GHG INVENTORY ACCOUNTING CARBON FOOTPRINT

YEAR 2025

AAN CLOTHINGS LLP,

PLOT NO. 732, Pace City,
GURGAON

Objective of the report

Introduction

Clarify the report overall purpose and establish specific, measurable targets.

01

Measure and Track Emissions

Regularly calculating and monitoring greenhouse gas emissions from your operations.

02

Enhance Corporate Sustainability Strategy

Strengthening ESG practices to improve long-term business resilience and impact.

03

Improve Transparency and Stakeholder Communication

Openly sharing accurate sustainability data, goals, and progress with stakeholders.

04

Support Carbon Reduction and Offset Initiatives

Review the outcomes regularly to accurately measure progress and ensure alignment.

05

AAN CLOTHINGS LLP

AAN Clothings AAN Clothings LLP, based at Plot 732, Pace City, Gurgaon, is a manufacturing company specializing in high-quality home furnishing products. The company focuses on crafting a wide range of textile furnishings including curtains, cushions, and bed linen.

Committed to sustainability and environmental responsibility, AAN Clothings LLP integrates eco-conscious practices across its operations—emphasizing resource efficiency, responsible sourcing, and waste reduction. The company aims to deliver both comfort and style while reducing its ecological footprint.

Management's Vision:

At AAN, we recognize the critical role of transparent and accountable greenhouse gas (GHG) reporting in our journey toward sustainability.

Our vision is to establish a robust, data-driven, and science-based approach to measuring, managing, and reducing our carbon footprint.

Mr. Aman Dhingra
Chairman Cum MD,
AAN Clothings LLP

CARBON FOOTPRINT REPORT

What is a Carbon Footprint?

A carbon footprint refers to the total amount of greenhouse gas (GHG) emissions—mainly carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O)—generated throughout the lifecycle of production, from raw material extraction to end-of-life disposal.

Key Sources of Carbon Footprint:

Energy Consumption – Use of fossil fuels for electricity, heating, and industrial processes.

Transportation – Emissions from vehicles, airplanes, and logistics.

Manufacturing & Production – Industrial activities, including raw material extraction and processing.

Waste Management – Landfills, incineration, and wastewater treatment.

Supply Chain Activities – Emissions from goods and services used in operations.

Carbon Emission in Textile Industry

The sector is aligned with the National reduction target of reducing overall GHG emission intensity by **45% from 2005 levels by 2030.**

India's textile and apparel industry contributes around **65 million tonnes of CO_2 equivalent annually**, roughly **2% of national GHG emissions**.

As of 2026, textiles have been formally brought under India's **Carbon Credit Trading Scheme (CCTS)**, requiring companies to meet emission-reduction benchmarks.

Indian textile manufacturing remains energy-intensive, driving significant CO_2 emissions.

IMPORTANCE OF GHG REPORTING

1. Climate Change Mitigation

Carbon emissions, particularly CO_2, are the primary drivers of climate change. Transparent reporting helps businesses, governments, and individuals track their environmental impact and take measures to reduce it.

2. Regulatory Compliance

Many countries and regions have laws requiring businesses to disclose their emissions. Compliance with these regulations helps avoid penalties and ensures alignment with national and international climate goals.

3. Corporate Responsibility & Reputation

Consumers and investors are increasingly favoring environmentally responsible companies. Transparent reporting enhances credibility, attracts eco-conscious customers, and strengthens brand reputation.

4. Risk Management & Cost Savings

Understanding emission levels helps organizations identify inefficiencies, reduce energy consumption, and cut costs. This also prepares businesses for future carbon taxes and regulatory changes.

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5. Investor & Stakeholder Expectations

Many investors and stakeholders demand Environmental, Social, and Governance (ESG) transparency. Carbon reporting allows companies to showcase their commitment to sustainability, making them more attractive for investment.

6. Benchmarking & Goal Setting

By reporting emissions, organizations can set clear sustainability goals, track progress, and compare their performance against industry standards or competitors.

7. Supply Chain Accountability

Large corporations are increasingly requiring suppliers to disclose carbon emissions to ensure their entire supply chain is aligned with sustainability targets.

8. Contribution to Global Initiatives

Carbon reporting aligns with international agreements like the **Paris Agreement** and **Net-Zero Initiatives**, helping nations and industries work collectively toward a sustainable future..

