

SUSTAINABILITY AT SAPPHIRE

Our vision for Planet Earth's future



HEAD OFFICE: STRATEGIC ALLIANCES AND PLANNING

1 UN Global Compact Commitments i.e. SDGs

- a. Annual COP composition and submission
- b. Delineating focal areas of action and focal concerns
- c. Aligning & attainment of STML goals with the SDGs: Targets set for 2025&2030

2 Internal Projects / Activities

- a. Employee welfare and HRD
- b. Strong corporate governance, transparency and responsible business practices
- c. Eco-friendly policies: reducing paper load, efficient energy consumption
- d. Company-wide Sustainability audit and reporting
- e. Streamlining and fusing sustainability-related ERP database

7 Monitoring, Evaluation, Reporting & Documentation

3 External Projects / Activities

- a. Social development: poverty alleviation, rural/community development, education, health etc
- b. HCD: capacity building initiatives
- c. Creative green projects: Environmental sustainability, HSE, tree plantations etc.
- d. Resource mgmt: water scarcity mgmt, renewable energy, land productivity, waste mgmt etc
- e. Abdullah Foundation related philanthropic projects (wherever involved)

6 Image building, marketing and branding

4 Crafting strategic partnerships with the government, NGOs, INGOs

5 Legal compliance to company, national and international laws advancements

Formulate strategies, Identify opportunities for Sustainability Projects. Design, drive and communicate CSR & Sustainability Initiatives to achieve organization's goal & align them with sustainable development goals (SDGs)

FACTORY COMPLIANCE: STRATEGY IMPLEMENTATION AND OPERATIONS

Focuses on execution of strategies while highlighting gaps and ambiguities to comply with certifications, audit, legal and customer requirements.

7 Testing, Monitoring, Reporting & Documentation

6 Factory specific sustainability audit

4 Instrument testing inspection

3 HR Related:

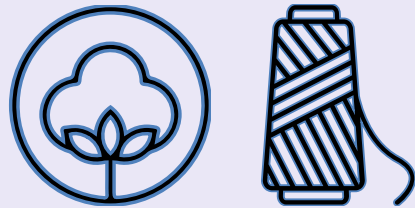
- a. Employee rights
- b. Working conditions
- c. Worker trainings
- d. Female awareness trainings
- e. Grievance handling
- f. Payroll compliance matters

2 Environmental Compliance

- a. Effluent Treatment
- b. Eco-label/certifications
- c. Reducing carbon footprint
- d. Sustainability project development

1 Social & Security Compliance

Pillars of Sustainability



Materials

Sustainable
sourcing

Traceability

Alternate fiber
R & D



Process

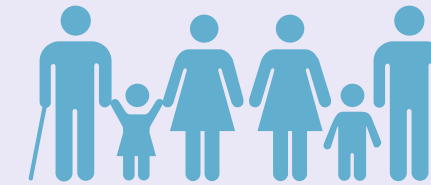
Decarbonization

Plantation

Renewable Energy

Water conservation

Resource Efficiency



People

Internal
Well-being

External / CSR

Data Collection / Digitization | Partnerships | Communications



MATERIAL

RAW MATERIALS: Sustainable Sourcing

At Sapphire, we embrace a comprehensive range of premium sustainable materials sourced globally.



Organic Cotton



Recycled Cotton



Recycled Polyester



Fairtrade Cotton



BCI Cotton



Egyptian Cotton



CMiA Cotton



USA Cotton



Supima Cotton



Primark Cotton



bioRe® Sustainable Cotton



Lenzing (Tencel/Lyocell)

Our commitment to utilizing these diverse eco-friendly resources underscores our dedication to sustainability and responsible sourcing practices.

Complying to leading Environmental & Ethical/Social certifications of Textile Industry

ENVIRONMENTAL



SOCIAL/ETHICAL



SUSTAINABILITY MEETS TRACEABILITY

At Sapphire we believe that Traceability in supply chain is at the core of sustainability

Digital Traceability includes

- Supply chain Mapping
- Product Traceability

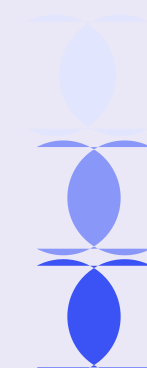
FibreTrace»

Sapphire Textile Mills Limited, Good Earth Cotton® and FibreTrace® partner to work towards zero carbon impact and transparency for the textile industry. Sapphire will also work with FibreTrace® to launch traceability across several other natural, man-made and synthetic fibres, including but not limited to; organic cotton, BCI cotton and recycled polyester.

