Confirm waste quantities with manifests, vendor certificates and statutory returns.

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15. GHG Reduction Initiatives

15.1 Energy and Process Efficiency

- Conduct process-energy mapping for reactors, dryers, distillation, milling and utilities.
- Improve batch yield, solvent recovery, heat integration and cycle-time control.
- Install variable-frequency drives, premium-efficiency motors and condensate recovery.
- Implement boiler combustion tuning, steam-trap monitoring and insulation surveys.
- Optimize compressed-air pressure and eliminate leaks.

15.2 Renewable Energy and Fuel Transition

- Expand rooftop or captive solar power.
- Evaluate renewable power purchase agreements and credible energy-attribute certificates.
- Assess lower-carbon fuels, electrification and biomass only after sustainability and air-quality review.
- Replace inefficient DG usage with reliability and storage solutions where feasible.

15.3 Refrigerants, Waste and Water

- Maintain a refrigerant asset and leak register; use low-GWP alternatives at replacement.
- Prevent solvent and raw-material losses through closed transfer and vapour recovery.
- Increase hazardous-waste minimization, by-product recovery and authorized co-processing.
- Reduce freshwater and wastewater energy through reuse, segregation and efficient pumping.

15.4 Scope 3 and Product Stewardship

- Prioritize suppliers based on purchased-material emissions and request primary product carbon-footprint data.
- Set logistics efficiency requirements for vehicle utilization, routing and modal shift.
- Reduce packaging weight and increase recyclable or recycled content where legally and technically suitable.
- Develop use-phase guidance that minimizes application losses while maintaining efficacy and safety.
- Establish take-back, container recovery and end-of-life partnerships where feasible.

15.5 Proposed Targets

Following verification of the 2025 base year, NACL should establish near-term absolute and intensity targets aligned with a 1.5°C pathway where technically and financially feasible. Targets should separately address Scope 1 and 2, material Scope 3 categories, renewable electricity, energy intensity, refrigerant leakage, waste diversion and supplier engagement.

16. Standards Referred

Standard / Guidance	Purpose
ISO 14064-1:2018 – Greenhouse Gases – Part 1	Provides principles and requirements for quantification, monitoring, reporting, and management of organization-level greenhouse gas emissions and removals. Forms the primary basis of this GHG inventory.
GHG Protocol Corporate Accounting and Reporting Standard (WRI/WBCSD)	Establishes internationally accepted principles for preparing corporate GHG inventories and classifying emissions into Scope 1, Scope 2, and Scope 3.

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GHG Protocol Scope 2 Guidance	Provides requirements for accounting and reporting indirect emissions from purchased electricity, steam, heating, and cooling using location-based and market-based approaches where applicable.
GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard	Provides guidance for identifying, quantifying, and reporting upstream and downstream value chain emissions.
IPCC 2006 Guidelines for National Greenhouse Gas Inventories (2019 Refinement)	Provides internationally recognized methodologies and default emission factors for estimating greenhouse gas emissions from combustion, industrial processes, and fugitive sources.
IPCC Sixth Assessment Report (AR6) – Global Warming Potentials (GWPs)	Provides the latest Global Warming Potential (GWP) values used to convert greenhouse gases into carbon dioxide equivalent (CO ₂ e).
Central Electricity Authority (CEA), India – CO₂ Baseline Database (Latest Version)	Provides the official Indian grid emission factor used to calculate Scope 2 emissions from purchased electricity.
DEFRA (UK Department for Environment, Food & Rural Affairs) GHG Conversion Factors (Latest Edition)	Used for emission factors related to transportation, employee commuting, business travel, waste management, and other indirect emission sources where applicable.
EPA Waste Reduction Model (WARM) / Equivalent Waste Emission Factors	Provides emission factors for estimating greenhouse gas emissions associated with waste treatment, recycling, landfill, and recovery activities.
ISO 14067:2018 – Carbon Footprint of Products	Referenced for product carbon footprint principles where product-level assessments are performed.
ISO 14040:2006 & ISO 14044:2006 – Life Cycle Assessment (LCA)	Provides the framework and requirements for life cycle assessment supporting Scope 3 and product sustainability evaluations.
ISO 14065:2020	Specifies principles and requirements for organizations performing validation and verification of greenhouse gas statements.
ISO 14064-3:2019	Provides requirements and guidance for verification and validation of greenhouse gas statements and inventories.

17. Conclusions

NACL's reported 2025 organizational GHG footprint is 77,809.29 tCO₂e. Direct emissions and value-chain emissions each represent approximately 37.6% of the total, while purchased energy represents approximately 24.9%. The profile indicates that meaningful decarbonization will require coordinated action in production processes, fuel and electricity use, raw-material sourcing, logistics and product stewardship. The principal limitation is that the submitted sheet provides only consolidated scope totals. Before this report is used for external assurance or public claims, NACL should replace provisional allocations with source-level activity data, approved emission factors, calculation evidence, site boundaries and uncertainty estimates.