ABOUT THE ORGANIZATION

AAN CLOTHINGS LLP

Founded in 2020, AAN Clothings is a visionary, design-driven organization dedicated to redefining creative product development and innovation.

At the heart of AAN Clothings is a highly skilled and passionate team of designers, artists, pattern makers, and artisans, each bringing a unique perspective and expertise to the creative process.

This diverse collective collaborates to craft exceptional, high-quality products that embody both artistic excellence and technical precision.

By embracing innovation while honoring time-honored techniques, **AAN Clothings** transforms ideas into extraordinary designs that captivate and inspire.

ABOUT THE REPORT

The study follows **ISO 14064-1 & ISO 14064-2** for GHG accounting, covering **Scope 1**, **Scope 2**, and **Scope 3 emissions** (direct, energy indirect, and other indirect emissions). The GHG inventory report is prepared to enhance transparency and ensure compliance with stakeholder communication.

The company has conducted a **Greenhouse Gas (GHG) accounting study** for its operations from **January 1, 2025, to December 31, 2025**. The following methodologies and standards were used for assessment:

1. GHG Protocol Corporate Accounting and Reporting Standard – Greenhouse Gas Protocol
2. Corporate Value Chain (Scope 3) Accounting and Reporting Standard – Greenhouse Gas Protocol

This report also includes necessary data assumptions, exclusions, and explanations for any deviations from methodologies. The scope includes all emissions within the operational boundaries of **AAN CLOTHINGS LLP**, ***Gurugram***.

The facility holds all applicable pollution consents and operates under government regulations. The study involved collecting and analyzing data as per the above standards, ensuring full compliance with environmental regulations.

Organizational Boundary:

Establishing an **organizational boundary** is essential for accurate greenhouse gas (GHG) emissions reporting.

Period of Validity:

This report remains valid until it is superseded by a future revision or until the Company publishes a report that modifies the approach and calculation methodology outlined herein.

Frequency of the Report:

The unit plans to assess its GHG performance annually. This report covers data from January 1, 2025, to December 31, 2025, inclusive of both dates.

Contents:

The report includes data collected method from various sources, and details of emission factors & proper calculation.

Intended Use & Users of the Report

This report is a voluntary communication to various stakeholders of **AAN CLOTHINGS**, including customers, management, investors, government agencies, and the public. It serves to monitor GHG emissions performance and to establish a basis for future GHG reduction targets. Stakeholders can track the company's GHG performance over time and refer to this report for future verification of carbon performance, if applicable.

Scope covered: Scope 1, Scope 2 and Scope 3

Management Details:
Mr. Aman Dhingra | Chairman Cum MD

Verifier: Mr. Rajiv Chaturvedi
Verifier Certificate: ISO 14064-1 & ISO 14064-2
Certificate No.: 117874925 / 165946641:
Issued by: SGS India Pvt. Ltd.

Accounting & Reporting by: Green Compliance Services

Carbon Footprint – GHG Inventory Reporting

Quantification of GHG emissions and removals
GHG emissions are quantified following the GHG Protocol, but removals are not quantified due to lack of verifiable data. No biogenic fuel is used within the operational boundary.

Calculation steps:

- Identification of GHG sources/sinks
- Selection of quantification methodology
- Selection and collection of GHG activity data
- Selection or development of GHG emission factors
- Calculation of GHG emissions

