# SUSTAINABILITY REPORT 2024-2025

NACL Industries Limited


Serving Society
Through Industry.


OVERVIEW

# OUR SUSTAINABILITY TARGETS 2030

| Reduce specific energy consumption by **25%** | Reduce specific GHG Emissions by **30%** | Increase Renewable Energy portfolio by **25%** | Reduce specific hazardous waste generation by **25%** | Reduce specific water consumption by **30%** |
|---|---|---|---|---|
| **Impact: Contribute to global and national climate change goals** | | | **Impact: Ensure cleaner water and land at the local level** | |

*(Base Year: 2021)*

# Director's Message

**G Veera Bhadram**
**Whole-time Director**

Dear Stakeholders,

It gives me immense pride to present the Sustainability Report of NACL Industries Limited for the financial year 2024-2025. This report stands as a reflection of our continued commitment to responsible growth, environmental stewardship, and the well-being of all those connected to our organization. As we move through an era of global transformation and rising sustainability expectations, we remain resolute in integrating ESG principles into every facet of our business.

The past year was marked by a complex operating environment — shaped by industry headwinds, operational constraints, lower production volumes, and fluctuating market demand. While we continued to move forward, these factors inevitably affected our business outcomes and sustainability metrics, with downward trends evident in both financial performance and progress toward our 2030 Sustainability Targets — offering valuable lessons for the road ahead.

At NACL, sustainability is not merely a program—it is a core value that guides our strategies, shapes our operations, and defines our purpose. Whether through optimizing resource use, repurposing materials, or minimizing waste, we strive to embed circularity into our everyday decisions.

We're proud of our continued compliance and active engagement with the Responsible Care® (RC) initiative, underscoring our dedication to health, safety, and environmental responsibility across the product lifecycle, with an emphasis on minimizing impact and encouraging reuse. This year, we also successfully renewed our ISO certifications, reaffirming our commitment to quality, safety, and environmental management systems.

Notably, our Dahej plant completed its first Integrated Management System (IMS) audit and received ISO certification—an important milestone in our operational excellence journey. As part of this broader commitment, we are strengthening our focus on sustainable procurement by evaluating our supply chain against environmental, social, and ethical benchmarks.

Safety is the cornerstone of our operations, and we will continue to invest in systems, behaviours, and technologies that ensure a “Zero Harm” workplace.

Our NABL-accredited Research & Development facilities continue to drive innovation in sustainable agriculture and crop protection. This year, we conducted a thorough evaluation of our Sustainability Roadmap and monitored progress against well-defined Key Performance Indicators in energy efficiency, emissions reduction, water conservation, and waste minimization. In many areas, we are finding new ways to recycle by-products and reduce dependency on virgin resources—efforts that are already yielding tangible outcomes toward our 2030 sustainability goals.

Encouragingly, we have already achieved several of these targets ahead of schedule and are on a trajectory of overperformance. Building on this momentum, we look forward to setting even more ambitious goals that drive innovation and long-term value for both the environment and our stakeholders. By embracing reduction, reuse, and recycling, we’re building a business model that is both efficient and regenerative.

A pivotal development this year has been our integration into a larger global enterprise. This strategic transition not only strengthens our global presence but also opens doors to enhanced capabilities, cross-border collaboration, and a broader platform for innovation and impact. While transitions bring change, our core values and commitments remain unwavering, and we look forward to this new chapter with confidence and a renewed sense of purpose.

Through our focus on stakeholder engagement, social responsibility, and environmental preservation, we aim to build a company that is not only successful but also significant. As we look ahead, we do so with clarity of vision and strength of conviction.

Sustainability is not a destination—it is a journey that demands consistent effort, collaborative spirit, and bold leadership. I extend my sincere gratitude to all our employees, customers, investors, regulators, and community partners for their continued support and belief in our mission.

Together, let us continue to drive positive change and shape a future that is inclusive, resilient, and sustainable—one where every action contributes to a cycle of renewal and responsibility.

**Warm regards,**
**G Veera Bhadram**
**Whole-time Director**

# About the Report

## Reporting Framework

Now in its third consecutive year of Sustainability Reporting, NACL continues to advance its commitment to transparency, responsibility, and sustainable growth.

This year's report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and also aligns with the Sustainability Accounting Standards Board (SASB) framework relevant to the chemicals sector.

Key sustainability indices have been measured in alignment with the global Responsible Care® standards, through the Indian Chemical Council chapter.

The report further maps material topics identified through stakeholder engagement and internal assessment to their relevance and impact on the United Nations Sustainable Development Goals (UN SDGs), emphasizing our contributions to global sustainability objectives. Covering the financial year 2024–2025, this report presents a holistic view of our performance across environmental, social, and governance (ESG) areas. It highlights our long-term sustainability strategy, operating context, risk and opportunity landscape, and governance framework—offering a transparent account of how sustainability is embedded across our value chain.


## Reporting Boundaries & Scope

This Sustainability Report covers NACL Industries Limited's operations for the financial year April 1, 2024 to March 31, 2025. It encompasses our manufacturing facilities in Srikakulam, formulation units in Ethakota, R&D centres, and corporate office located in Hyderabad, India.

The report includes environmental, social, and governance (ESG) performance indicators relevant to our business activities in the agrochemical sector, including the manufacturing and formulation of pesticides, herbicides, and fertilizers. For this report, we have considered 2021 as the base year.

## Data Measurement & Integrity

Our Integrated Data Management System records information related to environmental and social sustainability indices. Where applicable, we have cited significant limitations in the reporting of information.

**Reporting Period:**

**April 1st 2024 to March 31st 2025**

**Contact Point:**

**prasadjakkaraju@naclind.com**

**corpehs@naclind.com**

# PERFRORMANCE HIGHLIGHTS

**125189**
*In Lakhs INR
**REVENUE FROM NET SALES**

**3730447**
**SAFE MAN HOURS**

**5 Million +**
**CUSTOMERS (FARMERS)**

**26%**
**REVENUE FROM INTERNATIONAL BUSINESS**

**4%**
**DECREASE IN ENERGY CONSUMPTION**

**38%**
**DECREASE IN ENERGY CONSUMPTION**
Base Year 2021

**5%**
**DECREASE IN GHG EMISSIONS**

**39%**
**DECREASE IN GHG EMISSIONS**
Base Year 2021

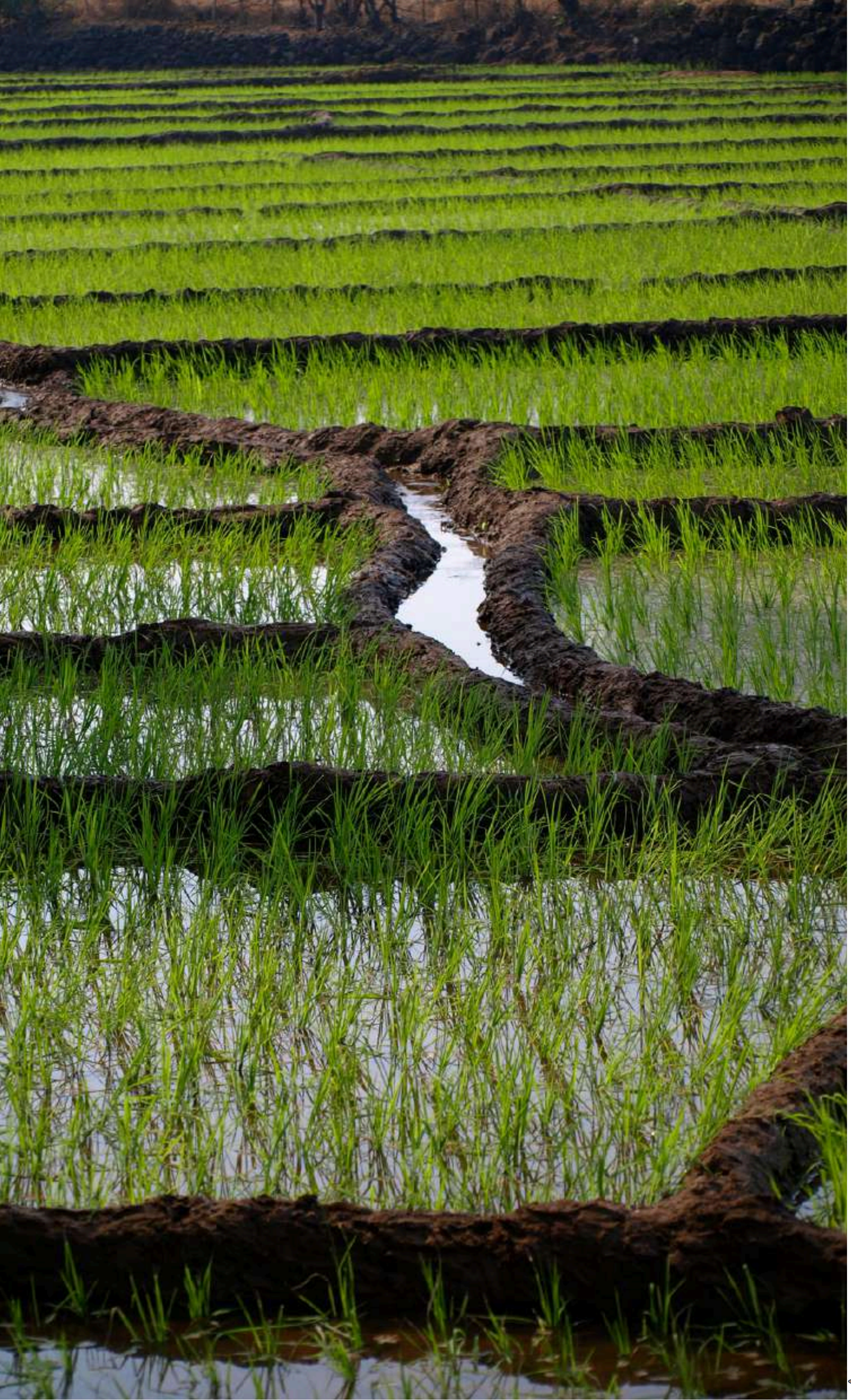
**8%**
**INCREASE IN TOTAL WATER CONSUMPTION**

**8%**
**INCREASE IN TOTAL WATER CONSUMPTION**
Base Year 2021

**5%**
**INCREASE IN WASTE GENERATION**

**29%**
**DECREASE IN TOTAL WASTE GENERATION**
Base Year 2021

*As compared with previous FY - FY2023-2024



# PURPOSE IN ACTION

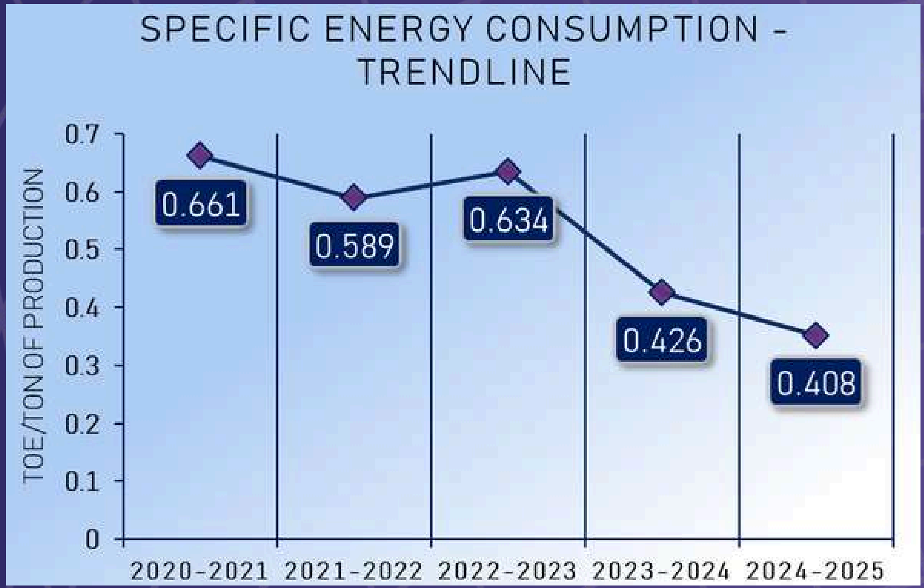
## BUSINESS VALUES

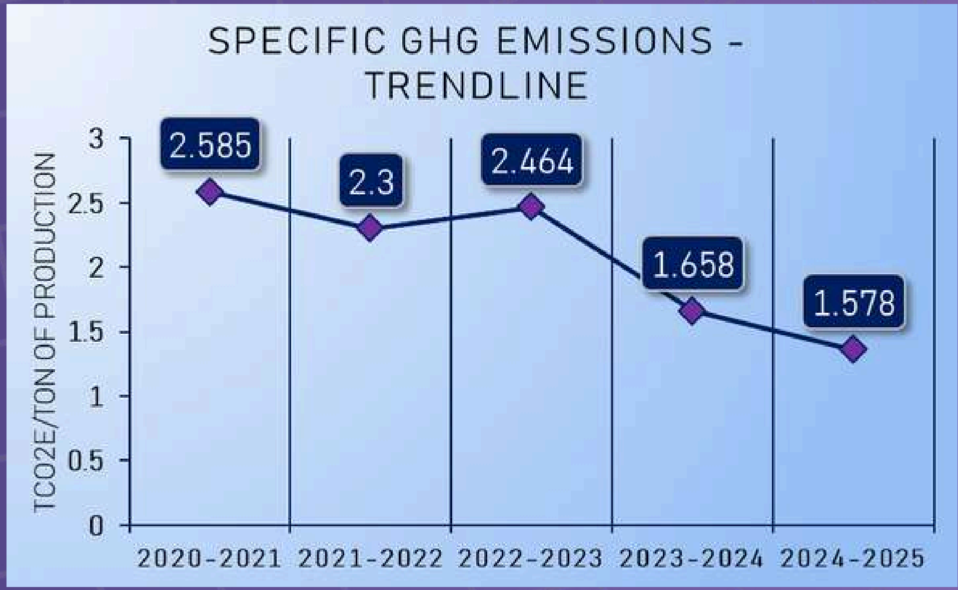
- CONCERN
- COMMITMENT
- INTEGRITY
- QUALITY

## MISSIONS

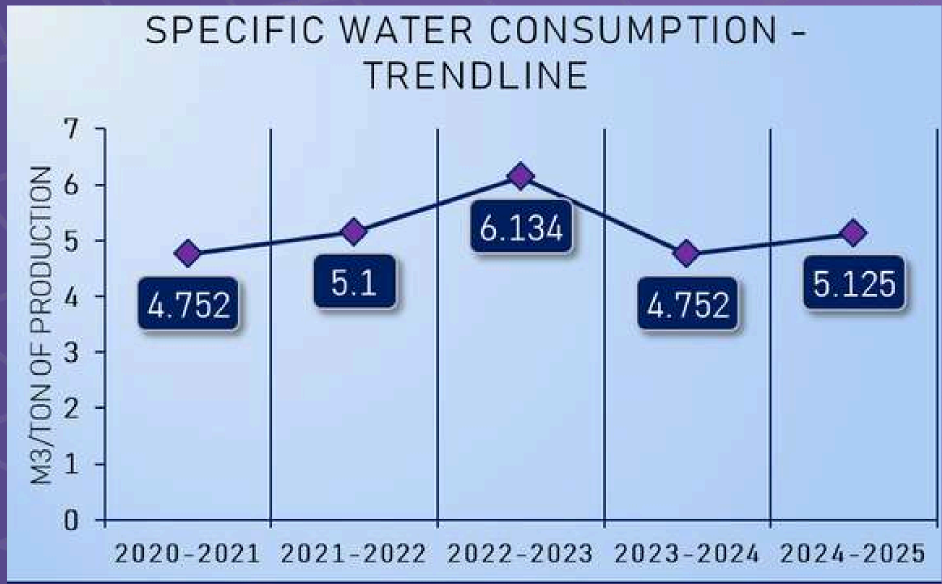
- To be a trusted name in providing high quality products and solutions to the farming community.
- To be a trusted custom & contract manufacturing partner.
- To be a model company in meeting the expectations of all stakeholders.

# From Vision to Progress: On the Path to Sustainability







# JOURNEY OF NACL

# About NACL

Established in 1993, NACL has evolved into a leading player in the agrochemical industry, championing sustainable agriculture. Starting with active ingredient manufacturing, we now operate across the full value chain—serving domestic retail, B2B partners, and global markets through a growing export footprint.

