

# **SUSTAINABILITY PROFILE**

## **2025**



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2025

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# ABOUT THE REPORT



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# About the Report

This Sustainability Report presents Sarena Textile Industries' environmental, social, and economic performance for the reporting year 2025. The report has been developed to transparently communicate our progress, challenges, and commitments as we continue our journey toward responsible and sustainable textile manufacturing.

The 2025 edition emphasizes our environmental stewardship – covering resource efficiency, energy transition, emissions management, circularity, and waste reduction while also highlighting key social and economic contributions that support our workforce, communities, and long-term business resilience. This report reflects our dedication to aligning with international sustainability expectations, customer requirements, and emerging regulatory frameworks in global textile supply chains.

## Reporting Boundary

The boundaries of this report cover all Sarena Textile Industries' operational units located in Pakistan, including fabric processing, garment manufacturing, ancillary utilities, and internal support functions. Environmental data such as energy consumption, emissions, water use, wastewater, chemicals, and waste generation are consolidated from these facilities.

While the primary focus is environmental sustainability, the report also includes limited yet meaningful insights into social well-being, occupational health and safety, community engagement, and economic performance indicators closely linked to environmental initiatives.

Unless otherwise stated, all quantitative information corresponds to the period January–December 2025, and all methodologies follow recognized sustainability and industry reporting standards to ensure accuracy, consistency, and transparency.





# Reporting Standards

This report is prepared with reference to globally recognized sustainability principles and frameworks, including:

- GRI Principles (for transparency, accuracy, and completeness)
- UN Sustainable Development Goals (SDGs)
- Higg FEM / ZDHC expectations for environmental compliance

While not claiming full compliance with these frameworks, our methodology is aligned with their core reporting expectations. Data presented has undergone internal verification, and estimates are clearly identified where used.

# Material Focus Areas

The content of this report is guided by Sarena's most material sustainability priorities:

- Energy transition & climate impact
- Water conservation & treatment
- Chemical & wastewater management
- Waste reduction, recycling & circularity
- Health, safety & well-being
- Supply chain traceability & responsible sourcing

These focus areas have been identified through internal assessments, stakeholder expectations, and emerging global regulatory requirements such as EPR, CBAM, and due diligence standards.

# Sarena at Glance



## Our Vision

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

## Our Mission

**“Delivering innovative, responsible, and high-quality textile solutions that create value for people and the planet.”**

## Our Values

### Significance

Creating meaningful impact for our stakeholders and the environment.



### Excellence

Delivering superior quality through continuous improvement.



### Institutionalization

Building strong systems for consistent and sustainable growth



Values

# 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 reputa 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



# Message from The Executive Director

Sarena is pleased to share its Environmental Sustainability Profile for the year 2024 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 key 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.

**Asif Masood**  
**Executive Director (ED)**

# Key Highlights



# Key Highlights

## Environment



35%

Reduction in water Consumption



35%

Energy Saved through Innovation



4.2 MW

Installation of 4.2 MW Solar system



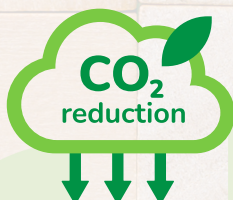
40

Tons approx. Caustic recovery / day



10 %

of total steam generated from waste heat



46221

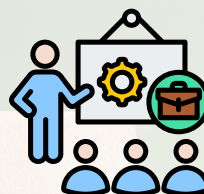
Tons GHG Emissions eliminated

## Social



4000+

Trees Plantation in 2025



20,000+

Training Manhours



50 +

Specialy abled employees in permanent work force

## Economic



119

Million USD Revenue



550

Million RS Investment on sustainability



# APPROACH TOWARDS SUSTAINABILITY

# Approach Toward Sustainability

At Sarena, sustainability is embedded into our corporate strategy, operational decision-making, and long-term growth planning. We recognize that responsible business practices are essential to maintaining competitiveness in the global textile market while creating value for our stakeholders and minimizing environmental and social impacts.