Recycled

Natural

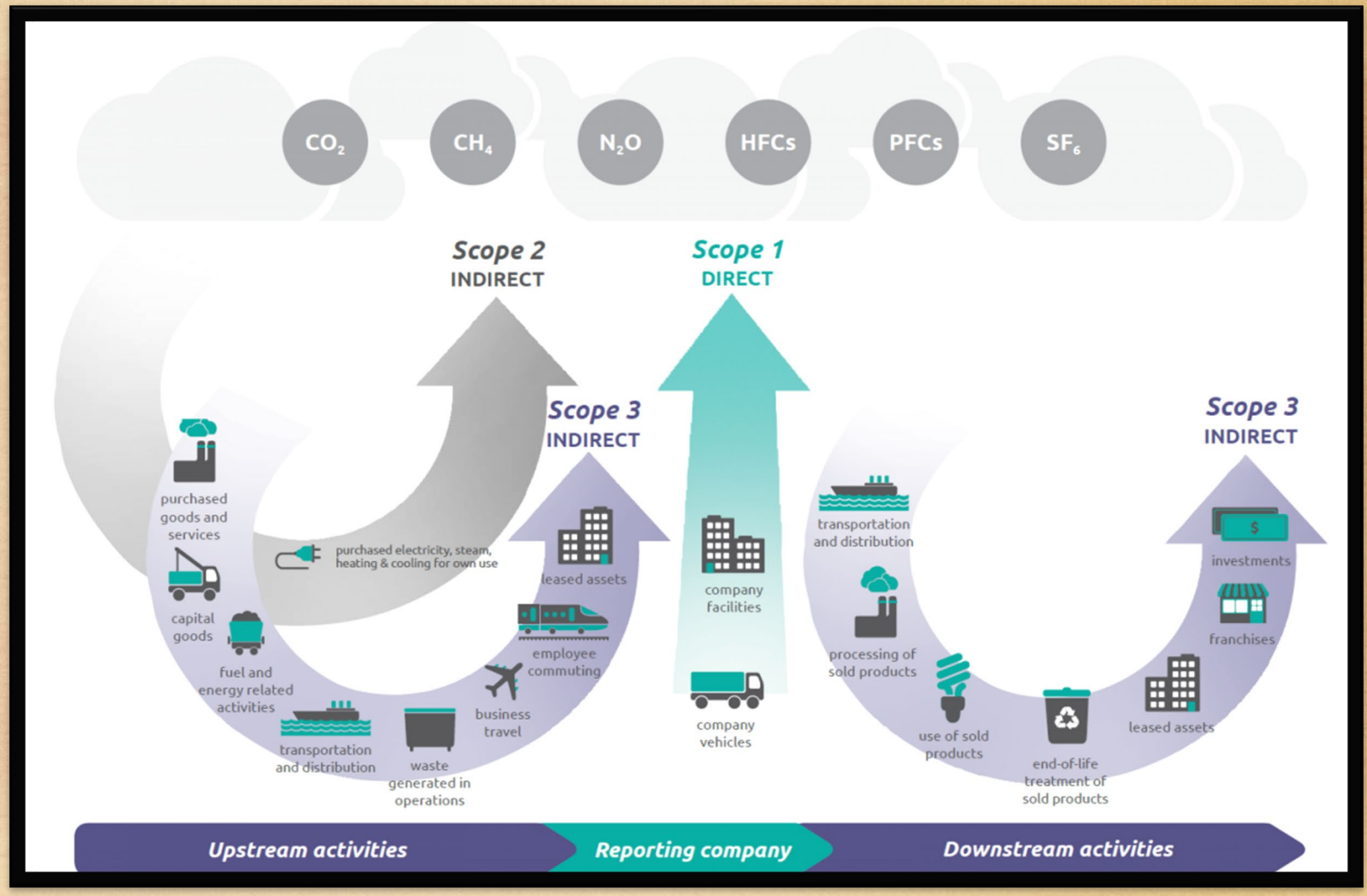
Carbon friendly

SCOPE 1, SCOPE 2, SCOPE 3 EMISSIONS

- **Direct emissions:** Include fossil fuel consumption, PNG gas in DG sets, boilers, and other equipment, HFC replenishment in ACs, and fuel use in vehicles under direct administrative control of the unit.

- **Energy indirect emissions:** Result from the electricity purchased from the grid.