Our portfolio spans 66+ products, including insecticides, herbicides, fungicides, and plant growth regulators, supporting all major crops. With 47 stock points and an extensive retail network, our direct-to-retail model ensures timely product access across India.

Through farmer engagement and knowledge-driven outreach programs, we provide training and support to thousands of farmers across regions, helping them improve productivity while embracing sustainable and climate-resilient farming practices.

Innovation and responsible manufacturing are central to our operations. Our NABL-accredited R&D centre develops safe, efficient, and eco-conscious solutions. With a technical manufacturing capacity of 23,000 TPA and formulation facilities handling 12,000 KL of liquids, 5,600 MT of powders, and 35,475 MT of granules, we ensure reliable, high-quality supply.
As we grow, sustainability remains our compass—guiding innovation, manufacturing, and community engagement for a resilient agricultural future.

**47**
**Stock points pan India**

**12500**
**Distributor and retailer connections**

**66**
**High quality brands**

We are committed to uplifting the communities around our facilities in Srikakulam and Ethakota through access to clean drinking water, educational support, medical assistance, and improved public infrastructure. These efforts reflect our belief that true progress includes the well-being of those who support and surround us.

## MANUFACTURING

### TECHNICAL MANUFACTURING

Srikakulam, Andhra Pradesh

Dahej, Gujarat

Combined capacity - 23000 TPA

### FORMULATIONS

Ethakota, Andhra Pradesh

**Annual Capacity:**
12000 KL - Liquids
5600 MT - Powders
35,475 MT - Granules

## Our Valuable Clientele

Nissan Chemical Corporation
UPL OpenAg™
ADAMA
CORTEVA™ agriscience
syngenta

# NACL'S GEOGRAPHICAL OUTREACH

# Creating Economic Resilience.

At NACL Industries Ltd., our revenue generation is rooted in responsible growth strategies that leverage large-scale manufacturing and an efficient distribution network to realize economies of scale. Our direct-to-retail approach reduces reliance on intermediaries, supporting more sustainable and transparent value chains. Continuous investment in research and development, coupled with a strong commitment to quality and compliance, helps us build long-term relationships with our customers and maintain competitiveness. With 26% of our revenue originating from international markets, our geographically diversified operations contribute to greater financial stability and resilience.

In FY 2024-25, NACL's domestic retail business showed continued resilience despite macroeconomic and industry challenges. Revenue from net sales reached 125189 lakhs . This performance, reflects a steady growth rate.

Our progress was driven by strengthened field engagement, timely product launches, and deeper partnerships with key stakeholders. These efforts allowed us to remain responsive to evolving customer needs, even in uncertain conditions. Backed by supportive trade policies and an agile, motivated sales and marketing team, we stayed closely connected to our markets—delivering solutions where they are needed most and reinforcing trust at the grassroots level.

**STRONG GOVERNANCE**

Maximizing economic contribution through effective governance and sound management.

**INFRASTRUCTURE INVESTMENT**

Capital deployed toward building and supporting critical infrastructure.

**RESPONSIBLE PROCUREMENT**

Strategic sourcing practices that reinforce local and responsible supply chains.

**COMMUNITY INVOLVEMENT**

Engaging local people, communities, and businesses across the value chain.

**RESILIENT MARKET PERFORMANCE**

NACL's stock has consistently delivered strong performance over time.

**SHAREHOLDER RETURNS**

Maintaining a dependable track record of dividend payments during the reporting period.

*In INR lakhs

| | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|---|---|---|---|---|
| **A. Total Direct Economic Value Generated** | | | | |
| Net Sales | 164016 | 211600 | 178084 | 125189 |
| Revenue from financial investments (*1) | 166 | 194 | 267 | 275 |
| Total Direct Economic Value Generated | 0 | 0 | 0 | 0 |
| **Total A** | **164182** | **211794** | **178351** | 125464 |
| **B. Total Economic Value Distributed** | | | | |
| Operating Costs (*5) | 121190 | 160038 | 142211 | 95651 |
| Employee wages and benefits | 9993 | 11994 | 12596 | 13993 |
| Payments to providers of capital (*2) | 1088 | 1191 | 497 | 0 |
| Payments to Government(taxes) (*4) | 2691 | 3573 | 0 | 0 |
| Payments to Government(penalties) | 4 | 10 | 2 | 2 |
| Community Investments (*3) | 59 | 133 | 213 | 116 |
| **Total - B** | **135025** | **176939** | **155519** | **109762** |
| **C. Total Economic Value retained (C=A-B)** | **23403.62** | **34855** | **22832** | **15702** |

Notes:
1. Interest income disclosed
2. Dividend payment
3. CSR expense
4. Income tax payment
5. Material cost + trade purchases + inc / (dec) in stocks

The Company's equity is listed on BSE (Bombay Stock Exchange) Limited and NSE (National Stock Exchange of India Limited), reflecting our continued financial stability and market credibility.

# Innovating for Impact.

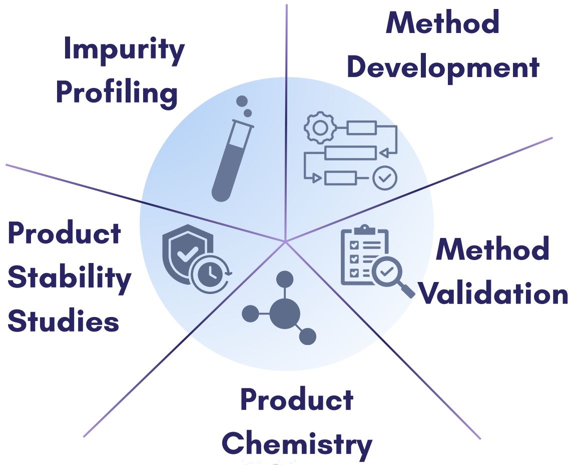
At NACL's Research and Development Centre near Hyderabad, innovation meets purpose to shape sustainable agricultural solutions. Spanning a four-acre campus, this state-of-the-art facility is the heart of our innovation journey—home to nearly 70 dedicated scientists and technical experts. Together, they cultivate a culture of creativity, scientific rigor, and sustainability, focused on addressing the evolving needs of farmers and ecosystems alike.

Our strategic location and the supportive ecosystem around us provide a strong foundation for agility, collaboration, and innovation—key drivers that help us maintain a competitive edge in the agrochemical industry.

**Advanced Infrastructure and Compliance**
Equipped with cutting-edge infrastructure and sophisticated analytical instruments—including GC, GC-MS, FTIR, HPLC-UV, and PDA detectors—our R&D Centre is built to support a wide spectrum of complex studies.These capabilities enable us to design, develop, and validate specialized products in strict compliance with globally recognized standards.

We rigorously adhere to regulatory protocols outlined by the EC, OECD, OPPTS, and SANCO, and follow testing methods endorsed by renowned bodies such as FAO, WHO, AOAC, and CIPAC. Our operations are fully aligned with the OECD's principles of Good Laboratory Practices (GLP), underscoring our unwavering commitment to safety, quality, and regulatory excellence.

## EXPERTISE AT A GLANCE




With science as our foundation and sustainability as our direction, we continue to deliver high-performance, responsible agrochemical solutions that make a meaningful impact on agriculture and society.

# Driving Change: R&D Expenditure Overview

*In INR lakhs

| Particulars | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| R&D expenditure - Capitalized | 403 | 474 | 650 | 839 | 1067 |
| R&D expenditure - charged to PL | 103 | 100 | 148 | 220 | 361 |
| R&D expenditure - Capital expenditure | 1 | 152 | 111 | 104 | 610 |
| Total - R&D expenses (a) | 507 | 726 | 909 | 1163 | 2038 |
| Turnover (b) | 119137 | 164016 | 211600 | 178084 | 125189 |
| R&D expenses % to Turnover (a/b) | 0.43% | 0.44% | 0.43% | 0.65% | 1.63% |

# Compliant. Certified. Committed.

NACL's extended certifications—ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), and Responsible Care (valid from May 2025 to April 2027)—reflect our commitment to embedding sustainability and excellence across operations. These globally recognized accreditations reinforce our focus on quality, environmental responsibility, and employee well-being. By aligning with ISO standards and the Responsible Care program, led by the Indian Chemical Council (ICC) under the International Council of Chemical Associations (ICCA), we adopt a holistic, proactive approach to risk, compliance, and continuous improvement.

Our R&D facility has also been awarded the prestigious Good Laboratory Practice (GLP) certification by NGCMA, under the Department of Science and Technology, Government of India—further validating our dedication to high standards of safety, science, and integrity.


## ISO CERTIFICATIONS - NACL Industries Limited


ISO 9001:2015


ISO 14001:2015


ISO 45001:2018

## ISO CERTIFICATIONS - NACL Spec-Chem


ISO 9001:2015


ISO 14001:2015


ISO 45001:2018

## NABL ACCREDITATIONS




### ISO/IEC 17025:2017

## DSIR CERTIFICATE

## GLP CERTIFICATE


## RC CERRTIFICATE


## MEMBERSHIPS

FICCI
Federation of Indian Chambers of Commerce and Industry

CCFI
CROP CARE FEDERATION OF INDIA

FTCCI
The Federation of Telangana Chambers of Commerce & Industry

CII
Confederation of Indian Industry

PMFAI
Pesticides Manufacturers & Formulators Association of India

# STAKEHOLDER & MATERIALITY PERSPECTIVES

# Building Stakeholder Trust

Genuine engagement with our stakeholders is at the heart of how we grow responsibly. In an industry where our actions directly impact people and the planet, understanding diverse perspectives isn't just important—it's essential.

Our stakeholder engagement process is designed to listen, learn, and act. Through surveys, focus groups, workshops, and open feedback platforms, we connect with those who matter most—employees, farmers, customers, investors, and communities—to understand their expectations, concerns, and ideas.

We believe that meaningful dialogue builds trust. That's why we engage both directly and indirectly, using personal interactions, publications, and feedback forms to ensure all voices are heard.

These insights help us identify emerging issues, shape our priorities, and respond with solutions that are relevant and inclusive.

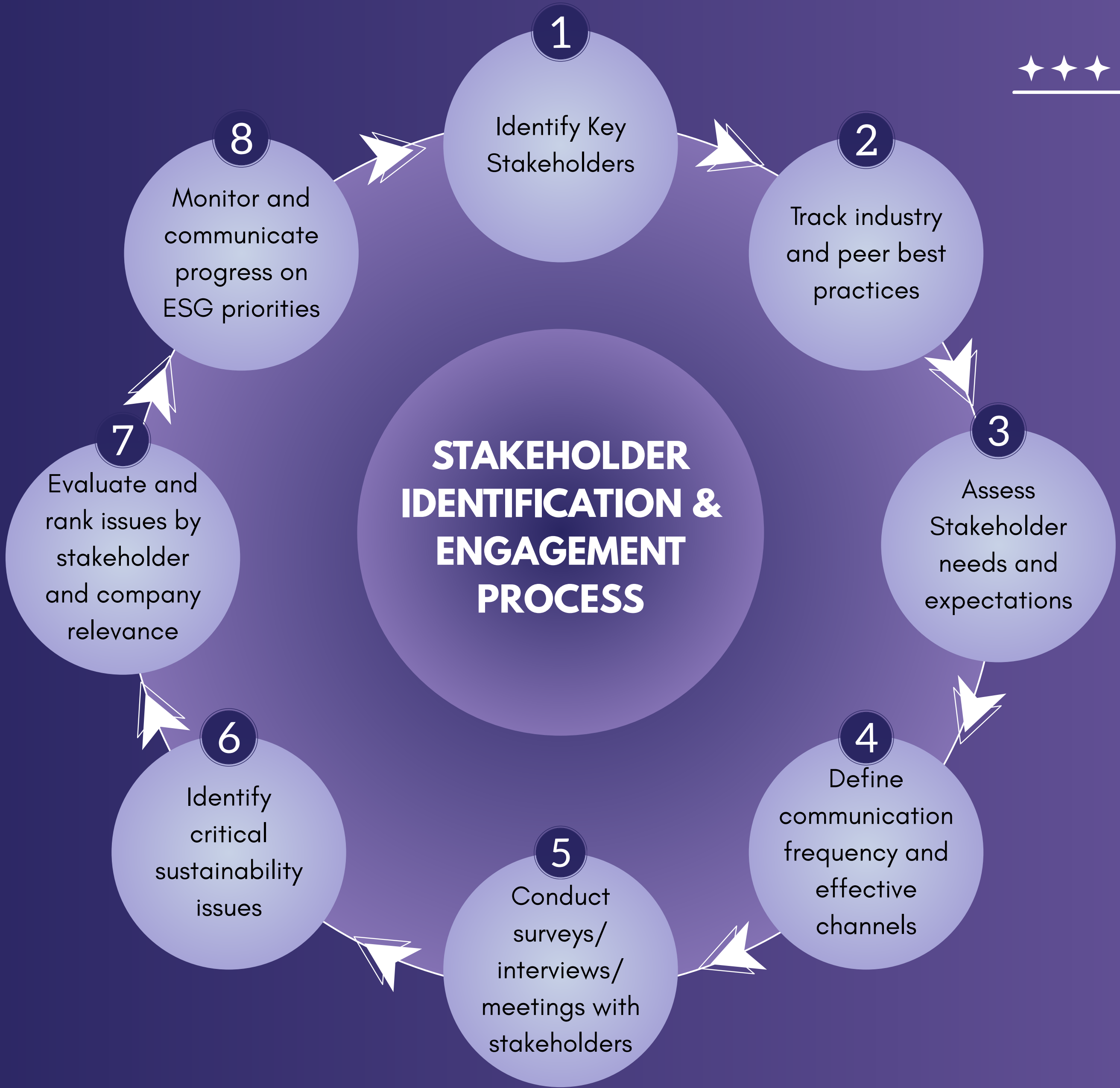
Every piece of feedback is taken seriously. Key findings are shared with Board Committees and business leaders, helping shape actions that align our strategy with what stakeholders truly value. These actions are reflected in our sustainability and annual reports.

We're committed to building lasting, respectful relationships—with open communication, shared responsibility, and a focus on continuous improvement. Our engagement process isn't a one-time activity—it's an ongoing journey that helps us stay responsive, responsible, and aligned with the world around us.

*Engaging with our stakeholders helps us focus on what truly matters. Our materiality process ensures we align our operations with their expectations, driving responsible and relevant action.*

- ***Amit Taparia***
*Executive VP & Head, Operations*

Materiality assessments help us focus on what matters most to our stakeholders and our business. By identifying key issues through a structured approach, we ensure transparency, build trust, and align our sustainability efforts with long-term value creation.




# Partnerships That Drive Progress

We prioritize trust, transparency, and mutual growth by building strong, collaborative relationships. Suppliers and dealers undergo thorough evaluation, including safety checks and compliance with standards on ethics, human rights, labor practices, and health and safety. Contractors and vendors receive regular training to uphold these commitments.

For customers, we foster trust through hands-on engagement—field days and demonstrations that help them make informed choices. Our extensive outreach through Organized and Mega Farmers' Meetings across regions—from Punjab to Tamil Nadu and Rajasthan to Assam—ensures a responsive, inclusive supply chain that supports India's diverse agricultural needs.

# Stakeholder Collaboration: Customers and Suppliers

**Customer Engagement**

Customer engagement remains a core pillar of our strategy, rooted in trust, value creation, and sustainable solutions. We actively incorporate customer feedback to ensure our offerings stay relevant and responsive to evolving needs. Through personalized support, technical expertise, and an innovative portfolio of crop protection and specialty chemical products, our teams deliver tailored solutions across the agriculture and chemical sectors.

Blending technology with on-ground support, we enhance customer experience via digital platforms and transparent communication. By refining our products and services based on real insights, we foster lasting partnerships that drive shared growth and long-term sustainability.

**Supplier Engagement**

Strong supplier relationships are vital to our value chain and sustainability commitments. We emphasize responsible sourcing and ethical practices, ensuring raw materials meet stringent quality and environmental standards. In a sector shaped by seasonal demand and chemical volatility, effective supply chain management is critical.

We work closely with suppliers to align raw material planning with production needs and delivery timelines, while maintaining safe storage and disposal practices. These partnerships are built on collaboration, innovation, and shared goals—improving efficiency, reducing environmental impact, and strengthening resilience.

