

ENVIRONMENTAL SUSTAINABILITY PROFILE **2023**

SARENA

TEXTILE INDUSTRIES

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Endeavoring to achieve excellence, significance & institutionalization in a sustainable manner.



COMPANY INTRODUCTION


Sarena Textile Industries (Pvt.) Ltd. is the most dynamic, versatile and well rounded textile company from Pakistan. Sarena's journey of excellence spans over 23 years. The company has invested heavily to ensure sustainability in operations and complies with the most rigorous standards. Sarena has always focused on its people and planet as a strategic priority. We have introduced integrated and sustainable technologies and techniques to remain globally updated. Since Sarena's inception, company has grown by leaps and bounds. In last two decades Sarena established a repute in the competitive markets, providing diversified, standardized and reliable services to its customers around the globe.

Headquartered in

LAHORE
PAKISTAN



Annually Manufacturing

120 
MILLION METER
FABRIC

5 
MILLION
GARMENTS



ABOUT THE REPORT

Each year Sarena voluntarily shares its sustainability report to customers, stakeholders and regulatory bodies for understanding the strategies, approaches, and implementation of its sustainability efforts. This report aims to provide a transparent overview of the environmental performance with the scope covering all production facilities. Data contained herein is derived from Sarena's official documents and statistical records while the industrial benchmarks come from published resources.

THE BIG PICTURE

Sarena has aligned its vision with the United Nation's Sustainable Development Goals (SDGs) to support addressing society's biggest challenges. This report uses SDG icons to indicate where respective goals are relevant to the company's work.

Goals for a better world



FEEDBACK

We are completely open to understanding the point of view of our stakeholders and welcome the feedback pertaining to this report or any other aspect of our sustainability performance. For any report related questions or suggestions, please contact:



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APPROACH TOWARDS SUSTAINABILITY

Operating on a set of institutionalized beliefs and frameworks while forming strategic alliances needed to achieve a more sustainable future for all.

8 DECENT WORK AND
ECONOMIC GROWTH



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS



“To become the benchmark for a sustainable, green environment and socially responsible company.”



MESSAGE FROM THE CEO

Sarena is pleased to share its Environmental Sustainability Profile for the year 2023 which encompasses the endeavors of our teams to improve climate, air quality and life on the planet. As a caring company, we are proud to be part of the solution. We believe in continuous struggle to improve performance in the keys areas of environmental sustainability which is the only way forward to protect the natural resources for next generations.

Sarena is committed to create innovative ideas and values for all its stakeholders and pursue sustainable growth. We are excited and welcome the changing landscape of textile industry and see lots of opportunities to serve the society through some pragmatic ecological footprints. With the commitment and efforts of our team, we have reduced energy consumption, water usage, carbon footprint, and have increased recycled product volumes significantly.

We follow the international standards to analyze our impacts and contribution towards the achievement of Global Goals of Sustainable Development. We are sharing our contribution for SDGs which are relevant to our business and hold a high in terms of sustainability. This report will help you to understand Sarena's journey towards sustainability.

A handwritten signature in black ink, appearing to read 'Asif Masood'.

Asif Masood
Chief Executive Officer (CEO)

SUSTAINABILITY VISION

SUSTAINABILITY FRAMEWORK

At Sarena we believe that company's long-term success and viability depend on more than just its financial performance. Focusing on the triple bottom line; people, prosperity and the planet has helped Sarena to work thoroughly towards creating more value in terms of sustainability. This holistic view of the impacts of business; the triple bottom line approach also helps us ensure that the growth of the company is equitable.

We have seen that even smallest of the steps can make a big difference. People are an integral part of Sarena's systems and the company is always looking for ways to foster social inclusion. Our focus also remains on protecting the planet at all costs. We have taken comprehensive steps to ensure that, as detailed in this report. Ultimately, all these efforts have led to prosperity of the company, its people and the communities it operates in.

Overall, focusing on the triple bottom line has helped Sarena operate in a more responsible and sustainable manner, which continues benefiting both the company and society as a whole.



RELEVANCE TO SDGS

The seventeen Sustainable Development Goals (SDGs) are interconnected, recognizing that actions in one area will influence outcomes in others and that development must balance social, economic, and environmental sustainability.