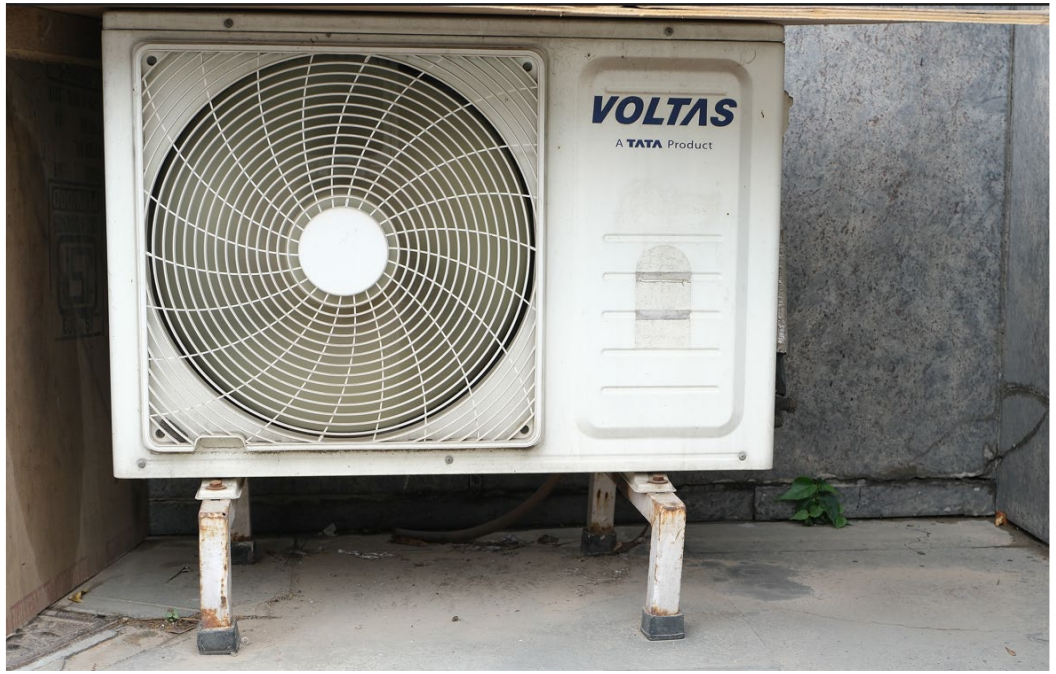
- **Other indirect emissions:** Arise from fuel consumption in vehicles used for material transportation, final product dispatch, and employee commutation.



Identification of GHG Sources and sinks

Source GHG Unit			
Scope 1 (Direct Emissions)			
Combustion Sources	Stationary combustion in diesel generators	CO_2	tCO_2
	Stationary combustion in boiler	CO_2	tCO_2
	Refrigerant loss	CO_2	tCO_2
	LPG used in canteen	CO_2	tCO_2
Mobile Emissions	Fossil fuel consumption in company-owned vehicles	CO_2	tCO_2
Scope 2 (Energy Indirect Emissions)			
Purchased electricity from grid	Emissions associated with power generation in the power plants connected to the regional grid	CO_2	tCO_2
Scope 3 (Other Indirect Emissions)			
Transportation & Employee Commutation	Fossil fuel consumption in third party vehicles	CO_2	tCO_2

There are no relevant GHG sinks for the operations for this unit.



Stationary Combustion

Activity	Activity Data Required	Units
CO_2 emissions from fossil fuel (diesel) Consumption	Diesel Consumed	Litres
	Density of diesel	Kg/lit
	NCV of diesel	TJ/Gg
	Emission factor of diesel(EF)	tCO_2/TJ
CO_2 emissions from fossil fuel (PNG) Consumption	PNG Consumed	kg
	NCV of PNG	TJ/kT
	Emission factor of PNG (EF)	tCO_2/TJ
CO_2 Emissions from LPG Consumption	Amount of LPG used	kg
	NCV of LPG	TJ/Gg
	Emission factor of LPG	tCO_2/TJ

Remarks:

Density of diesel assumed as 0.82 kg/lit

Other Emission Sources

Emission Source	Activity Data Required	Units
HFC emission from refrigerant top up	Amount of HFC top up	Metric tonnes

Energy Indirect Emissions

Emission Source	Activity Data Required	Units
Purchase of grid electricity	Electricity imported from the grid	kWh
	Emission factor of grid	tCO_2/kWh

Mobile Combustion

Emission Source	Activity Data Required	Units
Emissions due to mobile combustion	Fuel Consumed	Litres
	Density of the fuel	Kg/lit
	NCV of the fuel	TJ/Gg
	Emission factor of fuel	tCO_2/TJ

Other Indirect Emissions

Emission Source	Activity Data Required	Units
Emissions due to mobile combustion	Fuel Consumed in third party vehicles	Litres
	Density of fuel	Kg/lit
	NCV of fuel	TJ/Gg
	Emission factor of fuel	tCO_2/TJ

AAN CLOTHINGS LLP

Environmental Data

Year 2025

Factory Data - 2025

YEAR 2025																
S.No.	**Description**	**GHG Scope**	**Unit**	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Total**
1	**Shipment**	Yearly	Pcs	30727	39309	27015	17315	36468	28026	60224	53282	33360	15668	52664	44326	438384
2	**Shipment**	Yearly	Kg	19660	25400	14786	8143	30109	30340	78871	34904	17418	7487	39159	24782	331060
3	**Manpower**	Yearly	Number	146	141	141	135	156	161	189	171	151	140	150	140	152
4	**Working Days**	Yearly	Number	27	24	25	26	27	24	27	25	26	24	25	27	307