By aligning supplier capabilities with customer expectations, we create an agile, sustainable supply chain that supports our long-term business goals and broader environmental and social objectives. Our commitment to stakeholder rights remains unwavering, including our employees, customers, suppliers, and the communities we serve.

# Engagement Overview and ESG Alignment

| Stakeholder Groups | Engagement Frequency | Mode/Channel of Engagement | Key Concerns & Expectations | Key Group/s Responsible |
|---|---|---|---|---|
| **Employees**<br>(Workers, managers, part-time, full-time) | Ongoing | • Trainings (online, face-to-face)<br>• E-mails<br>• Workshops/webinars<br>• Company (Internal and external) website<br>• Feedback forms<br>• Need assessment surveys | • Learning and development<br>• Fair employment practices<br>• Career growth | • CEO<br>• Human Potential Development (HPD) Team<br>• Plant Heads |
| **Local Community**<br>(Farmers, villagers, students, schools and colleges, community based organizations) | Ongoing | • Community meetings<br>• Public hearings<br>• Awareness sessions<br>• Industry visits<br>• Presentations<br>• Personal interactions | • Health and safety of community and crops<br>• Company strategy<br>• Company updates | • CSR Team<br>• Plant Heads<br>• EHS Teams |
| **Customers**<br>(Individual, retail, distributors, international) | Ongoing | • Annual General Meeting<br>• Internal publications<br>• One-to-one engagements<br>• Customer Meets<br>• Awareness sessions and industry walks<br>• Presentations<br>• Surveys & feedback forms | • Cost Effective Business Solutions<br>• Business Efficiency<br>• Responsiveness<br>• Good customer service<br>• Webinars | • Marketing team<br>• Business Unit<br>• Heads<br>• EHS Teams |
| **Investors**<br>(Institutional and retail) | Quarterly/ Annual | • Annual General Meeting<br>• Investor presentations<br>• Internal publications<br>• Meetings between the management, fund managers and IR Team | • Business and growth plans<br>• High dividend pay-out<br>• Corporate reputation<br>• Capital allocation<br>• Good governance practices and risk management | • CEO<br>• CFO<br>• Investor Relations |
| **Vendors and suppliers**<br>(Local, national and international) | Ongoing | • Presentations<br>• Surveys<br>• Sustainability questionnaires | • Credit and payments<br>• Sustainability processes<br>• Ease of engagement<br>• Trust and value | • Marketing Team<br>• Plant Heads<br>• EHS Teams |
| **Government officials and regulatory agencies**<br>(Local, state and national) | Monthly/ Quarterly/ Annually | • Annual Report<br>• E-mails<br>• Presentations<br>• Personal interactions | • Regulatory compliance<br>• Taxes<br>• Transparent reporting<br>• Corporate social responsibility | • CEO<br>• EHS Teams<br>• Plant Heads<br>• CSR team |

# Materiality in our Sustainability Journey

This report underscores the importance of material topics and their influence on NACL's long-term value creation—for both the business and its stakeholders. Our materiality assessment has helped prioritize the issues most relevant to our operations and stakeholder concerns, evaluated across short-term (3-5 years), medium-term (5-10 years), and long-term (beyond 10 years) horizons.

Key ESG priorities have been identified under three core pillars: Fostering Environmental Sustainability, Empowering People and Communities, and Governance for a Sustainable Future. These include critical focus areas such as employee and community safety, product stewardship, plant safety, and environmental sustainability—issues surfaced through meaningful engagement with a diverse group of stakeholders.

As we continue to mature in our sustainability journey, NACL is committed to deepening stakeholder dialogue and enhancing the way we assess and respond to material topics. Looking ahead, we aim to gradually integrate the principles of double materiality—evaluating not only how sustainability issues impact our business, but also how our operations impact the environment and society. This forward-thinking approach will help us stay aligned with emerging global standards, remain responsive to evolving expectations, and deliver shared value in a rapidly changing world.

# The Three Pillars of our ESG Journey

## Fostering Environmental Sustainability

- Water and Effluent Management
- Soil Health
- Waste Management
- Product Safety
- Air Quality & GHG Emissions
- Supply Chain Management
- Energy Efficiency


## Governance for a Sustainable Future

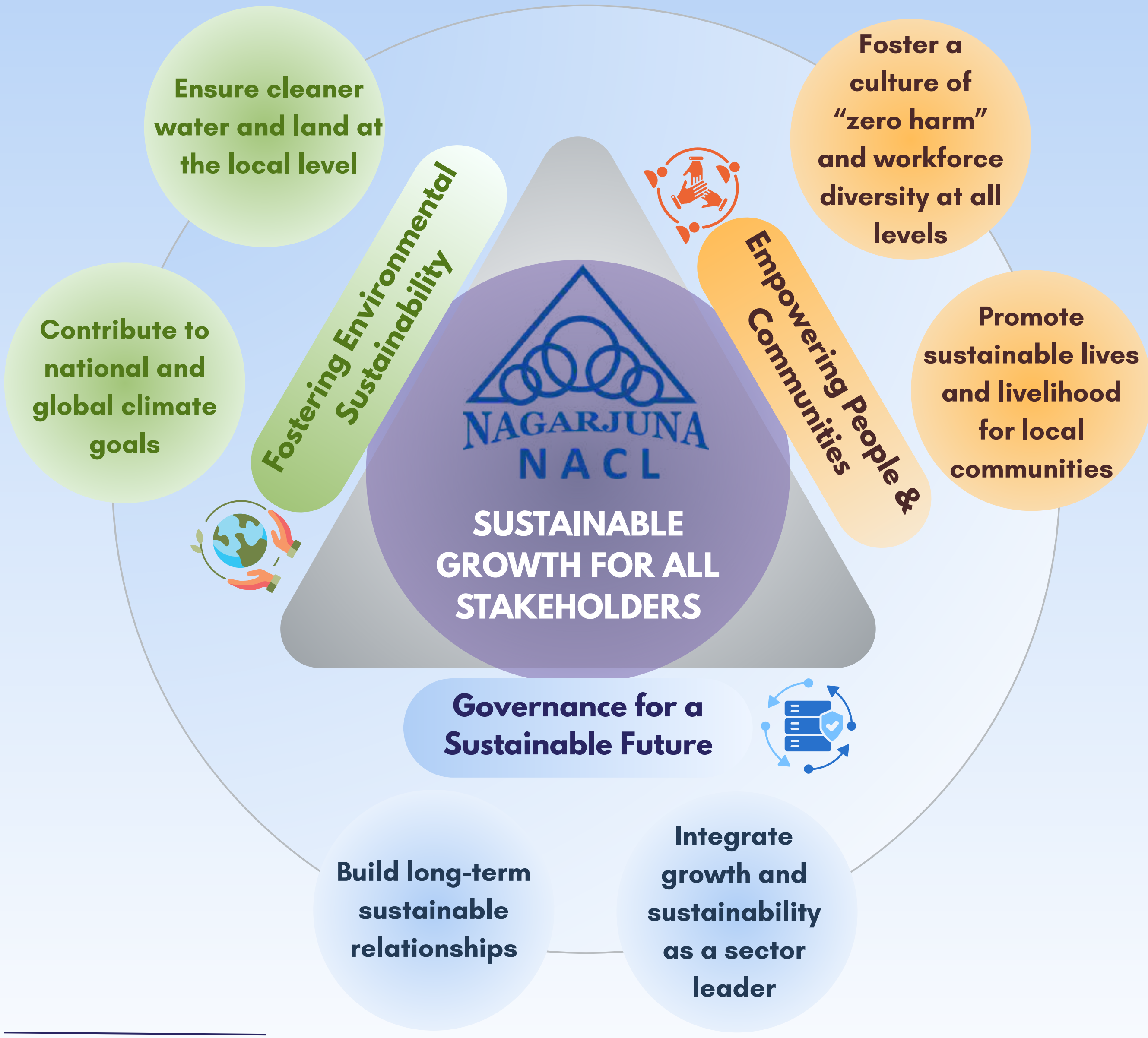
- Regulatory Compliance
- Research & Development
- Quality Management
- Financial Performance
- Ethics & Integrity
- Human Rights


## Empowering People & Communities

- Employee Development & Well-being
- Community Engagement
- People & Process Safety
- Customer Relations

# Framework for Responsible Growth

Driving sustainable growth for all stakeholders through **governance for a sustainable future**, **fostering environmental sustainability**, and **empowering people and communities.**



# Targets for Sustainability Journey

## Fostering Environmental Sustainability

| Sustainability Parameter | Base Year Value | 2030 Target Value | Value @ 2024-2025 | % Progress from Base Year |
|---|---|---|---|---|
| Specific Energy Consumption (toe/ton of prod.) | 0.661 | 0.496 | **0.408** | 38% - Reduction |
| Specific GHG Emissions ($tCO_2e$/ton of prod.) | 2.585 | 1.809 | **1.578** | 39% - Reduction |
| Specific Water Consumption ($m^3$/ton of prod.) | 4.752 | 3.326 | **5.125** | 8% - Increase |
| Specific Hazardous Waste Generation (ton/ton of prod.) | 0.215 | 0.161 | **0.152** | 29% - Reduction |
| Increase Renewable Energy portfolio by 25% - In Progress | | | | |

*Base Year - 2020-2021

## Governance for a Sustainable Future

| TARGET | STATUS |
|---|---|
| Impact: Build long-term sustainable relationships | |
| Increase training manhours to 3 days per annum per employee covering 100% employees | Being Implemented |
| Ensure redressal of all customer complaints within 30 days | On Target |
| Impact: Demonstrate sector leadership in integrating growth and sustainability | |
| Connect 1 lakh new farmers annually through Krishi Kalyan app | Being Implemented |
| 100% Potable drinking water to seven villages by 2025 | On Target |

## Empowering People & Communities

| TARGET | STATUS |
|---|---|
| **Impact: Foster a culture of "zero harm" and workforce diversity at all levels** | |
| Maintain Zero accidents in all plants, year-on-year | On Target |
| At least 20% women employees (in corporate and R&D offices) | Being Implemented |
| **Impact: Promote sustainable lives and livelihoods for local communities** | |
| Connect 1 lakh new farmers annually through Krishi Kalyan app | Being Implemented |
| 100% Potable drinking water to seven villages by 2025 | On Target |
| Improve access to healthcare and health outcomes in the communities that surround our manufacturing plants. | Being Implemented |

# Path to Environmental Stewardship

## 1993

Commencement of Monocrotophos (MCP) commercial production

Listed on Hyderabad and Madras Stock Exchanges (HSE & MSE)

## 2003

SAP (Enterprise Resources Planning) successfully implemented

## 2010

Zero Liquid Discharge (ZLD) plant commissioned at the Technical Manufacturing Plant

## 2012

State-of-the-Art Research & Development Center launched at Shadnagar, Telangana

## 2017

Renamed as NACL Industries Limited

Listed on National Stock Exchange

Featured among the top ten Indian Crop Protection Products Manufacturing Companies

Awarded "Suraksha Puraskar" by National Safety Council of India for best safety practices

## 2018

Awarded the “Greentech Environment Silver Award” from New Delhi-based Greentech Foundation, for our contributions towards environment protection and conservation

Received the “Best Management” Award from Government of Andhra Pradesh for the second time

## 2021

Awarded Responsible Care® logo by Indian Chemical Council

R&D facility at Hyderabad accredited for Good Laboratory Practices (GLP)

## 2022

Registered highest ever turnover of Rs.1640 crores for 3rd consecutive year

Received Agri Business Summit Agri (ABSA) award 2022 under the category “Company of the year”

Commenced commercial production at Dahej with a capacity of 6,000MT

## 2023

Received Best Safety Performer Award 2023 from CII under the category of Andhra Pradesh Industrial Safety Excellence 2023

## 2024

Extended Extensive RC Logo till April 2027

Achieved Golden Award by Indian Chamber of Commerce in Environment Excellence category

Industrial Safety Leadership Award – Silver, in 2025 March



# GOVERNANCE FOR A SUSTAINABLE FUTURE

# Integrity, Transparency and Accountability.

In 2024-25, NACL Industries continued to uphold responsible governance as the foundation of sustainable growth in the agrochemical sector. Our dedicated Board Committee on Governance, working closely with senior leadership, plays a central role in shaping policies that are not only compliant with regulatory standards but also grounded in the realities of our industry. Together, the Board and management guide the company with a clear sense of purpose—protecting shareholder interests while being deeply mindful of our impact on farmers, communities, and the environment.

Given the sensitive nature of agrochemical manufacturing and distribution, our governance framework is designed to be both rigorous and responsive. It includes transparent reporting, structured decision-making, and strong accountability mechanisms that guide our operations across the value chain—from R&D and production to product stewardship in the field.

Regular external audits and internal evaluations ensure our practices comply with all applicable laws, certifications, and quality benchmarks. Beyond compliance, we continue to prioritise safety, integrity, and sustainability. Our facilities function under stringent regulatory standards, and our products reflect a strong commitment to responsible agriculture. By embedding environmental and social considerations across decision-making, NACL Industries reaffirms its dedication to long-term value—for our stakeholders, the land we depend on, and future generations of growers.

In an industry that influences soil health, ecosystems, and rural livelihoods, we view governance as inseparable from responsible innovation. With a long-term lens, we balance growth with accountability and adapt to changing regulations—staying true to our purpose of advancing sustainable, ethical agriculture.

*At NACL Industries, our Board Committee leads with integrity, shaping policies that balance sustainability, stakeholder interests, and long-term value creation.*

*- **Satish Kumar Subudhi,***
*VP, Secreterial & Legal*


# Board of Directors

At NACL Industries, strong and inclusive leadership underpins our commitment to sustainable progress. Our Board of Directors—diverse and experienced—guides strategic decisions with integrity and deep sectoral knowledge. Of the eleven members, eight bring significant expertise in agriculture and chemicals, our core business areas.

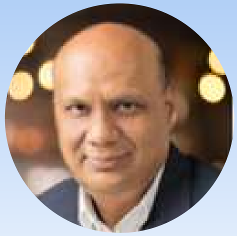
The Board includes one Non-Executive Non-Independent Director, six Independent Directors, two Investor Nominee Directors, a Whole-time Director, and a Promoter in a Non-Executive role. Three Directors are women, reflecting our focus on gender-inclusive governance. With a majority of independent members, the Board ensures a well-balanced and informed decision-making process.

Fully aligned with the Companies Act, 2013, and SEBI (LODR) Regulations, 2015, this governance structure ensures oversight, transparency, and long-term value creation—hallmarks of NACL's responsible leadership approach.

**K Lakshmi Raju**
Chairperson & Non-Executive Director

**Veera Bhadram Garimella**
Whole-Time Director

**Rajesh Kumar Agarwal**
Nominee Director



**Atul Churiwal**
Nominee Director

**Raj Kaul**
Non-Independent & Non-Executive Director

**Ramakrishna Mudholkar**
Independent Director

**Santanu Mukherjee**
Independent Director

**Lakshmi Kantam Mannepalli**
Independent Director

**Sudhakar Kudva**
Independent Director

**Veni Mocherla**
Independent Director

**N. Sambasiva Rao**
Independent Director

# Committees of the Board

NACL Industries has established a clear and purposeful committee structure to ensure that governance remains both proactive and responsive. To uphold this commitment, the Board has instituted six specialized committees that provide focused oversight across both financial and non-financial areas critical to long-term value creation.

These committees bring together a blend of sectoral expertise and diverse perspectives, including a female Chairperson and two female Directors, to support informed decision-making and responsible corporate stewardship. Each committee addresses distinct priorities—ranging from audit and internal controls to stakeholder engagement, executive remuneration, risk management, and CSR implementation.

This structured approach not only enhances the Board's efficiency and strategic focus but also empowers independent Directors to play an active role in guiding the company's sustainability ambitions.

Committee deliberations are integral to balancing short-term operational needs with long-term environmental, social, and governance (ESG) goals.

Further details on committee mandates, meeting frequency, and outcomes are disclosed in the Corporate Governance Report.

## STAKEHOLDER'S RELATIONSHIP COMMITTEE

Addresses shareholder and investor grievances, ensuring transparent communication and fostering strong relationships with stakeholders through timely resolution of concerns.

