



GREENHOUSE GAS EMISSIONS REPORT

FARIHA KNIT TEX LTD

Accounting Standards

GHG Protocol Corporate Standard | ISO 14064-1:2018

Reporting Period

Year 2022 (January to December)

Year 2023 (January to December)

Year 2024 (January to December)

Year 2025 (January to December)

Year 2026 (January to March)

Prepared By:

FARIHA KNIT TEX LTD

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Executive Summary

This Greenhouse Gas (GHG) Emissions Report presents the organizational GHG inventory of Fariha Knit Tex Ltd. for the period January 2022 to March 2026, with 2022 designated as the base year. The inventory has been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1:2018, using the operational boundary approach and emission factors from recognized sources. All emissions are reported in tonnes of carbon dioxide equivalent (TCO₂Eq) using IPCC AR5 global warming potentials.

Scope 3 emissions remained the largest contributor throughout the period, accounting for approximately 86–89% of total emissions, with purchased goods, chemical procurement, and upstream transportation as the main sources. Scope 1 emissions were driven primarily by natural gas consumption, while Scope 2 emissions arose from purchased electricity. The installation of the on-site solar photovoltaic system in 2024 contributed to reducing grid electricity dependence under the market-based approach. Overall, the inventory provides a reliable baseline for tracking future performance, identifying reduction opportunities, and supporting the Company's sustainability and decarbonization efforts.

1. Introduction

1.1 Company Overview and Nature of Operations

Fariha Knit Tex Ltd. is a Bangladesh-based, 100% export-oriented knit apparel and textile manufacturing company operating as a major concern of Asrotex Group. Established in 1996, the company functions as a vertically integrated facility, providing a one-stop manufacturing solution from raw materials to finished garments. Its core operations include state-of-the-art knitting, dyeing, all-over printing (AOP), washing, screen printing, embroidery, trims/accessories production, garmenting (sewing/stitching), finishing, and packaging.

1.2 Facilities and Operational Scope Covered

Unlike split-location setups, Fariha Knit Tex Ltd. operates out of a centralized, large-scale, vertically integrated manufacturing campus alongside Asrotex Group's corporate headquarters.

2. Reporting Standards

2.1 Accounting Standards

This report has been prepared in conformance with two internationally recognised and widely adopted frameworks for greenhouse gas accounting and reporting:

GHG Protocol Corporate Accounting and Reporting Standard

The GHG Protocol Corporate Standard provides the accounting framework for nearly every corporate GHG inventory in the world. It requires organisations to quantify and disclose emissions across three scopes:

- Scope 1 — Direct emissions from owned or controlled sources
- Scope 2 — Indirect emissions arising from the generation of purchased energy
- Scope 3 — All other indirect emissions occurring across the value chain

ISO 14064-1:2018 — Greenhouse Gases

ISO 14064-1:2018 specifies principles and requirements at the organisation level for the quantification and reporting of greenhouse gas emissions. This standard provides a rigorous, internationally recognised basis for the design, development, management, and reporting of GHG Emission.



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2.2 Organisational Boundary

The GHG inventory for Fariha Knit Tex Ltd. has been developed using the operational boundary approach. Under this approach, emissions have been classified into Scope 1, Scope 2 and Scope 3 (Partial) based on the nature of the emission source and its relation to the company's operations.

The inventory includes direct emissions from owned or controlled operations, indirect emissions from purchased electricity, and other relevant indirect emissions associated with the company's value chain.

Parameter	Description
Reporting Entity	Fariha Knit Tex Ltd.
Reporting Period	Year 2022, 2023, 2024, 2025 & 2026 (Jan to Mar)
Financial Year Basis	January to December
Boundary Approach	Operational boundary
Scope 1 Categories	Stationary combustion, mobile combustion and fugitive emissions
Scope 2 Categories	Purchased electricity
Scope 3 Categories (Partial)	Employee commute, food consumption, business travel (land), business travel (air), business travel (sea), purchased goods, transmission and distribution loss, upstream activities, downstream activities, waste disposal, water supply and water treatment

2.3 Global Warming Potentials (GWPs)

All greenhouse gas emissions have been converted to carbon dioxide equivalent (CO₂e) using Global Warming Potential (GWP) values sourced from the IPCC Fifth Assessment Report (AR5), consistent with DEFRA and GHG Protocol guidance. The following GWP value has been applied:

Greenhouse Gas	100-Year GWP (AR5)
Carbon Dioxide (CO ₂)	1

3. Methodology

The greenhouse gas (GHG) inventory for Fariha Knit Tex Ltd. has been prepared using the operational boundary approach. The assessment covers Scope 1, Scope 2 and selected Scope 3 emission sources included within the reporting boundary. Emissions have been calculated using the activity data are reported in tonnes of carbon dioxide equivalent (tCO₂eq).