Sarena aligns its work with the general purpose of the SDGs to create a more sustainable and prosperous world for all. Our efforts in responsible sourcing, water stewardship, energy conservation, carbon footprint reduction, employee welfare & CSR initiatives and certifications & transparency contribute to several SDGs. The company realizes the importance to adopt the ambitious global goals because the challenges facing the world, including climate change, inequality, and poverty, are urgent and require immediate actions to address.

MULTI-STAKEHOLDER COLLABORATIONS



Sarena believes in forstering strategic partnerships and utilizing multistakeholder initiatives. This has helped the company improve its reputation and demonstrate its commitment to addressing social and environmental issues. Also along the way we have also been able to identify and address potential risks and challenges related to operations, supply chain issues and regulatory compliance.

Collaborating with other stakeholders has remarkably helped us generate ideas and approaches to the prevailing business challenges, leading to innovation and finding our competitive advantages.

Sustainable Development Goal 17; “Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development”, recognizes multi-stakeholder partnerships as important vehicles for mobilizing and sharing knowledge, expertise, technologies and financial resources to support the achievement of the sustainable development goals in all countries, particularly developing countries.

The following are some of the achievements that Sarena has been able to accomplish due to its extended collaborations.

- 2017** Among the first companies in Pakistan to achieve OekoTex STeP Certification in collaboration with GRIEFF and CSI.
- 2018** Partnered with German Agency for International Cooperation (GIZ) and Federal Ministry for Economic Cooperation & Development (BMZ) for Water Efficiency in Textile Industry (WETI) project.
- 2020** Collaborated with GIZ on projects including Sustainable Pakistan Initiative (SPI), Vision Zero, and Labour Standard Program (LSP) to continually improve the safety, health, and wellbeing of our employees.
- 2022** Among the leading companies in Pakistan collaborating with GIZ to work with German brands selling Green Button labelled products.
- 2023** Ongoing collaboration with GIZ & GOPA Wordlwide Consultants on the Sustainable Pakistan Initiative (SPI), focusing on capacity development of the R&D, Marketing and Sustainability Departments of Sarena.



ACTING FOR THE PLANET

Reducing energy consumption and carbon footprint to tackle environmental pollution and transition towards climate neutrality.

6 CLEAN WATER AND SANITATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER

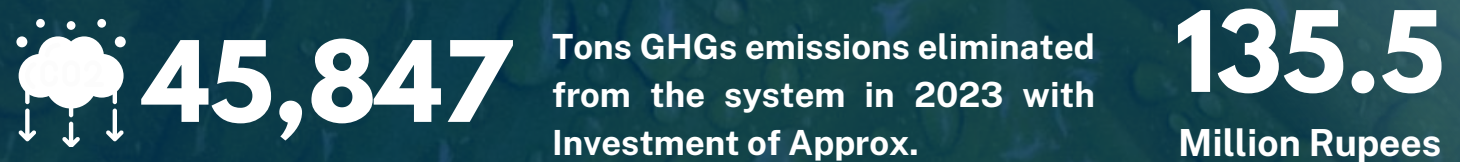


17 PARTNERSHIPS FOR THE GOALS



PERFORMANCE HIGHLIGHTS

Key Figures & Achievements of 2023 at a Glance



COAL FREE

Phased out the usage of coal from within the facility for power generation.



60%

Biomass in Energy Mix *



29%

Energy Saved from Equipment *

ADDITION OF SOLAR POWER



11.96

KWh/Kg Fabric



8.56

Kg Steam/Kg Production

50 %

Reduction from Baseline 2016

44 %

Reduction from Baseline 2016



35.0%

of water consumption, saved from innovative technologies *



68

liter water/Kg Production

54 %

Reduction from Baseline 2016

* in comparison to the consumption stats for year 2023.

PRODUCT STEWARDSHIP



Sarena truly cares about the products it makes and the processes it uses for doing that. The company aspires to be a leader in product stewardship. To achieve this ambitious goal we follow internal structures, processes and adhere to rigorous standards for making products safe for people and the planet throughout their lifecycle; from design to the disposal stages. By focusing on product stewardship, Sarena is in a better position to be able to stand out from the competitors, build a positive reputation with consumers and save costs. We believe that these efforts are essential for the long-term success of our business and the well-being of the planet.