MEMBERS:

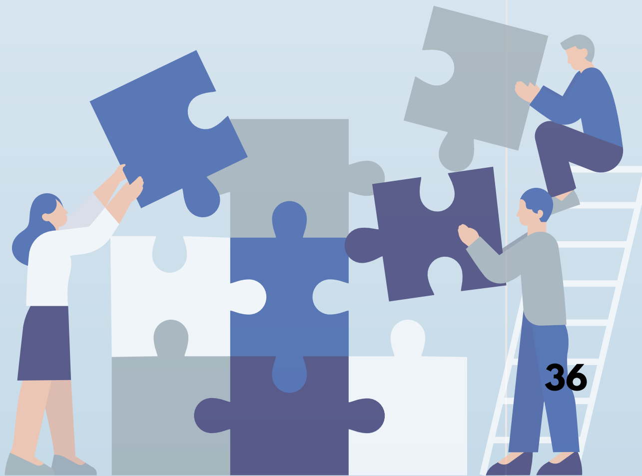
- Raghavender Mateti *(Chairman*)*
- N. Vijayaraghavan
- K. Lakshmi Raju
- M. Pavan Kumar

## BANKING COMMITTEE

Oversees financial transactions, monitors capital structure, and reviews significant financial decisions to ensure optimal resource management and support strategic financial objectives.

MEMBERS:

- Santanu Mukherjee *(Chairman*)*
- N. Vijayaraghavan
- Sudhakar Kudva
- Raghavender Mateti
- M. Pavan Kumar
- K. Lakshmi Raju



## CORPORATE SOCIAL RESPONSIBILITIES COMMITTEE

Aligns CSR initiatives with social, environmental, and economic responsibilities, ensuring compliance with statutory obligations and promoting sustainable development.

MEMBERS:

- Sudhakar Kudva (*Chairman**)
- N. Vijayaraghavan
- K. Lakshmi Raju
- M. Pavan Kumar
- Veni Mocherla
- C.V Rajulu

## NOMINATION AND REMUNERATION COMMITTEE

Manages the selection, evaluation, and compensation of senior executives and board members, ensuring performance-linked remuneration policies that align with industry standards and promote long-term growth.

MEMBERS:

- Raghavendra Mateti (*Chairman**)
- Santanu Mukherjee
- K. Lakshmi Raju
- Sudhakar Kudva
- N. Vijayaraghavan

## RISK MANAGEMENT COMMITTEE

Identifies, assesses, and mitigates potential business risks, ensuring the effectiveness of risk management policies and regularly reviewing strategies to minimize exposure.

MEMBERS:

- Sudhakar Kudva (*Chairman**)
- N. Vijayaraghavan
- R.K.S. Prasad
- M. Pavan Kumar
- Harish Chandra Bijlwan

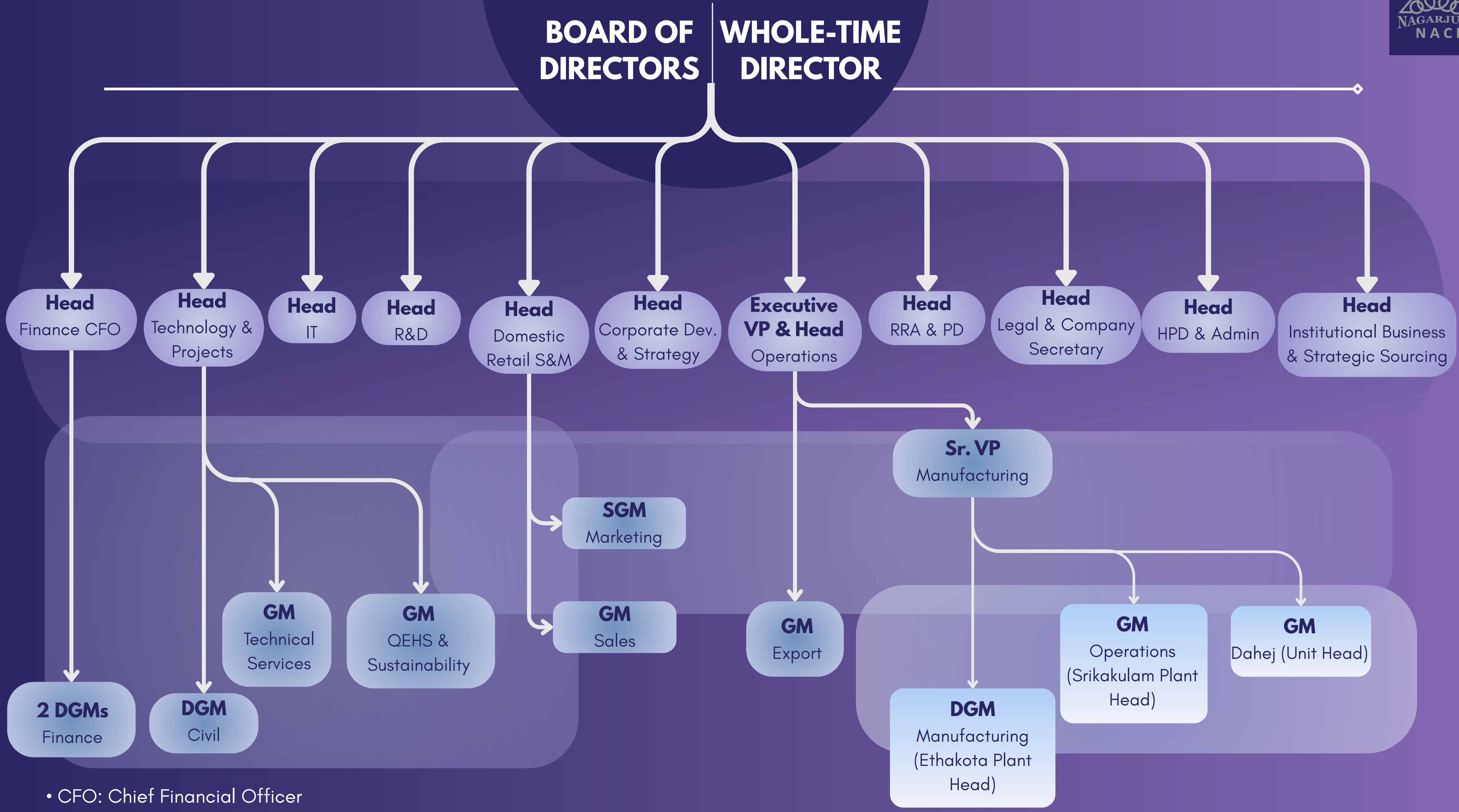
## AUDIT COMMITTEE

Oversees financial reporting, internal audits, and risk management, ensuring regulatory compliance, integrity of financial statements, and robust internal control systems.

MEMBERS:

- Santanu Mukherjee (*Chairman**)
- Sudhakar Kudva
- N. Sambasiva Rao
- Raghavender Mateti
- N. Vijayaraghavan

# ORGANIZATIONAL STRUCTURE




- CFO: Chief Financial Officer
- DGM: Deputy General Manager
- GM: General Manager
- HPD: Human Potential Development
- QEHS: Quality Environment Health & Safety
- RA & PD: Registration and Regulatory Affairs & Product Development
- S&M: Sales and Marketing
- VP: Vice President

# Ethical Conduct, Sustainable Impact.

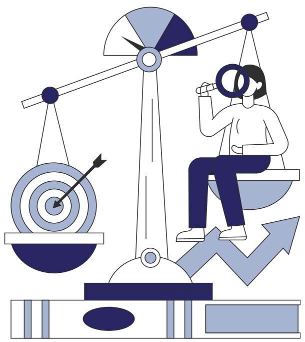
Ethical conduct forms the foundation of our business philosophy. Guided by a comprehensive Ethics and Code of Conduct, we uphold the highest standards of integrity, transparency, and fairness across all levels of the organization. These principles are deeply embedded in how we operate—from legal compliance and responsible communication to fostering an inclusive work environment and safeguarding confidential information.

## Code of Conduct

We have instituted specific codes of conduct for Directors and senior management, along with policies on insider trading that promote responsible disclosure and safeguard stakeholder trust. Our ethical framework extends to all employees and is regularly reviewed to remain aligned with evolving governance standards and societal expectations.

## Child Labour Prohibiton

We also maintain strict compliance with the Child Labour (Prohibition and Regulation) Act, and unequivocally affirm that no individuals under the age of 18 are employed at any of our offices or manufacturing sites.



## Whistleblower Policy

As part of our commitment to ethical governance, we maintain a strong Whistleblower Policy, enabling employees and Directors to confidentially report concerns about fraud, irregularities, or misconduct. Reports can be made directly to the Chairman of the Audit Committee, with full assurance of confidentiality and protection from retaliation. During the reporting year, there were no complaints filed under this policy, nor was access to the Audit Committee denied to any employee.

## POSH Policy

To ensure a safe, respectful, and inclusive workplace, NACL enforces a zero-tolerance policy against sexual harassment, in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A duly constituted POSH Committee, comprising internal and external members, is responsible for addressing grievances fairly and promptly. We are proud to report that no incidents of sexual harassment were reported during the financial year 2024-25.

*Through these measures, NACL Industries continues to foster a work culture grounded in trust, accountability, and respect—principles that shape not just internal behavior, but also our engagement with stakeholders and the broader community.*

# Risk Management: Safeguarding Our Future

Risk management is a critical pillar of sustainable business—particularly in the agrochemical industry, where inaction can have far-reaching consequences. The handling of hazardous substances and proximity to ecosystems and communities demand accountability and foresight.

As the sector expands, it faces mounting challenges, from shifting regulations to environmental impacts. Practices like excessive fertilizer use can contaminate groundwater, threatening human and animal health. To address such risks, NACL adopts robust, forward-looking strategies that minimize harm while supporting responsible growth.

Our dedicated Risk Management Committee oversees a comprehensive risk governance framework, covering strategic, operational, environmental, and compliance-related risks.

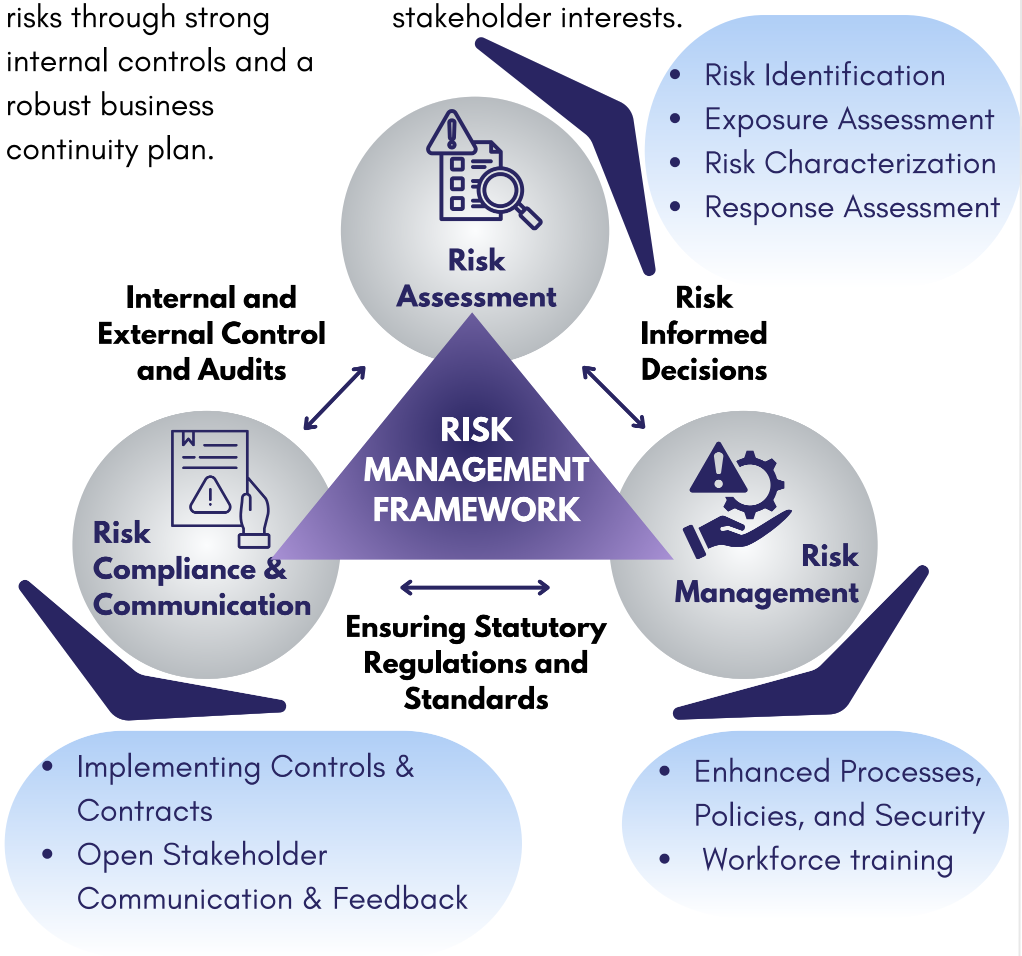
The Committee convened twice during the reporting period—on August 14th 2024 and October 24th 2024 to assess the framework's effectiveness and ensure alignment with emerging risks and best practices. Key insights and actions are regularly shared with the Board and detailed in the Corporate Governance Report.

Through this evolving framework, we safeguard long-term value, reinforce stakeholder trust, and contribute to a more resilient agricultural future.

## Risk Management Framework

NACL's risk management framework proactively addresses financial, operational, sectoral, ESG, and cybersecurity risks through strong internal controls and a robust business continuity plan.

Decentralized risk ownership empowers business units, while emerging threats are continuously monitored. Regular reviews keep the framework aligned with evolving needs, ensuring stability and protecting stakeholder interests.



# Risk Identification and Mitigation Strategies

| RISKS AND CHALLENGES | REDRESSAL MECHANISMS |
|---|---|
| **FINANCIAL AND MARKET RISKS** | |
| • Revenue realization and credit risk<br>• Unpredictability of financial markets<br>• Foreign exchange risks due to exchange rate fluctuation and political instabilities | • Strong internal processes and analytical team to assess, monitor and manage financial risks<br>• Signing long-term and bulk contracts<br>• Regular and close monitoring of international market conditions and economic indicators |
| **OPERATIONAL RISKS** | |
| • Vulnerabilities in the agrochemical supply chain<br>• Reliance on imports of raw materials and intermediates to manufacture agrochemicals<br>• Concentration of distribution of agriculture chemicals with state government agencies, cooperative societies and private dealers<br>• Location of distribution points in three major agriculture producing regions - North, West and Southern regions<br>• Widespread nature of land holding patterns located in remote areas<br>• Low rate of development of agrochemical molecules in India<br>• Negative perception of agrochemical usage | • Established distribution network and a repeat customer base<br>• Investments in creating a strong domestic and international supply chain<br>• Keeping suppliers constantly appraised of internal and external changes<br>• Investment in supplier training<br>• Increased expenditure on R&D<br>• Research on bio-pesticides<br>• Regular engagement with dealers and end consumers on agrochemicals usage |

## RISKS AND CHALLENGES | REDRESSAL MECHANISMS

### HEALTH AND SAFETY RISKS

| Risks and Challenges | Redressal Mechanisms |
| --- | --- |
| • Safety of employees/workers in the chemical industry<br>• Material and product usage and safety<br>• Safety of end users such as improper usage risks for farmers<br>• Availability of skilled manpower | • Mandatory safety training for all employees and contractual workers engaged in usage, storage and transportation of chemicals<br>• Regular training in safe handling processes, proper use of personal protective equipment and emergency response procedures<br>• Farmer outreach and training farmers in proper usage of chemicals<br>• Training to enhance availability of skilled manpower |

### ENVIRONMENTAL RISKS

| Risks and Challenges | Redressal Mechanisms |
| --- | --- |
| • Climate change and unpredictable weather patterns<br>• Environmental and social pressures due to significant environmental impacts caused by operations, including accidental chemical spills, groundwater contamination, and air pollution. | • Implementation of mechanisms towards avoidance, minimization, mitigation of climate change impacts.<br>• Training in better land and crop management practices to mitigate environmental impacts caused by operations.<br>• Pollution mapping, water, emission and energy management systems. |

### COMPLIANCE AND STATUTORY RISKS

| Risks and Challenges | Redressal Mechanisms |
| --- | --- |
| • Environmental and social pressures to comply<br>• Environmental clearances and community approvals | • Greater transparency in dealing with all stakeholders<br>• Increased public consultation, community involvement and community development<br>• Regular internal and external audits |



# FOSTERING ENVIRONMENTAL SUSTAINABILITY

# From the Sustainability Desk

**Prasad Jakkaraju**
**Head, Sustainability**


Dear Stakeholders,

I'm delighted to share some of the progress we've made together on our journey toward building a more sustainable and responsible NACL. The year 2024-2025 marks yet another chapter in our continued commitment to safety, environmental stewardship, and sustainable growth.

