



ITTEHAD CHEMICALS LIMITED

Sustainability Report 2025



It is with great pride that I present to you ICL's first Sustainability Report, a milestone that reflects both our past achievements and our forward-looking vision.

This report captures our sustainability initiatives and projects, past, ongoing and planned, demonstrating our unwavering dedication to responsible growth.



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About the Report

Scope and Boundary

The scope of this report covers the environmental, social, and governance (ESG) performance of our manufacturing operations in Kala Shah Kaku and our corporate office located in Lahore, Pakistan. It highlights our initiatives, impacts, and progress in areas such as occupational health and safety, environmental stewardship, community engagement, and ethical governance.

Reporting Period

This document marks Ittehad Chemical Limited's first Sustainability Report, covering the reporting period from July 1, 2024 to June 30, 2025. The report reflects our commitment to transparency, accountability, and responsible business practices in line with our growing role as a leading chemical manufacturer in Pakistan.

Reporting Framework

The report has been prepared with reference to the Global Reporting Initiative (GRI) Standards, and aligns with the Securities and Exchange Commission of Pakistan (SECP)'s guidelines for sustainability reporting. It also maps our efforts against relevant targets of the United Nations Sustainable Development Goals (UNSDGs), which serve as a global benchmark for sustainable business performance.

Feedback

This report is intended for a wide range of stakeholders, including employees, customers, regulators, suppliers, investors, and local communities. It reflects our commitment to embedding sustainability across our business practices and building a resilient, responsible organization for the future.

As this is our inaugural sustainability report, we welcome constructive feedback and engagement from stakeholders to help us enhance the transparency, relevance, and impact of our future disclosures. Please email us at:

Leadership Statement

CEO / Director's Message

It is with great pride that I present to you ICL's first Sustainability Report, a milestone that reflects both our past achievements and our forward-looking vision. This report captures our sustainability initiatives and projects, past, ongoing and planned, demonstrating our unwavering dedication to responsible growth.

This year marked a significant advancement with the development of ICL's ESG Strategy, a comprehensive framework that sets out our priorities for the next five years, supported by clear Key Performance Indicators (KPIs) and measurable targets. This strategy is more than a compliance exercise, it positions us to manage risks more effectively, unlock operational efficiencies, attract responsible investment, and build lasting trust with our stakeholders. It provides the structure needed to translate our sustainability vision into actionable steps, ensuring that environmental stewardship, social responsibility and robust governance are embedded into every aspect of our operations.

One of the most transformative projects in our history is now underway, the construction of our state-of-the-art biomass co-gen plant capable of utilizing a wide range of feedstocks, including bagasse, corn cobs, wheat straw, and other agricultural residues. Once operational, the plant will entirely fulfill ICL's electricity and steam requirements, enabling complete energy self-sufficiency while significantly reducing our reliance on fossil fuels. This pioneering project strengthens our energy security and affirms our role as an industry leader in renewable energy innovation.

In parallel, we have completed the quantification of our greenhouse gas (GHG) emissions in line with the GHG Protocol. This critical step has established a baseline against which we can measure our progress, guiding the design and prioritization of future emissions reduction initiatives.

This year, we undertook the Sedex Members Ethical Trade Audit (SMETA), an internationally recognized assessment that evaluates labor standards, health and safety, environmental performance, and business ethics. Successful completion of this audit is a testament to our commitment to ethical business practices and to upholding the highest standards of workplace integrity and accountability.

Our corporate social responsibility efforts continued to make a tangible impact. Our community programs reached and positively influenced over 15,000 lives. This year, we contributed PKR 30,541,723 to charitable institutions, focusing on education, healthcare, and welfare initiatives, reinforcing our belief that our success is deeply linked to the well-being of the communities we serve.

I extend my heartfelt gratitude to our shareholders, customers, and employees for their steadfast support and contributions. I trust this support will continue to propel ICL forward on its sustainability journey, as together we build a stronger, more resilient, and more responsible ecosystem for our business.

One of the most transformative projects in our history is now underway, the construction of our state-of-the-art biomass co-gen plant capable of utilizing a wide range of feedstocks, including Rice straw, sugarcane trash, Mustard & Sesame straw, bagasse, rice husk, and corn cob, and other agricultural residues.

Sustainability Highlights

87.8%

Employee Satisfaction Rate

2024-25

No work-related fatalities recorded in

1040

Average Training Hours for 2024-25

15,000 lives +

Impacted through CSR initiatives

Conducted a Sedex Members Ethical Trade Audit (SMETA)

- Plant Enhancement Capacity by ~20% and Fuel Efficiency by ~9% (upon completion)

- Collaboration with Wartsila on Efficiency Enhancement of Gas-Fired Power Plant

- Installed Waste Heat Recovery Boilers for Steam Generation

- Formation of Energy Conservation Task Team (ECTT)

- 127156.46 tons CO₂e for Scope 1&2 Quantified carbon footprint of the manufacturing plant as per GHG Protocol Guidelines

- No instances of non-compliance with environmental regulations



Initiated the construction of 37.2 MW Biomass-Based Co-Gen Plant



Zirconium sponsors of Pakistan's largest International Chemical Expo

100% of company operations evaluated for corruption risks

No data breaches recorded at ICL

Achievements and Awards

Certifications



Awards



2023 Ittehad Chemicals Limited honored with the Prestigious LCCI 14th achievement recognition award



2022 17th EFP Best Practices Award Ceremony on Occupational Safety, Health and Environment (OSHE)



Recognized in Forbes Asia's 200 Best Under a Billion



ICL was awarded a shield of appreciation by the Ministry of Climate Change, underscoring our leadership in environmental compliance within Pakistan's chemical sector.

ICL at a Glance

1962
United Chemicals

United Chemicals was established in with an objective to manufacture 1962 .basic industrial chemicals

1964
United Chemicals

Chlor-Alkali plant was commissioned in Kala shah Kalu (Near Lahore) with capacity of TPD caustic soda 40

1971
United Chemicals

under the economic reforms policy united chemical along with several other industries was nationalized and was renamed Ittehad chemicals

1984
United Chemicals

Production capacity was TPD 90 enhanced by

1995
Ittehad chemicals limited

under the policy of privatization, Ittehad chemicals was acquired by the Chemi group of industries. shortly after takeover the production capacity was 200TPD of Caustic enhanced to Soda

2003
Ittehad chemicals limited

Environment-friendly "Ion Exchange Membrane" plant was added to the production line and soon afterwards the total production capacity was MT/Day 240 enhanced to

2005
Ittehad chemicals limited

3TPH LABSA-SLES Plant was .commissioned

2019
Ittehad chemicals limited

MW captive power plant was 30 installed to ensure energy security

Our History

Ittehad Chemicals Limited (ICL) was established in 1962 and commissioned in 1964 as United Chemicals. We hold the distinction of being the first chemical complex of its kind in Pakistan. Our formation marked a significant step toward industrial self-sufficiency, supporting key sectors of the national economy through the production of essential chemicals.

Over the decades, we have evolved through every phase of Pakistan's industrial journey. From early expansions in the 1960s to nationalization in the 1970s, and our strategic transition to private ownership in 1995. Each milestone has strengthened our foundation. With continued investment in advanced technologies, including the adoption of environmentally responsible production systems, we have maintained our position at the forefront of the chemical manufacturing industry.

Today, ICL stands as a symbol of excellence. Our operations serve a broad spectrum of industries, and our growth reflects an unwavering commitment to innovation, sustainability. Our history is a testament to our vision and values with various accolades and achievement over the years.

Vision

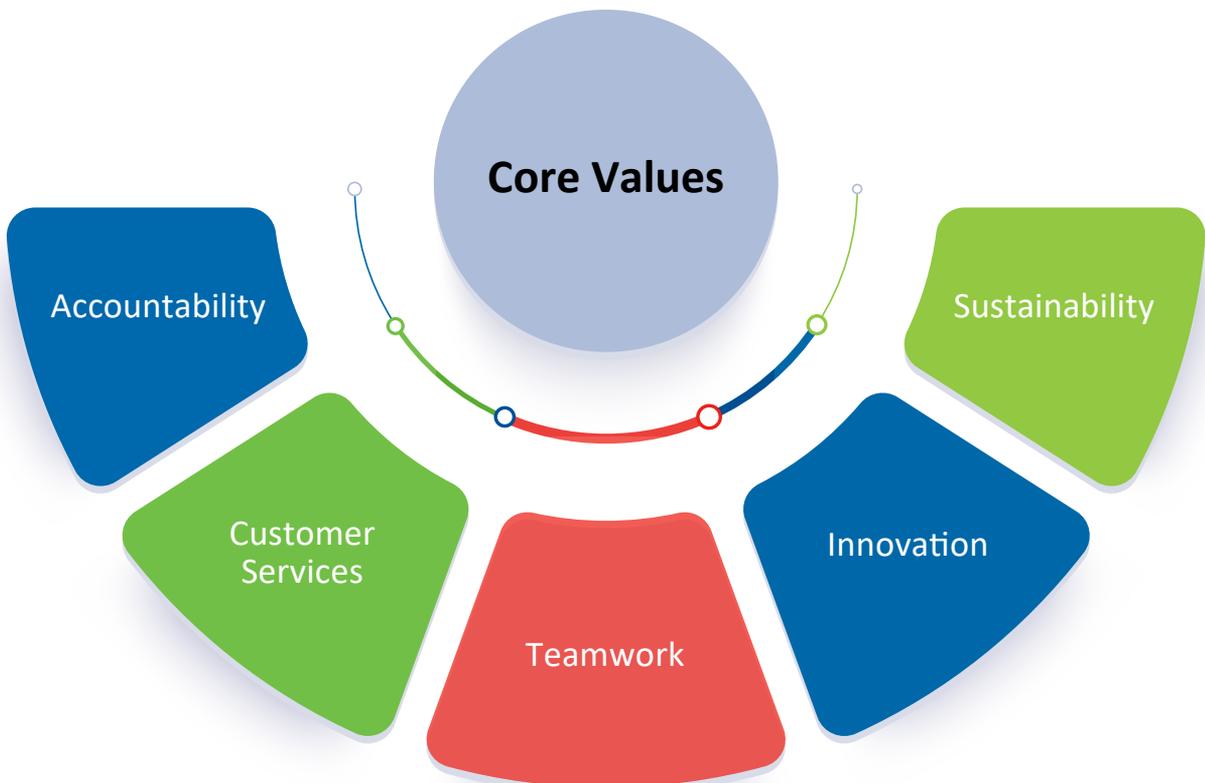
To be a globally recognized organization that drives innovation and sustainable growth, creating lasting value for stakeholders, uplifting communities, and inspiring excellence.

Mission

our mission is to lead Pakistan's chemical industry by driving sustainable growth through innovation, transformation, and strategic investments. We are dedicated to incorporating world-class systems, empowering our talent to create stakeholder value, and fostering a greener future while supporting our communities.



Our Values:



These values define how we operate, how we lead, and how we serve. They guide our decisions, strengthen our relationships, and reinforce our commitment to sustainable growth and positive impact.

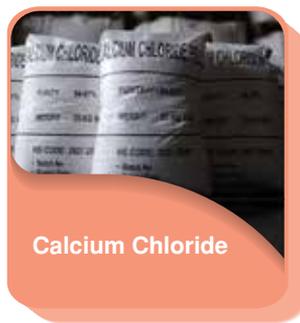
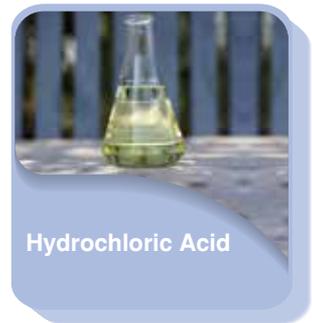
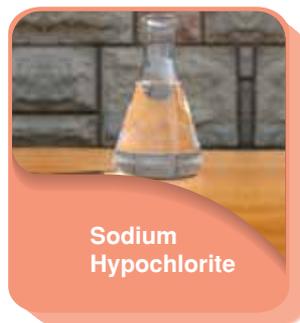
Our Business

As a trusted partner in the global chemical manufacturing sector, we deliver a diverse portfolio of industrial chemicals that power essential industries and everyday life. Our portfolio includes Caustic Soda, Liquid Chlorine, Sodium Hypochlorite, Hydrochloric Acid, Calcium Chloride, Sodium Sulfate, Linear Alkylbenzene Sulfonic Acid (LABSA), and Sodium Lauryl Ether Sulfate (SLES). These products play a vital role in sectors such as textiles, paper and pulp, soap and detergent manufacturing, food processing, and water treatment. Through our unwavering commitment to quality and performance, we have earned the confidence of a diverse customer base worldwide.

Global Export Network of Ittehad Chemicals Limited



Product Portfolio



Our Group Structure and Affiliates

Our business ecosystem includes a network of associated and subsidiary companies that strengthen and diversify our capabilities. Each of these enterprises contribute unique expertise, resources and synergies, enabling us to create integrated solutions across the chemical manufacturing value chain. Some of management teams of these companies, fostering alignment and collaboration within the Group.

Chemi Dyestuff
Industries
(Pvt.) Ltd.
(Associated
Company)

ICL Power
(Pvt.) Ltd
(Wholly owned
subsidiary)

Ittehad
Chloro-Alkali
(Pvt.) Ltd.
(Associated
Company)

Ittehad Salt
Processing
(Pvt.)Ltd.
(Wholly owned
subsidiary)

Industry Associations and Memberships

ICL actively engages with leading national and regional industry bodies to uphold the highest standards of professionalism, compliance, and innovation. Our affiliations reflect our commitment to shaping the future of the chemical sector through collaboration, knowledge-sharing, and strategic influence. We are proudly associated with: Through these memberships, we play an active role in advancing regulatory frameworks, contributing to policy discourse, sharing best practices and promoting sustainable industrial development.



SAARC CHAMBER OF
COMMERCE & INDUSTRY
APEX BUSINESS ORGANIZATION OF SAARC



Looking Ahead

Moving forward, our aim is to achieve sustainable growth while serving as a catalyst for positive change. Guided by our core values and commitment to innovation, we are investing in new technologies, expanding our product portfolio and strengthening our partnerships to meet the evolving needs of the industries we serve. We aspire for a future shaped by progress, responsibility and lasting impact.

Our Governance Structure

Co-founder,
Commercial
Director

**Mr. Abdul Sattar
Khatri**

Chairman/
Non-
Executive
Director

**Mr. Muhammad Siddique
Khatri**

Non-
Executive
Director

**Mrs. Farhana Abdul Sattar
Khatri**

Executive
Director

**Waqas Siddiq
Khatri**

Non-
Executive
Director

Ahmed Mustafa

Independent
Director

Ali Hosrar Hussain Agha

Independent
Director

Pervaiz Ismail

Our Board Committees

a) Audit Committee

Members

Pervaiz Ismail	Chairman
Ali Hosrar Hussain Agha	Member
Ahmed Mustafa	Member

Roles and Responsibilities

The Audit Committee advises the Chief Executive and the Board on matters related to governance, risk management, compliance, and internal controls. It consolidates various assurance sources to assess the effectiveness of risk management practices and the reliability of control systems. The Committee reviews annual and interim financial statements prior to Board approval, focusing on key judgment areas, audit adjustments, going concern assumptions, accounting policies, regulatory compliance, and related party transactions. It facilitates the external audit process, reviews auditors' observations and management letters, and ensures coordination between internal and external auditors. The Committee oversees the scope, resources, and effectiveness of internal audit, reviews findings from internal investigations, and assesses the adequacy of internal controls and accounting systems. It also reviews the internal control statement, initiates special projects or investigations as required, monitors statutory compliance, and ensures mechanisms are in place for confidential reporting of concerns. Additionally, the Committee recommends the appointment and remuneration of external auditors and addresses any matters delegated by the Board.

b) Human Resource and Remuneration (HR&R C)

Members

Ali Hasrar Hossain Agha	Chairman
Ahmed Mustafa	Member
Waqas Siddiq Khatri	Member

Roles and Responsibilities

The Human Resource and Remuneration Committee recommends to the Board policy framework for determining the remuneration of executive and non-executive directors and senior management. It conducts an annual formal evaluation of the performance of the Board and its committees, either directly or through independent consultants. If consultants are engaged, relevant details are

disclosed in the directors' report. The Committee also reviews and recommends human resource policies. It oversees the selection, evaluation, development, and compensation of the Chief Operating Officer, Chief Financial Officer, Company Secretary, and Head of Internal Audit. It considers and approves the CEO's recommendations for key management positions reporting to the CEO or COO. When human resource or remuneration consultants are engaged, the Committee ensures their credentials are verified and that any connections to the company are fully disclosed.

c) Risk Management (RMC)

Members

Pervaiz Ismail	Chairman
Abdul Sattar Khatri	Member
Waqas Siddiq Khatri	Member

Roles and Responsibilities

The Risk Management Committee oversees the company's ability to identify, assess, and manage current and emerging risks. It advises the Board on strategic transactions, focusing on risk implications and due diligence. The Committee recommends the company's overall risk appetite and monitors exposures across key risk categories. It ensures that an effective Enterprise Risk Management framework is in place and regularly reviewed. The Committee evaluates the effectiveness of internal controls and fraud detection procedures. The Committee supports the Board in setting risk strategies and policies and reviews the Risk Management Strategy annually. It also oversees staff training on risk awareness, coordinates with other Board committees on shared risk issues, and ensures that a strong control system supports the company's long-term objectives.