RESEARCH & DEVELOPMENT (R&D)

Our R&D Lab works enthusiastically to assess innovations, evaluate new and more sustainable materials and technologies. Most of the innovation in textile products of the company are self-driven, however with increasing demand of sustainable products, the customers also play an appreciable role in leading towards sustainable product innovations. With the inhouse R&D capabilities, Sarena offers a unique proposition to its customers to bridge the gap from proof-of-concept projects to commercial production.



ECOFRIENDLY FIBER SOURCING

Sarena promotes eco-friendly textile products made with both organic and synthetic raw materials, sourced responsibly to minimize harm to nature, animals, and human health along the supply chains. Sarena also uses cotton that is certified to the Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), FairTrade and Better Cotton Initiative (BCI). The cotton grown under these programs is made in ecologically and socially responsible ways, while using natural fertilizers and pest control methods. Use of raw materials that are certified to Global Recycled Standard (GRS) and Recycled Content Standard (RCS) also decrease the environmental impact of our products.

Sarena also makes biodegradable textiles for which it sources Tencel, a fiber derived from renewable wood sources in an environmentally friendly manner. Tencel fibers are verified to have botanic origin and are compostable and biodegradable, allowing them to decompose and return to nature's cycle.

SUSTAINABLE CHEMICALS

At Sarena, a lot of focus is given to sustainable chemical management starting from the incorporation of certified chemical raw materials, following the best practices that we have set forth in our chemical management system that complies with the industry standards. All the chemical inputs are compliant with the ZDHC's Manufacturing Restricted Substance List (MRSL) and REACH standards. Products are also tested at regular intervals for Restricted Substance List (RSL) and Oeko-tex Standard 100.

SUPPLY CHAIN SAVINGS



511,746

Cubic meters of water saved in cotton cultivation.



838,810

Plastic bottles recovered and recycled.



1,648

Kilograms of pesticide use on cotton avoided.

THE JOURNEY WITH GREEN BUTTON

The Green Button program was started by the German Development Ministry in September 2019 to promote sustainability and protect both people and the environment in the textiles industry. This program covers the entire value chain from production of fibers to the final product hanging in stores.

At Sarena, we believe consumers have unmatched power to influence sustainability through their purchasing decisions. In 2021, the company partnered with GIZ to establish its eligibility to sell to the Green Button licensed companies operating in Germany. As a result of this partnership and with our vertically integrated and compliant production facility, Sarena is in an ideal position to not only meet the demand for sustainable products, but to also set a high standard for sustainability within the industry.



WATER STEWARDSHIP



Water is a vital resource, not only for life but also in our industry. Sarena is committed to using water responsibly and sustainably. To address the pressing issues related to water and to ensure that we are good stewards of this vital resource, we have implemented systems and initiatives focused on improving water efficiency and quality. Water conservation so far has been among the key aspects of our sustainability journey and we are constantly working to find new ways to reduce our water usage and protect this valuable resource for future generations.

Owing to its exemplary water stewardship, Sarena was also the only South-Asian company to be invited to the prestigious World Water Week 2019, organized by Stockholm International Water Institute.



SAVINGS INITIATIVES

- Condensate Recovery System
- Installed efficient washing machines
- Reuse of CRP Eject
- Reuse of RO Reject
- Reuse of roller cooling water
- Reuse of last rinsing water of washing machines
- Reuse of mercerization drain water
- Extensive R&D of product & process optimization



17,067 people's domestic needs are met with Sarena's water savings.

3,840

Cubic meters per day of wastewater treatment capacity.



EFFLUENT TREATMENT

Sarena boasts of a biological Effluent Treatment Plants (ETP) working round the clock to treat wastewater to acceptable range of the applicable local laws and ZDHC foundational limits. The plant has the capacity of treating 160 cubic meter per hour. This helps preserving the water bodies from anthropogenic harm.



ACCELERATING CLIMATE ACTION

Reducing energy consumption and carbon footprint to tackle environmental pollution and transition towards climate neutrality.