We were recently awarded the prestigious Responsible Care (RC) logo recertification by the Indian Chemical Council (ICC)—a recognition that reflects our enduring dedication to health, safety, and environmental excellence. This logo is more than a symbol; it's a reaffirmation of our shared promise to continuously improve how we operate, keeping safety, sustainability, and accountability at the forefront.

In addition, we successfully completed the Integrated Management System (IMS) audits with SGS across all our sites and received the first IMS certificate for our Dahej plant. This includes ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards—validating the strength of our systems in quality, environmental management, and occupational health and safety.

These milestones are not just certifications—they're a reflection of the hard work, dedication, and values we uphold as a team.

As we look ahead, we recognize that the road to sustainability is a continuous one. Growth brings new challenges, and it is vital that we stay grounded in our principles while actively seeking smarter, safer, and greener ways of operating.

We have begun integrating life cycle thinking across various stages of our value chain, using Life Cycle Assessments (LCA) to evaluate and reduce the environmental impacts of our products. This approach is not only helping us identify opportunities for carbon footprint reduction, but also reinforcing our belief that environmental responsibility and operational excellence can—and must—go hand in hand.

In parallel, our transition toward renewable energy continues to gain momentum. By gradually shifting to cleaner energy sources and enhancing energy efficiency across operations, we are building a foundation for long-term resilience while lowering emissions in a meaningful way. These actions, though measured and deliberate, contribute to both our sustainability goals and overall cost effectiveness.

To deepen our safety and sustainability practices, the adoption and integration of OSHA's Process Safety Management (PSM) system, which includes 14 key elements, with the ICC's RC 20 elements is under progress, initiated in September 2024. This robust framework will be rolled out across both our technical sites at Srikakulam and Spec-Chem Dahej. We are also introducing a Behavior-Based Safety (BBS) program aimed at nurturing a culture of proactive safety and accountability throughout our organization. Our EHS and Sustainability teams remain deeply engaged across all sites, organizing awareness programs such as National Safety Week, World Environment Day, Fire Service Day, and Electrical Safety Week. These events play a vital role in fostering a culture of safety. I encourage each of you to actively participate, share insights, and stay informed through our newsletters, safety flashes, and precautionary notes based on real industry learnings.

We've also seen the positive impact of initiatives like Suraksha Sammelan at Srikakulam, Suraksha Yojana at Dahej, and the Safety Monthly Star and Safety Monthly Champion programs. These recognitions not only celebrate excellence but also inspire us to embed safety deeply into our daily work culture.

I'm pleased to share that all statutory compliances are being met, and we're actively pursuing new production expansions at both Srikakulam and Dahej. Approvals are underway with the Central Pollution Control Board (CPCB) and respective State Pollution Control Boards (PCBs). In parallel, quality circles have been initiated at our manufacturing facilities, encouraging continuous improvement and innovation from within.

We're also strengthening our safety infrastructure and preparedness with assessments like Security Vulnerability Audits and Fire Adequacy Studies, ensuring we're equipped to respond to any situation with confidence and care.

Our Sustainability Report for 2024-2025 captures these accomplishments and lays the foundation for what lies ahead. It is a testament to how far we've come and a reminder of the path forward—grounded in innovation, efficiency, community involvement, and purpose-driven progress.

Sustainability will only become more important in the years ahead. Let's continue to lead from the front—by being proactive, thoughtful, and courageous in our decisions. In doing so, we not only fulfill our responsibilities but also shape a future we can all be proud of.

Let's continue working hand in hand to build a safer, greener, and more sustainable tomorrow.

**Prasad Jakkaraju**
**Head, Sustainability**

# From Source to Stream: Our Water Story

NACL's manufacturing processes are designed with a clear focus on resource efficiency, especially when it comes to water use. Recognising the environmental challenges linked to industrial water consumption and discharge, we took an early lead in implementing Zero Liquid Discharge (ZLD) systems across all our manufacturing units.

These systems are designed to treat and recycle wastewater effectively, enabling clean water to be reused for purposes such as horticulture within our sites. At our Srikakulam facility, ZLD currently meets nearly 40-50% of the site's water requirements — a testament to the system's efficiency and impact.

Continuous process improvements have enhanced both water reuse and overall system performance. Modifications to the existing Effluent Recovery Operations (ERO) plant — including the integration of a third Reverse Osmosis (RO) system — increased recovery rates from 80% to 88.9%, and significantly reduced the reject volume sent to the MEE (Multiple Effect Evaporator) by 35%.

In addition, hazardous waste generated during operations is carefully managed on-site using scientific methods, with any non-processable waste responsibly routed through government-authorized partners, in full compliance with CPCB and SPCB guidelines.

## HTDS/LTDS Quantity and Treatment Cost

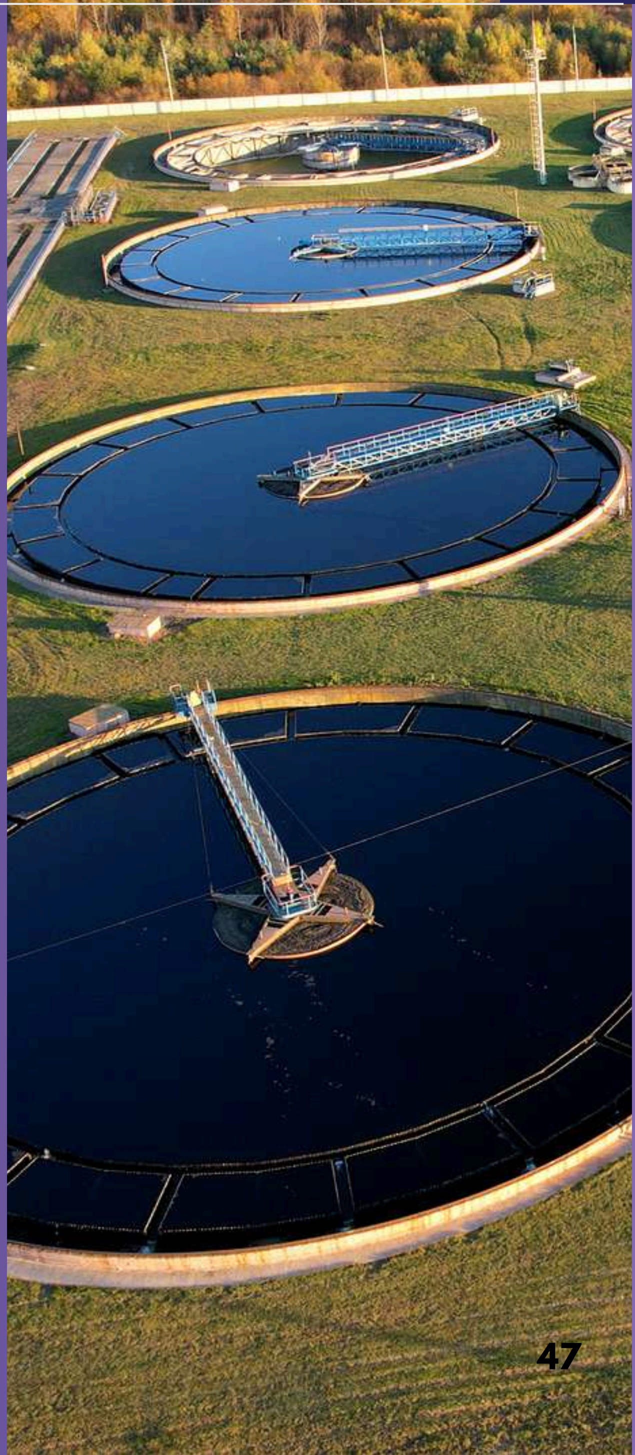
| Effluent | 2023-24 | 2024-25 | Remarks |
|---|---|---|---|
| Production in MTs | 9392 | 7279.1 | 22.5% |
| HTDS treated in MEE in KL | 39900 | 27347 | 31.5% |
| LTDS treated in KL | 96917 | 93105 | 4% |
| HTDS treatment Cost Rs/KL | 6615 | 6162 | 6.8% |
| LTDS treatment Cost Rs/KL | 941 | 843 | 10.4% |

## Specific Generation and Consumption / Ton of product

| Effluent | 2023-24 | 2024-25 | Remarks |
|---|---|---|---|
| HTDS generation KL/T | 2.90 | 2.5 | 13.8% |
| LTDS generation KL/T | 1.71 | 1.67 | 2.3% |
| Power consumption KW/T | 458 | 393 | 14.2% |
| Steam Consumption T/T | 4.09 | 3.25 | 20.5% |

## Water Use and Recovery Trends Over the Years

| Water Management | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| Total volume of water consumption (kL) | 129060.00 | 177716.00 | 208796.00 | 202607.00 | 155244.00 |
| Water intensity (kL) | 4.87 | 5.17 | 6.13 | 4.75 | 5.13 |
| Reduction in specific water consumption (%) (against previous year) | | -6% | -19% | -22% | 8% |
| **Water withdrawal by source** | | | | | |
| Surface Water (kL) | NA | 0 | 0 | 0 | 0 |
| Groundwater (Borewells) (kL) | NA | 1,03,108 | 1,00,957 | 1,45,307 | 1,54,824 |
| Third Party (kL) | NA | 0 | 0 | 0 | 0 |
| Seawater/desalinated water (kL) | NA | 0 | 0 | 0 | 0 |
| Others - Storm Water (kL) | NA | 60 | 361 | 0 | 420 |



# Waste Management for a Circular Future

At NACL, waste is not viewed as an end point but as a resource with potential for recovery and reuse. In line with our 2030 Sustainability Targets, we're working to integrate waste back into the value chain wherever possible — whether through byproduct recovery, water reuse, or material optimisation. Operating in a resource-intensive industry, we see responsible waste management as both an environmental necessity and a strategic enabler for long-term efficiency.

Guided by the 4R approach — Reduce, Reuse, Recycle, Recover — we've gone a step further by maximising the recovery of usable waste after treatment, converting it into energy, materials, and process inputs wherever possible.

Our Zero Liquid Discharge (ZLD) systems not only ensure that treated effluent water is reused efficiently, but also help in significantly reducing reliance on freshwater and cutting landfill loads.

We've also made substantial progress in recovering process byproducts and condensates. High-value byproducts are now being successfully recovered and commercialised, while treated condensates are reused within operations — improving overall efficiency before final disposal. These measures have improved water quality for reuse and recovery, with advancements such as converting HTDS (High Total Dissolved Solids) streams to LTDs (Low TDS) as part of the ZLD process.

| Waste Generation | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| Total hazardous waste generated (MT) | 5836.86 | 5374.86 | 6310.14 | 6180.83 | 4598.661 |
| Hazardous waste disposed of (MT) | 5179.89 | 4772.65 | 6471.55 | 5628.94 | 4,602.795 |
| **Waste Disposal** | | | | | |
| Incineration - Own Premises (MT) | - | - | 1162.60 | 974.40 | 858 |
| Landfilling - TSDF (MT) | - | - | 1567.02 | 2154.79 | 3184.02 |
| Cement Industries - coprocessing (MT) | - | - | 3661.41 | 3601.85 | 199.4 |
| TSDF - coprocessing (MT) | - | - | - | - | 380.8 |
| **Total** | | | **6391.03** | **6731.04** | **4622.22** |
| **Reduction in generation of specific hazardous waste (% against previous year)** | **-** | **-29%** | **19%** | **-22%** | **5%** |

# Plastic Waste Management and EPR Compliance

**For 2024-2025**

| Category | Recycled Plastic | | End of Life Plastic | |
|---|---|---|---|---|
| | Targets (MT) | Achieved (MT) | Targets (MT) | Achieved (MT) |
| CAT I | 302.5 | 303 | 302.5 | 303 |
| Cat II | 117.9 | 118 | 275.1 | 275 |


In alignment with the Plastic Waste Management Rules set by the Ministry of Environment, Forest and Climate Change, NACL has actively fulfilled its Extended Producer Responsibility (EPR) obligations for two consecutive financial years. We've submitted detailed disclosures covering plastic waste from plant to post-consumer levels, along with a government-mandated action plan, timely annual returns, and documentation of our recycling, recovery, and end-of-life disposal efforts—enabling the acquisition of plastic credits.

As part of our internal initiatives to reduce plastic dependency, we have completely eliminated single-use plastics and phased out PET bottles across our facilities. At our Head Office, we have transitioned to glass bottles, reinforcing our commitment to responsible consumption and sustainable alternatives.

For FY 2024-25, NACL generated 185.391 MT of pre-consumer and 973.305 MT of post-consumer plastic waste.

As a responsible Producer, Importer, and Brand Owner (PIBO), we manage plastic waste in line with government-defined categories:

- Category 1: Rigid packaging
- Category 2: Flexible packaging (single/multilayer)
- Category 3: Multilayer plastic
- Category 4: Carry bags and compostable plastics

# Optimising Energy, Sustaining Progress

NACL's approach to energy efficiency is through optimization of shop floor techniques, inculcating state-of-the-art technologies and gradually integrating sustainable energy options like biofuels into the energy mix to have a reduced energy footprint.

Our plant wise efforts have yielded a significant decrease in the specific energy consumption from the previous FY as tabulated below, setting us well on the path of our 2030 targets.

| Energy Management | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| Total energy consumption within the organisation (toe) | 18165.85 | 20157.62 | 20755.43 | 18171.95 | 10647.243 |
| Specific Energy Consumption within the organisation (toe/ton of production) | 0.62 | 0.59 | 0.63 | 0.43 | 0.408 |
| Reduction in sp. energy consumption (%) (against previous year) | - | 14% | -4% | 30% | -4% |

## Smarter Energy Use in Srikakulam Operations

The Srikakulam plant implemented a series of strategic energy-saving initiatives aimed at optimizing efficiency and reducing electrical consumption. The process began with a thorough assessment of existing systems to identify opportunities for improvement, including motor sizes, lighting, and pump operations. Key actions included reducing motor sizes to align with operational needs, introducing Variable Frequency Drives (VFDs) to enhance pump and motor efficiency, and converting belt drives to direct drives to eliminate energy losses.

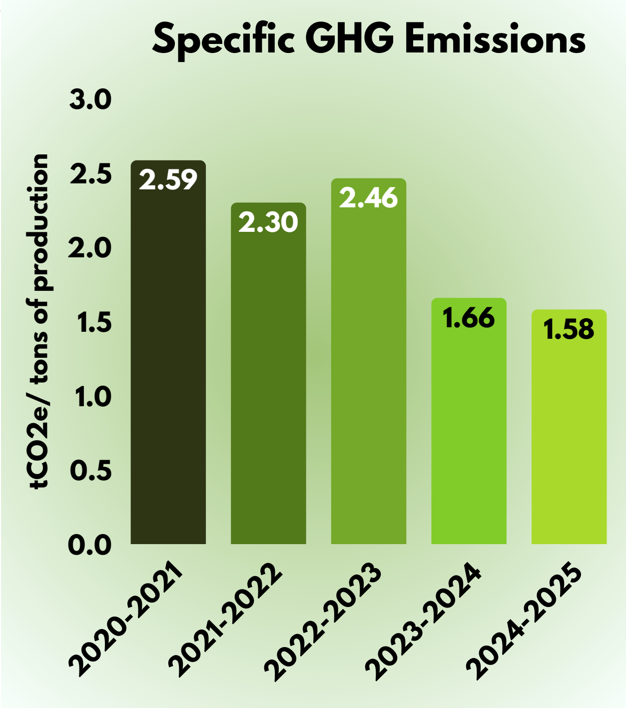
Boiler operations were improved by optimizing the reverse osmosis permeate transfer pump, while agitator speeds were adjusted for better performance. Standard motors were replaced with premium efficiency models, and lighting was upgraded to LED fixtures for significant energy savings. Continuous monitoring and evaluation allowed for real-time adjustments, reflecting the plant's commitment to sustainability and operational excellence.