Our approach is guided by the principle of the triple bottom line — People, Planet, and Prosperity — ensuring that economic performance is achieved alongside environmental stewardship and social responsibility.



## ENVIRONMENTAL STEWARDSHIP

We are committed to reducing our environmental footprint across the value chain through:

- Efficient use of energy, water, and raw materials
- Waste reduction and circular economy practices
- Responsible chemical and wastewater management
- Greenhouse gas (GHG) emissions monitoring and reduction initiatives

## SOCIAL RESPONSIBILITY

People are at the heart of our operations. We promote safe working conditions, fair labor practices, equal opportunity, and employee engagement. Regular training programs, compliance awareness sessions, and open communication channels foster a culture of respect, accountability, and continuous improvement.



## GOVERNANCE & ETHICAL CONDUCT

Strong governance underpins our sustainability strategy. We uphold high standards of corporate compliance, business ethics, and transparency. Structured risk assessments, policy reviews, and internal monitoring mechanisms ensure that sustainability considerations are integrated into business decisions at all levels.

# Sustainability Framework

At Sarena, we recognize that long-term business success extends beyond financial performance. Guided by the triple bottom line — **People, Planet, and Prosperity** — we are committed to creating lasting value across social, environmental, and economic dimensions. This holistic approach ensures that our growth is not only sustainable but also equitable and inclusive.

Even the smallest initiatives can generate significant impact. Our employees and communities are integral to our operations, and we continuously seek opportunities to foster social inclusion, wellbeing, and capacity building. At the same time, we prioritize environmental stewardship, implementing comprehensive measures to conserve natural resources, reduce emissions, and protect ecosystems. Collectively, these actions drive prosperity for our company, our people, and the communities in which we operate.



**people.**



**planet.**



**prosperity.**

## ALIGNMENT WITH SDGS

The 17 Sustainable Development Goals (SDGs) reflect the interconnected nature of global challenges, emphasizing that progress in one area influences outcomes in others. Sarena aligns its sustainability efforts with the SDGs to contribute toward a more resilient, inclusive, and sustainable world.

