

GHG and Energy Management

Policy Statement:

Square Fashions Ltd is committed to reducing its greenhouse gas emissions and to using energy in the most efficient, cost-effective and environmentally responsible manner possible.

To meet this goal, SFL will commit to the following:

- To meet or exceed government regulations (federal, provincial and local), including regulations regarding greenhouse gases (GHG) and energy.
- To identify all SFL sources of greenhouse gas emissions, and to set reduction targets for each.
- To report on GHG reduction progress.

SFL will manage energy and greenhouse gases together through an integrated approach, and respond to climate change with both mitigation and adaptation strategies.

This policy applies to all areas of SFL operations, infrastructure, and research at factory premises.

Purpose of Policy:

SFL adopted a sustainability policy to provide general guidelines for the SFL Factory to implement sustainability. More precisely, the sustainability policy states:

“This policy is intended to guide SFL practices toward sustainability. It is created as an umbrella policy that provides general guidelines for the SFL factory to implement sustainability. The strategy is to maximize sustainability by engaging and guiding the SFL Factory in the development and the implementation of new projects, behaviours, and policies that will advance the sustainability agenda.”

The purposes of this policy are as follows:

- To define a framework for greenhouse gas and energy management.
- To communicate the governing process by which SFL will reduce and manage its GHG emissions and energy use.
- To comply with the Greenhouse Gas Reduction Targets Act (2007)
- Requires each public sector organization to be carbon-neutral for the 2010 calendar year and for each subsequent calendar year.
- To comply with electricity conservation goals as defined in the Clean Energy Act.
- Through the Public Sector Energy Conservation Agreement (PSECA), B.C. is targeting a 20 percent reduction in public sector electricity consumption by 2020.
- To define the roles and responsibilities within the SFL community for managing GHG emissions and energy use.
- To promote compliance with relevant government legislation and agreements.

A handwritten signature in black ink, appearing to read "H. Tanam", with a circular flourish around the initial "H".

Application of this Policy

This policy applies to SFL Factory.

Related Documents and Legislations

SFL will adopted 3R Plan which is instructed by Department of Environment (DoE), Bangladesh.

Definitions

Carbon-neutral: describes a condition or activity in which overall carbon emissions are reduced to zero by (a) Pursuing actions to minimize the relevant greenhouse gas emissions for a given period, and (b) averaging positive greenhouse gas emissions with carbon sequestering.

Emission offset: actions established, approved or recognized under the BC GHG Reduction Targets Act (Bill 44) regulations to (a) reduce greenhouse gas emissions, or (b) reduce atmospheric greenhouse gas concentrations through storage, sequestration or other means.

Greenhouse gas: any or all of the following: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride; and any other substance prescribed by regulation (Bill 44) and that create a greenhouse effect by massing in the atmosphere and trapping heat or reflecting it back to the surface.

LEED: Acronym for Leadership in Energy and Environmental Design.

Life cycle cost: a measurement of total costs of any given article over its lifespan. It is a financial analysis tool that includes initial cost (e.g.: purchase, construction/installation cost, etc.); operating cost (e.g.: energy cost), other costs (e.g.: maintenance, disposal fee, etc.) and revenues (e.g.: residual value, revenues from being a net energy producer, etc.). Life cycle cost also takes into account time value of money.

Low-carbon: describes a process or equipment that emits a minimal output of greenhouse gas.

Principals and Goals

The following principles and goals will guide the GHG reduction initiative:

Greenhouse Gas and Energy Management Principles

- Evaluate equipment/vehicles and projects on life cycle cost rather than on lowest initial cost;
- Conduct financial analysis using incremental cost when appropriate (e.g., for replacing broken equipment/vehicles);
- Include the burden of a carbon tax and emission offset costs when developing the business case for projects. Emerging carbon markets will be anticipated to seek potential added revenue sources from selling carbon emission reduction, whenever in compliance with directive from the government;
- Whenever possible, include sensitivity analysis with various levels of energy price inflation and carbon cost inflation, when developing the business case for projects;
- Develop guidelines for decision-making in activities such as purchasing of energy consuming equipment (e.g., facilities equipment, fleet, information technology, etc.).