Scope 1 Data - 2025

YEAR 2025																
S.No.	**Description**	**GHG Scope**	**Unit**	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Total**
1	**Diesel Consumed in DG Set - 250 KVA**	Scope 1	Ltr	75	51	6	37	171	137	268	91	93	110	85	105	1229
2	**Refrigerant AC R22**	Scope 1	Kg	0	0	1	0	0	0	0	0	0	0	0	0	1
3	**Refrigerant AC R32**	Scope 1	Kg	0	0	1	0	0	0	0	1	0	0	0	0	2

Scope	Emission source category	t CO2e
Scope 1	Fuels	3.32
	Refrigerants	3.16
	Total Scope 1	6.48

Scope 2 Data - 2025

YEAR 2025																
S.No.	**Description**	**GHG Scope**	**Unit**	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Total**
1	**Government Grid Electricity**	Scope 2	KwH	6917	6120	6202	7156	9882	11719	15210	13803	6525	4636	5383	5055	98608

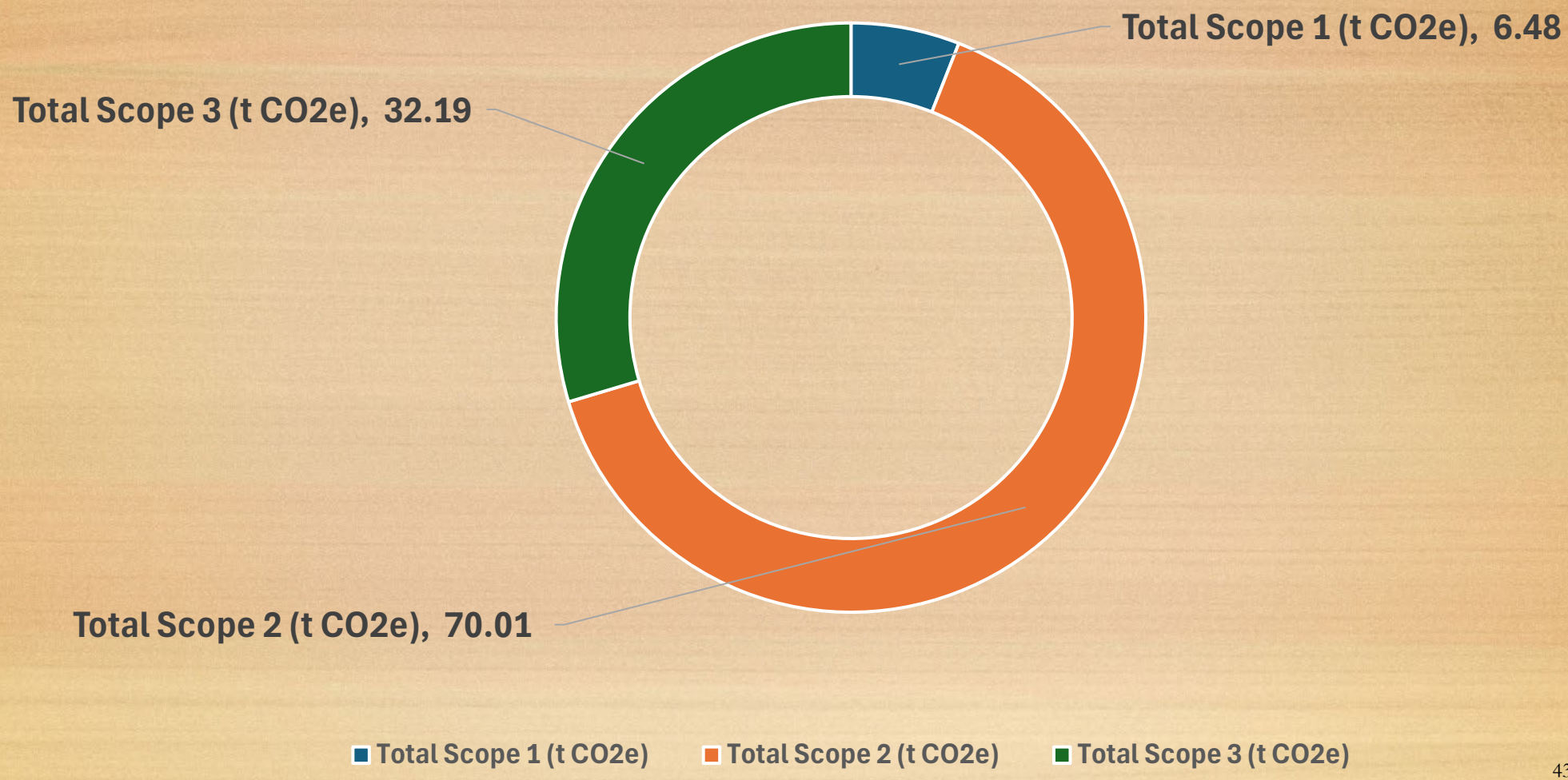
Scope	Emission source category	t CO2e
Scope 2	Emissions from the generation of purchased electricity	70.01
	Total Scope 2	70.01