In this assessment, emissions were calculated by multiplying the relevant activity data with the applicable emission factor. For example, fuel consumption, electricity consumption, business travel, employee commute, purchased goods, waste generation and water-related data were converted into GHG emissions using suitable emission factors.

Emission Calculation Approach

The general calculation approach used for the assessment is given below:

$$\text{GHG Emissions (tCO}_2\text{e)} = \text{Activity Data} \times \text{Emission Factor}$$

Emission Factor Sources

The emission factors used in the assessment were taken from recognized and widely used sources, depending on the type of activity data available. These include:

- DEFRA emission factors for fuel, electricity, employee commute, business travel, waste and other activity-based categories
- CADI grid emission factors, where applicable for electricity-related calculations

The inventory has been prepared using the best available data provided at the time of assessment. Where complete primary data was not available for a specific category, suitable assumptions or secondary factors were used, wherever required, to estimate emissions in line with accepted GHG accounting practice.

4. Scope-by-Scope GHG Emissions Analysis

4.1 Scope 1 — Direct Emissions

Scope 1 encompasses direct greenhouse gas emissions arising from sources that are owned or controlled by FKTL. These emissions are classified into three sub-categories: stationary combustion (natural gas and diesel used in boilers and generators), mobile combustion (fuel consumed by Company-owned or operated vehicles), and fugitive emissions (refrigerant losses from cooling and air-conditioning systems). Scope 1 data is essential for understanding and managing the organisation's direct environmental footprint.

Scope 1 — Activity Data (Consumption)

Category	Unit	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
Stationary Combustion (Natural Gas)	Cubic metres	2,11,80,280	1,97,94,395	2,40,42,046	2,40,90,608	53,56,351
Stationary Combustion (Diesel)	Litres	2,69,749	1,02,396	2,28,129	5,893	—
Mobile Combustion (Company own Car)	km	6,61,752	7,76,794	7,48,980	11,21,500	1,89,639
Fugitive Emissions (Refrigerant R401A)	kg	299.20	340.00	582.00	636.90	176.50

Scope 1 — GHG Emissions (TCO₂Eq)

Source	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
Stationary Combustion (Natural Gas)	43,173.68	40,348.70	49,176.09	49,742.73	11,070.08
Stationary Combustion (Diesel)	677.62	257.22	573.07	15.05	—
Mobile Combustion (Company own Car)	112.89	132.25	127.75	194.68	32.95
Fugitive Emissions (R401A)	338.10	384.20	657.66	1,145.47	305.36
Scope 1 GHG Emissions (TCO₂Eq)	44,302.29	41,122.37	50,534.57	51,097.93	11,408.39

Note: There was no diesel consumption during the period from January 2026 to March 2026; therefore, no emissions have been reported under Stationary Combustion for this period.

4.2 Scope 2 — Indirect Energy Emissions

Scope 2 covers indirect greenhouse gas emissions associated with the consumption of purchased electricity consumed by FKTL. The Company reports Scope 2 emissions on both a location-based and market-based basis, in accordance with GHG Protocol Scope 2 Guidance.

Scope 2 (Location-Based) — Grid Electricity Consumption

Source	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
Purchased Electricity (kWh)	13,71,738	8,40,228	15,18,414	2,41,244	42,852
Scope 2 GHG Emissions (TCO₂Eq)	562.43	344.50	622.54	140.90	25.78

Scope 2 (Market-Based) — Renewable Energy Generation (Solar)

The on-site solar photovoltaic (PV) power plant became operational in 2024. Electricity generated from this renewable energy source offsets grid electricity consumption and has been accounted for under the market-based Scope 2 methodology.