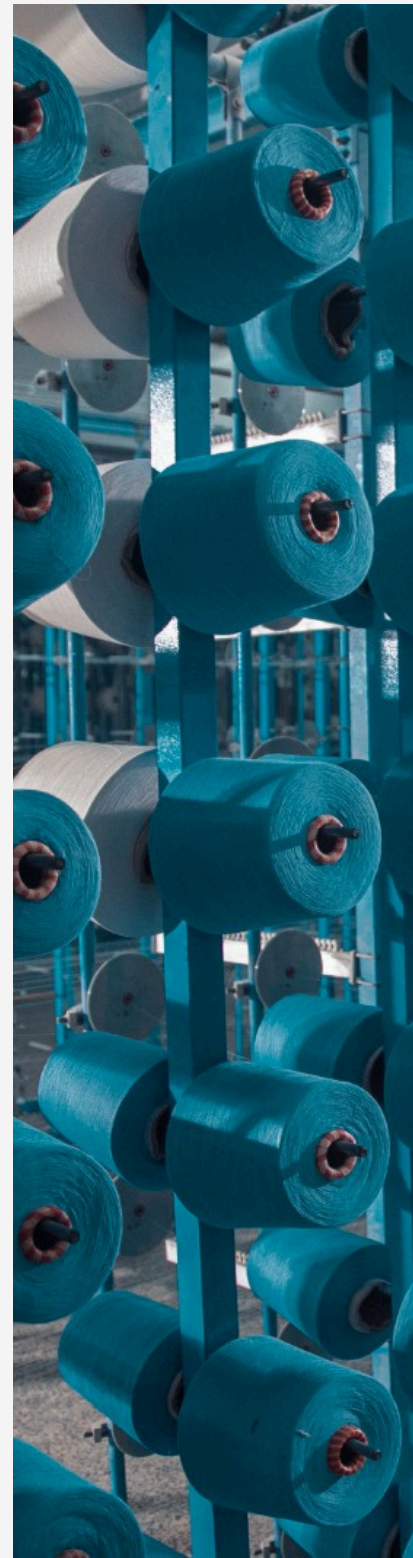
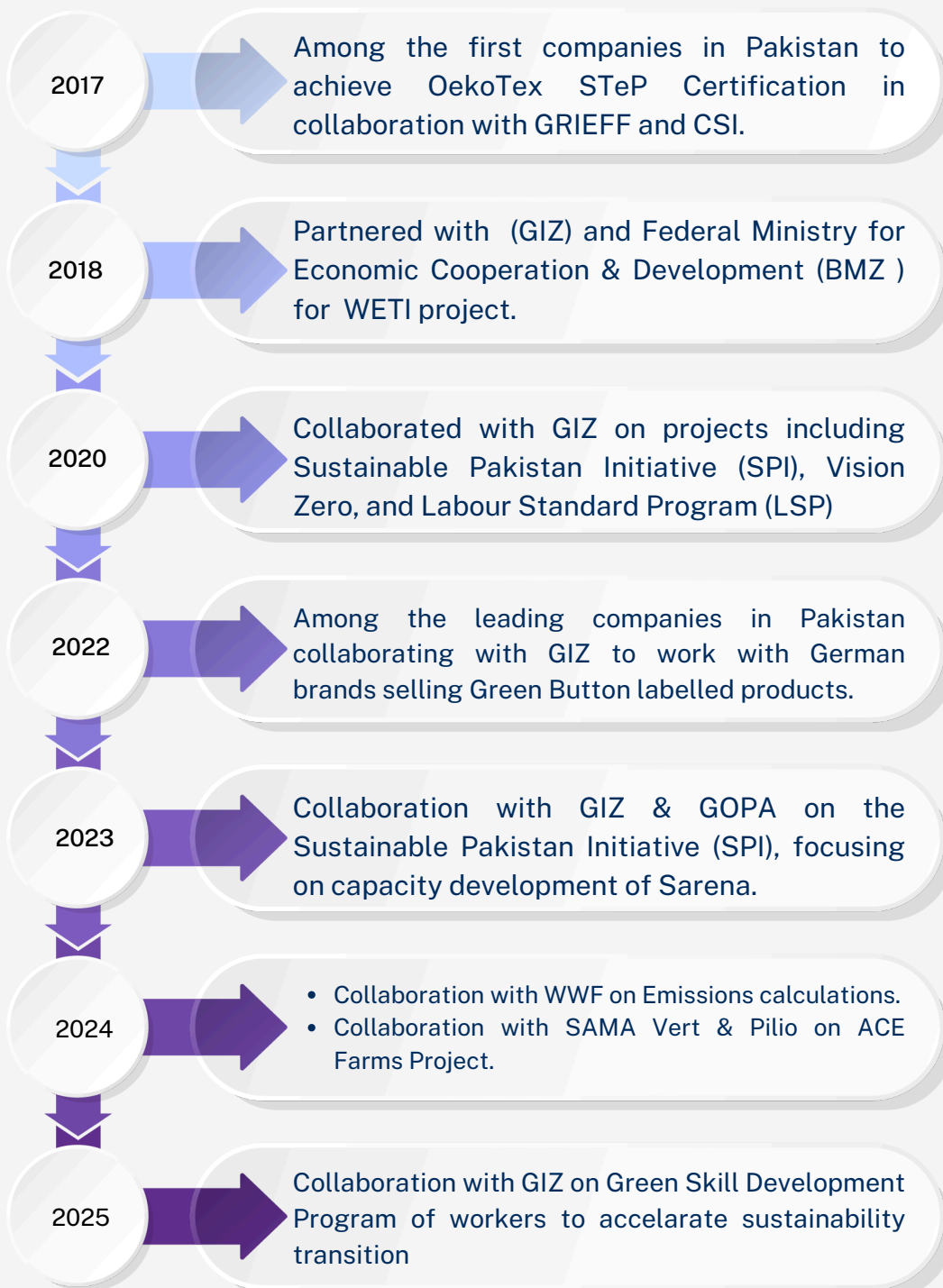
### Key focus areas include:

- Responsible Sourcing & Supply Chain Management
- Water Stewardship and Conservation
- Energy Efficiency and Carbon Footprint Reduction
- Employee Welfare and Social Inclusion
- Community Development and CSR Initiatives
- Transparency, Certifications, and Compliance



# Multi Stakeholder Collaboration

Sarena emphasizes strategic partnerships and multistakeholder collaboration to strengthen its reputation and demonstrate commitment to social and environmental responsibility. Through these collaborations, the company has proactively identified and managed operational, supply chain, and regulatory risks. Engaging with diverse stakeholders has also driven innovation, helped address business challenges, and enabled Sarena to develop sustainable competitive advantages, leading to several key achievements through extended collaboration.



# ACTING FOR THE PLANET





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 environmental 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's 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.

# 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.



## SUPPLY CHAIN SAVINGS



**577,101**

Cubic meters of water saved in cotton cultivation.



**4.1 Million**

Plastic bottles recovered and recycled.



**1,902**

Kilograms of pesticide use on cotton avoided.

# STEWARDSHIP



## WATER

Water is a critical resource for Sarena, and we are committed to responsible water stewardship in line with GRI 303: Water and Effluents. Through structured systems and targeted initiatives, we focus on improving water-use efficiency, safeguarding water quality, and reducing our overall water footprint. Water conservation remains a key pillar of our sustainability strategy.

Owing to its exemplary water stewardship, Sarena was also the only South Asian company invited to the prestigious World Water Week 2019, organized by the Stockholm International Water Institute (SIWI), reflecting international recognition of our efforts.



## 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

# 35.0%

of water consumption, saved from innovative technologies

# 64

liter water/Kg Production

# 3,840

Cubic meters per day of wastewater treatment capacity.



# 17,080

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



# 58%

Reduction from Baseline 2016

# ACCELERATING CLIMATE ACTION

IF NOT NOW.....

THEN WHEN?

# ENERGY MANAGEMENT

7 AFFORDABLE AND CLEAN ENERGY



At Sarena, we are committed to minimizing our energy consumption and greenhouse gas (GHG) emissions across all operations. Through close collaboration between our Utilities and Production teams, we continuously implement innovative energy management initiatives to optimize resource use and enhance operational sustainability.

Our energy portfolio comprises electricity from the national grid, natural gas, biomass, and other liquid fuels, with the largest share consumed in the fabric manufacturing process. By improving energy efficiency, we not only reduce operational costs but also lower our environmental footprint and support responsible resource utilization.

## BIOMASS UTILIZATION

Pakistan's abundant agricultural sector generates significant biomass residues, which we harness as a renewable energy source. Biomass is considered carbon-neutral, as it recycles CO<sub>2</sub> through its natural growth cycle. At Sarena, converting biomass residues into energy has reduced reliance on fossil fuels and significantly lowered our carbon footprint, aligning with our broader climate action goals.

## SAVING 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

## RENEWABLE ENERGY AND CLIMATE NEUTRALITY

A major milestone in our sustainability journey has been the installation of a 4.2 MW solar power system on our premises, significantly offsetting grid electricity use and energy costs. This initiative is a key step towards climate neutrality, and we plan to expand our solar capacity to 6 MW by the end of 2027, further reinforcing our commitment to renewable energy and decarbonization.