Scope 3 Data - 2025

YEAR 2025																
S.No.	**Description**	**GHG Scope**	**Unit**	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Total**
1	**Shipping Distance (By CNG Truck)**	Scope 3	Km	2812	1627	2681	1576	3900	1854	2482	2858	1854	1268	2917	4531	30360
2	**Shipping Distance (By Diesel Truck)**	Scope 3	Km	890	854	868	857	864	858	869	855	857	861	856	860	10350
3	**Employee Commute Vehicle - Petrol**	Scope 3	Km	772	525.5	524.5	526	527.5	520	522.5	528	520	526	772.5	771.5	7036

Scope	Emission source category	t CO2e
Scope 3	Freighting goods	21.62
	Transmission and distribution losses	9.86
	Employees commuting	0.71
	Total Scope 3	32.19

Total Scope – Year 2025



SCOPE EMISSION NORMALIZED

YEAR 2025

Normalized GHG Emission - **per Kg** and **per Pc** Shipment– Year 2025

Absolute ss	**Scope 1 tCO2e**	**Scope 2 tCO2e**	**Scope 3 tCO2e**	**Total Scope tCO2e**
Year 2025	6.48	70.01	32.19	108.68
Normalised	**Scope 1 tCO2e Per Pc**	**Scope 2 tCO2e Per Pc**	**Scope 3 tCO2e Per Pc**	**Total Scope tCO2e Per Pc**
Year 2025	0.000015	0.00016	0.000073	0.00025
Normalised	**Scope 1 tCO2e Per Kg**	**Scope 2 tCO2e Per Kg**	**Scope 3 tCO2e Per Kg**	**Total Scope tCO2e Per Kg**
Year 2025	0.000020	0.000211	0.000097	0.000328

COMPARITIVE STUDY

YEAR 2024 - 2025

Absolute & Normalized Air Emission Trend				
Emission	**Scope 1 tCO2e**	**Scope 2 tCO2e**	**Scope 3 tCO2e**	**Total Scope tCO2e**
Year 2024 Absolute	5.03	92.11	11.64	108.78
Year 2024 Normalized	0.000016	0.00029	0.000037	0.00034
Emission	**Scope 1 tCO2e**	**Scope 2 tCO2e**	**Scope 3 tCO2e**	**Total Scope tCO2e**
Year 2025 Absolute	6.48	70.01	32.19	108.68
Year 2025 Normalized	0.000015	0.00016	0.000073	0.00025

RECOMMENDATIONS

Suggestions to reduce GHG emission

01

Improve Energy Efficiency in Operations

Implement energy-efficient equipment, optimize production processes, and conduct regular energy audits to reduce electricity consumption, thereby lowering Scope 2 emissions.

02

Adopt Renewable Energy Sources

Increase the use of renewable electricity such as solar power or green energy procurement to reduce emissions associated with purchased electricity.

03

Optimize Fuel Consumption in Direct Operations

Improve maintenance of boilers, generators, and company vehicles, and adopt fuel-efficient technologies to reduce Scope 1 emissions.

04

Promote Sustainable Transportation and Logistics

Encourage carpooling, public transport, or shuttle services for employees. Optimize freight routes and reduce empty truck runs or shift to lower-emission logistics options to reduce Scope 3 emissions.

END OF REPORT