Goals

SFL will publish an annual greenhouse gas and energy management plan with specific goals and timelines. Examples include the following:

- Find innovative methods of conducting our core activities with no, minimal, or decreasing GHG emissions;
- Establish and implement effective energy conservation and preventive maintenance programs, continuous improvement, and sound operation practices;
- Incorporate energy efficiency into existing equipment, facilities and fleets, as well as in the selection criteria and purchase of new equipment and vehicles;
- Lower operating costs by emphasizing passive systems and energy efficiency as factors in facility design;
- Build all new buildings to LEED Gold equivalent as a minimum, and to a higher level of performance where practical;
- Maximize incorporation of renewable energy and other sustainability features in operations, renovations, and new building facility and infrastructure projects;
- Increase resilience to increasing cost of energy;
- Celebrate our successes in greenhouse gas and energy management to enhance our corporate image and brand equity (potentially resulting in more SFL job applicants, improved employee recruitment retention and productivity, and an increase in donations to SFL);
- Invest in training and behavioural change programs for SFL's buildings occupants (staff and students) to maximize savings and be consistent with our role as educators;
- Train students in greenhouse gas and energy management by developing programs and courses within the regular curriculum where appropriate;
- Support further internal and external development of energy-efficient and low-carbon technologies.

Funding

As described in the SFL sustainability policy, the Institute will create a system of incentives that rewards the adoption or achievement of sustainability-related goals, which will include "re- investing a portion of the savings or revenue generated by successful sustainability programs to provide a much-needed revenue stream for funding new sustainability initiatives". Greenhouse gas and energy management efforts will be eligible to these incentives/funds.

Duties and Responsibilities

SFL Community

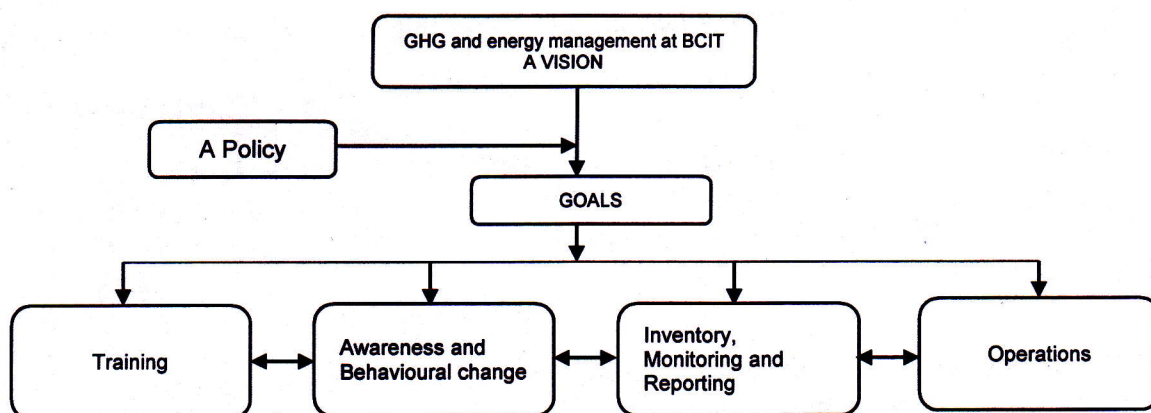
The Institute will work towards defined energy and greenhouse gas reduction goals while respecting its core business, current commitments, and the limits of SFL resources.

SFL employees involved with energy and greenhouse gas reduction initiatives will monitor progress, using measurable, quantifiable information to report in an objective, transparent manner.

All members of the SFL community have responsibilities toward achieving the Institute's energy and greenhouse gas reduction goals.

Figure 1: GHG and Energy Management
A multidisciplinary function

This chart illustrates how SFL plans to develop and accomplish its GHG reduction goals.



Procedures Associated With This Policy

To be determined through the work of the Sustainability Committee.

Forms Associated With This Policy

None

Amendment History

1. Created : 25/03/2013 (According to ECC condition no 19).