Board Excellence and Strategic Leadership

Our Board comprises a diverse group of accomplished and results-oriented professionals, including experienced chemical engineers, chartered accountants, financial analysts, strategic planners, general managers and supply chain experts. Collectively, they bring specialized knowledge in corporate governance, business development, and leadership across the chemical, textile, and industrial sectors.

As part of its commitment to continuous improvement, ICL has implemented a structured approach to building Board capacity. Members regularly participate in workshops, executive seminars and specialized training programs. They engage with stakeholders,

consultants, and industry experts to stay informed on emerging sustainability trends and corporate governance developments.

Furthermore, the Board actively monitors best practices across the industry. By benchmarking against peer organizations and drawing from globally recognized models, it ensures that governance remains forward-looking, effective, and aligned with international standards.

Aligning Strategic Direction

The Board of Directors plays a central role in shaping the strategic direction of ICL by approving the company's purpose, values and long-term strategies. It ensures that these priorities remain aligned with global sustainability frameworks, particularly the United Nations Sustainable Development Goals (SDGs) and Securities Exchange Commission Pakistan (SECP). Senior executives are tasked with implementing the approved strategies through actionable policies and operational goals that embed sustainable practices across the organization. Together, the Board and executive leadership ensure that sustainability is not a peripheral consideration but a guiding principle integrated into core decision-making and organizational culture.

Oversight, Delegation and Accountability

The Board maintains oversight of ICL's economic, environmental and social impacts through structured due diligence and impact management processes. It regularly reviews risk assessments, compliance reports and stakeholder feedback to ensure governance remains responsive, ethical and forward-looking.

Responsibility for executing sustainability strategies and managing impacts is delegated to senior executives.

Structured communication channels are established to escalate critical concerns to the highest governance body. These include regular management reports, special briefings and urgent alerts. This system enables timely and informed decision-making, strengthens oversight, and supports proactive risk management.

Committees and cross-departmental collaboration further support effective implementation, while continuous capacity building and performance reviews enhance transparency, accountability, and adaptability across the organization's sustainability agenda.

Board Remuneration

The Company does not pay any remuneration to its Independent and Non-Executive Directors. However, in alignment with good governance practices and to recognize the time and expertise contributed, the Board has approved the payment of a meeting attendance fee. Independent and Non-Executive Directors are entitled to receive a fee of PKR 60,000 for participation in each Board meeting and Committee meeting.

The Chairman of the Board and Committees receives a meeting attendance fee of PKR 70,000 per meeting. In addition, any reasonable expenses incurred by Board Members in connection with official duties including boarding, lodging, and travel are reimbursed by the Company as per approved policies.

This approach supports transparency, accountability, and fair compensation practices, while ensuring that remuneration remains modest and aligned with the Company's commitment to responsible corporate governance.

Board Nomination & Elections

ICL follows a structured and transparent process for nominating and electing Board members. Each member serves a term of three years. Candidates are identified through internal recommendations, external search firms, and stakeholder input. They are evaluated based on qualifications, industry experience, diversity in gender, age, ethnicity and geographic background, as well as their independence under Section 166 of the Companies Act, 2017. Candidates are assessed through interviews, and shortlisted profiles are shared with shareholders ahead of voting at the General Meeting to ensure alignment with stakeholder expectations and long-term strategy. Thus, ensuring that the governance body is well rounded and capable of effective decision making.

Governance Performance

The performance of the Board is assessed annually through a dual mechanism. Internal evaluation is carried out by the Human Resource and Remuneration Committee. An independent third party conducts the external evaluation to ensure objectivity and reduce potential conflicts of interest. These assessments measure the Board's effectiveness in oversight and strategic direction. They also review compliance with laws and regulations, stakeholder engagement, and the management of transparency and risk across economic, environmental, and social areas. Findings from the evaluations are used to improve governance practices, close performance gaps, and strengthen internal processes. This reflects our commitment to responsible leadership and sustainable impact

Approach to Sustainability

Sustainability is central to our mission of delivering innovative and environmentally responsible chemical products. Our efforts are driven by a commitment to nurturing local talent and leveraging the latest technological innovations to create value responsibly and deliver lasting impact. We are dedicated to advancing responsible growth that creates lasting value for our stakeholders, our communities, and the planet.

Our approach to sustainability is guided by local and global recognized standards, including the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UN SDGs) and the Securities and Exchange Commission of Pakistan (SECP)'s ESG Disclosure Guidelines.

We have embedded ESG principles across our decision-making and operational processes to ensure we remain compliant, resilient and responsive to increasing stakeholder expectations. Through our first sustainability report, we aim to communicate our performance transparently, highlight the progress we have made, and reaffirm our commitment to building a more sustainable future.

ESG Governance at ICL

To strengthen our commitment to sustainability and embed responsible practices across the organization, we are in the process of establishing a formal Environmental, Social, and Governance (ESG) Committee at the board level. This will serve as a central body to oversee ESG strategy, monitor progress, and guide long-term sustainability initiatives.

The ESG governance within ICL team has been structured around a two-tiered framework. Our ESG governance structure reflects our intent to build a robust, accountable, and transparent approach to ESG management.

ESG Steering Committee

The Steering Committee includes the directors who provide strategic oversight and align the ESG priorities with ICL corporate goals.

ESG Execution Committee

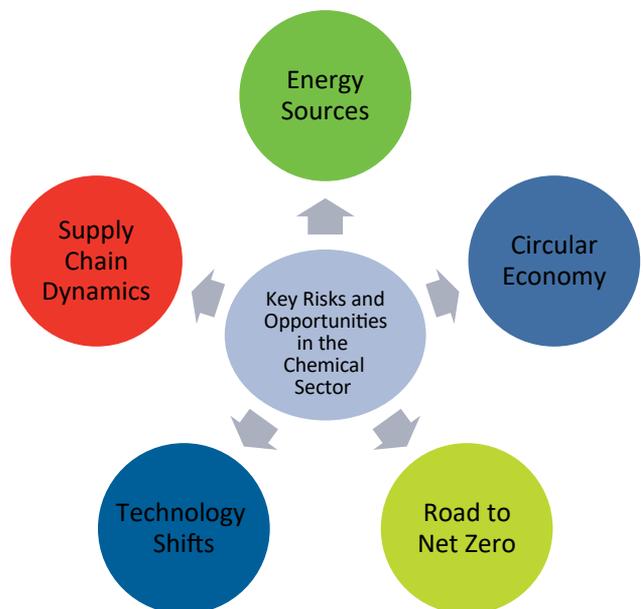
The Execution Committee comprises of departmental heads is responsible for operationalizing ESG initiatives and ensuring their integration across day-to-day operations.

ESG Strategy

The development of ESG strategy initiative represents a pivotal step toward embedding sustainability into our organizational framework. We are committed to fostering a culture of continuous learning, and looking ahead, we aim to diversify our portfolio by investing in sustainable chemistry and biochemistry, with a focus on producing green chemicals.

ESG has been central to our several past initiatives, however there was a need to formalize and strategically align these efforts, leading to the development of a comprehensive ESG strategy.

As part of the strategy development process, we conducted an analysis on the sustainability risks and opportunities specific to the chemical sector





ICL aim to contribute meaningfully to these goals while ensuring that our operations remain compliant with national and international sustainability expectations. Through these linkages, we aim to ensure that our sustainability initiatives contribute not only to our stakeholders but also to the long-term vision of a prosperous and resilient Pakistan.

ICL conducted an ESG benchmarking assessment, evaluating the environmental, social, and governance performance of our industry, peers and global best practices. Ensuring a comprehensive analysis, companies with identical or similar product offerings were selected, comprising two local and four international organizations. The benchmarking process examined material topics, sustainability frameworks referenced in public communications, and relevant certifications that validate sustainability commitments, such as sustainability certifications. These insights will help with the alignment of ICL’s ESG strategy with industry best practices, ensuring a structured and impactful approach to sustainability.

Alignment with UN Sustainable Development Goals

Our commitment to the SDGs directly supports Pakistan development priorities, particularly its focus on sustainable, inclusive economic growth, energy and water security, human capital development, and environmental conservation. We have aligned our priorities with the SDGs, most relevant to our business and value chain.

Materiality Assessment and Stakeholder Engagement

This year ICL conducted our first materiality assessment to identify the relevant environmental, social, and governance (ESG) topics. This assessment was carried out through engagements with internal and external stakeholders to ensure a comprehensive evaluation of key ESG priorities.

Initial List of Material Topics

An initial list of material topics was developed based on insights gathered from ESG benchmarking, international and national ESG disclosure requirements (e.g., SECP, GRI), as well as our past initiatives and future strategic plans. This approach ensured that the assessment aligned with industry best practices and regulatory expectations.

Internal Stakeholder Engagement

An assessment form was developed to gather feedback from the ICL team on the initial list of material topics. Dedicated sessions were conducted, where relevant personnel were provided with the forms and asked to score and provide remarks on each topic. Participants in this exercise included directors, department heads, unit managers, and members of the ICL ESG team. Based on feedback gathered through internal stakeholder engagement, the responses were categorized into three tiers.

Responses of Directors

At the top tier, the Directors provide strategic oversight and direction for the organization. They are responsible for shaping ICL's long-term vision and ensuring alignment with global best practices. Their role involves making high-level strategic decisions that impact the company's future trajectory, sustainability commitments, and governance priorities. They are fully aware of both current and future strategic initiatives and act as the primary drivers of organizational success.

Responses of Engineering, EHS and HR Departmental Heads and Unit Managers

The second tier comprises select Departmental Heads, whose role is essential to the implementation and management of ESG-integration within ICL. Their role bridges the gap between strategic direction and functional execution, making them critical enablers of organizational sustainability and governance. These heads and unit managers have the most important stake in the ESG implementation given their functional responsibilities and mandates of the ESG framework.

Responses of Departmental Heads and Unit Managers

The third tier includes all other department heads, unit managers and ESG team member, whose role is to execute, support, and comply with the ESG and operational policies set forth. While they may not be involved in strategic decision-making, their adherence and engagement with ESG imperatives are crucial for the overall success of the organization's sustainability agenda.

External Stakeholder Engagement

A questionnaire and assessment form for external stakeholders was developed in collaboration with the ICL - ESG, and Sales and Marketing team. The questionnaire focused on stakeholders' sustainability initiatives and their expectations of ICL as the company integrates sustainability into its operations. ICL Sales and Marketing team included their customers from Textiles, Soap & Detergents and Paper sectors, and suppliers of raw materials and stores & spares as part of the external stakeholder groups involved in the materiality exercise.

List of Material Topics and Materiality Matrix

Material Topics:

Environment	Social	Governance
<ul style="list-style-type: none"> ● Energy Security ● Operational Efficiency ● Emissions Reduction ● Water Stewardship ● Waste Management ● Environmental Compliance 	<ul style="list-style-type: none"> ● Employee Health and Safety ● Employee Engagement ● Training and Development ● Responsible Marketing and Labeling ● Local Communities 	<ul style="list-style-type: none"> ● Economic Performance ● Regulatory and Reputational Risks ● Ethical Standards and Anti-Corruption ● Technology and Innovation ● Data Privacy

Materiality Matrix:



Environmental Stewardship

At ICL, environmental responsibility is a fundamental part of our corporate mission. Operating in an energy- and resource-intensive industry, we recognize the need to actively manage our environmental footprint. Through proactive environmental management, we aim to ensure regulatory compliance, reduce operational risks and contribute meaningfully to national and global sustainability objectives. Our efforts are guided by a robust Health, Safety, and Environment (HSE) policy that emphasizes continuous improvement, audit-based oversight, and alignment with evolving environmental standards.

To reinforce this commitment, we have integrated environmental stewardship into our broader ESG strategy, supported by clearly defined Key Performance Indicators (KPIs) across material impact areas. These KPIs are regularly monitored by the Environment, Health and Safety (EHS) department in coordination with senior management, with time-bound targets and departmental responsibilities established to drive progress. This chapter outlines our approach across six key focus areas, Energy Security, Operational Efficiency, Emissions Reduction, Water Stewardship, Waste Management, and Environmental Compliance, each representing a core pillar of our commitment to sustainable and responsible operations

Energy Security

Energy security is a critical imperative for manufacturing industries operating in Pakistan, given the inherently energy-intensive nature of the sector and the industrial landscape. Our production process relies heavily on a stable and uninterrupted electricity supply to power electrolysis units, making energy a key operational input and a foundational enabler of business continuity. In the face of challenges such as grid stability and energy affordability remain persistent challenges, ensuring energy security is both a strategic and operational imperative for ICL.

To address the risks and opportunities associated with energy access, ICL is focused on strengthening its energy management practices. This includes optimizing energy consumption through process improvements, and building resilience into our power infrastructure. These efforts are aimed at mitigating exposure to energy volatility and also at aligning with national energy transition goals and broader sustainability objectives.



Energy Usage and Management at ICL

Electricity

ICL operates a gas-fired captive powerplant, which generates electricity using natural gas. While coal was a viable and often more economical option, we opted for natural gas due to its lower environmental impact.

Our total electricity demand stands at approximately 30 megawatts (MW). Typically, about 84% is fulfilled through our own captive generation, with only 16% drawn from the LESCO grid.



To ensure uninterrupted gas supply year-round, particularly during the winter months when shortages are common, ICL has secured sourcing of natural gas through Sui Northern Gas Pipeline Limited (SNGPL). This strategy reinforces the company's energy security, reduces reliance on the national grid, and supports operational continuity.

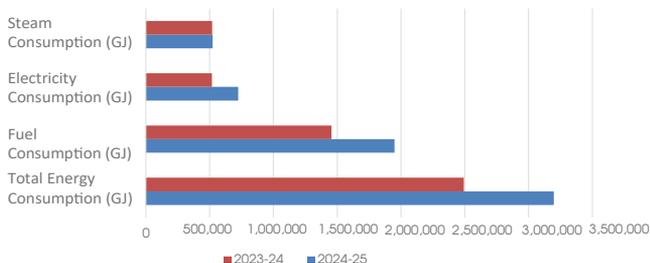
Managing Energy at ICL

Robust data collection and established reliable procedures for tracking electricity use, with all production-related data recorded in SAP.

Electricity consumption is logged daily and disaggregated by process, allowing for detailed analysis of energy usage across various operations. Technical indicators such as power factor, peak and off-peak consumption and the self-generation to grid electricity ratio are also monitored.

Comprehensive monthly energy statement, outlining area-wise electricity consumption within the plant and identifying losses, providing a foundation for performance improvement and informed decision-making.

	2024-25	2023-24
Fuel Consumption (GJ)	1,949,990	1,455,120
Electricity Consumption (GJ)	724,131	517,990
Steam Consumption (GJ)	523,874	519,461
Total Energy Consumption (GJ)	3,197,992	2,492,571



Steam

our manufacturing process, serving as a key thermal energy input for various operations. At ICL, steam is sourced through a hybrid approach that includes both self-generation and outsourcing.