# Clearing the Air: Our Emissions Journey

Reducing greenhouse gas emissions is a priority deeply embedded in how we operate and grow. As part of this commitment, NACL has fully aligned with the Science Based Targets initiative (SBTi), meeting all its criteria and recommendations — a step that has strengthened our credibility with stakeholders and reinforced our long-term sustainability vision.

In FY 2024-25, we achieved a 18% reduction in GHG emissions ($CO_2$ equivalent) compared to the previous year, contributing to a total of 47.4% reduction in specific emissions since FY 2020-21. These results reflect ongoing efforts in process efficiency, de-bottlenecking, and conservation of both electrical and thermal energy.

Notably, despite increased production capacity, absolute $CO_2$ emissions have not risen, underscoring our ability to decouple growth from emissions and advance toward a lower-carbon future.



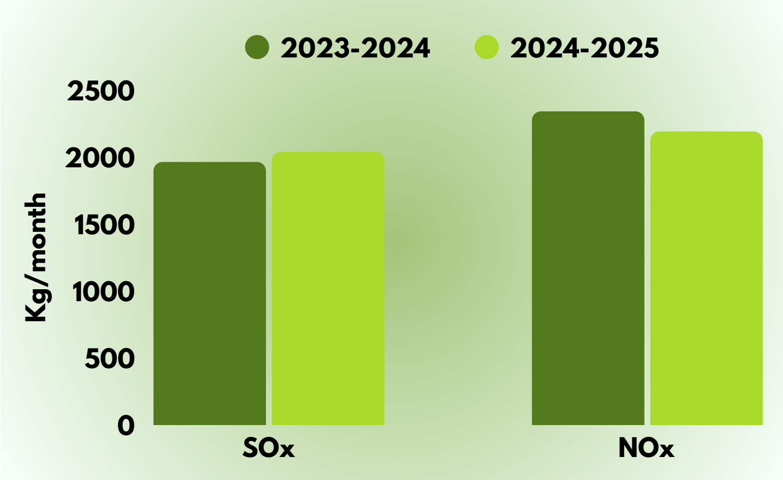

**GHG Emissions**

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| Direct (Scope 1) GHG Emissions in tCO2e | 49486.4 | 54904.4 | 52928.4 | 46298.44 | 25,034.161 |
| Indirect (Scope 2) GHG Emissions in tCO2e | 55383.2 | 61026.8 | 62750.1 | 52775.56 | 16,161.475 |
| **Reduction in sp. GHG Emissions % (against previous FY)** | - | **-11%** | **7%** | **-33%** | **-18%** |

# Noise, Air, and Odour: Managing What We Emit

At NACL, we are committed to implementing remedial measures for air pollution. We use electrostatic precipitators as air pollution control equipment for our coal-fired boilers, and our DG sets are equipped with stack heights designed according to CPCB guidelines. Process emissions are directed to scrubbers in series for treatment.

Sodium chloride, sodium bromide, ammonium chloride, and sodium sulfate are managed at the effluent treatment plant (ETP). Other gases, such as carbon dioxide, are released into the atmosphere following standard operating procedures, while hydrogen gas is safely vented through a water column.




## Reducing Localised Impact: Noise & Odour

NACL prioritizes reducing odors for residents near the Srikakulam plant through several key initiatives. VOC sensors are used to transmit online data to the SPCB server for effective emission monitoring and control. The open effluent collection and storage tank is covered with a hood connected to a scrubber unit. Multi-stage sensors in the process area detect elevated odor levels, raising alarms when they exceed acceptable limits.

Additionally, activated carbon bed dry scrubbers have been installed in all common vents and the solvent recovery plant to control process emissions. Multi-stage absorption scrubbers and coolers further reduce gaseous emissions. Continuous caustic dosing has been provided for Incinerator scrubbers to reduce odor issues.

At Dahej, the design change of the TMA scrubber sparger has significantly improved its absorption capacity, resulting in an 11% reduction in TMA levels. This enhancement has effectively addressed odor issues and minimized TMA losses.

# Connecting Industry with Nature

At NACL, we are dedicated to preserving biodiversity. As an agrochemical company, we depend on the ecosystem for renewable resources such as air, water, and soil, while also impacting these elements. Therefore, protecting biodiversity is a crucial aspect of our commitment to sustainability.

At the Srikakulam plant, we maintain extensive green belts that exceed the legally mandated requirement of 33% green cover, covering double that area. The facility features around 50,000 plants, with 4,000 to 5,000 new plants added each year. Although this area is not designated as a biodiversity-sensitive zone, the green belt serves as an effective system for mitigating pollution and absorbing emissions.

At the Dahej plant, out of a total land area of 79,999 $m^2$, NACL has established a green belt covering 26,400 $m^2$, which constitutes 33% of the total area. In the first phase of development, 2,200 trees were planted, followed by the planting of 6,600 trees in the second phase, considering an 80% survival rate. This green belt has been developed within the site boundary and along the internal roads and other designated areas as outlined in the layout.

NACL collaborates with various stakeholders such as farmers and NGOs to raise awareness about biodiversity risks and our initiatives towards biodiversity.

# Responsibility Across the Product Lifecycle

At NACL, our commitment to product stewardship is central to our sustainability efforts, guiding our comprehensive stewardship program. We adopt a holistic approach to product lifecycle management, incorporating research and innovation across all stages—manufacturing, packaging, transportation, application, and disposal. This integrated approach ensures that responsible and safe practices are embedded throughout our product portfolio, promoting sustainability and minimizing environmental impact.

As a Responsible Care® company, we adhere to the Product Stewardship Code, implementing best management practices.

We actively train our employees on responsible product handling and management to ensure that our innovative strategies lead to measurable results in safety and compliance.

We are proud to report zero instances of non-compliance regarding product and service information, labeling, or marketing communications. Every product and service undergoes rigorous assessments to evaluate health and safety impacts, ensuring full compliance with regulatory standards. NACL strictly follows the requirements of the Insecticides Act, 1968; Insecticide Rules, 1971; The Legal Metrology Act, 2009; and the Legal Metrology (Packaged Commodities) Rules, 2011. These regulations are clearly reflected on all product labels.

We also take proactive measures to promote safe product usage. Detailed leaflets with directions and instructions are included in our packaging, and we provide training to farmers on not only safe application but also best practices for optimal use.

All raw materials and finished products are transported by road, with dedicated parking facilities for transport vehicles. Drivers are equipped with Transport Emergency (TREM) cards containing detailed instructions on emergency response measures during transit.

We are pleased to report that there have been no cases filed against NACL in recent years, and there are no pending cases related to unfair trade practices, irresponsible advertising, or anti-competitive behavior. Furthermore, no customer complaints were received regarding product or packaging-related issues during the year.

Our commitment to responsible product stewardship and regulatory compliance is a testament to our dedication to sustainability and continuous improvement in safety and environmental performance.

# A FOUNDATION OF SAFETY & HEALTH

# Embedding a Culture of Safety

Operating in a sector that involves inherent risks—such as fire hazards and the handling of flammable and toxic materials like LPG cylinders and industrial solvents—calls for constant vigilance. We regularly monitor and review our technical production and formulation processes, always placing the safety of our people and the surrounding communities at the core of our operations.

One of the milestones in our safety journey was the 2019 transition at our Srikakulam plant from diesel to LPG. This shift not only led to reduced costs, lower energy consumption, and decreased carbon emissions, but also marked a significant step forward in enhancing on-site safety. It is a clear reflection of how operational choices can advance both sustainability and employee well-being.

Active participation in our Health and Safety Management System is deeply embedded in our culture. Our employees are key partners in upholding and advancing safety standards. Through capacity-building initiatives, rigorous training programs, and by linking career progression with safety performance, we are creating a workplace where safety awareness is second nature. These efforts empower individuals at every level to adopt a proactive approach to safety.

Our Integrated Management System (IMS), which includes ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, guides us in aligning operational excellence with environmental responsibility and workplace safety—ensuring we meet the expectations of our customers, partners, and regulators.

*Operational excellence goes hand in hand with safety and sustainability. By embedding these principles into every process, we ensure not just efficiency, but a resilient future for our people and our business.*

*- **K. Seshagiri Rao,***
*Sr.VP, Operations*

Across our manufacturing sites, we've put in place robust safety infrastructure including advanced fire protection systems, detection and alarm mechanisms, and automatic sprinklers. An accountability matrix helps ensure clarity and responsibility, outlining the roles of unit heads, safety officers, and area-specific safety leads—so that safety is not just a department, but a shared value.

Safety remains a core value across our operations, and we are continually enhancing it through automation and innovation. At our older Srikakulam plant, we are upgrading manual processes with automated systems to strengthen operational safety. In contrast, our newly commissioned technical plant in Dahej is equipped with a fully automated manufacturing process, featuring automated shutdowns and safety interlocks that reduce operator intervention and enhance real-time risk management.

We also ensure that safety knowledge is shared across locations. A Manual on Safety in Chemical Manufacturing, developed by the Srikakulam team, has been successfully adopted at the Dahej plant—reinforcing our commitment to cross-functional learning and consistent safety standards throughout the organization.



Quality, Environment, Health & Safety and Responsible Care (QEHS&RC) Policy is displayed on a board at the entrance of the plant gate, and in all blocks, in English and the local language. A small policy card in the local language is also issued to all employees and workmen (including contract workmen).

**Between January 2014 and March 2025, NACL has completed**

**21.8 MILLION SAFE MAN HOURS**

*In INR lakhs*

| Safety Budget CapEx | | | | |
|---|---|---|---|---|
| | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
| CapEx budget | 138 | 215 | 215 | 230 |
| CapEx utilized | 65 | 120 | 9.63 | 10 |

*In INR lakhs*

| Safety Budget OpEx | | | | |
|---|---|---|---|---|
| | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
| OpEx budget | 131 | 164 | 165.83 | 170 |
| OpEx utilized | 148 | 122 | 75.22 | 80 |

# Proactive Risk Management with HIRAC

The Hazard Identification, Risk Assessment, and Control (HIRAC) matrix is a core tool in our safety framework, used to evaluate hazards, assess risk levels, and determine the likelihood, frequency, and potential impact of workplace incidents. Each identified risk is tied to a clearly defined action plan with timelines for mitigation and response.

The matrix is routinely reviewed and updated to address emerging risks, enhance controls, and ensure cost-effective safety measures. Employee and safety officer feedback plays a vital role in this process, fostering a culture where safety is collaborative, adaptive, and continuously improved.

**Trivial** | **Tolerable** | **Moderate** | **Substantial** | **High** | **Extreme**


| Details of Incidents | 2020-2021 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| Safe Man Hours of all staff | 30,50,161 | 36,75,936 | 36,51,588 | 39,26,844 | 37,30,447* |
| Frequency Rate (LTIR) per working hours of all employees | 0.48 | 0 | 0 | 0 | 0.54 |
| Reportable incidents (No.) | 1 | 0 | 0 | 0 | 1 |
| Work related injuries (No.) | 0 | 0 | 0 | 0 | 1 |
| Near Misses (No.) | 7 | 7 | 8 | 7 | 8 |
| First Aid Cases (No.) | 21 | 26 | 27 | 8 | 5 |
| Unsafe Act/Condition (No.) | 1678 | 4395 | 6442 | 5792 | 4215 |

**Safe Man Hours counted up to March 28th 2025. Reportable incident occurred on March 29th with two man days lost. Incident handled according to existing guidelines and employee re-joined work after full recovery.*

# Strengthening Safety Awareness

Safety is a shared responsibility across every level of the organization, deeply embedded in daily operations. Continuous training ensures that both employees and contract workers are fully equipped to follow established safety standards and procedures.

Whenever there is a change in Standard Operating Procedures (SOPs), time is set aside for thorough training to familiarize teams with the updated safety requirements. A structured induction program begins with three days of safety training, followed by a written assessment reviewed by the unit head. Only after receiving feedback and hands-on mentoring are new employees allowed to operate independently on the shop floor.

Safety learning extends beyond internal programs. In partnership with the Andhra Pradesh Fire Service Department, employees have been trained in LPG cylinder handling, fire prevention, and first-aid firefighting. All site visitors must complete a mandatory safety orientation prior to entry.

Aligned with Responsible Care (RC) codes, a well-defined training calendar guides annual learning. Every individual completes a minimum of one man-day of safety training, with additional behavioral and functional sessions for executives and managers. Employees are encouraged to carry these learnings home—extending safety awareness into the community and family.

| Safety Training | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| No of H&S training workshops held for employees and workers | 132 | 152 | 255 | 282 | 236 |
| No of H&S training workshops held for contractual workers | 110 | 111 | 167 | 196 | 182 |
| No of employees and workers who have taken H&S training | 617 | 679 | 805 | 740 | 805 |
| No of contractual workers who have taken H&S training | 434 | 479 | 589 | 370 | 430 |
| Percentage of employees and workers covered by an OHS management system | 90.71% | 82.78% | 64.99% | 70.32% | 76.88% |
| Percentage of contractual workers covered by an OHS management system | 80.77% | 73.79% | 75.98% | 81.56% | 82.5% |

# Enhancing Emergency Preparedness

As the first company in the district to conduct off-site emergency response drills in collaboration with government authorities, we are committed to advancing community safety and preparedness. These drills help educate local villagers about potential hazards while simulating emergency scenarios to build confidence and readiness.

To support communication during critical situations, a public address system was donated to the community club near the Srikakulam plant. Local youth have been trained to operate the system, enabling timely announcements and smooth evacuations if needed.

Quarterly on-site mock drills, conducted during both day and night, further strengthen our internal preparedness. These exercises are documented and submitted to the Factories Department, and all employees undergo training in Emergency Response Plans. A dedicated Emergency Response Team (ERT) remains on standby, equipped to manage any potential incidents swiftly and effectively.


## Proactive Safety and Monitoring

A robust performance management system is in place to track safety, including a dedicated safety score that reinforces accountability across the organization. External Annual Safety Audits are conducted, with findings and compliance reports submitted to the Deputy Chief Inspector of Factories (DCIF). These are supported by regular internal safety and IMS audits, daily inspections by certified safety officers, and structured reviews through Safety Activity and Preventive Maintenance Plans.

Comprehensive safety assessments—including fire adequacy, security vulnerability, electrical safety, and energy audits—were carried out across all manufacturing sites last year.

In compliance with the Factories Act, 1948 and Insecticides Rules, 1971, bi-annual medical check-ups are conducted for all employees, including contract workers. Evaluations and counseling are handled by the company's medical officer.

# TOOL-BOX TALK

A few minutes each day can make a lasting difference—every shift at our plants begins with a five-minute safety discussion, reinforcing our collective responsibility to maintain a safe and secure workplace.

Teams reflect on recent near-miss events, minor incidents on-site, and safety-related news from across the industry. These discussions serve as real-time learning opportunities, exploring what went wrong, how it could have been prevented, and how responses can be strengthened. Topics range from good housekeeping and PPE use to ladder safety, hygiene, confined space entry, and spill prevention—all aimed at raising awareness and promoting safe practices.

On the first day of each month, a gate meeting is held where the plant head outlines key safety updates and upcoming EHS initiatives. Zone leaders present progress from their areas, and the Safety Star of the Month is recognized—celebrating individual contributions to a culture of vigilance and accountability. This rhythm of daily reflection and monthly recognition keeps safety not just a protocol, but a shared value embedded in our work culture.


## Ensuring Safety Through Vigilance

Each plant has a dedicated Safety Committee with equal representation from workers and management, meeting quarterly to address safety issues. To mitigate occupational exposure, especially in dusty or high-noise zones, engineering and administrative controls —such as acoustic enclosures, ducting with scrubbers, and dust collectors—are implemented.

In partnership with third-party experts, monthly environmental monitoring is conducted to track noise levels, air quality, illumination, VOCs, and stack emissions, ensuring continued compliance and proactive risk mitigation.