***“Through strategic energy management and renewable integration, Sarena is advancing toward a low-carbon, climate-resilient future.”***

# ENERGY EFFICIENCY



**12.82**

KWh/Kg Fabric  
Specific Energy Consumption



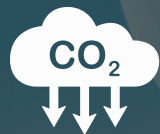
**8-20**

KWh/Kg Fabric  
Industrial Benchmark Range



**33.5%**

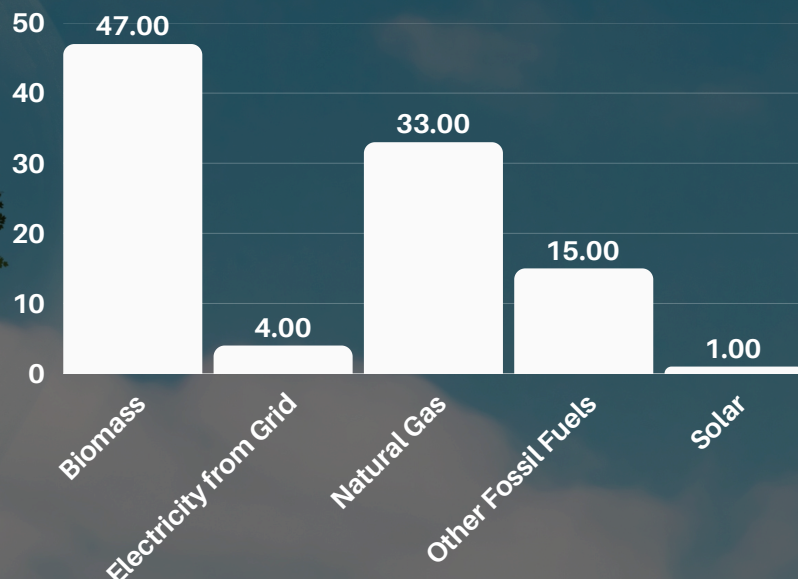
Energy saved from  
efficient equipment \*



**46,221**

Tons GHGs eliminated  
from energy efficient  
initiatives in 2025 \*

## Sarena's Percentage of Energy Mix



## Energy Savings Impact



**115,310**

Homes can be  
powered for 1 year



**103**

Days of continuous operations  
can be powered at Sarena



**8.93**

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 2025.

# 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 improve 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



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



**5.1**

**Kg CO<sub>2</sub>e/Kg Fabric Carbon Footprint**



**50%**

**Biomass in Energy Mix**

## Sarena's Roadmap to Zero Emissions

Reduction



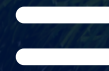
**Emissions**



**Remaining Emissions**



**Offset Projects**

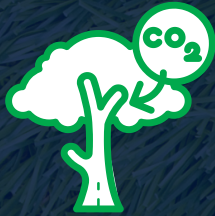


**CARBON NEUTRALITY**



**4,500**

**Plants and trees were planted in our facility in 2025**

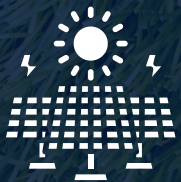


**167**

**Tons CO<sub>2</sub> sequestered on average by plants in Sarena in 2025**

Scope 1 ● **160,140**  
Tons CO<sub>2</sub>e

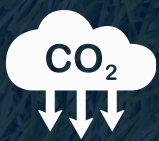
Scope 2 ● **1401**  
Tons CO<sub>2</sub>e



**4.2 MW**

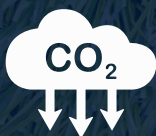
**Solar Power System installed till 2025. with the investment of Approx.**

**400**  
Million Rupees



**10,716**

**Tons CO<sub>2</sub> equ. will be avoided/year to enter in the atmosphere, with the help of solar installations**



**10,048**

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

# WASTE AND CIRCULARITY

Sarena is committed to transitioning from a linear “take–make–dispose” model to a circular business approach across its entire value chain. Our waste and circularity strategy is aligned with evolving European Union regulations and international sustainability frameworks to ensure environmental responsibility, regulatory compliance, and continued access to global markets.

## CIRCULAR ECONOMY & ESPR ALIGNMENT

In line with the European Commission’s Circular Economy Action Plan, Sarena focuses on waste prevention at source through lean manufacturing, just-in-time production, and process optimization. We are strengthening material efficiency, recyclability, and traceability practices in anticipation of the Ecodesign for Sustainable Products Regulation (ESPR), ensuring improved transparency and responsible resource management throughout product life cycles.