Steam is primarily self-generated through the Waste Heat Recovery Boilers integrated with ICL’s captive powerplant. This approach enhances energy efficiency and also contributes to reduced fuel consumption and lower emissions. To supplement this supply and ensure consistent availability, especially during periods of peak demand, ICL also procures steam from third-party suppliers who operate biomass-fired boilers. This initiative supports the company’s efforts to incorporate cleaner and renewable energy sources into its operations.



Daily steam generation and consumption are closely monitored, with area-wise data disaggregation. This level of detail allows use to track steam use with precision, identify inefficiencies and implement targeted improvements. The structured monitoring framework supports the company’s broader goal of continuous improvement in energy performance while maintaining operational reliability

Reduction in Energy Consumption

Power Plant Efficiency Enhancement Initiative

In partnership with Wärtsilä, the original equipment manufacturer (OEM) of the engines of our captive power plant and informed by an energy usage study conducted by Enercon, we pursued a phased modernization program. The goal was to enhance fuel efficiency, boost power output and reduce overall emissions. Wärtsilä’s detailed analysis led to the implementation of hardware and software upgrades across the plant’s engine systems. Complementing these upgrades, a waste heat recovery system was installed to capture heat from engine operations and convert it into additional usable power, further improving overall plant efficiency.

- One of the most efficient gas-fired power plants in Pakistan
- Increase in generation capacity by nearly 20%
- Improvement in fuel efficiency by 9%
- Significant lowering of carbon emissions
- Reduction in the dependency on national grid

Driving Energy Conservation through Internal Task Forces

As part of its commitment to operational sustainability and energy resilience, ICL has established a dedicated Energy Conservation Task Team (ECTT). This cross-functional team has been tasked with identifying energy-saving opportunities and addressing system inefficiencies across our manufacturing operations. The team plays a central role in evaluating system design, process engineering, and factory operations. Focusing on optimizing energy use, minimizing resource wastage, and driving continuous improvement.

By applying stringent environmental criteria to operational decisions, the ECTT ensures that new projects and existing processes align with ICL's broader sustainability goals. Through regular analysis and process re-engineering, the team develops actionable conservation strategies improve energy efficiency and also contribute to reducing the company's carbon footprint. The ECTT's efforts represent a proactive, internally driven approach to energy security, underscoring our resolve to integrate sustainability into every aspect of its production ecosystem.

Future Energy Plans:

As part of our long-term energy strategy, ICL is taking bold steps to ensure a cleaner, more resilient, and self-sufficient energy future. We are investing in the development of our state-of-the-art biomass power plant, designed to operate on a wide range of agricultural residues. The plant will have the flexibility to utilize various biomass feedstocks, including Rice straw, sugarcane trash, Mustard & Sesame straw, bagasse, rice husk, and corn cob, and other agricultural residues. Once operational, the biomass power plant will significantly reduce ICL's dependency on outsourced steam and fossil fuels. This initiative underscores our commitment to clean energy and positions us as a frontrunner in renewable energy adoption within the chemical manufacturing sector in the country.

Operational Efficiency

At ICL, we view operational efficiency as a strategic driver of sustainable growth. As a pioneer in Pakistan's chemical manufacturing sector, ICL has embraced a forward-thinking approach that integrates digitalization, green chemistry and Industry 4.0 principles across our operations. Our initiatives include the implementation of digital monitoring systems, real-time process optimization, energy recovery mechanisms, and automation technologies, all aimed at reducing inefficiencies and environmental impacts. ICL firmly believes in the philosophy of "Green Manufacturing," where production processes are engineered for enhancing economic performance and minimizing ecological footprint.

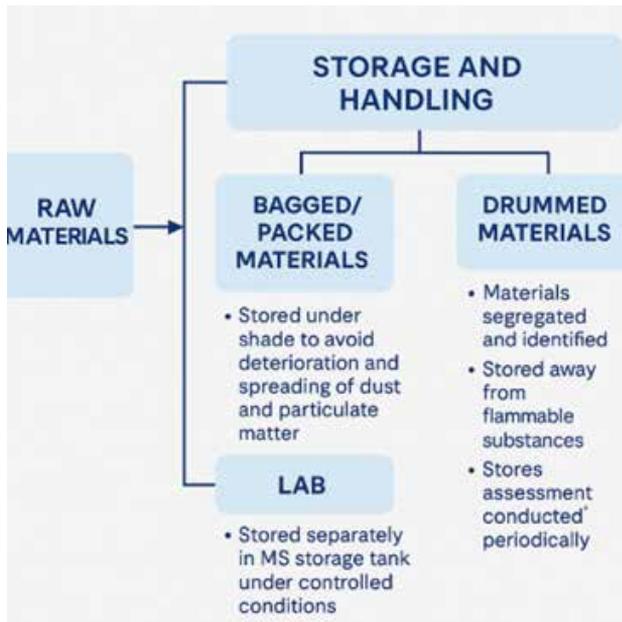
Efficient & Resilient Operations at ICL

At ICL, operational efficiency in production is achieved through structured planning, responsible resource management and continuous process improvement. To support these objectives, we have developed a comprehensive Planning, Production, and Maintenance Manual, which outlines procedures and responsibilities for the efficient operation of the plant. This manual provides clear guidance on budget allocation for production activities, benchmarks for raw material consumption and adherence to product specifications, ensuring consistency, accountability, and optimal use of inputs.

To further enhance operational control and resource security, we are actively pursuing vertical integration opportunities, including our ongoing efforts to obtain a mining lease for rock salt extraction. This strategic move aims to build deeper resilience into our supply chain and reduce dependency on external sources.

We prioritize safe and responsible raw material handling. All raw materials are stored in line with best practices to prevent deterioration and exposure to environmental hazards. Bagged materials such as BaCO_3 , sodium sulphate and boiler chemicals are stored under shade to minimize dust spread and particulate matter release. Drum-based materials, including transformer oil, lubricating oil, grease and sodium silicate paint, are stored separately in dedicated production and engineering stores. These materials are properly labeled, segregated and kept away from flammable materials. Periodic store assessments are conducted at least twice a year to maintain safety and compliance.

Linear AlkylBenzene (LAB) due to its flammable nature, is stored in a specialized mild steel storage tank under controlled conditions. In addition, we have implemented safety protocols to manage hazards associated with wind-driven dust during storage, along with the mandated use of personal protective equipment (PPE) to ensure the safety of workers during material handling.



Together, these practices reflect our holistic commitment to operational efficiency, one that optimizes production, secures material availability, minimizes waste and upholds environmental and safety standards across every stage of operations.

Process Optimization

At ICL, we continue to make significant strides in modernizing our production systems to improve process efficiency and reduce environmental impact. Historically, we operated plants with technologies based on mercury cell electrolysis, a method known for its high environmental risk and low energy efficiency. By 2016, we successfully phased out mercury cell technology, replacing them with Ion-Membrane technology, in alignment with evolving international environmental standards and national priorities. In recognition of this milestone, ICL was awarded a shield of appreciation by the Ministry of Climate Change, underscoring our leadership in environmental compliance within Pakistan’s chemical sector.

Process efficiency is closely monitored at ICL through well-established mechanisms. The Consumption Department sets and tracks performance targets, while the Engineering Department leads the implementation of optimization measures. Material balances, equipment specification sheets, and continuous performance monitoring are used to identify losses, evaluate equipment performance, and guide corrective actions. While ICL considers certain efficiency metrics, such as salt consumption per unit of caustic soda produced. ICL currently operates at 1.86 kg, signaling both transparency and the potential for further refinement.

Our commitment to process optimization extends beyond technology upgrades. Old machinery and outdated plant systems have been replaced with state-of-the-art equipment, resulting in improved energy efficiency, reduced process losses and enhanced product quality. This modernization has translated into measurable gains in operational efficiency across key production areas.



Emissions Reduction

Emissions reduction is a critical priority for the manufacturing sector to meet climate goals and mitigate the effects of climate change.

At ICL, we recognize that addressing our emissions footprint is central to ensuring long-term sustainability, regulatory compliance and responsible operations. As Pakistan advances its climate commitments under the Nationally Determined Contributions (NDCs), which includes the goal to reduce national greenhouse gas (GHG) emissions by 50% by 2030, industries must play a proactive role in supporting the country's transition toward a low-carbon economy.



ICL has taken significant steps to reduce our emissions profile. A major milestone in our journey was the phase-out of mercury cell technology, which was completed by 2016, significantly reducing associated process emissions and environmental risks.

Furthermore, our planned Biomass Power Plant is a key component of our strategy for utilizing cleaner energy solutions aligned with global best practices. These actions underscore our commitment to emissions reduction as a core part of our ESG strategy.

Emissions Sources at ICL

Accurate identification and quantification of emissions form the foundation of our emissions reduction efforts. Our Operational Control Procedure outlines all major emission sources across our operations, enabling targeted monitoring, mitigation and continuous improvement of our emissions profile.

Carbon Dioxide (CO₂) is primarily generated during the production of calcium chloride. Additionally, refrigerants are used in chlorine liquefaction systems, chillers, and air conditioning units. ICL currently uses three types of refrigerant gases: R-22, R-32, and R-410, each of which is managed carefully in line with environmental protocols.

Air Emissions

Air emissions are monitored through dedicated stack systems. At present, emissions are discharged from five stacks at the captive power plant and eight stacks at the Hydrochloric Acid (HCl) unit. These stacks are subject to monthly monitoring, with a defined Standard Operating Procedure (SoP) in place to guide corrective action if emissions exceed acceptable thresholds. In addition, flue gas analyses are carried out quarterly by our in-house laboratory, providing a comprehensive assessment of combustion efficiency and pollutant levels. The air-fuel ratio in boilers is also carefully regulated to optimize combustion and minimize flue gas emissions. Air emissions are monitored at ICL and compliance is ensured with the PEQS standards. Monitoring reports are submitted as per regulatory requirements.

Mitigating Risks of Chlorine Leakages and Emissions

We have invested in robust emission prevention systems to minimize accidental releases of air emissions, particularly chlorine. Our plant is equipped with a fully automated emergency chlorine handling system, featuring titanium welded piping with a life expectancy of 15–20 years, significantly reducing the risk of leaks. A chlorine detection system and thermography tools are also in place to immediately identify emission leakages and temperature anomalies, allowing for swift containment and root-cause diagnosis. These monitoring systems allow ICL to respond proactively to potential emission events, reinforcing our commitment to minimizing environmental impacts.

GHG Emissions: Calculations and Management

We have adopted a proactive approach to Greenhouse Gas (GHG) emissions management, recognizing that the increasing stakeholder requirements for quantifying our carbon footprint. We have undertaken a detailed internal assessment, in compliance with the GHG Protocol Corporate Standard, to calculate our direct and indirect emissions across our manufacturing facility. These efforts have enabled us to calculate and report our Scope 1 and Scope 2 emissions, covering sources such as captive power generation, fuel consumption, and fleet mileage.

TUV Austria Bureau of Inspection and Certification Pvt. Ltd appointed for validation as 3rd party verification of tCO2 calculations as per international GHG standard ISO 14064-1

Emissions	25/2024
Scope 1 tCO2e	110W,888.15
Scope 2 tCO2e	16,268.31
Total tCO2e	127,156.46
Emissions Reduction (Afforestation)	21 tons



Impact of Tree Planting on Climate

Planting 875 trees has contributed to reducing 21 tons of CO2 emissions, supporting global efforts against climate change and promoting environmental sustainability.

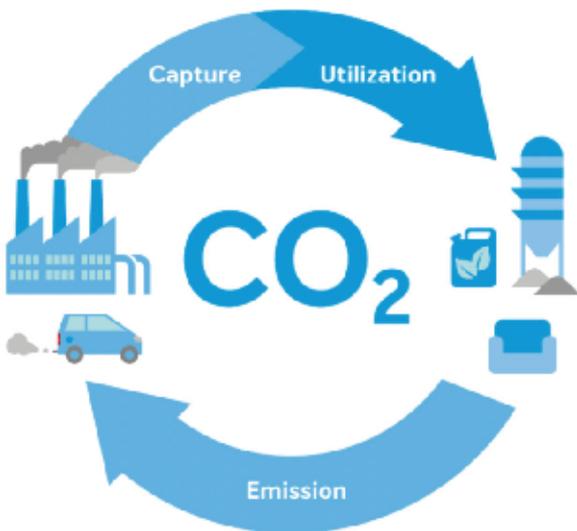
Key Environmental Benefits

- 875** trees have been planted, enhancing air quality and promoting biodiversity in local ecosystems, making a positive environmental impact
- 21** tons of CO2 emissions have been absorbed through a forestation efforts helping to mitigate climate change by lowering greenhouse gases.

Emissions Intensity (tCO2/Metric)	
FY 23/24	FY24/25
98,923.70	127,156.46

Carbon Capture and Utilization:

In line with our commitment to reducing greenhouse gas emissions, we have previously undertaken targeted carbon capture and utilization (CCU) projects aimed at converting process emissions into value-added products. We currently have a seasonal arrangement to capture and sell CO₂ to contractors for dry ice production. ICL is further evaluating other CO₂ utilization or abatement projects.



Water Stewardship

At ICL, we view water stewardship as more than conservation, it represents our



obligation to ensure the sustainable use, protection, and equitable management of water resources. Our approach includes robust systems for monitoring water usage, treating effluent, and maximizing water recycling and reuse to reduce dependency on freshwater sources. Our approach aligns with local regulatory expectations and also with international frameworks, such as Sustainable Development Goal 6: Clean Water and Sanitation.

Water Usage and Management

As a key input across multiple operations, managing water use responsibly is an operational necessity and a critical aspect of our environmental commitment. ICL sources its water exclusively from groundwater, and all usage is monitored on an annual basis, in accordance with internal protocols and applicable regulatory requirements.

To ensure responsible water use, the company has implemented a series of monitoring and control measures across its facility. Water meters are installed at all bore locations and the EHS department is leading an initiative to install new flow meters at strategic points across the plant. These upgrades aim to provide more granular visibility into water consumption by process, which will support better internal tracking and future reporting enhancements.

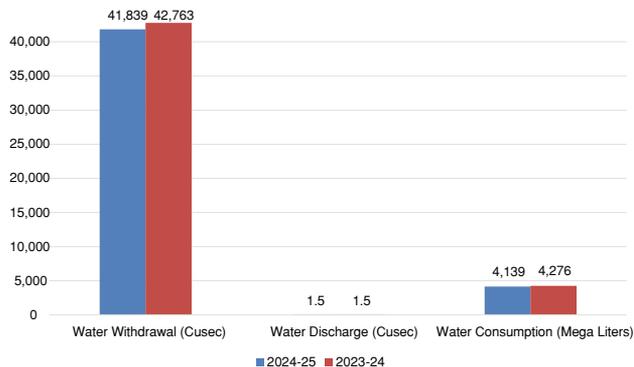
Regulatory Compliance

Our water management practices are fully compliant with the Punjab Environmental Quality Standards (PEQS). Water quality is regularly tested before it enters the wastewater system and a sulphate reduction system is used to treat water as part of our on-site pollution control measures. In addition to internal checks, ICL undergoes third-party verification of our water data and we submit quarterly compliance reports to PEQS. Water quality test reports are also maintained and shared in as required.

In alignment with the Punjab Water Act, ICL makes all necessary withdrawal payments to the Government of Punjab and WASA for groundwater extraction, ensuring that our sourcing remains transparent and regulated. Furthermore, environmental studies carried out during both the construction and operational phases of new facilities within the plant

have included detailed assessments of water use, availability, and treatment infrastructure, ensuring that water stewardship is embedded across the full lifecycle of our operations.

	25-2024	24-2023
Water Withdrawal (Cusec)	41,839	42,763
Water Consumption (Mega Liters)	4,139	4,276



Waste Water Treatment Plant

In line with our commitment to responsible water management, we commissioned the first phase of our on-site Wastewater Treatment Plant (WWTP) in 2021. This strategic investment represents a key milestone in the company’s efforts to reduce freshwater dependency, improve regulatory compliance, and enhance overall water-use efficiency across its operations.