Source	Year 2024	Year 2025	Year 2026
Renewable Electricity — Solar (kWh)	26,881	17,20,070	3,17,875
Avoided Emissions (TCO₂Eq)	11.02	1,034.71	191.22

4.3 Scope 3 — Value Chain Emissions (Partial)

Scope 3 encompasses all indirect greenhouse gas emissions occurring across FKTL's upstream and downstream value chain, including those attributable to suppliers & logistics providers. These emissions are material to a comprehensive understanding of the organisation's total climate impact and are reported across eleven GHG Protocol Scope 3 categories.

Scope 3 — Activity Data (Consumption)

Category	Unit	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
Employee Commuting	Kilometres	6,03,599	5,90,208	6,44,547	13,38,393	3,16,633
Purchased Goods (Clothing)	Tonnes	11,507.79	14,309.65	16,282.37	14,580.00	3,524.00
Purchased Goods (Chemicals)	Kilograms	53,85,167	74,91,716	70,23,031	80,48,003	24,57,038
Electricity T&D Losses	kWh	13,71,738	8,40,228	15,18,414	2,41,244	42,852

Category	Unit	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
Upstream Transport (Sea route)	Kilometres	7,25,476	7,47,770	5,55,200	16,48,399	5,14,946
Upstream Transport (HGVs)	Kilometres	14,203	20,505	33,750	11,378	1,763
Downstream Transport (Sea route)	Kilometres	10,75,624	11,91,265	11,35,421	2,72,900	10,695
Downstream Transport (HGVs & Vans)	Kilometres	1,74,050	1,59,108	3,47,088	9,57,253	2,310
Waste Disposal	Tonnes	2,015.53	999.82	1,058.31	350.33	77.59
Water Supply	Cubic metres	13,60,327	13,31,058	15,11,016	12,32,553	2,63,299
Wastewater Treatment	Million litres	1,215.57	1,199.58	1,463.17	1,180.84	252.02
Business Travel	Kilometres	3,68,760	3,74,460	4,03,248	2,81,773	76,280

Scope 3 — GHG Emissions (TCO₂Eq)

Category	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
Employee Commuting	147.72	147.00	159.06	1,059.17	260.73
Purchased Goods (Clothing)	2,56,738.97	3,19,248.32	3,63,259.45	3,25,279.80	78,620.44
Purchased Goods (Chemicals)	16,155.51	22,475.13	21,069.10	12,957.28	3,955.83
Electricity T&D Losses	25.80	15.80	28.54	4.54	0.81
Upstream Transport (Sea route)	1,669.34	6,519.91	3,862.28	16,853.61	5,780.14
Upstream Transport (HGVs)	11.54	16.70	29.47	576.35	15.87
Downstream Transport (Sea route)	3,322.86	4,483.37	4,258.94	3,752.00	159.49
Downstream Transport (HGVs & Vans)	141.64	129.47	303.00	896.90	2.16
Waste Disposal	47.53	84.90	13.66	1.63	0.36
Water Supply	202.69	234.27	231.19	231.50	50.37
Wastewater Treatment	244.69	241.47	271.76	201.78	43.06
Business Travel	67.44	68.75	64.32	49.45	13.59
Scope 3 GHG Emissions (TCO₂Eq)	2,78,775.73	3,53,665.09	3,93,550.77	3,61,864.01	88,902.85

4.4. Annual Greenhouse Gas Emissions Summary

The following table presents the consolidated GHG emissions summary across all three scopes for the reporting period 2022 to 2026.

Metric	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026*
Scope 1 (TCO ₂ Eq)	44,302	41,122	50,535	51,098	11,408
Scope 2 (TCO ₂ Eq)	562	345	623	141	26
Scope 3 (TCO ₂ Eq)	2,78,776	3,53,665	3,93,551	3,61,864	88,903
Total Emissions (TCO₂Eq)	3,23,640	3,95,132	4,44,708	4,13,103	1,00,337

*Note: * 2026 figures cover the period January – March 2026 only (partial year).*

5. GHG Emission Reduction Budget Plan

To support its long-term sustainability objectives and reduce greenhouse gas (GHG) emissions across its operations and value chain, Fariha Knit Tex Ltd. has established a dedicated GHG Emission Reduction Budget of approximately USD 2,769,857. The allocated budget will be invested in strategic initiatives aimed at improving energy efficiency, expanding renewable energy generation, enhancing resource efficiency, optimizing transportation and logistics, strengthening waste management, and supporting carbon sequestration activities.