Haelixa

Sapphire Textile Mills have partnered with Paul Reinhart to buy traceable organic cotton incorporated with Haelixa Technology.

		PLANT-BASED NATURAL FIBRES				MAN-MADE CELLULOSIC FIBRES		SYNTHETICS			
TRACER TECHNOLOGY		Cotton	Recycled Cotton	Hemp/ Linen	Recycled Hemp/ Linen	MMCF	Recycled MMCF	Polyester	Recycled Polyester	Nylon	Recycled Nylon
	Haelixa										
	Fibretrace										



No Claimed Evidence

Technically Feasible

Operationally Feasible

SAPPHIRE REVOLUTIONIZING ORGANIC FARMING IN PAKISTAN



Sapphire signed an **MoU** with **WWF** to produce organic cotton in **KPK** and **Baluchistan** for five years over **7,000** acres. This is part of Sapphire's vision to adopt and push regenerative and organic farming in Pakistan in line with **SDG 13** Climate Action.

ORGANIC COTTON CULTIVATION

A step toward Social, Environmental, and Economic Sustainability in cotton farming communities of Baluchistan

PROJECT OBJECTIVES & TARGETS

- a) Building up an enabling environment of organic cotton cultivation within the selected project site by engaging all stakeholders.
- b) Enhance capacity building of all stakeholders regarding organic standards, procedures, and certification
- c) Improvement in the social, financial, and environmental profile of the project site.
- d) Women Empowerment.
- e) Soil & Water Conservation Structures



PROCESS

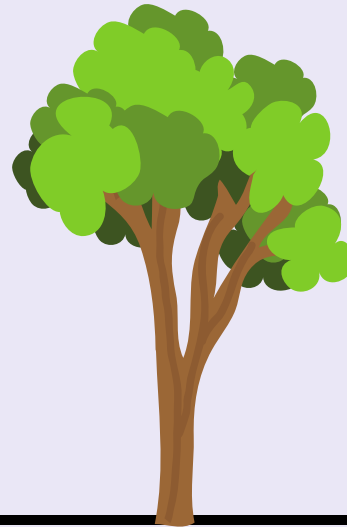
DECARBONIZATION

CARBON SEQUESTRATIONS

10,000

Trees Planted

New initiative to scientifically offset emissions through tree plantation



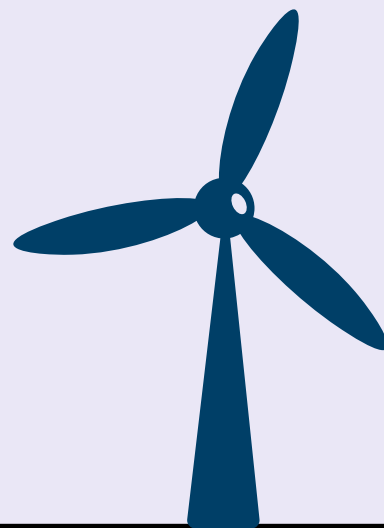
SOLAR ENERGY



11.5MW

- Producing 20% of our total consumption
- Approx. 9000tons of CO2 emissions reduced

WIND POWER



200MW

STML's subsidiaries SWPCL & TBCL have built wind farms in Jhampir

AT SOURCE REDUCTION

- Scrubbers & multicyclones for emissions control
- Heat recovery boilers
- Maintains optimal energy efficiency



ENERGY CONSERVATION

TARGETS 2023

Eliminating Coal from Supply chain by 80% and produce thermal energy through renewable sources like BIOMASS.

GAS BOILER



Remove up-to 50% coal for steam production in processing.

BIOMASS BOILER



Included rice husk, corn cob, wood residue, bagasse.