ENERGY EFFICIENCY



At Sarena, we are on a quest to continually lower our energy consumption and greenhouse gas emissions. Through the close collaboration of Utilities and Production departments, we have been implementing innovative initiatives. Our energy sources include electricity from national grid, natural gas, biomass, and other liquid fuels. A significant portion of our energy is being used in the fabric manufacturing process. By reducing the energy use, the company finds itself in a better position to reduce its operational impact while using the available resources in a responsible manner.

USE OF BIOMASS

Pakistan is a country with a large agricultural sector that produces biomass residues as a byproduct. Biomass is considered as a clean energy source because it recycles carbon dioxide throughout its growth phase via photosynthesis. Using these biomass residues for power generation has helped Sarena reduce its reliance on fossil fuels and simultaneously lower its carbon footprint.

SAVINGS INITIATIVES

- Installation of Shark Washing
- Mahlo Systems
- Heat Exchangers on Machines
- Economizers on Boilers
- Waste Heat Recovery Boilers
- Programmable Logic Controls (PLCs) and Variable Frequency Drives (VFDs) on machines
- Power Factor Improvement
- Installation of PIDs on Compressors
- Replacement of existing motors with IE -4 & IE-5 motors

ADDITION OF SOLAR POWER SYSTEM



One of the major steps towards climate neutrality has been the installation of **300 kW** solar power system on our premises. This has also been a critical consideration for us, since in today's competitive markets its of unparalleled importance to cut down the energy expenses. We are proud of this achievement, and we are also going to expand this to **2 MW** till the end of 2024.

ENERGY EFFICIENCY



11.96

KWh/Kg Fabric
Specific Energy Consumption



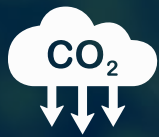
8-20

KWh/Kg Fabric
Industrial Benchmark Range



29%

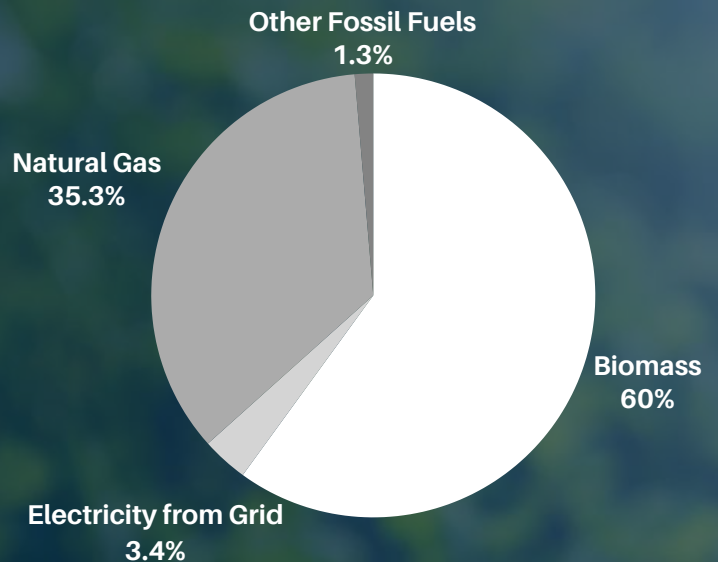
Energy saved from
efficient equipment *



45,847

Tons GHGs eliminated
from energy efficient
initiatives in 2023 *

Sarena's Energy Mix



Energy Savings Impact



102,433

Homes can be
powered for 1 year



106

Days of continuous operations
can be powered at Sarena



8.56

Kg Steam/Kg Fabric
Specific Steam Consumption



6.7-19

Kg Steam/Kg Fabric
Specific Steam Consumption

* in comparison to the consumption stats for year 2023.

CARBON FOOTPRINT

Over the past century, human activities in general have contributed to large amounts of carbon dioxide and other greenhouse gases (GHGs) into the atmosphere. The majority of GHGs from textile sector come from burning fossil fuels to produce energy and other industrial processes. Meanwhile, as we grow our operations to meet the increasing needs of our customers, we are committed to improving our own facility, acting on emission reduction and decreasing our overall environmental impact.

NATURAL CLIMATE SOLUTIONS

Plants have the natural ability to sequester carbon dioxide during photosynthesis. As a result, they are able to act as natural sinks for the GHGs emissions that are generated by human activities.