**Health and Safety Roles and Responsibilities**

| Level | Role | Responsibility |
|---|---|---|
| Top management | Management representative at corporate level (CMR) | Adding health and safety as an agenda item in company-wide meetings, review of monthly reports and internal audits, establishing safety committee, preparing/revising QEHS&RC policy, resource mobilization |
| Senior management | Safety head at each manufacturing site | Specific responsibility of monitoring and implementing health and safety as per the internal systems, participating in mock drills/trainings, all legal and statutory compliances |
| Line managers | Employee participation | Safety committee meetings, ensuring PPE at floor level, involvement in setting health and safety plans, HIRAC, safety assessment studies, carrying out inspections of accident and near-miss investigations, hazard spotting, Tool Box Talks, mock drills/trainings, safety competitions |
| Staff | Everyone at NACL | Participate in EHS trainings, drills, safety competitions, educate everyone on hazards, safety practices, and rules |

# Safety Awareness and Engagement

Each year, Safety Week (March 4-10) and Fire Service Week (April 14-20) serve as key platforms to promote active participation in workplace safety. These events feature safety competitions, firefighting demonstrations, and awareness sessions, reinforcing essential practices across all teams. Energy Conservation Day and Electrical Safety Week are also observed to deepen understanding of energy use and electrical safety.

To ensure safety remains top-of-mind, awareness is spread through EHS newsletters, plant-wide safety posters, and LED screens in common areas displaying safety videos. Annual safety exhibitions further engage employees with interactive displays and learning opportunities.

Beyond the workplace, safety is extended to the community through school-based competitions, LPG safety awareness sessions, and road safety training. Students are invited to visit the plant to learn about workplace safety, building a culture of awareness from a young age.

A series of First Aid Awareness Training programs—including CPR instruction—has equipped employees with life-saving skills. To strengthen emergency response, Automated External Defibrillators (AEDs) have been installed at all sites.


Participation is encouraged through recognition initiatives such as Suraksha Sammelan and the Monthly Safety Star award. Programs like the Pragathi Suggestion Scheme and Goonj invite employee contributions toward improvements in safety, energy, quality, and cost-efficiency, reinforcing a culture of continuous learning and shared responsibility.

# ENGAGING MINDS, INSPIRING ACTION

# Shaping the Future, Together

With an emphasis on a culture that values employees, NACL remains adherent to nurturing talent and in supporting our workforce to thrive in a dynamic setting. Through this Sustainability Report, we take the opportunity to outline the initiatives, achievements and challenges across various HPD (Human Potential Development) domains. HPD plays a pivotal role in embedding sustainability into our culture and operations. By working closely with leadership, HPD aligns its strategies with organizational goals—driving digital transformation, enhancing employee experiences, and ensuring we have the talent needed to fuel sustainable growth. Through structured talent management and a focus on long-term development, we continue building a resilient, future-ready workforce.

**Diversity, Equity, and Inclusion: Driving Innovation**

A diverse and inclusive workforce strengthens collaboration, problem-solving, and innovation. HPD's focus on inclusive hiring and equitable development opportunities enriches our organizational culture and enhances our capacity to respond to complex challenges—contributing directly to national and global sustainable development goals.

**A Culture Anchored in Responsibility**

With an attrition rate consistently below 10%—among the lowest in our industry—our commitment to employee well-being, ethical practices, and social responsibility stands out. HPD remains dedicated to cultivating a highly skilled, engaged, and values-driven workforce that drives both business sustainability and positive societal impact.

NACL promotes diversity and inclusion across the organization. The Company does not stigmatize or discriminate against religion, caste, class, creed, gender or geography in relation to hiring or remuneration and benefits. We strongly advocate for work-life balance for all employees. Trade unions are established, and collective bargaining is in place.

*True engagement goes beyond policies—it's about listening, valuing every voice, and creating a workplace where people feel inspired to grow, contribute, and belong.*

*- **Sriniwas CR,***
*CHRO & Sr.VP, HPD & Admin*

# HPD Across Cross-cultural Domains

**Performance Management and Policy Excellence**

Performance at NACL is driven by clarity and continuous improvement. By aligning individual and functional goals with the company's strategic objectives through SMART-based KRAs and KPIs, we've strengthened accountability and enhanced productivity. Our transition to a more dynamic, feedback-oriented model encourages a growth mindset and supports meaningful performance conversations. Regular internal audits continue to confirm full compliance, reinforcing our strong legal and ethical foundation.

**Employee Turnover by Age and Gender**

| | 2021-22 | | 2022-23 | | 2023-24 | | 2024-25 | |
|---|---|---|---|---|---|---|---|---|
| **Age Group** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** |
| <30 years | 26 | 1 | 44 | 2 | 36 | 2 | 60 | 6 |
| 30-50 years | 98 | 1 | 94 | 1 | 97 | 0 | 149 | 3 |
| >50 years | 22 | 1 | 18 | 0 | 20 | 0 | 32 | 1 |
| **Total** | **146** | **3** | **156** | **3** | **153** | **2** | **241** | **10** |

**Employee Distribution by Age and Gender**

| | 2021-22 | | 2022-23 | | 2023-24 | | 2024-25 | |
|---|---|---|---|---|---|---|---|---|
| **Age Group** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** |
| <30 years | 144 | 0 | 161 | 5 | 164 | 5 | 155 | 10 |
| 30-50 years | 894 | 11 | 984 | 12 | 939 | 16 | 922 | 16 |
| >50 years | 234 | 2 | 253 | 4 | 271 | 4 | 309 | 3 |
| **Total** | **1272** | **13** | **1398** | **21** | **1374** | **25** | **1386** | **29** |

**Digital Transformation of HPD**

As part of our ongoing digital transformation, we've integrated cloud-based platforms across multiple Human Potential Development (HPD) functions—including attendance, payroll, performance reviews, internal approvals, and exit processes. These digital tools not only streamline operations but also improve data accuracy and user experience. Enhanced data security measures ensure compliance with data protection laws while enabling better workforce insights and smarter decision-making.

**Strengthening Governance and Compliance**

HPD processes and policies are guided by transparency, consistency, and continuous refinement in line with evolving business needs and industry best practices. Our team ensures strict adherence to labour laws and statutory requirements, helping to mitigate risks while fostering a stable, ethical, and compliant work environment—foundational to sustainable growth.

# People First: Hiring and Retention

NACL is an equal opportunity employer dedicated to clearly defining roles and expectations for permanent employees, emphasizing individual competencies, qualifications, and experience as key selection criteria. Our recruitment process utilizes multiple channels, including advertisements on social and traditional media, placement consultants, and on-campus recruitment from prestigious institutions. For contractual positions, NACL strictly adheres to all national labour laws. Our structured onboarding program helps new associates acclimate to their work environment, integrate into the company culture and become effective.

Our Human Resource (HR) practices foster a safe and supportive work environment by proactively enhancing job satisfaction, developing essential skills to boost productivity, and offering a clear path for professional growth.

85% of recruitment processes were conducted virtually, significantly reducing travel and energy consumption.

**KEY METRICS**

- **Total hires in 2024-25: 182**
- **Turn-around time-to-hire: TAT 65 Days**

**Employee Retention**

At NACL, our HPD prioritizes career progression, competitive benefits, and recognition programs to retain top talent. We leverage insights from exit interviews to improve the employee experience, and regular interactions allow us to track employee sentiments, enabling timely interventions to prevent disengagement.

**Attrition Rate**

| 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|
| 8% | 8% | 9% | 12% |

**Supporting People Through Change and Care**

Effective change management is key to sustainable growth. Our Human Potential Development (HPD) team ensures smooth transitions during structural changes, technological shifts, and expansion efforts—minimising disruption and helping teams adapt with confidence.

Employee well-being is a core priority. We regularly conduct initiatives that promote physical, mental, and emotional health, and implement supportive policies to foster a positive, inclusive workplace. Engagement programmes further strengthen connection and belonging across teams.

This people-first approach has earned long-term trust, reflected in an attrition rate of under 10%—among the lowest in the industry.

# Empowering Through Benefits

We believe that a truly sustainable workplace begins with caring for the people who make it possible. All permanent employees at NACL are covered by a robust benefits package that includes health and accident insurance, maternity and paternity leave, daycare facilities, provident fund, gratuity, and Employee State Insurance (ESI). All women employees are entitled to maternity benefits, and we are in the process of formalising paternity leave policies as part of our commitment to inclusive care.

In the past three years, we've restructured our compensation framework to include a performance-based bonus component and ensure equitable growth opportunities. Two employee stock option plans—ESOS 2015 and ESOS 2020—allow employees to share in the long-term success of the company.

Well-being is approached holistically at NACL, with a focus on physical, mental, and emotional health. Our on-site meditation centre offers a space for mindfulness, and 30-40 employees currently practice regularly. In partnership with Brahmakumaris, we've facilitated 240 man-days of stress management training, supporting a work culture rooted in balance, care, and zero harm.

We also conduct bi-annual health camps and surveillance, overseen by our in-house Medical Officer, with secure management of medical records to ensure employee privacy. More than a workplace, NACL functions as a close-knit community —celebrating milestones, recognising long-serving team members, and creating a culture of belonging that supports both personal and professional growth.

**Expenditure on Employee Benefits and Well-being (in Rs. Lakhs)**

| Details | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| Gratuity | 96 | 122 | 170 | 209 | 266 |
| Provident Fund | 521 | 564 | 649 | 738 | 816 |
| Staff Welfare | 546 | 702 | 858 | 935 | 989 |
| LTA | 216 | 237 | 289 | 280 | 378 |
| Performance Incentive | 663 | 476 | 748 | 174 | 939 |
| Statutory Bonus | 263 | 107 | 116 | 125 | 120 |
| Leave Encashment | 207 | 213 | 402 | 276 | 425 |

*In INR lakhs*

# A Culture of Continuous Growth

We believe that empowering our people through learning is essential to building a resilient and future-ready organization. Through focused training, reskilling, and leadership development, our Human Potential Development (HPD) team equips employees to confidently navigate evolving technologies, market shifts, and industry demands.

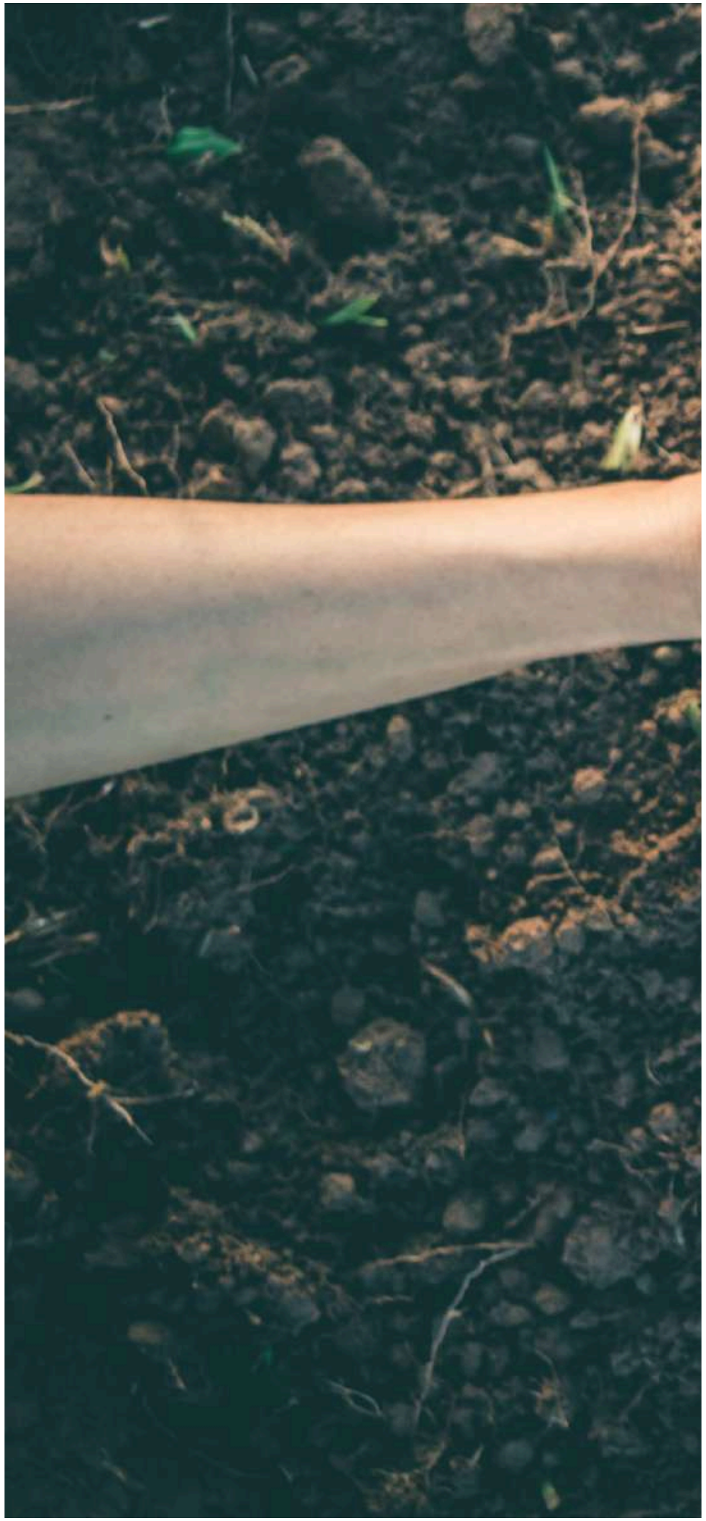
Dedicated programs for leadership development and succession planning ensure that we are cultivating capable leaders from within—those who can carry our values and vision forward. The introduction of a structured competency framework is now helping us align our training priorities with critical skill areas for the future.

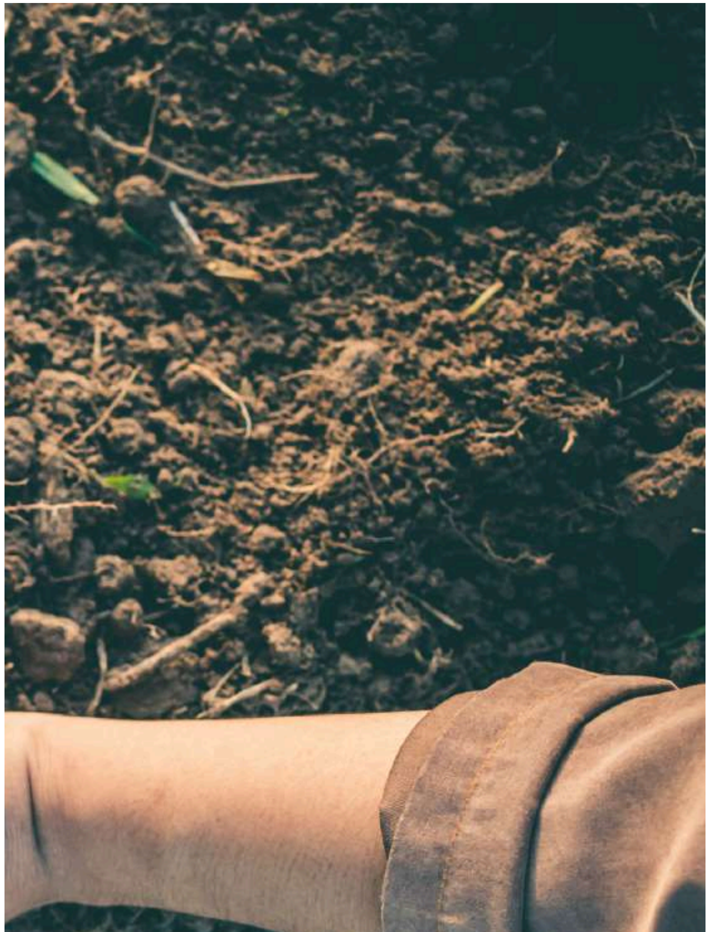
**Fostering Innovation and Continuous Improvement**

We encourage employees at all levels to take ownership of improvement through structured programs that reward innovation and efficiency. Initiatives like 5S, Kaizen, Quality Circles, Suggestion Schemes, Lean Six Sigma, and innovation platforms are embedded across our operations—helping reduce waste, streamline processes, and boost productivity. These efforts reflect our belief that sustainable progress is powered by people who are engaged, skilled, and motivated to make a difference every day.

