

QUALIFYING EXPLANATORY STATEMENT

**BS ISO 14068-1: 2023 – Carbon Neutrality
Corporate Standard – Market Based Approach**

March 2024

Declaration of Carbon Neutrality Commitment

"Starting by the year 2021, Oasis Packaging Industries (Pvt.) Limited (here forth termed as "OPIL") focused on reducing the environmental impacts of its operations and products. In 2021-22, it began to measure its operational and product footprints and reported publicly on progress to reducing impacts since 2021 to 2030. In 2021 OPIL decided to target and measure activities against emissions under Scope 1, 2 & 3 compliant with GHG Protocol to reduce the Carbon dioxide impact and become a Carbon Neutral company for the year 2022 and 2023. This accounted to make the process carbon neutral, and verified through a 3rd party and made publicly available.

At the end of 2025, PAS 2060 retired and superseded by a full verifiable ISO standard - ISO 14068- 1:2023 (first published November 2023). Because a PAS 2060 application must be accompanied by at least one year of supporting data and due to the impending retirement, PAS 2060 should effectively cease to be considered for new clients/projects one year before its official retirement date, i.e. December 2024.

For this as our next step towards becoming a more sustainable business, OPIL declares its commitment to being a Carbon Neutral Company across scope 1 and 2 of its business by the year and neutralization of Scope 3 by 2050.

We commit that this claim will be revalidated on an annual basis through 3rd party validation for the year 2024."



Aleem Ahmed

Director

Carbon Neutrality Declaration

As per hierarchical approach ISO 14068-1 adopts the hierarchy approach, namely; Reduce - Remove – Offset, OPIL claims follows as prescribed by the **BS ISO 14068-1: 2023 – Carbon Neutrality** accompanied by at least one year of supporting data and impending retirement of PAS 2060 for the demonstration of carbon neutrality.

“Carbon neutrality of Oasis Packaging Industries (Pvt.) Limited is achieved in accordance with BS ISO 14068-1: 2023 – Climate Change Management – Transition to Net Zero Part 1: Carbon Neutrality accompanied by at least one year of supporting data and impending retirement of PAS 2060 for the demonstration of carbon neutrality for the year of 2024 (January 1, 2024 – December 31, 2024) with commitment to maintain, verified by 3rd party, TUV Austria, Pakistan for BS ISO 14068-1: 2023 – Carbon Neutrality Certification.”



Aleem Ahmed
Director - Oasis Packaging Industries

INTRODUCTION

This document presents the Qualifying Explanatory Statements (QES) to demonstrate that Oasis Packaging Industries (Pvt.) Limited has achieved carbon neutrality for its operations for the year 2022 and 2023 from baseline year 2021 and is also committing to maintaining carbon neutrality for the period from 1st January, 2024 to 31st December 2024, in accordance with PAS2060:2014 standard following BS ISO 14068-1:2023 – Climate Change Management – Transition to Net Zero Part 1: Carbon Neutrality.

This QES Report is to be read in conjunction with BS ISO 14067:2018(E) Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification that defines the principles, requirements and guidelines for the quantification of the carbon footprint of products. The aim of ISO 14067:2018(E) is to quantify GHG emissions associated with the life cycle stages of a product, beginning with resource extraction and raw material sourcing and extending through the production, use and end-of-life stages of the product.

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 and also demonstrates that by the end of 2025, PAS 2060 retired and superseded by a full verifiable ISO standard - ISO 14068- 1:2023 (first published November 2023) so this report accompanies PAS 2060 application must be accompanied by at least one year supporting data and due to the impending retirement for the latest year.

OPIs’ achievement of carbon neutrality and commitment to the future have been reviewed and verified by TUV Austria, Pakistan. The assurance certificate is provided in Annexure 1.

OPIs’ Annual GHG Emission Action Reduction Plan demonstrates our commitment to reduce greenhouse gas emissions from our owned site and operations with the aim of having net zero greenhouse gas emissions by 2050 or sooner. We have used guidance from Greenhouse Gas Reporting Protocol – Corporate Standard methodology Carbon Reduction Plan in the generation of this CRMP. For this, OPIL has measured energy and greenhouse gas emissions as classified within scope 1, 2 & mandatory elements of scope 3.