SOLAR POWER



40% of Weaving & Processing
Up-to 70% of Home Textiles

WASTE HEAT
RECOVERY



6.2MT approx.
COAL saved
(Jan - Jun 2023)

improvement of thermal efficiency, energy saving, and environmental protection

STEAM CONDENSATE
RECOVERY



630T
COAL saved
(Jan - Jun 2023)

Sizing (70%) and Processing & Dyeing (55%) of Steam Condensate

7.3MT approx.
Carbon Emissions Saved
(Jan - Jun 2023)

762T
Carbon Emissions Saved
(Jan - Jun 2023)

Water Conservation Strategies

3R's - REDUCE > REUSE > RECYCLE



60,064 tons

Water is being reused through condensate recovery (Jan - Jun 2023)



100,794 tons

30% of Treated Wastewater is being Recycled and Reused (Jan - Jun 2023)



7,916 tons

Non-Contact Cooling water is being collected and reused in processing (Jan - Jun 2023)

Wastewater Treatment

100% of the facility wastewater is being treated and 30% of the treated wastewater is being recycled by RO and reused in the production process. After treatment and meeting all applicable compliance criteria, the treated water is being used on agricultural land for the cultivation of crops.

467,000 tons

wastewater treated [Jan - Jul 2023]

ZDHC
Foundational Level Compliant

RECYCLING AND CIRCULARITY

RESTORE
BY SAPPHIRE

1500 tonnes
approx.

Recycled cotton
produced every year



LITTLE BY LITTLE



seed infused shopping
made up from 100%
recycled cotton

UNIFI

FABRIC FROM PET

Over

117 M

PET bottles recycled
into polyester

REPREVE

CHEMICAL RECYCLING

A dedicated Task Force is undertaking collaboration work with the technology providers in the space of Recycling technology as well as Textile Collector & Sorter Organizations.

A roadmap for milestones with timelines is formulated as a navigator to scale the progress & fast track the integration of Circular Economy principles into our value chain.



PEOPLE

“We give ownership to our PEOPLE;
So it’s the people who make SAPPHIRE, What it is.”

Mr. Nadeem Abdullah
CEO, Sapphire Textile Mills Limited

PARTNERSHIPS

2023

GIZ-Pakistan

Part of SUSTAINABLE PAKISTAN PROJECT, improving our skill sets to meet latest global compliances of sustainability and innovation.

2023

WE-PROGRAM

Joined WE Program Global to enhance our grievance and complaint mechanism systems at sewing unit 7.

2020

NET Zero Pakistan

We reaffirm our commitment to a climate positive world as a signatory to the Net Zero Coalition.

2020

WWF CORPORATE MEMBERSHIP

Annually a tree plantation activity is conducted under WWF Pakistan's Corporate Membership Program to protect nature and conserve biodiversity.



Projects Details (Internal)



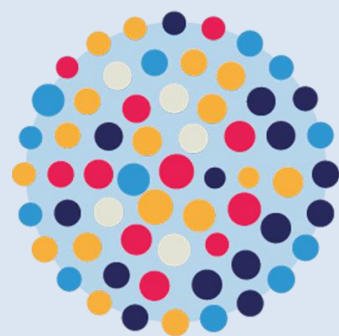
Capacity building of teams in Research & Innovation

Arranging workshops and trainings for relevant teams for latest trends in textile innovation and sustainability.



Community service initiatives / volunteering

- Storytelling at Sapphire schools
- Kitchen gardening at factories
- Launching Mahol dost BINS initiative



Becoming future ready for latest European compliances by participating in global forums on Textile and innovation.



Partnerships:

Arranging events for factories and head office quarterly on priority SDGs (6-17) with important partners.

Projects Details (Externals)



Sapphire Scholars

Follow up and way forward for Sapphire scholars at LUMS, NUST, FAST and other institutions.



Uplifting cotton communities

Joining hands with BCI and their 2030 goal of improving livelihoods of cotton farmers/pickers.



Block Plantations

Identifying block plantation sites in our business areas for at least 2 acres mini forests helping in off-setting our carbon footprint



Workforce from Communities

- Partnering with organizations to plan and implement projects around factories for trained labor and workforce.



Exploring possibilities and launching social entrepreneurship initiative through engaging women artisans and promoting cultural heritage.