The implementation of the reduction plan will be carried out in phases over multiple years, with each initiative assigned to responsible departments and monitored through defined Key Performance Indicators (KPIs). Progress will be reviewed periodically to evaluate performance, identify improvement opportunities, and support the Company's long-term decarbonization and sustainability objectives.

5.1 Key Strategies for GHG Emission Reduction

Fariha Knit Tex Ltd. has identified the following strategic initiatives to reduce greenhouse gas emissions across Scope 1, Scope 2, and Scope 3:

- Enhance energy efficiency through the installation of waste heat recovery systems, adoption of Best Available Technologies (BAT) such as Continuous Pad Batch (CPB) dyeing, process optimization, and preventive maintenance practices.
- Increase the use of renewable energy by expanding on-site solar photovoltaic generation and procuring renewable electricity where feasible.
- Improve water resource management through the installation of water reservoirs, pipelines, and efficient pumping systems to enhance operational efficiency and support sustainable water use.

- Promote sustainable procurement by sourcing environmentally preferred raw materials and engaging suppliers.
- Optimize inbound and outbound transportation through improved logistics planning, route optimization, and lower-emission transportation methods.
- Enhance waste management and employee awareness through recycling initiatives and environmental training.
- Strengthen emissions monitoring through digital GHG tracking systems, periodic performance reviews, and internal environmental audits to support continuous improvement.

5.2 Planned GHG Emission Reduction Initiatives

The following table summarizes the Company's planned initiatives, implementation timelines, estimated investment, expected emission reductions, and performance indicators.

Scope	Action Plan	Investment (USD)	Timeline	Responsible Team
Scope 1	Install waste heat recovery system on stenter machine (112,000 kg/day)	2,03,666	2027	Engineering Department
Scope 1	Install 8 ton/day CPB dyeing machine (BAT)	6,51,731	2029	Production Department
Scope 1	Install 1000 m ³ /day reservoir, pipelines and pumps	2,03,666	2028	Engineering Department
Scope 2	Expand rooftop solar PV from 2% to 10% renewable electricity	6,51,731	2030	Sustainability Team
Scope 2	Tree plantation program for carbon offset	2,03,666	2027	Sustainability Team
Scope 3	Optimize supplier transportation and logistics	6,51,731	2027	Logistics Department
Scope 3	Improve waste recycling and employee awareness	2,03,666	2026	Environment, Health & Safety Department
Total		27,69,857		

6. Conclusion

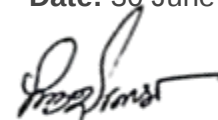
This report presents a comprehensive greenhouse gas inventory for Fariha Knit Tex Ltd covering the period from January 2022 to March 2026, prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1:2018. The inventory encompasses Scope 1 (direct), Scope 2 (indirect energy), and Scope 3 (value chain) emissions, with all calculations underpinned by emission factors drawn from DEFRA and CADII.

Over the reporting period, FKTL's total GHG emissions ranged from 3,23,640 TCO₂Eq in the base year (2022) to a peak of 4,44,708 TCO₂Eq in 2024, before declining to 4,13,103 TCO₂Eq in 2025. Scope 3 value chain emissions consistently represent the most material category, accounting for 86–89% of total reported emissions, with upstream purchased goods — principally clothing inputs — identified as the single largest contributing source. Scope 1 direct emissions are dominated by natural gas combustion, which accounts for approximately 97% of direct emission volumes. Scope 2 emissions have shown a marked downward trajectory, supported by the commissioning of on-site solar generation from 2024 onwards.

Fariha Knit Tex Ltd affirms that this report has been prepared with due diligence, applying internationally recognised methodologies and credible emission factor sources. The data contained herein are intended to provide a transparent and accurate representation of the organisation's greenhouse gas profile, and to support informed decision-making by internal stakeholders, clients.

Report Sign-Off and Authorization

This Greenhouse Gas Emissions Inventory Report has been reviewed and approved by the Environment, Health, and Safety (EHS) Department to ensure accuracy, compliance with specified quantification standards, and alignment with organizational boundaries.

Prepared By:**Name:** Md. Nadimur Rahman Molla**Designation:** Manager**Department:** Environmental & Chemical Responsible**Date:** 30 June 2026**Signature:****Approved By:****Name:** M Shohidul Islam**Designation:** Deputy General Manager**Department:** Compliance & Sustainability**Date:** 30 June 2026**Signature:****Organization Stamp:**