One approach Sarena has taken is to increase its investments in plantations. The company has even established and maintained

dedicated plantations on a portion of its land. These plantations help offset some of the emissions that we generate through our operations. We believe that this is a responsible and effective way to reduce our impact on the environment, while also contributing to the overall health and well-being of the planet. In addition to the carbon sequestration benefits, our plantations also provide a range of other environmental benefits, such as improving air quality, conserving biodiversity, and providing habitat for wildlife. We are committed to the responsible management of these plantations for years to come.



Sarena has committed to achieve Business Ambition for 1.5°C through Science Based Target Initiatives (SBTi) and is on road to ambitious climate actions.



SCIENCE
BASED
TARGETS

SARENA

BUSINESS
AMBITION FOR

1.5°C



OZONE DEPLETING SUBSTANCES (ODS)

Sarena has made the conscious decision to not use ODS in its facility. We understand the detrimental effects that these substances can have on the ozone layer, which protects the earth from harmful ultraviolet (UV) radiation. The company remains committed to playing its part in protecting this vital resource through the use of environment friendly refrigerants.

CARBON FOOTPRINT



1.30 Kg CO₂e/Kg Fabric
Carbon Footprint



5.5-8.8 Kg CO₂e/Kg Fabric
Industrial Benchmark Range

Sarena's Roadmap to Zero Emissions



1,064
Plants and trees
were planted in our
facility in 2023

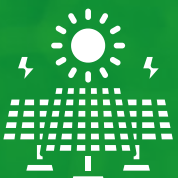


116
Tons CO₂ sequestered
on average by plants
in Sarena in 2023

Scope 1 ● $\frac{42,072.4}{\text{Tons CO}_2\text{e}}$

Scope 2 ● $\frac{3,240}{\text{Tons CO}_2\text{e}}$

Scope 3 ● $\frac{250.2}{\text{Tons CO}_2\text{e}}$



300 kW Solar Power System installed in 2023.

2 MW

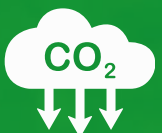
Solar Power System will be installed till the end of 2024. with the investment of Approx.

250
Million Rupees



25349

Tons CO₂ equ. will be avoided to enter in the atmosphere, with the help of solar installations



8,926

Passenger cars' annual emissions were avoided as a result of energy saving initiatives taken by Sarena.

WASTE AND CIRCULARITY



We are in pursuit of developing a fully circular business within our entire value chain. We are actively moving from a linear model – take, use, waste – to a more circular model where we are maximizing resource use and reuse, and where nothing is wasted. This circular strategy applies to our products, as well as to our noncommercial goods such as packaging and items used in our facility. A circular business model, an aspiration in its own right, is fundamental to not only survive but also thrive in the competitive textile sector.

WASTE MANAGEMENT

Sarena manages its waste footprint through comprehensive waste management plans. The company has adopted lean manufacturing practices and uses techniques such as just-in-time production to reduce excess inventory. However the waste (hazardous and non-hazardous) that is generated is segregated at the source. A dedicated team works to collect and handle it. The company also has a centralized storage facility where all the solid waste is temporarily stored prior to its discharge/sale/treatment.

WASTE DISPOSAL

The company also works with government authorized waste management companies to ensure that our waste further processed and disposed of in an environmentally responsible manner. Different types of waste, such as fabrics, paper, plastic, and metal, are sent to be recycled, disposed of or to an incineration facility. Proper waste disposal is a critical part of our environmental management efforts, as it helps to prevent litter and other forms of environmental degradation.



100%

Carton and plastic waste recycled. *



Saving global carbon basin by saving 13,570 trees through 100% recycling of our carton waste.



98%

Reuse/refill of Chemical Drums. *



Reusing trims and leftovers in Apparel Training School.

* 2023 statistics.

FROM LINEAR TO CIRCULAR

Sustainable Textiles

Sarena has embraced circular textile value chain models for a sustainable economy. We prioritize durable and repairable product design, use recycled and renewable materials. Also introducing Sarena 360, a state-of-the-art recycling plant in Italy, with the capacity of **14400 kgs/day**. Our proud customers can reduce reliance on virgin resources, minimizing extraction and waste. Incorporating eco-friendly materials from the recycling plant into the textile products helps Sarena do its part to preserve resources and fosters a greener future.



