

OASIS PACKAGING INDUSTRIES

PAS2060

QUALIFYING EXPLANATORY STATEMENT

21 Nov 2023

Declaration of Carbon Neutrality Commitment

"Starting by the year 2021, Oasis Packaging Industries focused on reducing the environmental impacts of its operations and products. In 2021-22, we began to measure our operational and product footprints and we going to report publicly on progress to reducing impacts since 2021. In 2021 OPIL decided to target and measure activities against emissions under Scope 1, 2 & 3 compliant with GHG Protocol to reduce the CO2 impact and become a Carbon Neutral company for the year 2022. This is accounted to make the process carbon neutral, and will be verified through a third party and will be made publicly available.

As our next step towards becoming a more sustainable business, we declare our commitment to being a Carbon Neutral Company across scope 1 and 2 of our business and neutralization of Scope 3 by 2045. We commit that this claim will be revalidated on an annual basis through 3rd party validation."



Aleem Ahmed

Director

INTRODUCTION

This document presents the Qualifying Explanatory Statements (QES) to demonstrate that Oasis Packaging Industries has achieved carbon neutrality for its operations from the period Jan 2021 to 2022 and is also committing to maintaining carbon neutrality for the period from 2023 to 31 December 2030, in accordance with PAS2060:2014 standard following ISO 14064-1.

This QES provides details on assessment of carbon footprint and methodology for calculation, carbon footprint management plan, covering emission reduction initiatives, and carbon offset process that has been used to achieve carbon neutrality.

OPILs’ achievement of carbon neutrality and commitment to the future have been reviewed and verified by Bureau Veritas Pakistan. The assurance certificate from BV is provided in Annexure 1.

Table 1 – General information

PAS2060 Requirement	OPIL Response
Name of the entity	Oasis Packaging Industries
Individual responsible for the collection, evaluation, preparation, communicating and maintaining the provision of data necessary for the substantiation of the declaration including that of preparing, substantiating, communicating, and maintaining the declaration	Mr. Muhammad Ajmal
Subject of the declaration	Oasis Packaging Industries - Operations
Boundary	Operational control approach-based emissions
Characteristics of the subject	Oasis Packaging Industries is flexible packaging manufacturer. It produces PE Blown film and other processes include printing and bag making.
Rationale for the selection of the subject and boundary	Capacity to manage emissions within the subject is limited to wherever we have operational control. Accordingly, our boundary for Scope 1 and Scope 2 emissions is drawn based on operational control.
Type of conformity assessment	Independent 3 rd party certification
Period for carbon neutrality	01 January 2022 to 31 December 2022
Period of future commitment	01 January 2024 to 31 December 2030
Baseline date for PAS2060	01 January 2021 to 31 December 2021

Purpose

The purpose of the PAS 2060 declaration by Oasis Packaging is to demonstrate commitment to achieving carbon neutrality and to provide transparency to stakeholders regarding carbon emissions and offsetting efforts.

Objectives

- The primary objective of the PAS 2060 declaration is for Oasis Packaging to achieve carbon neutrality by balancing their greenhouse gas emissions with verified carbon offsets or other approved measures.
- The declaration aims to hold Oasis Packaging accountable for carbon emissions and encourage to implement sustainable practices to reduce overall carbon footprint.
- The declaration serves as a means of transparently communicating Oasis Packaging's carbon neutrality efforts to their stakeholders, including customers, investors, and the public.

Function:

- Oasis Packaging conducts a comprehensive assessment of its carbon emissions, considering both direct and indirect emissions associated with operations, supply chain, and product life cycle.
- Oasis Packaging identifies and invests in verified carbon offset projects, such as renewable energy projects or reforestation initiatives, to compensate for the remaining greenhouse gas emissions.
- Oasis Packaging regularly monitors and measures the carbon emissions, ensuring ongoing compliance with the requirements of PAS 2060. It also provide periodic reports on their carbon neutrality progress to stakeholders.

QUANTIFICATION OF CARBON FOOTPRINT

Oasis Packaging Industries has accounted for its GHG emissions as per the Greenhouse Gas Protocol, the most widely used accounting standard, and the materiality and boundary definitions adopted by Oasis Packaging Industries. We use 'operational control' to define boundaries to account for our GHG emissions. In accordance with the boundary definition, the subject includes offices building and factory boundary.

