



CHEMICAL SOLUTIONS TRADING COMPANY

Postal address: P.O. Box: 181, Dammam 31411, Saudi Arabia.

Head Office Address: Office # 104, 3rd Floor, Tower 4, Novotel Business Park, Dammam,
King Fahad Bin Abdulaziz Road, Al Khalidiyah Ash Shamaliyah, Dammam 32232.

GHG EMISSION REPORT

Form No : CHEMSOL/ESG/F-330

Issue No : 01

Rev No : 00

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1. Introduction

CHEMSOL, based in India, specializes in the manufacture, trading, and distribution of Special Additives, Pigments & Dyes, Food and Feed Ingredients, Raw Materials for Adhesives, Plastics, Rubber, Paint and Coatings, Oil & Gas, Water Treatment, Construction Chemicals, Mining Chemicals, Electroplating Chemicals, and Spare Parts for Construction Equipment. As part of our strong commitment to Environmental, Social, and Governance (ESG) principles, we actively monitor and manage our greenhouse gas (GHG) emissions. This document summarizes our Scope 1, Scope 2, and Scope 3 emissions and outlines a comprehensive, time-bound reduction plan aimed at supporting global climate goals and achieving long-term sustainability.

Organizational Boundary

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2. GHG Emissions Summary

Calculation period: January 2024-December 2024

All values in MT CO₂e

GHG Emission Reporting Frequency: Annually

EMISSION	CURRENT YEAR January 2024-December 2024	TARGET 2025	TARGET 2030
Scope 1	21.38	5%	Net Zero
Scope 2	3.54	5%	Net Zero
Scope 3 Upstream	128.14	5%	Net Zero
Scope3 Downstream	48.09	5%	Net Zero
Total Scope 3	176.23	5%	Net Zero
Total GHG Emission	201.15	5%	Net Zero



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3. GHG Emissions Reduction Plan

3.1. Dedicated Budget for GHG Management

CHEMSOL has established a dedicated annual budget to support greenhouse gas (GHG) management initiatives. This budget covers a range of activities essential for driving emissions reductions, including conducting regular energy audits, investing in the adoption of renewable energy solutions, implementing advanced emission tracking and monitoring software, and organizing employee training programs on energy efficiency and sustainability practices. By allocating a specific budget, CHEMSOL ensures that resources are consistently available to achieve its GHG reduction goals. The company views this financial commitment as a critical investment towards environmental stewardship and long-term operational resilience.

3.2. Management Team for GHG Emissions

To lead and oversee GHG management efforts, CHEMSOL has formed a dedicated cross-functional team. The team consists of an ESG Lead, an Energy Manager, a Supply Chain Coordinator, and a Compliance Officer. Together, they are responsible for monitoring emissions data, preparing and submitting regular GHG reports, developing and executing actionable emissions reduction strategies, and working with suppliers to encourage sustainable practices throughout the supply chain. The team meets regularly to track progress against set targets, identify opportunities for improvement, and ensure alignment with CHEMSOL's broader ESG objectives. This structured governance model strengthens accountability and continuous improvement.

3.3. Performance-Linked Compensation

At CHEMSOL, senior management compensation is directly linked to achieving GHG emissions reduction targets. A formal policy has been instituted where progress toward annual GHG reduction goals is measured in percentage terms and incorporated into the performance appraisal system. The incentive structure motivates leadership to prioritize sustainability in business decisions and operations. Metrics include reductions in Scope 1, Scope 2, and Scope 3 emissions against baseline values, as well as initiatives undertaken to transition towards renewable energy and enhance energy efficiency. This alignment of financial rewards with environmental outcomes reinforces CHEMSOL's commitment to responsible business growth.