The WWTP is designed to treat industrial effluents to meet environmental discharge standards as outlined under the Punjab Environmental Quality Standards (PEQS). In addition to ensuring compliance, the treated water is assessed against strict internal quality specifications to determine its suitability for reuse in production processes. By enabling the safe recycling of treated water, this initiative supports ICL’s broader goals of minimizing its environmental footprint, reducing overall water withdrawals and promoting circular resource use within a water-intensive industry.

Waste Management

Effective waste management is a fundamental responsibility for any chemical manufacturing company. At ICL, we approach this responsibility with a strong commitment to environmental performance, regulatory compliance and continuous improvement. Given the nature of our operations, a variety of non-hazardous solid and process-related waste streams are generated, ranging from precipitated sludge and packaging material to production residues. Notably, no hazardous waste is produced at our facility, reflecting the efficiency and safety of our processes as well as the care with which we manage material inputs.



Our Health, Safety, and Environment (HSE) policy underpins our approach to waste management, ensuring that all waste streams are handled responsibly and in full compliance with applicable environmental regulations. By aligning our waste management practices with best-in-class standards, ICL aims to reduce its environmental footprint and contribute meaningfully to the transition toward a more sustainable and resource-efficient industrial future.

Resource Efficiency: Utilizing By-Products for Value Creation

ICL is uniquely positioned to convert many of its by-products into valuable secondary products, minimizing waste generation at the source. For example, substances that would otherwise be considered waste are repurposed into marketable products such as Sodium Sulfate, Hydrochloric Acid, and Calcium Chloride, demonstrating a strategic shift toward circular economy principles. These initiatives support material efficiency and contributes to broader sustainability goals by reducing environmental burden and creating economic value from process outputs.

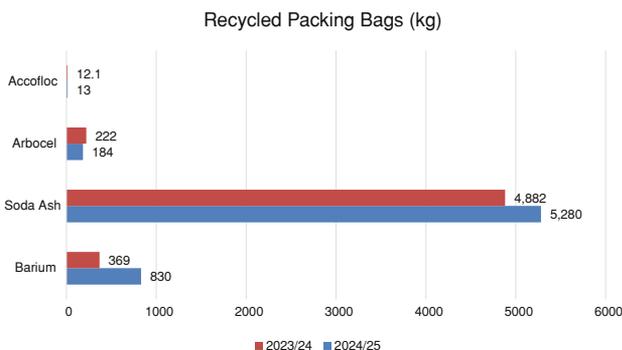
Waste Generated at ICL:

A significant portion of the solid waste is generated from the saturation and purification of rock salt. The rock salt silt, consisting primarily of clay, grit, and sand, is separated in the saturator and constitutes a major non-hazardous waste stream. In addition, dissolved impurities in the brine solution are chemically treated using reagents, which react to form precipitated sludge. This sludge is collected in settling pits and ultimately disposed of as landfill, following internal environmental protocols.

Other solid effluents, primarily composed of non-toxic, unsettled impurities from various process units, are also directed to landfill, ensuring safe containment. From the lime preparation activities, waste lime, including unburnt stones, grit, and undissolved matter, is separated and dried in open-air conditions to reduce moisture content. This dried material is recognized as suitable for secondary use, such as road construction or filling low-lying land, supporting a circular approach where feasible.

Additionally, packing materials used for raw materials and products contribute to the facility’s non-process waste. We have initiated the recycling of packaging bags used at ICL and this year, we increased the number of bags recycled. Also, we are reviewing further options to reduce, reuse, or responsibly dispose of packaging waste, in line with its broader waste minimization goals.

Recycled Packaging Bags (kg)	2024/25	2023/24
Barium	830	369
Soda Ash	5,280	4,882
Arbocel	184	222
Accofloc	13.0	12.1



Waste Management at ICL

Waste handling procedures are formally embedded in our company’s environmental and operational management plans, and responsibilities are overseen directly by the Manufacturing Department to ensure consistency across production units.

Waste management plans are also informed by Environmental Management Plan (EMP) developed from environmental impact assessments conducted for new projects. These plans include measures such as establishing Waste Tracking Register, training programs including ICL management and technical staff as well as contractors for the implementation of the EMP.

Waste Handling Procedures

Solid process waste is managed through designated collection and disposal procedures, while some streams are reclaimed or reused either internally or externally. A notable example is the recirculation of depleted brine from the electrolysis process after treatment, enhancing both resource efficiency and environmental performance.

Waste generated from packing materials is managed responsibly through a structured third-party disposal and recycling arrangement. Wooden pallets, poly bags and other packaging materials used in the handling and storage of raw materials and finished products are systematically collected and sold to an authorized contractor. This contractor is responsible for lifting the packing waste and facilitating its entry into local recycling markets, ensuring that reusable materials are diverted away from landfills.

To maintain transparency and traceability, all transactions related to the removal of packing waste are logged in the company's SAP system, allowing us to monitor quantities, timelines, and vendors involved. This process supports circularity and also aligns with the company's broader commitment to waste minimization, resource recovery, and sustainable supply chain practices.

Embracing Circularity Practices

ICL supports circularity beyond its own operations by leveraging supplier and customer waste reuse practices. Zinc Ash, used as a raw material for Zinc Sulfate production at ICL, is a by-product from the galvanization process of upstream suppliers, supporting inter-industry material recovery. On the downstream side, ICL engages with its customers to understand their end-use and recycling practices, particularly for products such as caustic soda, which in some cases is reclaimed through in-house caustic recovery systems.

The company also manages specialty materials such as Vanadium Pentoxide, a catalyst used in Sulphur combustion processes. Although it requires replacement only once every five years, we have planned its disposal carefully and will coordinate directly with the original plant suppliers to ensure safe and compliant handling when replacement is due.

Driving Circularity in Operations & Partners

ICL promotes circularity by working with suppliers and customers to reuse waste. Zinc Ash from galvanization is used in Zinc Sulfate production, showing inter-industry recovery. ICL also helps customers reclaim products like caustic soda through in-house recovery systems.



Managing Excess Chlorine

One of the more complex challenges faced by ICL in our operations has been the management of excess chlorine gas generated during electrolysis. Chlorine is a highly reactive and toxic gas, making its handling and disposal particularly sensitive from both environmental and safety standpoints. Approximately 60% of the chlorine produced is consumed directly in production, while the remaining 40% must be neutralized or transformed to avoid emissions or unsafe build-up.

To address this issue, we implemented a strategic waste-to-resource initiative by introducing Sodium Hypochlorite and Calcium Chloride production lines, two chemical processes that effectively convert surplus chlorine into commercially viable products. This approach mitigates environmental and safety risks and aligns with ICL's initiatives with circular economy principle by creating additional value from process by-products.

Today, both products are part of ICL's market portfolio. Sodium Hypochlorite is widely used in wastewater treatment and has applications in the pharmaceutical and paper industries, while Calcium Chloride finds demand in the oil industry. Through this initiative, ICL has turned a potential environmental liability into a business opportunity, reinforcing its commitment to responsible waste management, pollution prevention, and sustainable product diversification.

Barium Sulfate Usage:

ICL has identified the recovery and reuse of Barium Sulphate (BaSO_4) sludge as a strategic opportunity to reduce environmental impact and enhance circularity within its manufacturing processes. BaSO_4 is a by-product generated during the brine purification process, where Barium Carbonate (BaCO_3) is used as a reagent to remove impurities from rock salt solutions. Traditionally, the resulting BaSO_4 sludge has been treated as waste; however, ICL is now actively pursuing a more sustainable approach.

To this end, a feasibility study is underway to evaluate the design and implementation of a BaSO_4 recovery plant. The proposed initiative involves the reconversion of BaSO_4 sludge back into BaCO_3 , allowing the material to be reused within the same brine treatment process. This closed-loop strategy would significantly reduce raw material consumption and landfill disposal, while also serving as an effective pollution control measure.

Sludge Disposal

As part of ICL's chlor-alkali manufacturing process, rock salt is dissolved and purified to prepare brine for electrolysis. While the salt received is of high quality, typically around 94% purity, the remaining 6% consists of dissolved and undissolved impurities, including mud, dirt, and trace salts such as calcium and magnesium compounds. These impurities are removed through chemical treatment, resulting in the formation of precipitated sludge.

The sludge, primarily composed of non-hazardous, inorganic material, is first settled in dedicated pits, then dried and quantified on-site before final disposal. ICL ensures that all sludge handling occurs within the plant premises in a controlled manner to prevent environmental release. Once dried, the sludge is disposed of through landfilling, along with other non-toxic solid effluents from auxiliary processes across the plant.

ICL previously explored the reuse of sludge as a raw material for brick-making. Although the initial trials were promising, the initiative did not progress to commercial scale due to limited technical and market viability. Despite this, the company remains committed to identifying more sustainable disposal or reuse pathways. Future plans include conducting a detailed chemical analysis of the sludge to assess its potential for beneficial reuse and to better understand its long-term environmental profile.

Environmental Compliance

At ICL, compliance with environmental laws, standards, and regulations is a foundational element of our values. As a responsible chemical manufacturer, we are committed to upholding the highest environmental standards and ensuring that our operations align with both national regulatory frameworks and global best practices. This includes full adherence to the Punjab Environmental Quality Standards (PEQS) for both air emissions and effluent discharges. There were no reported non-compliance incidents during the most recent fiscal year, a testament to our operational integrity and rigorous control systems.



Internally, we have established structured governance and monitoring mechanisms, including regular audits and cross-departmental reviews, to ensure continuous compliance.

By embedding environmental compliance into our operational processes, we reduce environmental risk and also build long-term trust with regulators, communities, and other key stakeholders.

Fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations

Environmental Compliance at ICL

In line with the Pakistan Environmental Protection Act (PEPA), ICL conducts Environmental Impact Assessments (EIAs) to proactively identify and address environmental risks associated for new projects. These assessments are a critical tool in guiding our mitigation strategies and ensuring that potential hazards are managed responsibly from the outset.

Total monetary value of significant fines:	Nil
Total number of non-monetary sanctions:	Nil
Cases brought through dispute resolution mechanisms:	Nil



Our People and Communities

At ICL, our workforce remains central to the success and sustainability of our operations. We firmly believe that long-term sustainability is rooted in a steadfast commitment to the health, safety, and well-being of our employees, contractors, and all individuals who interact with our facilities. Through our management systems, we endeavor to maintain a work environment that is not only safe and inclusive but also supportive and empowering. This reflects our commitment to social responsibility, ensuring that our operations remain both ethically grounded and sustainably driven.

Employee Health and Safety

At ICL, the health, safety, and overall well-being of our employees, contractors, and visitors are of the utmost priority. We are dedicated to upholding rigorous standards in occupational health and safety to facilitate safe and efficient manufacturing processes. Our comprehensive Occupational Health and Safety Management System (OHSMS) is applied organization-wide, encompassing employees at all levels, including workers, supervisors, officers, managers, and on-site contractors, demonstrating our conviction that safety is a collective responsibility.



Our commitment to safety extends to all individuals present on our premises. Contractors, delivery personnel, and visitors are all required to comply fully with the protocols outlined in our OHSMS. This inclusive framework ensures uniform adherence to safety standards and supports effective risk management across all facets of our operations.

Occupational Health and Safety Management System



ICL has implemented a structured and integrated Occupational Health and Safety (OHS) Management System, designed in accordance with international best practices to proactively identify, evaluate, and mitigate workplace hazards. Aligned with the ISO 45001:2018 standard, this system reflects our steadfast commitment to ensuring a safe and healthy work environment across all operational sites.

Our OHS Management System is an integral component of our broader Integrated Management System (IMS), which promotes consistency and standardization in the application of safety measures. It encompasses all individuals present on-site, including employees at all levels, contractors, and visitors.

Our strong commitment to regulatory compliance and continuous improvement is demonstrated by internationally recognized certifications. These certifications affirm our alignment with global standards in safety, environmental stewardship and quality assurance.

The foundation of our OHS approach is supported by these key documented procedures

IMS-QEP-12: Incident Reporting, Investigation, and Analysis
 Defines the systematic process for reporting, investigating, and analyzing workplace incidents to determine root causes and implement corrective actions to prevent recurrence.

IMS-EP-03: Emergency Preparedness and Response
 Outlines protocols and preparedness strategies for effectively managing potential emergency situations.

IMS-EP-11: Firefighting and Prevention
 Establishes fire prevention measures and emergency response actions to mitigate fire risks and ensure rapid intervention during fire-related incidents.

IMS-EP-13: Emergency Situations Response and Preventive Methods
 Specifies preventive strategies and response procedures for various

IMS-EP-15: Risk and Opportunity Management Procedure
 Describes the process for identifying operational risks and opportunities, integrating them

These procedures enable us to maintain a high level of safety preparedness, minimize occupational risks and ensure ongoing compliance with applicable legal and regulatory requirements.

Policy and Preventive Measures

ICL has established a comprehensive Health, Safety, and Environment (HSE) Policy that aligns with our mission to cultivate a safe, sustainable, and injury-free workplace. We consistently invest in state-of-the-art equipment, advanced safety technologies, and targeted training programs to ensure a secure working environment. These proactive measures are essential in minimizing occupational risks and are especially vital in the chemical manufacturing industry, where safety is a fundamental component of operational excellence.

Comprehensive Training and Awareness Programs

ICL places significant importance on building internal capabilities and promoting awareness through well-structured occupational health and safety training initiatives. As part of our annual training calendar, safety training sessions and emergency response drills are systematically scheduled. These programs support employee development as well as help in providing essential knowledge and practical skills to ensure personal and collective safety in the workplace.

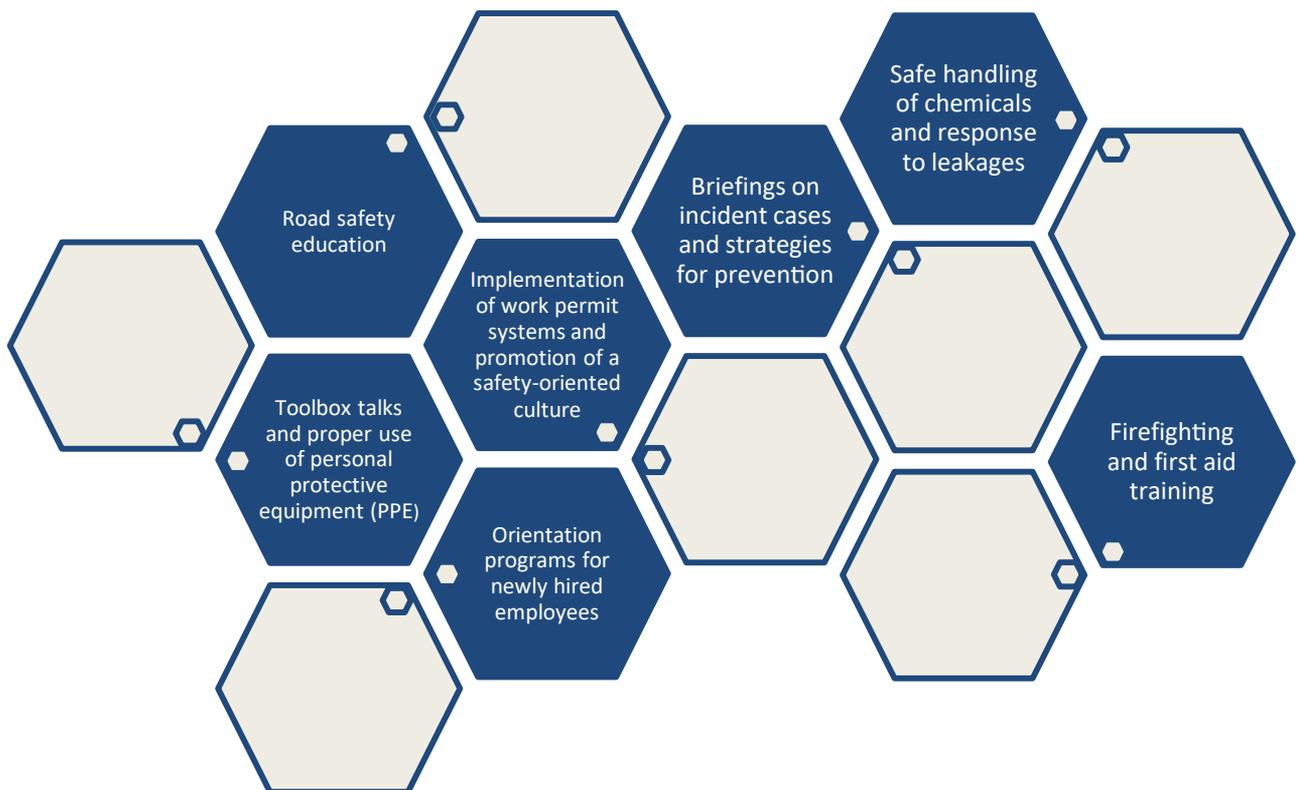
At ICL, we conduct a diverse array of internal and external training activities which is fundamental to our motto of continuous learning and improvement.