HEALTH



Over 2 million €
spent in CSR
(2019-22)

- Upgrading the Pediatrics Ward at Jinnah Hospital
- Reconstruction of the Labor Ward at Jinnah Hospital
- Running an annual free eye-camp
- Expanding the scope of operations and health-care services of The Kidney Center
- PET CT room at Shaukat Khanum Memorial Hospital
- CT Scanner at Patients' Aid Foundation at Indus Hospital
- Advanced endoscopy centre at Nighaban Civil Hospital

EDUCATION



Over 0.6 million €
spent in CSR
(2019-22)

- The 15,000f2 Sapphire School of Learning
- The City Grammar High School, Kotri
- Joint project with The Citizen Foundation, Abdullah Campus
- Another TCF School (Sapphire Campus I) was established for 400 primary students
- Hunar Foundation
- NUST Scholarships: 10 Abdullah Scholars given 4 years scholarship at NUST
- LABARD Rehabilitation & Vocational Training Center for the disabled
- State-of-the-art Computer Lab operating under Namal Foundation
- Fully equipped lab for the disabled w/ NOWPDP
- Investments in Higher Education: IBA, LUMS

WOMEN EMPOWERMENT

- Female and maternal health: Lady Dufferin Hospital
- Girls' Education: Quality education provided at a solar-powered school in rural Tharparker
- Relief and rehab for distressed women through Panah Trust

SRL

- Skills development of unskilled women at our stitching training lines w/ TEVTA
- Outsourcing the production of our shopping bags to underprivileged home-based female workers in a village near our factory.



RURAL DEVELOPMENT

- Installation of solar panel units in 20 rural households
- The aim is to extend this up further and reach the target of providing electricity to 225 households in the communities nearby Wind Farm sites in the future
- A first-of-its-kind Emergency Center has been established in Jhimpir
- In partnership with GE Renewable Energy and Agha Khan Medical University Hospital
- Flood Relief Effort with total financial effort of 177,451 Euros

SRL

- Supporting local artisans to promote our unique and shared art, culture and history.



DATA MANAGEMENT & SCORING

Collate	Preliminary findings	Final Report	Launch Action Plan	Monitor & Review
June 22	July 22	Aug 22	Sept 22	Sept -Dec 22
Collect data from all the mills: 1. Employee Wellbeing 2. Environment 3. Hazard control 4. Input materials 5. Waste mgmt Develop scoring mechanism.	Prepare a preliminary report based on previous and this year's data. Identify core areas of improvement. Discuss findings and suggested improvement areas with factory personnel. Finalize course correction.	Prepare final report for course correction for the management. Include KPIs and Targets. Indicate timelines. Outline steps for course correction. Integrate top mgmt's suggestions and get approval for the action plan.	Send the action plan back to the factory mills. Begin implementation. Provide support to concerned departments for smooth execution.	Maintain regular follow up to ensure effective implementation. Target December 2022 for the first phase. Check improved scores for each factory and recognize the top performer. Learn from this experience, review and improve for 2023.

DEVELOPED A COMPANY-WIDE SUSTAINABILITY SCORING TOOL

Using the data gathered from 2020 and 2021, a holistic Scoring Tool has been developed across all factory units and the head office.

Weighted scores were calculated for each thematic area as shown in the table below.

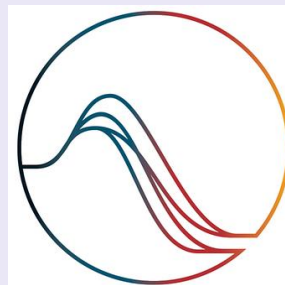
This system will now be discussed with the factory Technical Directors and relevant factory personnel to identify rectification plan & finalize targets for 2022 and 2023.

PARTNERSHIPS

2020

SBTI BUSINESS AMBITION

We are part of the initiative to reach net-zero by 2050 for the best chance of avoiding the worst impacts of climate change.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2020

NET Zero Pakistan

We reaffirm our commitment to a climate positive world as a signatory to the Net Zero Coalition.

NETZERO
PAKISTAN

2020

UNGC SDGs Reporting

We are signatory of reporting our progress on SDGs achievement to UNGC.



United Nations
Global Compact

Participation at global forums of textile sustainability

- BCI – Annual Conference 2023 (Virtual)



- Traceability
- Regenerative agriculture
- Living Income

- Textile Exchange – Annual Conference in London October 2023

- Circularity (Recycling and Upcycling)
- Unified Frameworks introduction
- Traceability



**Textile
Exchange**

PARTICIPANTS OF:

- Regular roundtables of Sustainable Cotton, Organic Cotton & Recycled polyester
- 2025 Sustainable Cotton Challenge by Textile Exchange.
- 2025 rPET Challenge by Textile Exchange.