## EXTENDED PRODUCER RESPONSIBILITY (EPR) READINESS

With textile EPR schemes expanding across the EU, Sarena maintains robust systems for waste segregation, documentation, and material traceability. These controls support customers’ compliance obligations by providing accurate waste data and responsible end-of-life handling information.

**Through regulatory alignment, operational controls, and continuous improvement, Sarena is embedding circularity into its core operations — transforming waste into value while meeting global sustainability expectations.**



**100%**

**Carton and plastic waste recycled. \***



**98%**

**Reuse/refill of Chemical Drums. \***



**Saving global carbon basin by saving 13,410 trees through 100% recycling of our carton & Paper waste.**



**Reusing trims and leftovers in Apparel Training School.**

\* 2025 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, using 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



Sarena is committed to conducting business with the highest standards of ethics, transparency, and regulatory compliance. We view strong corporate compliance not only as a legal obligation but as a strategic advantage that strengthens stakeholder trust and long-term competitiveness in the global textile market.

## GOVERNANCE & ETHICAL CONDUCT

We maintain clear policies and procedures covering:

- Business integrity and anti-corruption
- Labor and human rights
- Environmental compliance
- Product and process quality
- Workplace health and safety

These policies are communicated across all organizational levels and are integrated into daily operations to foster a culture of accountability and responsible decision-making.



## EMPLOYEE EDUCATION & ENGAGEMENT

Employee awareness is central to our compliance culture. We conduct regular training sessions, including on-floor awareness programs, to reinforce legal requirements, customer expectations, and internal standards.

Compliance signboards and guidance materials are displayed in local language to ensure accessibility and understanding across the workforce. These initiatives promote open communication and create an environment where employees feel confident raising concerns without fear of retaliation.

## RISK ASSESSMENT & CONTINUOUS IMPROVEMENT

Sarena conducts periodic compliance risk assessments to proactively identify and mitigate operational, environmental, social, and quality-related risks.

Following each assessment:

1. Relevant departments develop corrective action plans.
2. Actions are implemented within defined timelines.
3. Follow-up reviews verify effectiveness and closure.

The outcomes of these assessments inform policy updates, procedural improvements, and system enhancements

# TRANSPARENCY & DATA DISCLOSURES



Sarena is committed to transparent, accurate, and decision-useful sustainability disclosures that meet the growing expectations of customers, regulators, and international markets. We recognize that transparency is fundamental to building trust, strengthening partnerships, and maintaining competitiveness in the global textile sector.

## TRACEABLE SUPPLY CHAINS & DIGITAL PRODUCT PASSPORT (DPP) READINESS



Sarena utilizes recognized certification and traceability systems to verify the origin and sustainability attributes of key raw materials. These include:

- Global Organic Textile Standard (GOTS)
- Global Recycled Standard (GRS)
- Better Cotton Initiative (BCI)
- RegenagriCS
- Organic Content Standard (OCS)
- Recycled Claim Standard (RCS)

These systems enable product-level traceability and verification of sustainability claims, strengthening supply chain transparency and supporting preparedness for upcoming Digital Product Passport (DPP) requirements under EU codesign regulations.

Beyond compliance, traceability enhances supply chain resilience, supports responsible sourcing, and contributes to improved livelihoods at the raw material level.

## DIGITAL CHEMICAL & WASTEWATER TRANSPARENCY

Sarena has digitized its chemical management processes through BHive, enabling systematic inventory tracking, compliance verification, documentation control, and supplier collaboration.

Through the Zero Discharge of Hazardous Chemicals (ZDHC) Gateway, we share verified wastewater performance data and generate ClearStream Reports. These systems enhance environmental transparency, regulatory compliance, and data credibility.



# SUSTAINABILITY PARTNERS

Our compliance program ensures that all our products, processes, and operational impacts align with the latest certification standards. We also encourage our customers to engage with us on our sustainability platforms, and it is a great privilege when they recognize our outstanding performance



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# LEADING THE JOURNEY TOWARD A CLEANER, BRIGHTER FUTURE



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