Data sources for carbon footprint calculation

Scope 1 and 2 emissions: Primary data, collected directly within the subject boundary, have been used wherever available. Secondary data were used only when primary data were not available. Scope 1 and Scope 2 emissions have been calculated from primary data.

Regionally and nationally available emission factors were used wherever available. Where such emission factors were not available, the emission factor from IPCC, US EPA, IEA and/or DEFRA, IEA etc. was used.

Scope 3 emissions: As per Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Supplement to the GHG Protocol Corporate Accounting and Reporting Standard), the following categories are accounted:

7. Employee commuting
8. Upstream Leased Assets

A combination of primary data, secondary data, and assumed data, where needed will be used to calculate Scope 3 emissions.

Table 2 – OPIL Quantified Carbon footprint for Carbon Neutrality (Baseline year-2021)

PAS2060 Requirement	OPIL RESPONSE
Standard used	1. Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard 2. GHG Protocol-Scope 2 Guidance
Emissions covered	Scope 1, Scope 2, and Scope 3
Scope 1 (tCO ₂ e) ¹	202.29
Scope 2 (tCO ₂ e) ²	852.75
Scope 3 (tCO ₂ e) ³	12.476
Total (tCO₂e)	1067.516(tCO₂e)

¹- From fuel used in mobile emissions from company-owned vehicles, fugitive emissions from refrigerants, and CO₂ from fire extinguishers

²- From the use of electricity

³- Included for carbon neutrality are emissions from employee commute.

Carbon Intensity Metrics (For the subject of this QES – Baseline Year: 2021)

Carbon footprint/Production Unit – 2.76 kgCO₂e

Table 2 – OPIL Quantified Carbon footprint for Carbon Neutrality (Reporting Year-2022)

PAS2060 Requirement	OPIL RESPONSE
Standard used	3. Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard 4. GHG Protocol-Scope 2 Guidance
Emissions covered	Scope 1, Scope 2, and Scope 3
Scope 1 (tCO ₂ e) ¹	189.62
Scope 2 (tCO ₂ e) ²	1174.67
Scope 3 (tCO ₂ e) ³	12.665
Total (tCO₂e)	1376.955(tCO₂e)

The total carbon footprint for the reporting year 2022 excluding offsets is 1376.955 tCO₂e.

Uncertainty

The possible areas of uncertainties have been identified based on the method of estimation/calculation, measurement, aggregation, and assumptions.

Sources of uncertainties in Scope 1 emissions include:

Fuel Measurement and Estimation: Accurate measurement of fuel consumption is crucial. Variability in fuel quality, measurement equipment calibration, and estimation methods can introduce uncertainties.

Emission Factors: Emission factors represent the amount of CO₂ emitted per unit of activity (e.g., fuel burned). Variability in these factors, especially for specific fuels or processes, can introduce uncertainties.

Incomplete Data: Lack of comprehensive data on all relevant emission sources within the organization can

lead to underestimation or overestimation of emissions.

Sources of uncertainties in Scope 2 emissions include:

Grid Emission Factors: The accuracy of emissions calculations heavily relies on the emission factors associated with the electricity grid. These factors can vary over time and might be subject to changes in the energy mix.

Renewable Energy Credits (RECs): If an organization purchases RECs to offset its electricity use, uncertainties may arise in accounting for the actual emissions reduction achieved by these credits.

Data Quality: Inaccuracies in data regarding energy consumption and emissions from purchased electricity can introduce uncertainties. This may include incomplete utility data or outdated emission factors.

For our Scope 1 and Scope 2 emission calculations, uncertainties are introduced through metering accuracy and emission factors. However, these are considered small. Uncertainties in Scope 1 emissions calculations may arise from:

Uncertainties in Scope 3 emissions calculations may stem from:

Supply Chain Data: Gathering comprehensive and accurate data on emissions from the entire supply chain can be challenging due to data availability, reliability, and reporting inconsistencies from suppliers.

Emission Factors for Outsourced Activities: Estimating emissions from outsourced activities involves using emission factors that may vary based on the specific practices of suppliers or partners.

Behavioral Factors: Scope 3 emissions can be influenced by consumer behavior and the use of the organization's products. Predicting and quantifying these factors introduce uncertainties.

Scope 3 emission calculation involve an inherent uncertainty because of the various secondary data and assumptions used. These uncertainties have been mitigated by a consistently conservative approach in the calculations. However, Tolerance level of uncertainties in calculations specified by SBTi is 10%.