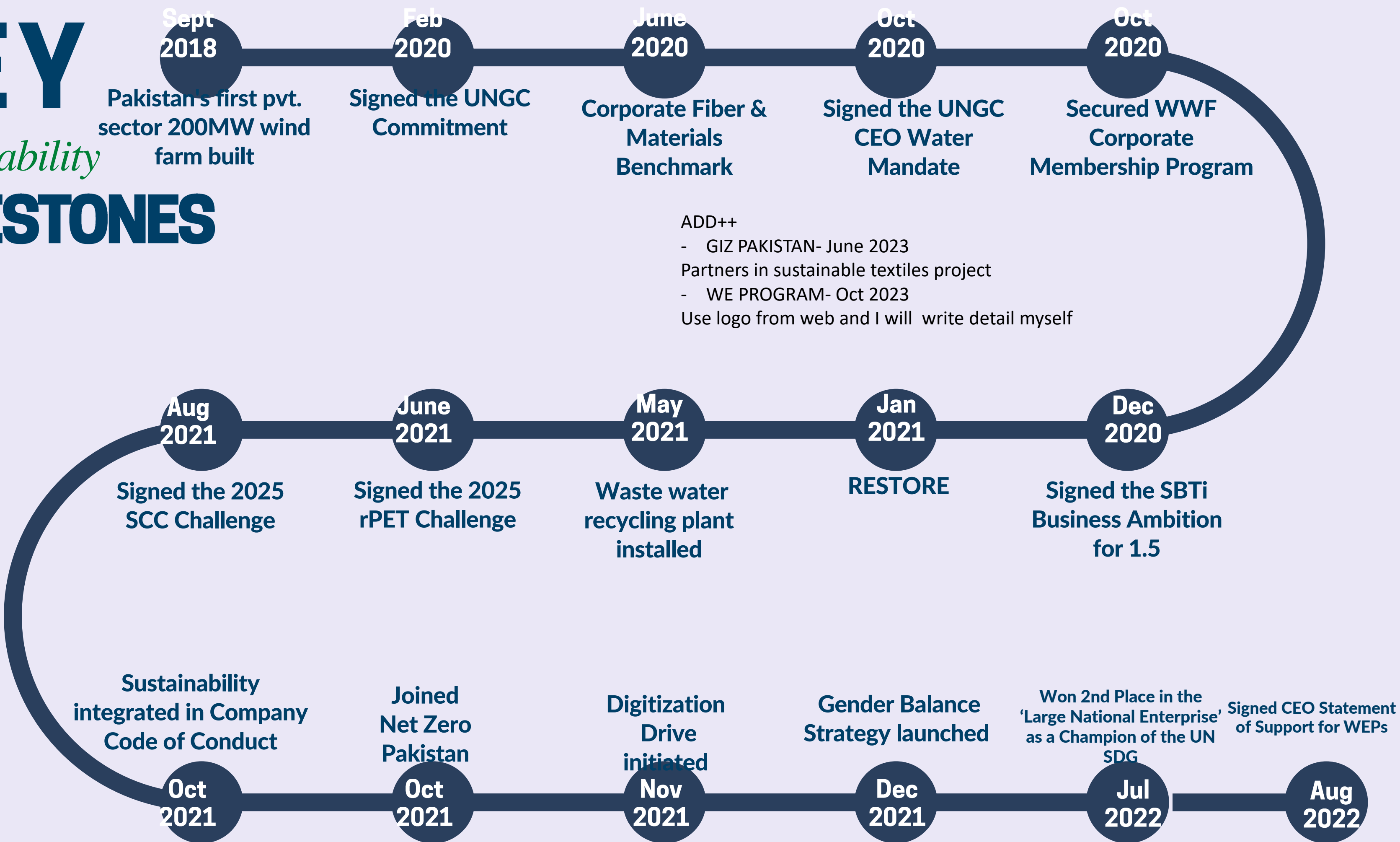
VISION 2030

SUSTAINABLE DEVELOPMENT GOALS: STRATEGY SCOPING

STRATEGIC AND PRIORITY SUSTAINABLE DEVELOPMENT GOALS *For Sapphire Textiles*



KEY *Sustainability* MILESTONES





Any Questions?

Iqra Asghar Inam

Sustainability Head, STML