OFFERING

Recycled fibers, yarns, fabrics and apparel



FIBER COMPOSITIONS

Include cotton blends with polyester, wool, nylon etc.



SUSTAINABLE

Fabrics & apparel with a GSM of 150-450, recycled fibers with a staple length of 20mm



Sarena's value chain aligns with the European Union Commission's 2030 Textiles Vision, which aims for durable, repairable, and recyclable textile products made from recycled fibers. Sarena also upholds social rights and environmental standards, making it an ideal choice for customers in Europe and worldwide.



FOSTERING TRUST & TRANSPARENCY

Ensuring that all our products, processes and operational impacts are transparent and meet the most up-to-date certification standards.



CORPORATE COMPLIANCE



We are committed to build trust with the stakeholders through ethical and responsible business practices. Our solid commitment to compliance and integrity is a competitive advantage for us in the textile market. In addition to our own guiding principles, we adhere strictly to the Code of Conduct of our esteemed customers as well, allowing us to handle a wide range of critical issues faced by our industry. We ensure that all our employees understand the compliance commitments and ethical behaviors expected of everyone. We adopt the following channels to ensure compliance

EMPLOYEE EDUCATION & ENGAGEMENT

Education and employee engagement is our prime focus, we value the importance of legal and ethical compliance. We also conduct on-floor training on a regular basis. Moreover, we have also affixed compliance sign boards in local language to help employees better understand the requirements of our customers and certifications. All these initiatives keep the code of conduct and expectation on top of our employee's mind and creates the culture we aim for, where people are comfortable discussing their concerns.



RISK ASSESSMENTS & FOLLOW UP

We proactively carry out compliance risk assessments on regular intervals for identification and mitigation of the risks. After this stage, the concerned departments are expected to develop a corrective action plan and execute it within the allocated time. Follow up is also taken to check the results of corrective action. The risk assessments we carry out range from domains of product quality, process quality, environmental and social performance. In light of the results, we are able to make introduce or improve policies and procedure to improve our existing compliance system.

TRANSPARENCY & DATA DISCLOSURES



Transparency and data disclosures are becoming increasingly important in the today's age. We understand the importance of sharing data with our customers and maintaining a positive brand image. By disclosing information about the materials used in our products and the methods used to produce them, we are able to demonstrate practical actions to ensure to sustainability and ethical practices. We are also going to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity with the help of IFRS S1 & IFRS S2 Standards

Since our customers have high expectations this disclosure of information helps to meet those expectations and serves as an essential part of building strong, long-lasting relationships.

TRACEABLE SUPPLY CHAINS



FibreTrace[®]

Sarena uses several traceability portals and to trace the origins, processing and movement of our incoming sustainable raw materials certified to GOTS, GRS, BCI and FairTrade & Fiber Trace etc. This not only helps us but also our customers to understand the impact of their products on human rights, labor practices, the environment and to make informed decisions about their sourcing. Apart from this, the companies buying from us can also validate claims about the sustainability, quality, or origin of their products and communicate this information to the end-customers. Another benefit of these traceability schemes is that the farmers producing sustainable raw materials are also supported through secure contracts, access to better markets and services, and potentially obtaining price premiums. Sarena and its eco-conscious customers take pride in the fact that under these schemes, the bottom of the supply chain is being resilient and communities are supported along with increased tracking and traceability which is rarely possible while sourcing conventional raw materials i.e., cotton, polyester etc.

DIGITIZING CHEMICAL MANAGEMENT

Sarena uses the Bhive[®] to digitize its chemical management processes. This has allowed us to track and document the use of chemicals in our organization, manage our chemical inventory, check compliance status, generate Performance InCheck reports and collaborate with our suppliers and customers. Use of the ZDHC Gateway platform also enables our company to easily share verified wastewater data and generate ClearStream Reports



SUSTAINABILITY PORTALS & CERTIFICATIONS



Through our compliance program we ensure that all our products, processes and operational impacts meet the most up-to-date certification standards. We also welcome our customers to connect with us on our sustainability platforms and it is a great honor for us when our customers are able to witness our remarkable performance.

PORTALS



CERTIFICATIONS



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LET'S CREATE A SUSTAINABLE WORLD, TOGETHER WITH SARENA!

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