BSI PAS 2060 Carbon Neutrality (Declaration of achievement and commitment)

PAS 2060 is BSI standard that stipulates the requirements for companies to demonstrate carbon neutrality. The baseline period of this statement corresponds to the period 1st Jan, 2021 to 31st Dec, 2021. Oasis Packaging Industries has achieved carbon neutrality for the subject by offsetting its carbon footprint (measured in tons of CO₂e) and permanently retiring 3350 number of carbon offsets equivalent to the number of tons emitted and 190 verified carbon units. Under PAS 2060, OPILs' has established a draft pathway for reducing its carbon foot print by 90% in the next five (05) years.

This QES will be updated in accordance to the occurrence to any changes that affect the validity of the statement.

Exclusions: Error Margin

Scope 3 exclusion for carbon neutrality:

Capital goods come mostly from large corporations and, as consumers, we do not have any control or influence in reducing these emissions. Scope 3 emissions excluded in our carbon neutrality commitment include business travel, upstream transmission and distribution losses and waste from process as it is not technically feasible, practicable or cost effective to quantify these emissions. Obtaining accurate and comprehensive data for Scope 3 emissions, especially from the entire value chain, can be challenging. If data reliability is compromised or unavailable, excluding these emissions may be a practical decision to ensure the credibility of the overall carbon footprint.

Only employee commute for the motorbikes used by the employees and Upstream Leased Assets – Rental Forklift are included in scope 3.

METHODOLOGY

The method for quantification of OPILs' carbon foot print is based on the below mentioned guidelines.

- PAS 2060:2014
- DEFRA Conversion Factors 2023
- GHG Corporate Reporting and Accounting Standard
- GHG Protocol – Product LCA Accounting and Reporting Standard
- IEA (International Energy Agency)

GHG Corporate Reporting and Accounting Standard and Product Life Cycle Reporting Accounting and Reporting Standard have been adopted as it is the most recognised and frequently applied standard to quantify the climate impact of companies and products, as such, is explicitly endorsed by PAS 2060. The carbon footprint of the selected subject is calculated based on a cradle-to-gate approach.

Under the cradle-to-gate approach, a company accounts for emissions from the production process through the sale of product.

For Scope 1 Emissions, tCO₂e is calculated for pool cars, factory owned fleet vehicles, natural gas being used in cooking and fugitives involving fire extinguishers of CO₂ and emission from electricity have been calculated using national grid fuel mix data for Scope 2 Emissions.

Following GHG gases are included:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)

The corresponding GWP (Global Warming Potential) of each gas is obtained from IPCC Assessment Report 5 (2014). Total emissions are measured in Carbon dioxide equivalent (CO₂e).

A materiality assessment to determine our main sources of carbon emission is carried out and DEFRA based developed Excel model¹ is used to calculate emissions per annum. The scope of assessment covers all emission sources that make a material contribution to the overall footprint. All emission factors are updated annually with the latest version of best available sources, such as DEFRA's conversion factors for company reporting. The reporting outputs include detailed emissions breakdown that allow to monitor easily the trends within each life-cycle stage.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083854/ghg-conversion-factors-2022-condensed-set.xls

CARBON MANAGEMENT (Declaration of Achievement)

Oasis packaging industries has achieved carbon reduction by introducing and implementing carbon reduction initiatives for the year 2022.

Table 3 – Carbon Reduction Initiatives for 2022

CARBON REDUCTION INITIATIVE	RENEWABLE ENERGY / ENERGY SAVING (kWh)	EMISSIONS AVOIDED (tCO ₂ e)
Energy efficiency retrofits in buildings*	4.51	1.051
Solar Generation	126.16	29.41
Total Save	130.67	30.461

*205 Conventional Chock lights, 40 watts each replaced with LEDs (18 watts)

CARBON MANAGEMENT PLAN (Declaration of commitment)

Oasis packaging industries is committed to achieve carbon neutrality till 2030. This commitment can be broken as follows:

- ✓ Installation of additional sub-metering and connected to building management system to locate area not focused
- ✓ management plan involves energy efficiency and increasing the use of renewable power for electricity
- ✓ Smart automation with in-built scheduling and energy-saving algorithms providing real-time data, alerts, and diagnostics at the system and the equipment levels.
- ✓ For energy efficiency measures in existing buildings continue to be in the lighting, air-conditioning, and building façade.