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3.4 Time-Bound Energy & Renewable Energy Plan

The organization has set forth a Time-Bound Energy and Renewable Energy Plan under section , focusing on key sustainability initiatives. By the first quarter of 2025, the Facilities Team will lead the transition to LED lighting across all warehouses, moving from a baseline of 0% to achieving full coverage at 100%. In parallel, the Energy & Infrastructure Team is scheduled to install a rooftop solar system at Unit-1 by the third quarter of 2025, aiming to expand the current capacity from . Additionally, by the year 2026, the Procurement Team will oversee the shift to green electricity in the office, targeting an increase from usage. These initiatives collectively underscore the organization's commitment to energy efficiency and renewable energy integration within a defined timeline.

3.5 Time-Bound Scope 1, 2, and 3 Emissions Reduction Targets

Scope 1

- Fuel combustion from company-owned vehicles (trucks, vans, forklifts, etc.) **Target Date : 6th July, 2025**
- Diesel or gas generators used for backup power at manufacturing, trading, or storage sites **Target Date : 13th August, 2026**
- Boilers or furnaces used in chemical processing (if applicable). **Target Date : 16th October, 2027**
- LPG or natural gas usage for heating or processing. **Target Date : 17th August, 2025**
- Refrigerant leaks from company-controlled air-conditioning or refrigeration units
- On-site chemical reactions (process emissions) during manufacturing that release CO, CH, or other gases. **Target Date : 10th September, 2026**
- Welding or cutting gases (if used in spare parts or equipment manufacturing) . **Target Date : 23rd July, 2026**
- Fugitive emissions from storage tanks containing volatile chemicals. **Target Date : 27th August, 2025**

Scope 2

- Purchased electricity for offices, warehouses, manufacturing units, and distribution centers. **Target Date : 13th August, 2026**
- Electricity used for lighting, air conditioning, heating, and ventilation systems. **Target Date : 21st July, 2025**
- Electricity used to power production machinery and equipment. **Target Date : 8th September, 2026**
- Electricity consumption for IT infrastructure (computers, servers, lab equipment, etc.). **Target Date : 18th October, 2025**



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- Electricity used for water treatment systems (if operated in-house). **Target Date : 3th September, 2026**
- Purchased steam, heating, or cooling (if sourced externally for chemical processes or facility climate control). **Target Date : 12th July, 2026**

Scope 3

- Purchased goods and raw materials (chemicals, additives, pigments, dyes, etc.) **Target Date : 16th December, 2026**
- Capital goods (equipment and construction materials for facilities) **Target Date : 22nd September, 2025**
- Fuel- and energy-related activities (not included in Scope 1 or 2). **Target Date : 9th June, 2027**
- Upstream transportation and distribution (supplier shipments to CHEMSOL). **Target Date : 15th July, 2025**
- Waste generated in operations (chemical waste, packaging waste). **Target Date : 7th October, 2026**
- Business travel (employee air travel, trains, cars for business). **Target Date : 7th October, 2026**
- Employee commuting (daily travel of employees to/from work) **Target Date : 8th August, 2027**
- Leased assets (if any, like rented warehouses or offices). **Target Date : 5th November, 2025**

4. Monitoring & Reporting

CHEMSOL is committed to rigorous monitoring and transparent reporting of its greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories. Emissions data will be tracked annually using standardized methodologies aligned with global best practices. The findings will be publicly disclosed through CHEMSOL's annual ESG report, ensuring accountability to stakeholders and alignment with sustainability commitments. To enhance credibility and accuracy, CHEMSOL plans to engage an independent third-party agency for verification of its GHG emissions data by 2026. This approach supports continuous improvement, strengthens stakeholder trust, and aligns with national and international climate disclosure requirements.



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5. Conclusion

In conclusion, CHEMSOL is committed to reducing its greenhouse gas emissions by implementing a comprehensive GHG reduction strategy aligned with our ESG principles. Through a dedicated management team, a clear budget allocation, and measurable time-bound actions, we aim to significantly lower Scope 1, Scope 2, and Scope 3 emissions. Our plan focuses on enhancing energy efficiency, increasing the use of renewable energy, and working closely with our supply chain to minimize environmental impact. By continuously monitoring our progress and making necessary adjustments, we strive to contribute to a sustainable future while meeting regulatory and stakeholder expectations.

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