Through these initiatives, we ensure that all personnel are adequately prepared to manage both everyday operations and emergency situations, thereby reinforcing a proactive and resilient safety culture.

Emergency Preparedness and Risk Management

ICL has established a formalized Risk Assessment Procedure, subject to annual review, to ensure the systematic identification, evaluation and mitigation of workplace hazards. In addition to these structured assessments, daily inspections and continuous monitoring are conducted to promptly identify and address unsafe behaviors or conditions.

We are committed to allocating the necessary resources to minimize potential health and safety risks associated with our operations. Across various work areas, safety interlocks, engineering controls and personal protective equipment are made readily available. To further strengthen process safety, Hazard and Operability Studies (HAZOP) are regularly conducted, with outcomes effectively communicated to all relevant personnel.



Employees are actively encouraged to report any work-related hazards to the Environment, Health, and Safety (EHS) Department, which is responsible for ensuring the timely implementation of corrective and preventive measures. Regular consultations between employee representatives and EHS teams ensure that occupational health and safety considerations remain embedded in day-to-day operations. Platforms such as the Collective Bargaining Agent (CBA) facilitate open dialogue and collaborative engagement on safety matters.

Toolbox talks continue to serve as a key channel for raising awareness of workplace hazards and injury risks. Where complete elimination of risks is not feasible, appropriate engineering controls and personal protective equipment (PPE) are implemented as essential mitigation strategies.

Health and Safety Initiatives

At ICL, we have introduced a range of health-focused initiatives aimed at promoting well-being beyond the workplace. These efforts include the organization

of blood donation drives, COVID-19 vaccination campaigns, and free medical camps, benefiting both employees and members of the local community. Additionally, all employees are enrolled in social security programs, with transportation support provided for access to non-occupational healthcare services at designated social security hospitals.

These initiatives reflect our long-term commitment of maintaining, also, continuously enhancing the health and safety of our employees, customers, and suppliers.

Performance Monitoring and Incident Reporting

Plant operational hours	24/7
Work related injuries	6

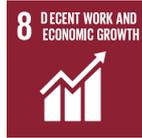
As part of our commitment to continuous improvement, ICL has implemented specific measures to reduce the risk of injury and occupational illness. These include the installation of safety fencing and the acquisition of height-access platforms, both aimed at mitigating fall-related hazards and enhancing overall operational safety.



Employee Engagement

At ICL, our commitment to social sustainability begins with our people, the foundation of our long-term success.

Guided by our core values of ethics, mutual respect, teamwork and accountability, we strive to cultivate a workplace that is safe, inclusive, and empowering. We place strong emphasis on well-being, diversity, fair labor practices, and meaningful engagement, creating a culture where every individual feel valued and heard. Driven by the spirit of Ittehad (unity), we unite talent and innovation to build a resilient organization that meets today's challenges while contributing positively to the communities we serve.



Fostering a Culture of People-Centered Sustainability

ICL's approach to sustainability is fundamentally rooted in a strong commitment to our people. Our core values such as ethics, mutual respect, teamwork, and accountability form the foundation of our organizational culture and guide our daily operations. We recognize that our employees, through their engagement, dedication, and collaboration are the true catalysts for our growth and resilience. Our connection to the broader community further reinforces this people-first approach. As we continue to advance through the integration of exceptional talent and state-of-the-art technology under the ethos of Ittehad, employee engagement remains central to attracting top-tier professionals and driving sustainable, long-term success.

In alignment with our mission, we are dedicated to cultivating a work environment that attracts and also retains high-caliber talent. We strive to maintain a workplace that is safe, inclusive, welcoming and one that prioritizes zero-injury outcomes, ensures customer satisfaction, and upholds our responsibilities as a socially conscious organization. We respect and value the dignity of every employee and are deeply committed to their overall well-being and professional growth, recognizing that our obligations extend beyond business objectives.

To fulfill this commitment, we provide a healthy and secure working environment, offer fair and competitive employment terms, and champion diversity and inclusion across all levels of the organization. Our recruitment and career development processes are merit-based, focusing solely on candidates' skills and qualifications without prejudice or bias. Furthermore,

we actively encourage employee involvement in shaping their roles and participating in strategic decision-making, fostering a culture where every voice is heard and shared success is collectively pursued.

Advancing Employee Diversity and Inclusion

At ICL, we are firmly dedicated to promoting Diversity, Equity, and Inclusion (DE&I) within our workforce and our communities. Our DE&I strategy is grounded in a commitment to equal employment opportunities, ensuring that recruitment decisions are based solely on merit, qualifications, skills, and capabilities and free from bias or discrimination. We strive to foster an environment where individuals from diverse backgrounds can flourish and make meaningful contributions to our collective progress.

Our dedication to employee well-being is evident in a range of supportive initiatives, including our Health Insurance Policy, Medical Allowance Policy, and a comprehensive Health, Safety, and Environment Policy, all designed to safeguard the health, safety, and interests of our employees.

We acknowledge the complexities of promoting diversity, particularly given our industrial location in Kala Shah Kaku, situated on the outskirts of Lahore. While the area is a prominent industrial zone with access to major roads and public transportation, commuting remains a considerable challenge especially for women. This has influenced gender representation across industries in the region, and ICL is no exception. In response, we have identified key departments, such as Finance, IT, Purchase, Sales, and ERM & Internal Audit, where female participation can be meaningfully increased. To support this, we are actively exploring targeted inclusion strategies. This includes the provision of safe and reliable transportation, aimed at improving accessibility and encouraging greater participation of women in our workforce.

Despite existing challenges, we remain unwavering in our commitment to fostering a more inclusive work environment. Beyond gender diversity, we also prioritize recruiting individuals from diverse regions and cultural backgrounds across Pakistan. This inclusive hiring approach ensures that our workforce reflects the country's rich demographic diversity, thereby contributing to a more representative and sustainable organizational culture.

Total Number of Employees (region)		
Region	2024/25	2023/24
Kala Shah Kaku	627	616
Lahore	66	68
Faisalabad	03	03
Karachi	06	05
Total	702	692

Total Number of Employees (Gender)		
Region	2024/25	2023/24
Male	699	689
Female	05	03
Total	702	692

Region wise Hiring		
Region	2024/25	2023/24
Kala Shah Kaku	15	12
Lahore	9	9
Faisalabad	6	6
Karachi	2	2
Total People Hired	32	29

Age wise Hiring		
Age Group	2024/25	2023/24
Under 30 years	14	14
30-50 years	14	14
Over 50 years	1	1

Turnover Rate		
	2024/25	2023/24
Total People Leaving	39 males	39 males
Turnover rate	%5.5	%5.5

Region wise Turnover		
Region	2024/25	2023/24
Kala Shah Kaku	15	15
Lahore	17	17
Faisalabad	6	6
Karachi	1	1

Age wise Turnover		
	2024/25	2023/24
Under 30 years	12	12
30-50 years	20	20
Over 50 years	7	7

Ethical Labor Practices: Commitment to Preventing Child Labor

ICL upholds a strict zero-tolerance policy regarding child labor, reaffirming our unwavering commitment to human rights across all areas of operation. In adherence to international labor standards and guided by our internal ethical framework, the company has

instituted a comprehensive Child Labor Policy that explicitly prohibits the employment of individuals below the legally defined working age.

In the event that any instance of child labor whether direct or indirect, is identified, we have established a clear remediation protocol designed to prioritize the child's welfare. This protocol includes the immediate removal of the child from hazardous environments and implementation of appropriate protective interventions. It also mentions the provision of support aimed at facilitating access to education or alternative care arrangements.

Through this policy, ICL reinforces its dedication to operating within a lawful, ethical, and socially responsible framework, ensuring that its workplace remains free from exploitative labor practices.

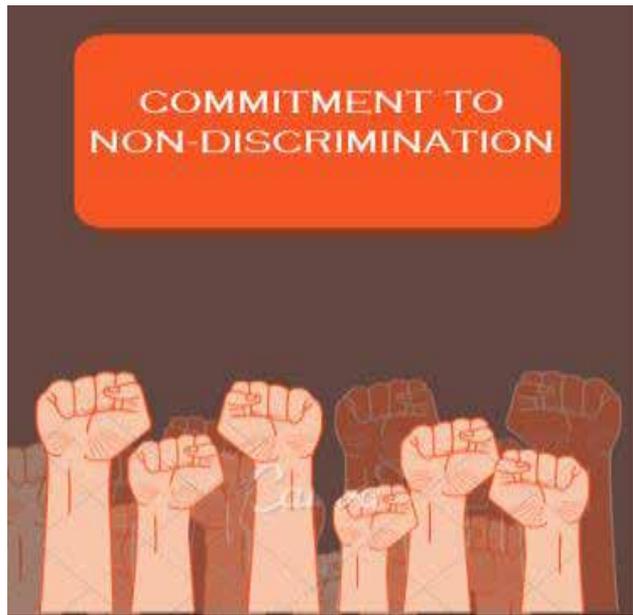
Pay Equity and Fair Compensation

ICL is dedicated to cultivating a balanced and equitable workplace where every employee is treated with dignity, respect, and fairness. Our compensation framework is grounded in transparency and objectivity, with all remuneration decisions based on well-defined, merit-based criteria. These include factors such as seniority, relevant professional experience, role complexity, scope of responsibilities, and individual performance.

We uphold a strict non-discrimination policy in all compensation-related matters, ensuring that factors such as gender or other personal attributes have no influence on pay decisions. This approach reinforces our broader commitment to equity, inclusion as well as reflects our belief in recognizing and rewarding talent in a fair, consistent, and principled manner.

ICL maintains a steadfast commitment to fostering a workplace environment that is equitable, inclusive, and respectful for all employees. Our Non-Discrimination Policy guarantees that every employee and job applicant is treated fairly, irrespective of race, gender, religion, ethnicity, age, disability, sexual orientation, or any other legally protected characteristic.

We are pleased to report that, during the current reporting period, no incidents of discrimination were recorded at ICL. Should any allegations arise, our established internal procedures ensure prompt investigation and the implementation of appropriate corrective measures. This proactive stance underscores our continuous dedication to sustaining a safe, supportive and empowering work environment where all individuals are respected and enabled to thrive.



Strengthening Team Spirit and Collaboration

At ICL, we recognize that a healthy and engaged workforce is vital to fostering organizational resilience. To strengthen interdepartmental connections and promote a culture of collaboration, we regularly organize sports activities for our employees. Recently, internal cricket and badminton teams composed exclusively of ICL personnel were established. These friendly competitions are fully sponsored by the

company, demonstrating our commitment to enhancing employee well-being, encouraging teamwork, and nurturing a more cohesive workplace culture. Such initiatives improve morale along with physical health but also facilitate informal opportunities for interaction and camaraderie among colleagues.

We prioritize employee engagement through cultural and social activities. Events such as Sports Galas and Iftar Dinners foster connections among employees, customers, and vendors, thereby strengthening community bonds and a shared sense of purpose. Furthermore, we provide financial assistance to employees below supervisory levels during their daughters' marriages, reflecting our commitment to social solidarity and care.

At ICL, we deeply value employee voice and participation. Our engagement calendar includes regular opportunities for staff to contribute to organizational planning and decision-making. Recreational and sports programs further enhance workplace inclusivity and foster team spirit, making ICL an environment where employees feel valued, engaged, and proud to contribute.



Employee Benefits and Initiatives

At ICL, we recognize that a sustainable and productive organization is founded upon employee well-being, inclusion and active involvement. Our approach to employee engagement transcends routine work activities, encompassing comprehensive support for our workforce's financial, social and emotional needs throughout various stages of their lives and careers.

We provide a broad array of employee benefits aimed at ensuring security and stability. These benefits include leave entitlements, medical allowances, mobile and fuel allowances, a gratuity scheme, and compensated absences for eligible staff members. Our retirement benefit structure incorporates both defined contribution and defined benefit plans. The Provident Fund, a recognized scheme, is available to all permanent employees and funded equally by the company and its employees. Additionally, the company manages an unfunded gratuity scheme in accordance with IAS 19 standards, with annual actuarial valuations conducted to ensure the equitable and transparent administration of post-employment benefits.

Ethical Reporting and Employee Satisfaction

ICL places significant emphasis on fostering an open, transparent, and respectful workplace, where employee feedback is actively sought and valued. To gauge employee sentiment, we regularly conduct satisfaction surveys. During the current reporting period, we recorded an employee satisfaction rate of 87.80%, reflecting a high level of trust and engagement across the organization.

Our grievance mechanism offers a secure and confidential channel for employees to report actual or suspected breaches of the company's Code of Conduct. Notably, no formal grievances were reported during the year, indicating the effectiveness of our efforts in maintaining a positive and compliant workplace culture. In accordance with company policy, employees are encouraged to report concerns directly to their immediate supervisors. Depending on the nature of the issue, reported violations are investigated either by the Board of Directors or an appointed authority. Matters concerning accounting, auditing, or internal controls are escalated directly to the Audit Committee.

ICL enforces a strict non-retaliation policy to protect individuals who report concerns in good faith. Any retaliatory action is treated as a serious offense and may result in disciplinary measures. Employees who believe they have been subjected to retaliation are encouraged to report such incidents directly to the Chair of the Audit Committee. These measures are

designed to cultivate a culture of openness, integrity, and accountability, where all employees feel safe, respected, and empowered to speak up.

Training and Development

ICL is dedicated to cultivating a workplace culture that prioritizes continuous learning, personal development, and professional excellence.



We believe that the ongoing enhancement of our employees' skills and knowledge is fundamental to both individual career advancement and the sustained success and adaptability of the organization. In support of this commitment, we regularly organize in-house training programs as well as externally facilitated sessions, ensuring that employees are equipped with the necessary competencies to perform effectively and remain aligned with evolving industry standards.

Structured Training Framework and Inclusive Training Process

ICL's Training and Development Policy, applicable to all employees, provides a structured framework for the planning, implementation and evaluation of training initiatives across the organization. The process begins with the identification of training needs, which are often derived from performance appraisals and aligned with role-specific competencies. These requirements are consolidated into the Annual Training Plan, developed collaboratively by department heads and the Human Resources team.

Training programs are delivered by either internal subject-matter experts or external consultants, depending on the complexity and specificity of the skills being addressed. Following each session, participants complete feedback forms to assess the training's effectiveness. This feedback mechanism not only contributes to the continuous improvement of future programs but also reinforces accountability in our learning and development efforts.