*In INR lakhs*

| Key Metrics | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|
| Budget | 72 | 146 | 146 | 147 |
| Actuals Spent | 3.93 | 36.93 | 6.35 | 115 |
| Avg. Training Man days per employee | 0.5 (due to Covid) | 1.5 | 2 | 3 |





# SOCIAL IMPACT AND RESPONSIBILITY

# Growing Together with Communities

Social impact and responsibility are central to how we define success — not just in financial performance, but in the positive change we bring to the communities around us. We believe that meaningful growth is rooted in shared progress, and this belief drives our commitment to creating lasting impact through initiatives in education, healthcare, rural development, and environmental awareness. Many of our programmes are implemented in close collaboration with local government departments, particularly in the Srikakulam region, where we work hand in hand to address critical needs and uplift underserved communities. This commitment is anchored in our Corporate Social Responsibility (CSR) Policy, which lays out a clear framework for our focus areas, implementation approach, and long-term social investment strategy.

**Our Social Impact Approach - CSR Policy**

- Serve - and be seen to serve - communities by improving their quality of life, as responsible corporate citizens.
- Promote inclusive growth through empowerment of farmers, women, and socially & economically weaker sections of society.
- Promoting community engagement in and around our areas of operations, to create a significant and sustained positive impact.
- Create opportunities for our employees, customers and other stakeholders to contribute to theseefforts.
- Demonstrate our commitment to balancing economic growth with ecological and social responsibility.

*Every financial decision we make carries a deeper purpose — to create lasting value not just for the company, but for the communities that make our journey possible.*

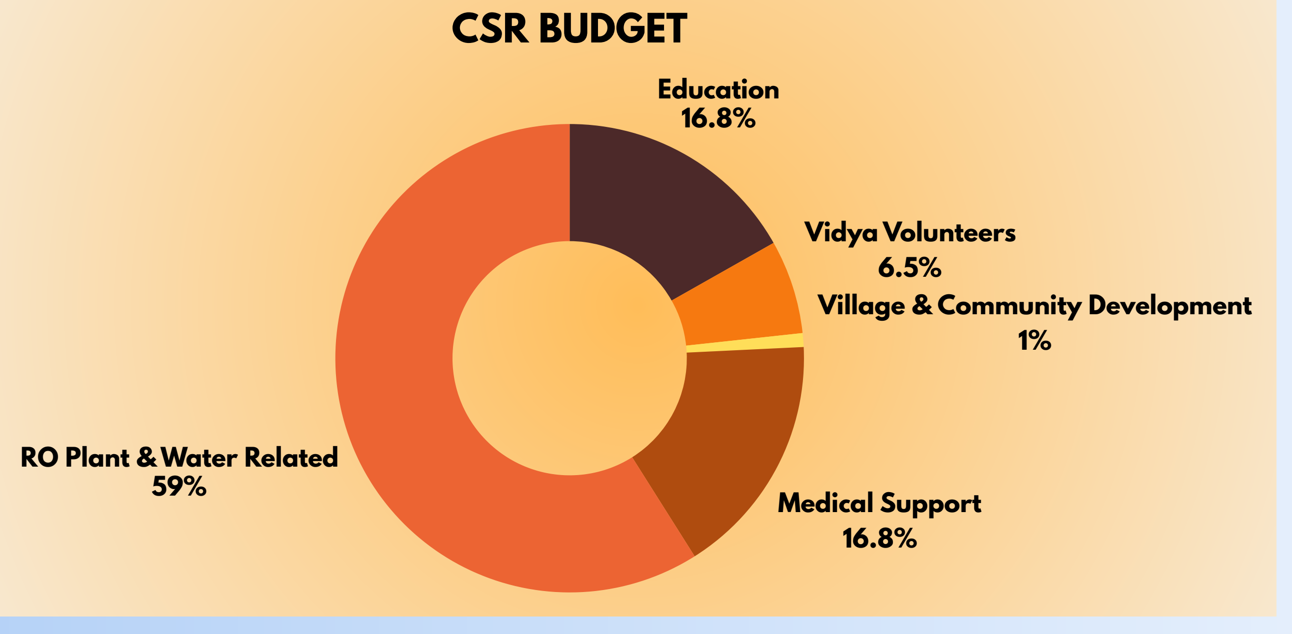
- ***Anish Matthew,***
*Chief Financial Officer*

Our Corporate Social Responsibility Committee plays a key role in shaping and overseeing our social impact efforts. The committee advises NACL on CSR-related policies and recommends and approves the annual CSR budget. It also ensures that our activities and related disclosures align with regulatory requirements and our long-term commitment to community development.

# Resources for Responsible Impact

*In INR*

| CSR Expense Head | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|
| Scholarships to Merit Students & Other expenses related to Education | - | - | - | 21,97,011 |
| Vidya Volunteers | 9,00,000 | 8,38,000 | 8,22,500 | 8,47,000 |
| Village & Community Development | 17,00,000 | 8,88,000 | 12,05,836 | 1,24,680 |
| Medical Support | - | 46,41,000 | 1,22,98,935 | 21,97,011 |
| Water pumping, RO water production & distribution to surrounding villages and RO Plant Maintenance | 33,00,000 | 6,91,6000 | 71,48,454 | 77,07,729 |
| **Grand Total** | **59,00,000** | **1,32,83,000** | **2,14,75,725** | **1,16,02,420** |




# Initiatives for Inclusive Growth


NACL's Corporate Social Responsibility (CSR) initiatives are centered around creating meaningful impact across four key areas: education, access to clean drinking water, healthcare, community development, and disaster relief. These efforts are designed to uplift rural communities surrounding our plants, with a focus on addressing local needs and empowering vulnerable groups.

Our projects aim to improve quality of life by enhancing access to essential services and creating pathways to sustainable livelihoods through skill development. We also support environmental restoration through afforestation, rainwater harvesting, soil conservation, and the preservation of local biodiversity.

In times of crisis, our commitment deepens. During the cyclone in Srikakulam, we actively supported local disaster response efforts in coordination with the district administration. Following the floods in Ethakota, we stepped in to provide immediate shelter and food to displaced families from three affected villages—standing by our communities when they needed it most.

## Access to Clean Drinking Water

Ensuring access to safe, clean water is one of NACL's most impactful and far-reaching community initiatives—accounting for nearly 68% of our annual welfare spending. Beyond meeting a critical need, this initiative also supports local employment, indirectly creating jobs for 28 individuals as operators, cleaners, and drivers.

To make this possible, NACL has built and continues to operate six RO water treatment plants—two with a capacity of 2 kilolitres and four with 1 kilolitre each.

These facilities provide safe drinking water to over 2,000 households in the villages of Arinama Akivalasa and Kesavadaspuram.

We've also invested in long-term infrastructure by constructing six overhead water tanks and maintaining the submersible pumps that feed them. Additionally, a dedicated pipeline network with tap points in five villages ensures that over 8,000 families now have direct household access to clean water, contributing to better health, hygiene, and dignity in daily life.

# Mana Neeru Mana Arogyam (Our Water, Our Health)

In Chilakapelam, a village of over 6,000 residents near our Srikakulam plant, access to potable water was once a daily struggle—especially for women and young girls who had to walk long distances to fetch water for their families. Recognising the strain this placed on their well-being and time, NACL took meaningful action by constructing and operating a 2-kilolitre RO plant in the village, ensuring a reliable supply of clean drinking water.

To make access even more convenient, 20-litre water cans are delivered directly to the doorsteps of 2,000 families every two days. This initiative has not only improved quality of life but also created local employment: six men are engaged in cleaning, loading, and distributing the cans, while four women maintain the RO facility. A night watchman is also employed to ensure the plant's security—making this a community-driven solution in every sense.

## Voices from the Community: Muni Bharati's Journey

In nearby Munipea village, Muni Bharati, a 39-year-old widow and mother of two, exemplifies how education and empowerment go hand in hand. A Vidya Volunteer since 2004, Muni receives a modest monthly stipend of ₹3,500, which helps support her family. Over the past 19 years, she has embraced multiple roles—from supervising the lunchroom and playground to assisting in classrooms, running the library, and organizing PTA meetings.

Muni's dedication extends beyond routine responsibilities—she now tutors and mentors students and has gained valuable insights into school operations, ethical practices, and collaborative leadership. Her journey reflects the deeper impact of our community engagement efforts: fostering growth, independence, and dignity.

## Enabling Education and Empowering Futures

At NACL, we believe education is the foundation of long-term, sustainable community development. Through our Vidya Volunteers initiative, launched in 2012, we work closely with government schools near our Srikakulam plant to improve educational outcomes and strengthen local involvement in school systems.

Currently supporting seven schools in nearby villages, the program engages 15 local volunteers—including parents, senior students, and elders—who contribute meaningfully to school activities, event planning, and regular Parent-Teacher Association (PTA) meetings. These volunteers receive a nominal stipend and are selected based on both aptitude and need, helping bridge the resource gap while fostering community ownership in education.

These facilities provide safe drinking water to over 2,000 households in the villages of Arinama Akivalasa and Kesavadaspuram.

We've also invested in long-term infrastructure by constructing six overhead water tanks and maintaining the submersible pumps that feed them. Additionally, a dedicated pipeline network with tap points in five villages ensures that over 8,000 families now have direct household access to clean water, contributing to better health, hygiene, and dignity in daily life.

Beyond this, we provide annual scholarships worth ₹1.5 lakh to support 20-30 deserving students, ensuring financial barriers do not limit their potential.

In Ethakota, home to one of our key facilities, we have upgraded Zilla Parishad High Schools (ZPHS) by repainting science labs, supplying lab equipment and chemicals, and constructing a basketball court to promote physical education. We also partnered with Rotary Club Srikakulam and Padala Trust to conduct an awareness program on menstrual hygiene and health at Balayogi Social Welfare School, Etcherla—empowering girl students with essential knowledge and confidence.

Additionally, NACL proudly sponsors 21 meritorious students at IIIT, SM Puram, supporting their academic journey and helping nurture the next generation of changemakers.

## Advancing Community Health and Well-being

At NACL, we recognise that access to quality healthcare is fundamental to building resilient communities. In line with our commitment to social responsibility, we continue to support healthcare initiatives that respond to both immediate and long-term community needs.

On the occasion of our Founder's Day, a blood donation camp was organised in collaboration with the Indian Red Cross Society, earning commendation from the Hon'ble District Collector for our compassion and proactive community engagement.

In a gesture of continued care, a memorial hospital—originally constructed through the Raju Foundation by our Chairperson, Mrs. K. Lakshmi Raju—was renovated and furnished by NACL, ensuring it remains a functional and welcoming space for those in need.

During the peak of the COVID-19 crisis, NACL Industries Limited, Srikakulam, responded swiftly by constructing a PSA Oxygen Plant at RIMS, Government Main Hospital, Srikakulam. The plant was inaugurated on June 7, 2021, by the Hon'ble Deputy Chief Minister of Andhra Pradesh, Sri Dharmana Krishna Das, along with District Collector Sri J. Nivas, IAS, and other local dignitaries—providing vital oxygen support to COVID wards at a critical time.

## Community-Led Safety: The Mytri Police Initiative

In response to a community request for enhanced safety measures, NACL extended its support to the Mytri Police initiative near our plant locations. This community policing program aims to promote crime prevention and build trust between local residents and law enforcement.

As part of our commitment to social responsibility, NACL provides stipends to the volunteers engaged in the initiative, enabling them to play an active role in maintaining peace and safety in the area. The program reflects our belief that community well-being extends beyond infrastructure—into security, trust, and shared responsibility.

# Strengthening Communities Through Local Development

Rural development remains a key focus area, with efforts designed to improve everyday life in the villages surrounding our operations. Initiatives include immunization drives, tree plantation campaigns, and the distribution of sports equipment to support youth engagement. Infrastructure support is also provided in the form of benches, tree guards, and land for community halls, while active participation in religious and cultural events fosters stronger community bonds.

On October 20, 2023, the District Collector, along with administrative staff and NACL personnel, visited the Naruva site to oversee the establishment of a new road that will enhance local connectivity and infrastructure.

Earlier, on October 4, 2023, Andhra Pradesh Chief Minister Shri Y.S. Jagan Mohan Reddy virtually laid the foundation stone for NACL Multichem Limited in Naruva village. The event, held at the Chief Minister's camp office in Amaravati, was attended by the District Collector and the NACL team, marking a major milestone in regional industrial and community development.

Furthering its commitment to youth and sports, NACL sponsored a ₹3 lakh boxing rink at the Kodirama Murthy Stadium Complex, inaugurated by District Collector Mr. Srikesh Lathakar. A tree plantation drive followed the event, reinforcing the company's dedication to environmental stewardship and healthy community spaces.


## Other Community-Centric Initiatives

In support of public health, NACL Industries Limited, Srikakulam distributed sodium hypochlorite solution and bleaching powder across the district to aid sanitation efforts.
To empower local farmers, we have established Communities of Practice (CoP)—peer-led platforms for exchanging knowledge on agricultural practices, financial planning, and emotional well-being. Our teams actively engage through social media groups and in-person sessions, ensuring timely guidance and support.

Additionally, drinking water from the Nagavali River and borewells is supplied daily via tankers to nearby villages. Regular workshops and medical camps are organized, covering topics such as alternative income generation, modern farm mechanization, and mental health—helping foster both economic resilience and community well-being.

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# SASB STANDARDS - CHEMICALS

| Topic | Metric | Category | Unit of Measure | Code |
|---|---|---|---|---|
| Greenhouse Gas Emissions | Gross global Scope 1 emissions, percentage covered under emissions- limiting regulations | Quantitative | Metric tonnes (t) $CO_2$-e, Percentage (%) | RT-CH-110a.1 |
| | Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | Discussion and Analysis | n/a | RT-CH-110a.2 |
| Air Quality | Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs) | Quantitative | Metric tonnes (t) | RT-CH-120a.1 |
| Energy Management | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable (4) total self-generated energy | Quantitative | Gigajoules (GJ), Percentage (%) | RT-CH-130a.1 |
| Water Management | (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress | Quantitative | Thousand cubic metres ($m^3$), Percentage (%) | RT-CH-140a.1 |
| | Number of incidents of non-compliance associated with water quality permits, standards and regulations | Quantitative | Number | RT-CH-140a.2 |
| | Description of water management risks and discussion of strategies and practices to mitigate those risks | Discussion and Analysis | n/a | RT-CH-140a.3 |

| Topic | Metric | Category | Unit of Measure | Code |
|---|---|---|---|---|
| Hazardous Waste Management | (1) Amount of hazardous waste generated, (2) percentage recycled | Quantitative | Metric tonnes (t), Percentage (%) | RT-CH-150a.1 |
| Community Relations | Discussion of engagement processes to manage risks and opportunities associated with community interests | Discussion and Analysis | n/a | RT-CH-210a.1 |
| Workforce Health & Safety | (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees | Quantitative | Rate | RT-CH-320a.1 |
| | Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks | Discussion and Analysis | n/a | RT-CH-320a.2 |
| Product Design for Use-phase Efficiency | Revenue from products designed for usephase resource efficiency | Quantitative | Presentation Currency | RT-CH-410a.1 |
| Safety & Environmental Stewardship of Chemicals | (1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment | Quantitative | Percentage (%) by revenue, Percentage (%) | RT-CH-410b.1 |
| | Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact | Discussion and Analysis | n/a | RT-CH-410b.2 |

| Topic | Metric | Category | Unit of Measure | Code |
|---|---|---|---|---|
| Management of the Legal & Regulatory Environment | Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry | Discussion and Analysis | n/a | RT-CH-530a.1 |
| Operational Safety, Emergency Preparedness & Response | Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) 2 | Quantitative | Number, Rate | RT-CH-540a.1 |
| | Number of transport incidents | Quantitative | Number | RT-CH-540a.2 |

## ACTIVITY METRICS

| Activity Metric | Category | Unit of Measure | Code |
|---|---|---|---|
| Production by reportable segment | Quantitative | Cubic metres ($m^3$)or metric tonnes (t) | RT-CH-000.A |


This Sustainability Report contains forward-looking statements, which may be identified by terms such as "will continue to," "plans," "expects," and similar expressions. These statements relate to NACL's future sustainability goals, innovations, regulatory matters, and environmental commitments. They are based on current expectations and assumptions and are subject to risks and uncertainties—many of which may be beyond NACL's control. As such, actual outcomes may differ materially from those expressed or implied.

These statements reflect management's intentions in good faith; however, NACL does not guarantee their realization and undertakes no obligation to update them, except as required by law. Readers are advised to exercise caution when interpreting forward-looking statements, as future developments may differ from current assumptions.

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