Renewable Energy: We are striving to increase our renewable energy consumption. For the current commitment period, about -- percent of our electricity comes from renewable sources. We have a total capacity of 111.25 kWh of rooftop solar PV capacity systems.

Over the next decade, we are planning to increase its renewable energy share to 45% of the solar installations. This will be achieved through a combination of captive generation and green power procurement. GHG emissions contributing to more than 1% of total emissions been categorized into scope 1, 2 & 3.

Carbon Management Plan: Scope 3

Although we have very limited control or influence over Scope 3 emissions, we have the following emission reduction initiatives targeting Scope 3 emissions.

- Supply chain/Capital goods:** We have initiated an ESG assessment of our top 05 suppliers to study this data and take appropriate action

During 2021, we have has taken a target to reduce our overall Scope 3 emissions by 30% by 2030, against the

2021 baseline. We are also planning to work with its clients on their low-carbon journey.

Carbon Offsetting

Carbon offsets used for achieving carbon neutrality are fully funded by us. At the same time, thorough due diligence was carried out to ensure that there is no double-counting and leakage from the identified carbon offset project.

Further, all the OPIL carbon offset portfolio have been registered against the highest standard for carbon offset projects focusing on sustainable development certified by a third party. The methodology applied to mitigate carbon emission is sourced from UNFCCC approved Small Scale CDM Methodologies. The Clean Development Mechanism (CDM), defined in Article 12 of the Protocol, allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol (Annex B Party) to implement an emission-reduction project in developing countries.

A total of 3350 tCO₂e carbon offsets will be retired for the compliance period. In addition. The offset credits retired have been issued and/or transferred to the OPILs' account after following all built-in checks, validations, and verifications. The carbon emission reduction achieved by these schemes equate to 126.16 tCO₂e, a 10.47 % reduction against the 2021 baseline and the measures will be in effect when performing the contract.

Oasis Packaging Industries has purchased and retired credits with ACTS APAC
<https://www.actcommodities.com/>

Quantity of Retired Credits: 3,350 units

Serial Number: 0000-0217-4183-1727.000000 - 0000-0217-4183-4919.999999 (3193 Units)
0000-0217-4183-1505.000000 - 0000-0217-4183-6116.999999 (0157 Units)

Date of Retirement: 31.12.2023

Beneficial Owner: Oasis Packaging Industries (Pvt.) Limited

Retirement Details (Reason): (Retirement for person or Organisation) - To balance emissions for Oasis Packaging Industries (Pvt.) Limited 3350 units under contract for client

Public URL:

<https://api.evident.app/public/certificates/en/kJcxexrpy%2FRbLLgoSmn%2F6jHBGMw5Y6boU5LVh59YQk10GtzfK48BPoYiFsnvc6vb>

To offset scope 1 emissions, Oasis Packaging Industries (Pvt.) Limited has purchased and retired 190 Verified carbon units (VCU).

Quantity of Verified Carbon unit (VCU): 190 units

Serial Number: 10756-246442001-246442190-VCS-VCU-1403-VER-IN-1-1209-01022020-31122020-0

Date of Retirement: 20-11-2023

The evidence documents for this carbon credits are attached below:

IRECs



This Redemption Statement has been produced for
OASIS PACKAGING INDUSTRIES (PRIVATE) LIMITED

by

ACT SOLUTIONS APAC PTE. LTD.

confirming the Redemption of

3 350.000000

I-REC Certificates, representing 3 350.000000 MWh of
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

Pakistan

in respect of the reporting period

2022-01-01 to 2022-12-31

The stated Redemption Purpose is

100% Green Energy consumption for year 2022.



Redeemed Certificates

Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO ₂ / MWh)
99MV UEP Wind Power	Pakistan	Wind	Onshore	No	2017-06-16	0.000000

Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0217-4183-1727.000000	0000-0217-4183-4919.999999	3 193.000000	Incl	2022-12-01 - 2022-12-31	Pakistan Environment Trust
From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0217-4183-1505.000000	0000-0217-4183-1661.999999	157.000000	Incl	2022-12-01 - 2022-12-31	Pakistan Environment Trust

Verified Carbon Units (VCU)



Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 20 Nov 2023, 190 Verified Carbon Units (VCUs) were retired on behalf of:

Oasis Packaging (Pvt) Limited.

Project Name

Wind Power Project at Bhachau by Powerica Limited

VCU Serial Number

10756-246442001-246442190-VCS-VCU-1403-VER-IN-1-1209-01022020-31122020-0

Additional Certifications