The key issues facing OASIS PACKAGING INDUSTRIES comprise the changes to the buildings, staff numbers and increasing energy consuming equipment and facilities, all of which will have significant impacts on future carbon emissions.

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Table 1 – General information

ISO 14068 Requirement	OPI Response
Name of the entity	Oasis Packaging Industries (Pvt.) Limited
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	Asifa Bilal
Subject of the declaration	Oasis Packaging Industries (Pvt.) Limited - 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 2024 to 31 December 2024
Period of future commitment	01 January 2025 to 31 December 2030
Baseline date for PAS2060	01 January 2021 to 31 December 2021

Scope

The scope for qualifying explanatory statement (QES) under ISO 14068-1 defines the boundaries and specific details about the Oasis Packaging Industries (Pvt.) Limited's carbon neutrality claim disclosing all Scope 1, Scope 2, and significant Scope 3 emissions within the defined boundary, the commitment to reduction, the carbon offsetting strategy and credits used, and a declaration of validity by its Director. It serves as public documentation to validate the organization's claims of achieving carbon neutrality in accordance with the standard's requirements.

Purpose

The purpose of this document is to publish a declaration by Oasis Packaging Industries (Pvt.) Limited 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 this declaration for Oasis Packaging Industries (Pvt.) Limited under ISO 14068-1 include: demonstrating a structured, transparent, and science-based approach to carbon neutrality, including quantifiable GHG emissions reduction strategies, a commitment to only using high-quality carbon offsets, a comprehensive value-chain and life-cycle approach, and alignment with international standards like ISO 14064-1, ultimately building credibility and trust in the organization's environmental claims.
- I also claims 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 Industries (Pvt.) Limited 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 Industries (Pvt.) Limited's carbon neutrality efforts to their stakeholders, including customers, investors, and the public.

Function:

- Oasis Packaging Industries (Pvt.) Limited 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 Industries (Pvt.) Limited 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 Industries (Pvt.) Limited regularly monitors and measures the carbon emissions, ensuring ongoing compliance with the requirements of standards. It also provide periodic reports on their carbon neutrality progress to stakeholders.

QUANTIFICATION OF CARBON FOOTPRINT

Oasis Packaging Industries (Pvt.) Limited has accounted for its GHG emissions as per the Greenhouse Gas Protocol

in accordance to the ISO 14068-1, the most widely used accounting standard, and the materiality and boundary definitions adopted by Oasis Packaging Industries (Pvt.) Limited. 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 Scope2 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)

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

²I- From the use of electricity

³I- 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-2024)

Carbon footprint/Production Unit – 4.43 kgCO₂e

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	222.44 excluding <1% emissions, it is 216.68
Scope 2 (tCO ₂ e) ²	1319.26

Scope 3 (tCO ₂ e) ³	15.17 excluding <1% emissions, it is 13.00
Total (tCO₂e)	1548.94

The total carbon footprint for the reporting year 2024 remained 1548.94 tCO₂e.

Conservativeness

As per BS ISO 14068-1:2023 Clause 4 Principles, Sub Clause: 4.3 and GHG Protocol, 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.

I-Renewable Energy Credits (I-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 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%.

Carbon Neutrality - Declaration of achievement and commitment

As per BS ISO 14068-1:2023 Clause 4 Principles, Sub Clause: 4.4 Hierarchy Approach and 4.6 Ambition (As defined in ANNEX D), the achievement during the corresponding period 1st Jan, 2024 to 31st Dec, 2024, Oasis Packaging Industries (Pvt.) Limited declares to achieve carbon neutrality for the subject by offsetting its carbon footprint (measured in tons of CO₂e) and permanently retiring 3570 number of carbon offsets equivalent to the number of tons emitted and 230 verified carbon units. Under PAS 2060, OPILs' has established a draft pathway for reducing

its carbon foot print by 15 – 25 % in the next five (05) years up to 2030.

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.