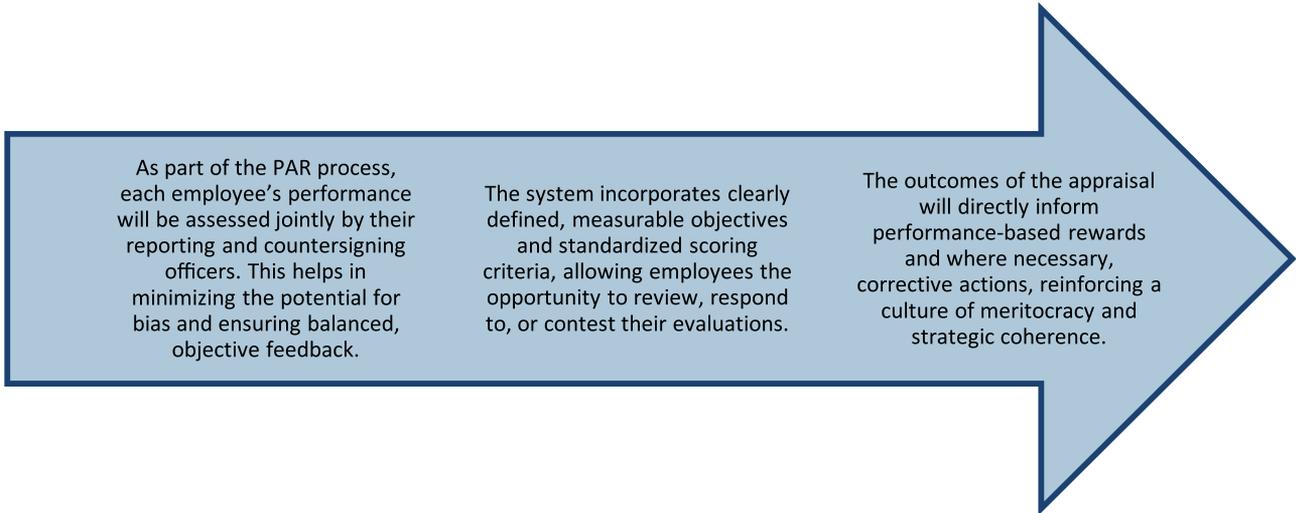
Consistent with our commitment to a learning-driven culture, employees are encouraged to proactively request training aligned with their individual growth objectives. Such requests are reviewed and approved through a joint evaluation process involving both line managers and the HR department.



Future-Ready Workforce and Performance Appraisal Review (PAR)

Looking ahead, ICL is set to introduce a formal Performance Appraisal Review (PAR) program during the 2025–2026 period, aimed at aligning individual growth with broader organizational goals. This SMART-based review system will establish a structured and transparent framework for evaluating employee performance across all levels of the organization.

Through this initiative, ICL seeks to cultivate a future-ready workforce. The kind of workforce which possesses the technical competencies required for evolving industry demands. Also, the kind which is empowered to contribute actively to a culture of continuous improvement and organizational sustainability.



Training as a Strategic Investment

At ICL, training is regarded as a strategic investment in employee development and organizational effectiveness. With a focus on aligning individual growth with operational objectives, we employ a variety of training delivery methods tailored to different learning styles, job functions and conducted within established budgetary frameworks. During this year, trainings are provided across a range of employee categories, from Helpers to Unit Managers.

Our training programs are designed to impart targeted skills and knowledge through a combination of structured and experiential learning formats. This multifaceted approach ensures that learning remains dynamic, applicable and closely aligned with both employee career trajectories and the evolving needs of the business



Training and Learning Hours		
	2024/25	2023/24
Average Training Hours	132	100
Total Training Hours	1040	892

Functional and Professional Development

ICL's Annual Training Plan encompasses a wide array of sessions aimed at enhancing soft skills, technical proficiency and overall business acumen. The objective is to cultivate a well-rounded workforce equipped to foster innovation, uphold quality standards, and contribute meaningfully to the company's strategic objectives.

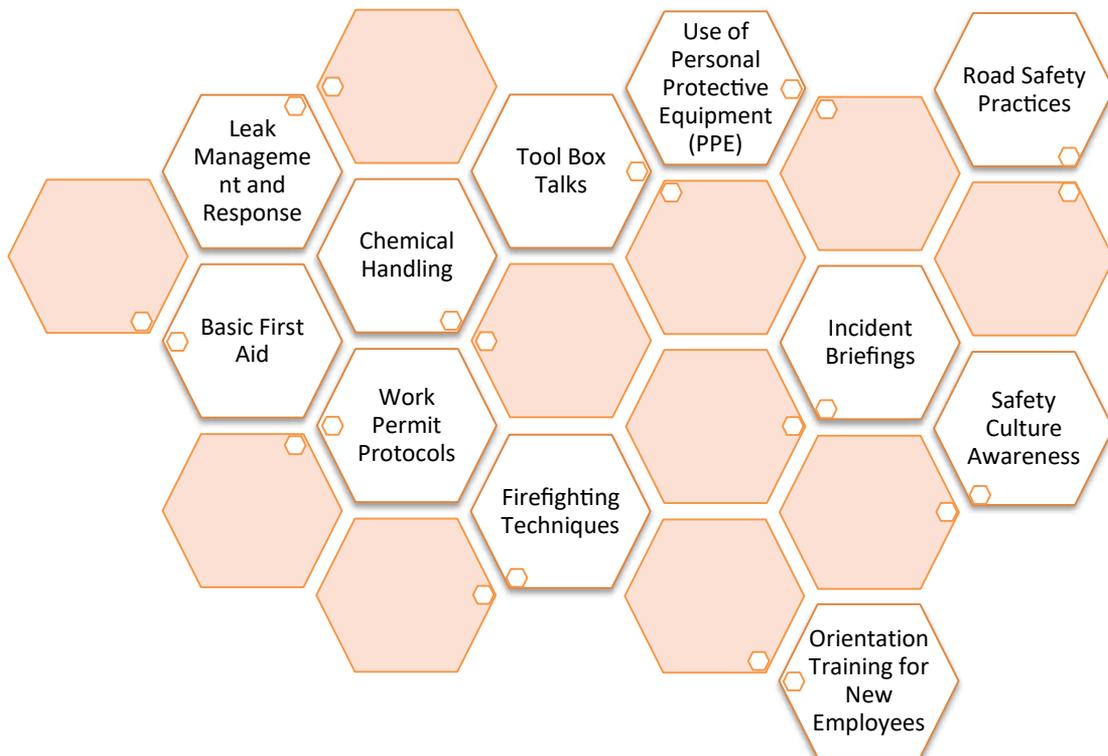
Key areas of the Structured Training Plan



Each program is designed in alignment with departmental requirements. This ensures that employee development remains purposeful, targeted, and forward-looking.

Occupational Safety and Operational Readiness

At ICL, employee safety and operational readiness form the foundation of our training initiatives. A comprehensive range of practical, safety-oriented training sessions is conducted on a regular basis, delivered through a combination of internal expertise and external specialists. These programs are designed to equip employees with the critical knowledge and skills necessary to operate safely and respond effectively in various scenarios. Key components of our core safety training curriculum include:



These trainings ensure legal and procedural compliance as well as helps in fostering a proactive safety culture across all levels of the organization.

Responsible Marketing and Labeling

In alignment with our commitment to transparency, safety, and ethical business practices, ICL places a strong emphasis on responsible marketing and accurate product labeling across all product categories. As a chemical manufacturing organization, we recognize the importance of providing customers, communities, and stakeholders with clear, reliable and regulatory-compliant information.



ICL adheres to all applicable national and international labeling standards and ensures that all product communications are accurate, evidence-based and aligned with safety and compliance requirements. This commitment facilitates informed and responsible product usage, reinforces stakeholder trust and underscores our duty to protect both human health and the environment.

Customer Engagement

At ICL, we are dedicated to fostering strong, transparent, and ethically grounded relationships with our customers. We uphold the principles of fairness and respect in every interaction, recognizing each engagement as an opportunity to build trust and deliver meaningful value. Our approach focuses on expanding our customer base while nurturing long-term partnerships through consistent reliability, responsive service, and mutual respect.

Customer Health and Safety

Customer health and safety are at the core of ICL's operational philosophy. We acknowledge our responsibility to safeguard our product users along with the communities which are impacted by our operations. As a manufacturing entity, we are committed to reducing environmental and safety risks by ensuring that all equipment, systems, and operational procedures are designed, implemented, and maintained to prevent harm. This commitment extends beyond our workforce to include visitors, contractors and the broader public. We emphasize proactive risk mitigation and the promotion of safe practices across the entire value chain, reinforcing our duty to uphold the highest standards of health and safety.

Customer Information and Interaction

ICL caters to two primary customer segments: retail dealers and industrial clients. Retail dealers are responsible for distributing our products including LABSA, SLES, Sodium Sulphate, and Caustic Soda Flakes, across various markets. In contrast, our industrial customers utilize these chemical products directly within their manufacturing processes.

Retail customers typically have limited direct interaction with ICL. In contrast, our industrial clients engage with us regularly through various communication channels, including email, WhatsApp, and on-site visits. These interactions are systematically documented and formalized through delivery and loading challans, ensuring transparency, safe handling, and timely fulfillment of orders.



Product Responsibility and Customer Training

For high-risk chemical products such as Chlorine and Hydrochloric Acid, ICL adopts a proactive approach to safety and compliance. Our technical teams conduct on-site visits to customer premises to assess handling and storage capabilities, offering direct guidance on best practices for safe usage. These visits are complemented by adherence to periodic external audits and inspections carried out every five years by regulatory authorities, including the Hydrocarbon Development Institute of Pakistan (HDIP) and the Department of Explosives.

Additionally, ICL's Logistics Department ensures that all contracted transporters receive comprehensive instructions regarding the use of personal protective equipment (PPE) and other essential safety protocols. These measures underscore our strong commitment to customer safety and demonstrate our dedication to responsible product stewardship throughout the supply chain.

Customer Grievance and Complaint Resolution Framework

At ICL, transparent and responsive communication with customers forms the foundation of our responsible marketing and labeling practices. To uphold these principles, we have established formal channels through which customers and stakeholders can report concerns related to product labeling, information accuracy, or any potential misinformation. These channels are supported by structured internal mechanisms that facilitate timely resolution and corrective actions.

ICL has implemented a comprehensive Customer Complaints Management System that adopts a cross-functional approach to issue resolution. Depending on the nature of the concern, the relevant departments are engaged to ensure a prompt and effective response. For instance, incidents during product transportation, such as chemical spills or vehicle malfunctions are managed by the Logistics Department in line with predefined safety procedures. If an issue arises at the customer's site, the Marketing Department serves as the initial point of contact, coordinating closely with the Quality Assurance and Distribution teams to investigate the matter and implement solutions. These teams are also responsible for verifying product quality and monitoring safe handling practices at customer facilities.

This integrated, interdepartmental process underscores ICL's commitment to customer satisfaction, regulatory compliance, and the responsible stewardship of its chemical products throughout their lifecycle. Moreover, our grievance and feedback mechanisms not only enable issue resolution but also provide valuable insights for continuous improvement in product quality, labeling standards, and service excellence.

Incidents of Non-Compliance Related to Marketing and Labelling

During the reporting period, ICL recorded no incidents of non-compliance with marketing or labeling regulations. There were no penalties, warnings, or regulatory actions issued against the company in this regard, reflecting our ongoing commitment to transparency, accuracy and adherence to applicable legal and industry standards.

Not a single case of non-compliance resulting in penalties or warning

Product Information and Labeling Compliance

ICL remains firmly committed to accurate and transparent product labeling in full compliance with all relevant regulatory requirements. This dedication is reflected in the availability of comprehensive Material Safety Data Sheets (MSDS) and Technical Data Sheets (TDS) for each of our products, all of which are publicly accessible through our corporate website. Each MSDS is developed in accordance with international standards and provides critical safety and regulatory information, including chemical composition, hazard identification, safe handling procedures, emergency response protocols, toxicological and environmental data, and disposal guidelines.



These documents are structured to enhance user awareness by detailing appropriate first aid responses for various exposure scenarios, such as eye or skin contact, inhalation, or ingestion as well as measures for accidental releases, fire risk management, and proper storage.

In addition, the MSDS includes essential transportation details and global regulatory references (e.g., OSHA and EINECS classifications). This enables customers to understand and fulfill compliance obligations across jurisdictions. The accompanying TDS outlines key product quality parameters, while Certificates of Analysis (CoAs) are provided for individual production batches to ensure consistency and verify compliance with quality standards.

Through these practices, ICL reinforces its commitment to the safe use, handling, and transportation of its products, while upholding responsible communication and ensuring stakeholder safety.

Ethical Marketing Practices

Aligned with its international business footprint, ICL ensures that all products and marketing activities adhere strictly to both local and global ethical and regulatory standards.



ICL also enforces a stringent policy prohibiting the use of substances identified as environmentally hazardous. In particular, chemicals such as Per- and Polyfluoroalkyl Substances (PFAS) and Adsorbable Organic Fluorine (AOF), noted for their persistence and ecological impact are deliberately excluded from all production processes.

ICL upholds its commitment to ethical marketing through proactive and precautionary measures. These efforts strengthen the company’s credibility and reinforce trust among customers, regulatory bodies, and the broader community.

Local Communities



As a socially responsible organization, ICL is dedicated to pursuing a double bottom line, evaluating success through financial outcomes as well as through the positive social and environmental impact we create within the communities we serve. We firmly acknowledge that our sustained growth is intrinsically linked to the well-being of the surrounding environment and local populations.

Engaging and Uplifting Local Communities

ICL operates with a deep sense of social and environmental responsibility, focused on generating long-term value for both the organization and the communities in which we operate. As a conscientious corporate citizen, we adhere to national regulations, prioritize occupational health and safety, safeguard the environment and actively support local initiatives in cultural, educational, and economic development.

Our commitment extends well beyond financial performance. We make targeted investments in community welfare, including initiatives aimed at environmental sustainability. Notably, we have achieved a reduction in harmful emissions and have commissioned a water treatment facility to ensure the safe disposal of industrial effluents. These efforts contribute significantly to improved environmental and public health in our areas of operation.

Community Health and Well-Being

As part of ICL's broader commitment to advancing the United Nations Sustainable Development Goals (SDGs), we have undertaken a series of health-centered initiatives aimed at improving community well-being. Our in-house medical team conducts regular outreach visits to nearby residential areas, offering free medical consultations and distributing essential medications. In collaboration with the Sundus Foundation, we have organized blood donation camps to support life-saving medical needs.

To enhance access to safe drinking water, ICL has installed 40 hand pumps in underserved communities, with a continued commitment to installing one additional pump each month. Furthermore, we have arranged free eye care camps staffed by qualified medical professionals from Karachi, with future camps planned to further address pressing local healthcare challenges.



Women Empowerment and Education

ICL is dedicated to advancing education and skill development, with a particular emphasis on empowering women and young girls. As part of this commitment, we operate two sewing schools for local girls, each accommodating 20 students and led by qualified female instructors. Plans for a third school in a neighboring community are currently in progress. These initiatives promote economic inclusion and support our Diversity, Equity, and Inclusion (DEI) objectives by creating opportunities for traditionally underrepresented groups.

In addition, ICL actively contributes to the improvement of local educational infrastructure. Our ongoing efforts include renovating schools and developing essential learning facilities, such as science laboratories, computer rooms, and the repair of existing school buildings, ensuring a more conducive learning environment for future generations.



Supporting Employees and Families

In recognition of the personal and financial needs of its workforce, ICL has introduced targeted welfare programs to support employees during important life events. One such initiative is the Wedding Gift Scheme, which offers financial assistance to employees below the supervisory level to help cover expenses related to their daughters' marriages.

Additionally, the Bi-Cycle Scheme has been launched to improve mobility for lower-income employees. This program allows eligible workers to acquire bicycles through convenient six-month installment plans, promoting better work-life balance and daily convenience. The initiative will remain in effect until all qualifying employees have availed its benefits.

Local Hiring and Economic Integration

ICL goes beyond philanthropy by embedding community development into its core business practices. A key aspect of this approach is the prioritization of local hiring. Currently, 60% of our workforce is drawn from Lahore, one of our primary operational hubs while other 40% is employed from Kala Shah Kaku, the location of our manufacturing facility. Importantly, all senior management personnel are also recruited from local communities, ensuring that leadership remains closely aligned with regional needs, cultural context, and socio-economic dynamics.

Responsible Employees

At ICL, we understand that our sustainability and community development goals are deeply reinforced by the active involvement of our employees. As part of our broader Corporate Social Responsibility (CSR) strategy, we promote and support employee volunteerism, cultivating a workplace culture where individuals are encouraged to make meaningful contributions beyond their formal responsibilities.

Recently, five employees have taken an active role in the planning and implementation of various CSR initiatives, exemplifying our belief that impactful change originates within the organization. Their participation helps in enhancing the effectiveness of our community programs along with strengthens the connection between corporate actions and local needs, thereby amplifying our overall social impact.

Community Development through CSR

As a socially responsible enterprise, ICL remains firmly dedicated to impactful community development and national support through a structured Corporate Social Responsibility (CSR) framework. In alignment with our formal CSR policy, we allocate annual contributions to civil society organizations and non-governmental organizations (NGOs) across Pakistan. These efforts are aimed at supporting both the local communities in Kala Shah Kaku and Lahore, our primary operational regions as well as marginalized populations throughout the country.

In 2024, ICL contributed PKR 30.54 million to various charitable institutions, reaffirming our long-standing commitment to social upliftment. All donations are subject to a transparent approval process defined under the CSR policy, approved by the CEO, authorized by the CFO, and disclosed to the Board of Directors. These contributions are also publicly reported in the company's Annual Report.

In 2025, ICL expanded its impact by partnering with several esteemed organizations with a total contributions of Rs.39.76 million further reinforcing our role as a responsible and engaged corporate citizen.



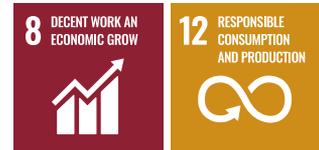
ICL believes that true growth extends beyond financial performance. It involves investing in people, supporting communities, and minimizing environmental impact. Employee development, resource efficiency, and innovation have always been central to our approach. We remain committed to advancing practices that promote sustainable development and responsible industry leadership.

The transition to biomass-based renewable energy marks a major milestone in this journey. From building strong management systems and phasing out mercury cells to embracing digitalization, we stay focused on innovation that will help us become one of Pakistan’s leading sustainable chemical manufacturers.

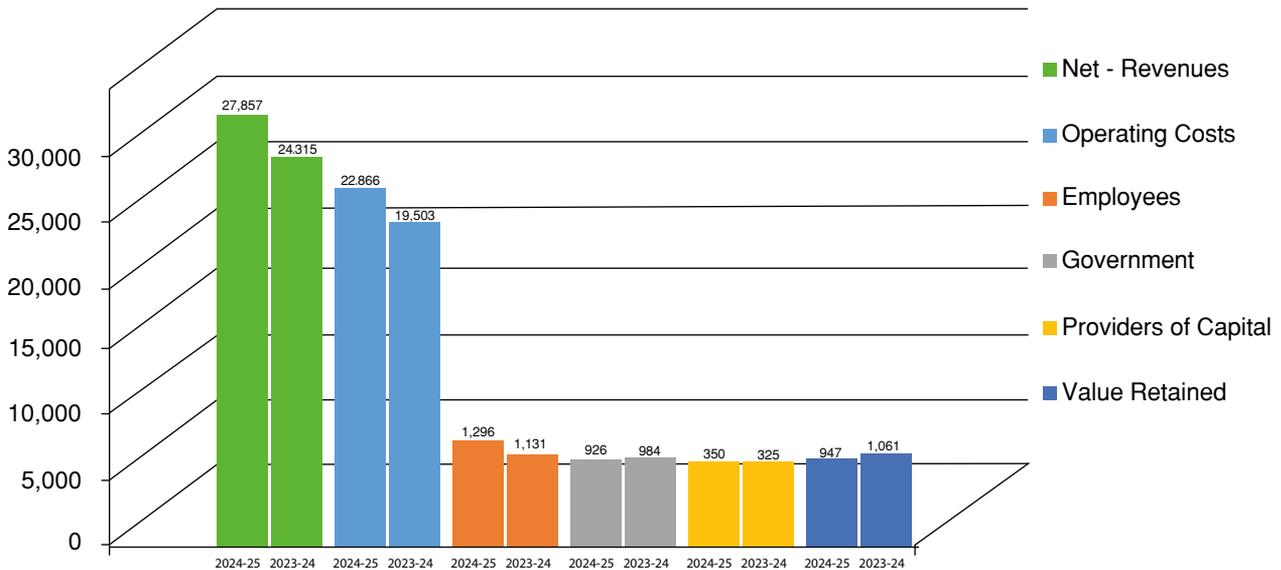
All procurement and logistics agreements, including those with transport partners, are subject to legal review. Contracts are renewed based on performance, safety compliance, and alignment with our corporate

Economic Performance

Economic performance is central to our vision of driving responsible growth. During 2024-2025, we delivered strong financial results while advancing investments that support our long-term sustainability objectives.



Wealth Distribution



Procurement & Supply Chain Integrity

At ICL, we recognize that a resilient and transparent supply chain is essential to delivering safe, high-quality products and supporting sustainable growth. Our procurement and distribution activities are governed by strict internal controls, robust safety protocols, and ethical sourcing standards.

Our continued emphasis on efficiency and financial discipline enables us to build a resilient business. Through our commitment to both profitability and accountability, we are dedicated to generating shared value for our shareholders, enriching the lives of our employees, delivering excellence to our customers and contributing positively to our communities.

Governance & Oversight

A comprehensive Supply Chain Manual guides our operations. It defines policies, procedures, emergency response protocols, an authority matrix, and reporting mechanisms. Any breach is escalated to the Head of Logistics and the Director Commercial.

Safe and Transparent Distribution

ICL places the utmost importance on the safe, transparent, and traceable delivery of products, especially hazardous materials such as Hydrochloric Acid and other acids. Our procedures require mandatory vehicle fitness certificates prior to loading, real-time tracking through vehicle monitoring devices, and clear documentation of transporter responsibilities

in contracts.

Tankers are inspected before filling to ensure safety and cleanliness, and specific protocols are followed when vendors use their own transport. In the event of rejected supply, the driver notifies the distribution team, and representatives from the marketing and laboratory sections visit the customer site for inspection. For any shipment diversion, established accountability and reporting procedures are implemented. The Marketing Department coordinates daily distribution schedules



with the Distribution and Logistics Section through SAP, ensuring effective alignment across functions .

Responsible Procurement Practices

ICL implements a comprehensive procurement strategy designed to strengthen the local economy while ensuring uninterrupted access to high-quality international inputs. Approximately --% of procurement is sourced domestically, including salt extracted from the Khewra and Warcha Salt Mines. By prioritizing local suppliers, we contribute to regional economic development, generate employment opportunities, and cultivate long-term partnerships that enhance community resilience.

At the same time, critical raw materials, such as Linear Alkyl Benzene (LAB), are procured internationally, 90% from middle east and 10% from China. This global procurement framework enables us to maintain a reliable supply chain, leverage advanced manufacturing capabilities and uphold the highest standards of product quality and operational performance.

Comparison between local and import source procurement		
	2025	2024
Local	70%	70%
Import	30%	30%

All vendors undergo a rigorous pre-qualification and evaluation process using ICL's Vendor Assessment Framework



This structured approach ensures that we engage exclusively with responsible, competent and ethical suppliers. Through transparent and accountable procurement practices, ICL reinforces its commitment to sustainable operations, continuous improvement and the creation of shared value across our supply chain.

Responsible Tax Practices: Supporting Sustainable Growth

At ICL, we recognize that responsible tax management is essential to driving sustainable growth, ensuring business continuity and maintaining the trust of our stakeholders, including regulators, investors, and the communities in which we operate.

Our tax strategy is guided by the principles of transparency, compliance, and accountability. We ensure timely and accurate fulfillment of all statutory obligations, maintain clear and comprehensive tax records, and engage proactively with tax authorities to support open and constructive dialogue.

The strategy also prioritizes the identification and mitigation of tax-related risks, the integration of tax considerations into business planning and decision-making, and full adherence to applicable laws, regulations, and recognized standards of good practice.

Governance and Oversight

ICL's tax strategy is overseen and approved by the Chief Financial Officer (CFO), who is responsible for its regular review and revision. Updates are made as needed in response to changes in fiscal legislation or significant events with potential tax implications. The Unit Manager Taxation is accountable for ensuring consistent compliance with the approved strategy across all business operations.

The tax strategy is reviewed periodically and updated as required to reflect evolving regulatory requirements, emerging best practices and internal risk assessments. Any revisions are communicated across relevant departments, with corresponding adjustments made to Standard Operating Procedures to ensure alignment and full compliance.

Efficiency and Strategic Planning

ICL is committed to maintaining a tax-efficient framework that supports responsible growth and compliance. This includes claiming available tax credits, such as the Rs.----- million tax credit availed under Section 61 of the Income Tax Ordinance, 2001, for contributions to FBR-recognized non-profit organizations. We also manage capital expenditures strategically and optimizes sales tax liabilities through economic order quantity planning. These measures enable ICL to responsibly fulfill its tax obligations while reinvesting savings into new growth opportunities and value creation for stakeholders.

Risk Management and Compliance

ICL proactively manages potential tax risks and disputes through a comprehensive approach that includes continuous monitoring of statutory modifications and changes in fiscal laws. Standard operating procedures are implemented to address tax-related risks effectively, while issues are resolved promptly through engagement with Federal and Provincial Revenue Authorities. To further strengthen compliance, we regularly conduct external audits and assessments to verify adherence to regulations and identify opportunities for improvement. Tax compliance is consistently evaluated through these independent audits, and all tax-related disclosures are reviewed by external tax consultants and legal advisors to ensure accuracy, transparency, and integrity.

Stakeholder Engagement

We are committed to transparency and open dialogue with stakeholders. Tax matters are addressed during the Annual Corporate Briefing Session, where shareholders and other stakeholders are invited to review the company's financial and governance practices. When needed, tax authorities are engaged directly or via our consultants and legal advisors to ensure mutual understanding and resolution of any issues.



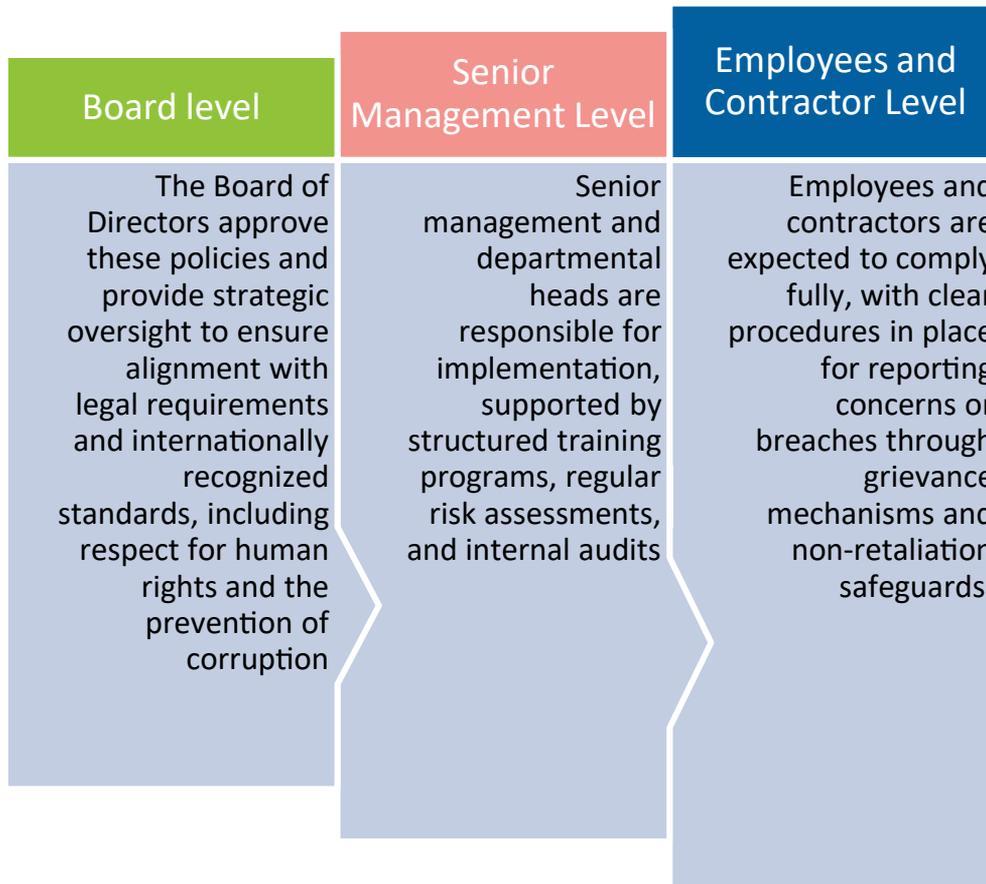
Regulatory and Reputational Risks

At ICL, we place a strong emphasis on corporate governance and regulatory compliance. Compliance with best practices of the Code of Corporate Governance is always ensured by the Board.

Our Commitments

ICL has established a comprehensive set of policy commitments that define our approach to responsible business conduct, sustainability and compliance. These policies encompass critical areas such as ethics and integrity, environmental stewardship, occupational health and safety, human rights, diversity and inclusion, and responsible sourcing. Our commitments are articulated in documents including our Health, Safety and Environment Policy, Occupational Health and Safety Management System (aligned with ISO 45001), Non-Discrimination and Child Labor Policies, and our Code of Conduct.

Compliance and continuous improvement are further reinforced by dedicated governance structures such as our Board Committees and cross-functional teams like the Energy Conservation Task Team. Through this integrated framework, we embed responsible practices into our culture, decision-making and day-to-day activities, supporting our vision of sustainable growth and positive impact for all stakeholders.



Risk Management Framework

The Board of Directors holds ultimate responsibility for establishing and overseeing the Company's risk management framework. Executive Management is tasked with developing, implementing and monitoring risk management policies to ensure they remain effective and relevant to the Company's evolving risk profile.

The executive team convenes regularly to assess emerging risks, review compliance with policies, and recommend any necessary updates. All significant changes, issues of non-compliance, and key findings are reported to the Board of Directors through the Audit Committee.

The Audit Committee plays a critical role in overseeing management's adherence to the Company's risk management policies and procedures. It also reviews the adequacy and effectiveness of the framework in relation to the diverse risks the Company faces.

As part of its commitment to sound governance, the Board maintains a policy of sustaining a strong capital base to reinforce investor, creditor and market confidence, while supporting the Company's long-term growth and development objectives.

Risk Governance

The Risk Management Committee of the Company is ultimately responsible for the effective management of the Company's business and, in particular, for ensuring that there are adequate risk management arrangements and a sound system of internal controls. Individual members of the Board assume authority for managing specific strategic and operational risks in consultation with the Governance, Risk Management, and Compliance Working Group.

Operational managers are responsible for ensuring compliance with the prescribed procedures set out in Company policies. The Audit Committee is responsible for advising the Chief Executive and the Board on governance, risk management, compliance, and internal controls. It is also responsible for collating the sources of assurance that inform how effectively risk is managed and the reliability of the internal control system.

The impact and likelihood of risks are identified along with their mitigation strategies and recorded in a risk register. To keep up with the rapidly evolving operational environment, we regularly review and update our risk register. The risk register was last completed in the final quarter and is updated annually as part of the required risk management meetings.

ICL has in place governance, risk management, and internal control measures to help manage, anticipate, and avoid risks in all operational aspects.

Business Continuity

ICL has demonstrated a strong commitment to business continuity through a robust risk management framework and prudent governance practices. The Board of Directors holds overall responsibility for establishing and overseeing risk management policies, while executive management ensures their implementation and continuous review. As part of the audit process, management assesses the company's ability to continue as a going concern, considering any material uncertainties that could affect its operations. This is supported by rigorous internal controls, contingency planning and regular evaluation of financial exposures such as credit, liquidity and market risks. Additionally, the company's strategic investments in sustainable energy projects, process automation and environmental stewardship further strengthen its resilience against external challenges, ensuring uninterrupted operations and long-term value creation for stakeholders.

Ethical Standards and Anti-Corruption

Upholding the highest standards of business ethics is integral to our organizational ethos. At ICL, we place paramount importance on sound corporate governance and rigorous adherence to regulatory requirements. We regard the trust and confidence of all stakeholders as among our most valuable assets, fundamental to sustaining growth and achieving long-term success. The red in our logo reflects our enduring dedication to ethical conduct in all business dealings. Our reputation is underpinned by a steadfast commitment to integrity, honesty and respect for individuals. Through our open-door policy and our dedication to transparency across all facets of our operations, we endeavor to serve as a catalyst for value creation and the optimization of returns for our investors.