Oasis Packaging Industries (Pvt.) Limited has excluded the following Scope 3 categories from our current reporting for the following reasons:

- **Use of Sold Products:**

The emissions associated with the use of our packaging products (e.g., for refrigeration or other purposes by the end-consumer) are not included in our reporting. This exclusion is due to data limitations, as Oasis Packaging Industries (Pvt.) Limited does not control the activities or energy consumption associated with the use of our products. We are actively exploring opportunities to collaborate with our customers to gather data and influence emissions reduction in this area.

- **End-of-Life Treatment of Sold Products:**

Emissions from the treatment and disposal of our packaging at the end of its life are also excluded. These emissions are largely dependent on the waste management infrastructure and practices of our customers and end-consumers, over which we have no direct control. We are committed to sustainable packaging solutions that reduce waste and promote recyclability, and we will monitor future developments in this area for potential inclusion.

We are dedicated to continuous improvement in our Scope 3 reporting. As data availability and methodologies evolve, and as our influence in these value chain areas increases, we will re-evaluate these exclusions and work towards more comprehensive reporting in the future".

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.

- BS ISO 14068-1:2023
- 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 and are in accordance with BS ISO 14068-1:2023. The carbon footprint of the selected subject is calculated based on a gate-to-gate approach.

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 (Pvt.) Limited has achieved carbon reduction by introducing and implementing carbon reduction initiatives for the year 2023.

Table 3 – Carbon Reduction Initiatives for 2023

CARBON REDUCTION INITIATIVE	RENEWABLE ENERGY / ENERGY SAVING (kWh)	EMISSIONS AVOIDED (tCO ₂ e)
Energy efficiency retrofits in buildings*	4.51	1.051
Solar Generation	71.05	56.8**
Total Save	75.56	57.851

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

**[Redcution of CO2e/1 kWh of solar Power = 0.8 Kgs CO2](#)

CARBON MANAGEMENT PLAN (Declaration of commitment)

As per Carbon Reduction Management Plan (CRMP) - Document Reference – CSR-20230517

- 3.0 Carbon Management Strategy
 - 3.1. Context and Drivers for Carbon Management
 - 3.2 Target Setting
- 4.5. Business as Usual (BAU) and
- 5.0 Carbon Reduction Projects

Planned Transition to Energy-Efficient Inverter Air Conditioning Systems and Solar Integration

As part of our ongoing commitment to reduce the carbon footprint in our system, we are implementing a phased replacement of all 14 existing air conditioning units with high-efficiency inverter-type models. This transition is scheduled for full completion by the year 2030.

Current Energy Consumption and Carbon Footprint

At present, each of the conventional air conditioning units draws approximately 114 amperes, contributing to a combined electrical load of 25 kW for an hour and with an average daily usage of approx. 8 hours, the total daily energy consumption amounts to approximately 200 kWh. Based on the 2024 electricity emission factor of 369.9 g

CO₂/kWh, the current daily carbon footprint associated with these systems is approximately 7.57 tCO₂e.

Projected Impact of Inverter AC Upgrade

By transitioning to inverter-based air conditioning technology, we anticipate a 40% reduction in energy consumption, resulting in an estimated annual savings of 8320 kWh approx. This reduction corresponds to a decrease in carbon emissions of approximately 3.0 tCO₂e per annum, significantly improving our environmental performance while also lowering electricity costs.

Future Integration with Solar Power

Following the complete transition to inverter AC systems, we plan to take the next step towards energy independence by fully integrating these units with our planned green energy initiative - solar panel infrastructure. The integration of the Air-conditions with Solar Energy system will eliminate the dependency and burden over the grid to zero utilization of electricity for Air conditioning system.

Air Condition – Total 220 x 114 ampere = 25,080 Watts ~ 25 kW per Day

kWh – kW x Running Hours – 25 x 8 = 200 kWh per Day

Per Annum – 104 Days x 200 – 20,800 kWh

Emission Factor for Electricity – 369.9 for year 2024 – 7.57 tCO₂e - 40% - 3 tCO₂e

Carbon Offsetting

Carbon offsets used for achieving carbon neutrality are fully funded by Oasis Packaging Industries (Pvt.) Limited. 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 Oasis Packaging Industries (Pvt.) Limited 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%2F6jHBGMw5Y6boU5LVh59YQk10GtzfK48BPoYiFsnv6vb>

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