Our Code of Conduct

At ICL, respect and accountability are deeply embedded in our work culture, reflecting our commitment to achieving excellence across all facets of our operations. These guiding principles, together with our comprehensive Code of Conduct, direct the organization in maintaining the highest ethical standards. The Code of Conduct obliges every employee, irrespective of their position or location, to uphold conduct that embodies the utmost ethical, moral and legal standards. From operational staff to senior management, the Code is thoroughly communicated and consistently enforced.

The Code articulates clear requirements concerning the protection of confidential information, adherence to ethical practices, responsible use of company assets, prevention of conflicts of interest, and full compliance with relevant laws and regulations. All employees are required to formally acknowledge their commitment by signing the Code of Ethics and Conduct Pledge, affirming their commitment to professional communication, non-discrimination, and a workplace free from harassment or violence. The Code strictly prohibits misconduct based on race, color, religion, sex, caste, national origin, age, union membership, political beliefs, health condition, or disability. Violations are subject to firm disciplinary action.

Furthermore, our employees comply with policies addressing the possession of weapons, the use of illegal drugs, anti-money laundering obligations, export control regulations, antitrust compliance, customer responsibilities, and restrictions on accepting gifts. Any breaches are thoroughly investigated by the Board of Directors and are addressed with appropriate measures.



Ittehad Against Corruption

The name Ittehad reflects unity of purpose, centered on achieving excellence within our industry. In pursuing this goal, we recognize that corruption can take many forms, and its early identification and proactive mitigation are essential to sustaining our business. ICL is steadfast in promoting integrity, honesty, and fairness throughout all aspects of our operations. The company has implemented a comprehensive Business Ethics Policy designed to address corruption, bribery, and fraudulent conduct. Additionally, ICL maintains an Open-Door Policy that empowers employees to bring forward any concerns directly to management without fear of reprisal.

Our anti-corruption policies are clearly communicated to all external stakeholders, including suppliers, who are required to train their personnel on ethical business practices. All new employees receive training on anti-corruption measures as part of their induction program, which is further reinforced through role-specific training to help them identify and manage corruption-related risks effectively.



Nearly 100% of employees, from frontline staff to senior leadership, have been made fully aware of the company's anti-corruption policies. All members of the governance bodies across all regions have participated in dedicated anti-corruption training sessions. We also ensure that all key business partners, including suppliers and contractors, are informed of and understand these requirements.

ICL fully complies with all applicable laws prohibiting money laundering and the financing of unlawful or illegitimate activities. In instances where fraud or bribery is suspected or detected, we undertake prompt

investigations and apply appropriate corrective and disciplinary actions in accordance with established protocols.

Managing Conflicts of Interests

Maintaining the trust of our stakeholders requires a firm commitment to ethical conduct and transparent governance practices. As part of this commitment, employees are required to disclose any actual or potential conflicts of interest to management. This practice reinforces our dedication to integrity and accountability across all levels of the organization.

To prevent and mitigate conflicts of interest, the highest governance body, such as the Board of Directors, follows a structured approach. The company establishes and regularly updates a Conflict of Interest Policy, which defines what constitutes a conflict and sets out the procedures for disclosure, assessment, and management. The policy requires board members and key executives to disclose potential conflicts of interest at the time of appointment and update them regularly.

Disclosed conflicts are reviewed and assessed periodically to monitor compliance and to identify any emerging issues. An independent committee or designated officer is responsible for handling conflict of interest matters, ensuring impartiality in the evaluation and decision-making process.

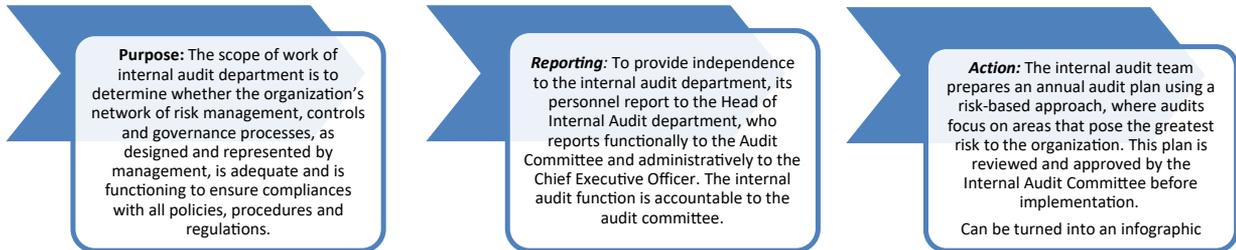
Training is provided to board members and executives to reinforce the importance of understanding and adhering to the Conflict of Interest Policy. Stakeholders are informed about conflict of interest management practices through the dissemination of the company's Financial Statements and Annual Reports.

When a conflict of interest is identified, clear procedures are in place for board members to recuse themselves from discussions or decisions where their impartiality could be compromised. These procedures are designed to uphold the integrity and trust that stakeholders place in the governance process by ensuring that all conflicts are addressed transparently and effectively.

Internal Audit at ICL

To ensure good corporate governance, ICL has established an independent Internal Audit Department staffed by a unique blend of professionals. The team includes Chartered Accountants (ACA), members of the Association of Chartered Certified Accountants (ACCA), and individuals holding Masters in Business Administration (MBA), along with staff possessing more than 30 years of experience.

Through its annual risk assessment, the Internal Audit Department identifies several key corruption-related risks, including bribery, fraudulent activities, conflicts of interest, and improper financial reporting. These risks are actively monitored, and appropriate controls are implemented to mitigate them across the organization



Being Transparent with Our Shareholders

Having a group of companies naturally involves related party transactions. We therefore take this opportunity to reaffirm to our stakeholders that we are fully committed to transparency in all our dealings.

Our policies on related party transactions require directors to disclose any cross-board memberships, cross-shareholdings with suppliers and other stakeholders, relationships with related parties, and any transactions or outstanding balances with them. These requirements help ensure that potential conflicts of interest and dependencies are fully documented and made visible.

All transactions carried out with related parties are approved by the Board of Directors, based on the recommendations of the Audit Committee, in accordance with applicable corporate laws and the Company's Related Party Transaction Policy. To enhance transparency further, the management has also resolved to present related party transactions at the Annual General Meeting of shareholders for approval as a "Special Resolution."

Extraordinary General Meetings and Annual Meetings are held every year to facilitate engagement with shareholders. The Company also endeavors to meet with shareholders upon request and responds to any enquiries in line with its Communication and Investor Relations Policy. Related party transactions are disclosed publicly on the Company's website to ensure stakeholders have access to this information.

All business transactions are recorded accurately and fairly in ICL's accounts according to established procedures which are designed to maintain integrity and compliance with financial reporting standards. Related transactions carried out in 2024 are detailed in the Annual Report, further demonstrating our commitment to openness and accountability .

Ittehad for Fair Play

Fair competition benefits consumers by giving them more choices, better quality, and fair prices. ICL wants to make sure consumers are not harmed by unethical business practices. Therefore, ICL maintains an Antitrust Policy which ensures fair competition benefits consumers by giving them more choices, better quality, and fair prices.

Ittehad for Our People

People are the foundation of sustainable progress. Supporting employee well-being, protecting rights, and encouraging growth helps build long-term success.

At ICL, our focus goes beyond financial performance. We strive to ensure that those who work with us are treated with respect, recognized for their contributions, and provided with meaningful opportunities to thrive. Our culture draws strength from the technical expertise, dedication, and skills of our people. Their contributions enable us to achieve more every year. We are committed to fostering a culture of performance and inclusion that unlocks individual potential and drives engagement, resilience, and sustainable growth .

We recognize the serious impact that forced and bonded labor can have on individuals and communities. We maintain clear policies prohibiting such practices to ensure that no worker is ever subjected to exploitation.

Our Health, Safety, and Environment (HSE) Policy reflects our strong commitment to protecting employees and preserving the environment across all our operations. All starting salaries comply fully with applicable laws and Collective Bargaining Agreements (CBAs).

As part of our dedication to upholding worker rights, ICL maintains an active trade union, the Pakistan Workers Union, which provides employees with a platform to voice their concerns. A recent SMETA SEDEX audit conducted in 2024 confirmed that union members are satisfied with management's engagement and responsiveness.



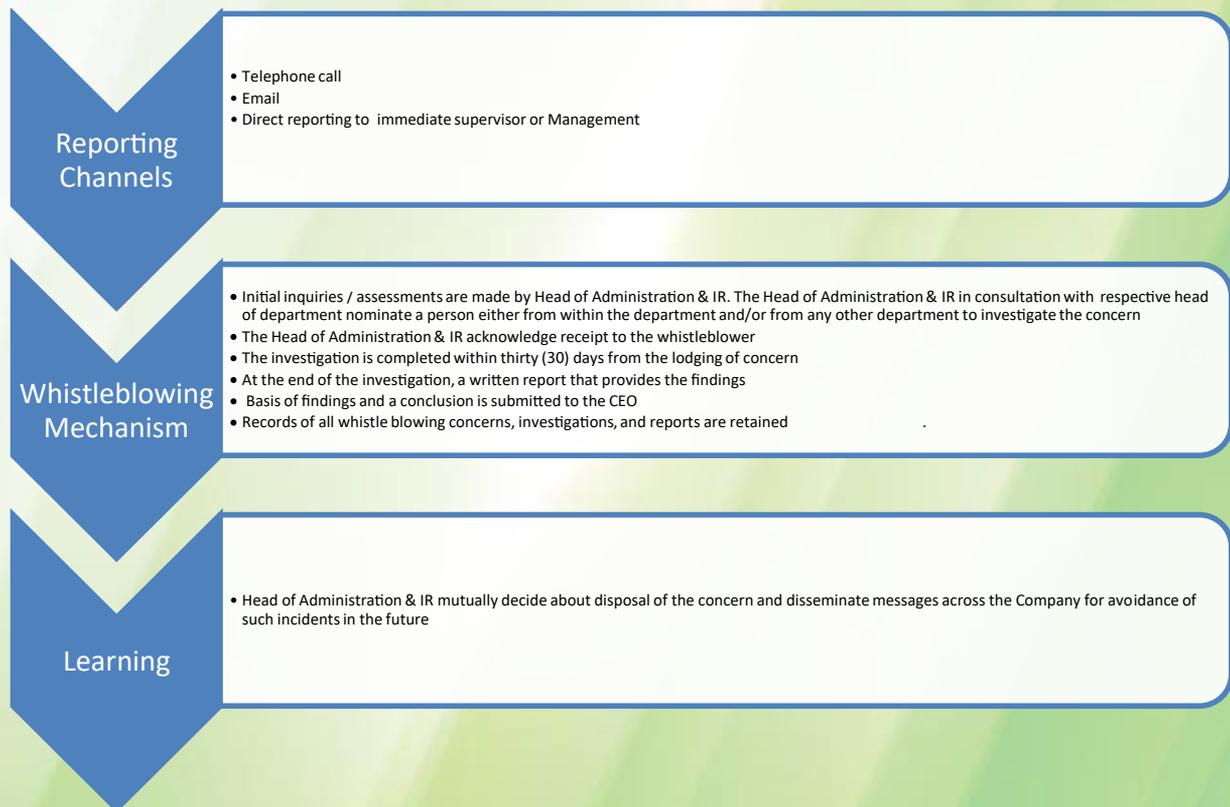
We operate an unfunded gratuity scheme for all permanent employees who retire, pass away or resign after completing the minimum qualifying service period. Under this arrangement, liabilities are met from the company's general resources.

In addition, all permanent employees are covered by a provident fund, to which both the company and employees contribute equally.

Closing the Loop- Enhancing Stronger Performance

Upholding principles such as integrity, fairness, and responsibility are central to how we operate. Open dialogue and the ability to raise concerns internally play a vital role in strengthening organizational performance.

ICL encourages all stakeholders to question practices and report potential issues in the interest of transparency and continuous improvement. The Whistleblowing Policy applies to employees, management, Board members, contractors, suppliers, business partners, and shareholders. It offers clear protection for anyone who raises concerns in good faith, ensuring they are shielded from retaliation or unfair treatment. This approach fosters a safe and transparent working environment where concerns are addressed constructively .



Whistleblowing

The Company has committed to conducting business with transparency, integrity, and accountability. It is aligned with the principles of good governance and expects all stakeholders to report any incidents that may violate these principles in order to take corrective action. The Company has a policy for whistleblowing and protecting the whistleblowers to ensure that complaints are handled efficiently. The Company provides various channels for receiving complaints made by any stakeholders regarding any unethical actions, misbehavior, suspected violation of laws, regulations, and ethical business practices, corruption, as well as incorrect financial reporting and defective internal controls which may cause damage to the Company as well as establishing measures to protect complainants acting in good faith.

Channels

Complaints can be submitted through the following channels;

Channel 1

By post or submit directly to Company Secretary.

Channel 2

By telephone number and E-Mail to Company Secretary.

Channel 3

By directly reporting to the units responsible for that issue.

These whistleblowing channels are informed to our employees via internal training sessions and email.

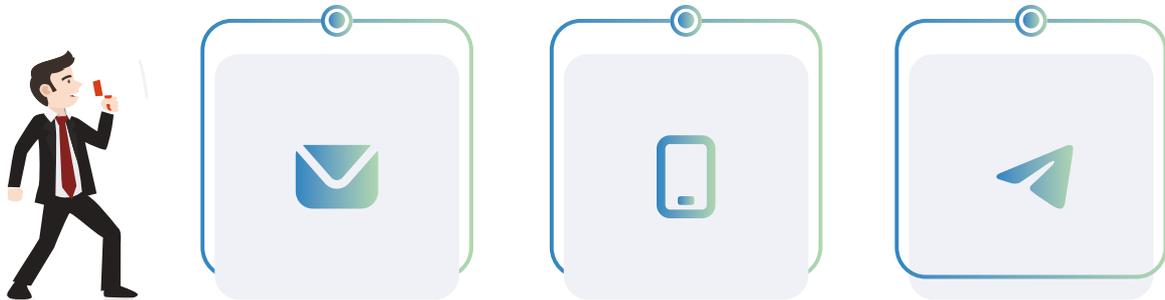
• **Whistleblowing Mechanism**

The whistleblowing mechanism is employed to ensure ethical practices and compliance with the Company's policies. It is another imperative element of the Company to enhance good corporate governance. Through whistleblowing channels, employees and other stakeholders can report their concerns and grievances under the Company's protection, where confidentiality and safety are ensured.

• **Whistleblowing Procedure**



• **Whistleblowing Channels**



Technology and Innovation

At ICL, we believe in the power of combining innovation with integrity, people with progress, and technology with sustainability. Research and development have shaped our journey from the start. It helps us improve processes, save resources, and deliver high-quality, cost-effective solutions. We focus on applied research and continuous learning. This includes developing new products, exploring renewable energy like biomass, and building smarter systems for our customers. We believe innovation is the only way forward. That belief keeps us ahead, not by reacting to change, but by leading it. Our values of integrity, respect, and responsibility guide us. This is the chemistry that sets us apart and drives a better, more sustainable future.



Through applied research and continuous learning, we are advancing renewable energy solutions like biomass and building smarter systems for our customers. Guided by our values of integrity, respect, and responsibility, we aim to adapt to change and to lead it, setting new industry benchmarks and contributing to a cleaner, more sustainable future. This commitment enables us to enhance processes, conserve resources and deliver high-quality, cost-effective solutions.

Powering Progress with Clean Energy

We have initiated development on our state-of-the-art 37-MW Biomass Power Plant, a key component of our strategy to transform our energy footprint. The plant is designed to utilize a wide range of feedstocks, including Rice straw, sugarcane trash, Mustard & Sesame straw, bagasse, rice husk, and corn cob, and other agricultural residues. Once operational, the biomass power plant will significantly reduce our dependency on outsourced steam and fossil fuels, enhancing energy security. Beyond providing clean electricity and meeting in-house steam requirements, the plant will lower our carbon footprint and enable us to make meaningful contribution to Pakistan's national emissions reduction goals.

To ensure a reliable and uninterrupted supply of feedstock for the biomass power plant, we plan to establish dedicated biomass collection and aggregation systems. Over the longer term, our vision is to move towards vertical integration by cultivating our own biomass feedstock, positioning ICL as a key player in Pakistan's biomass supply chain. These initiatives underscore our commitment to renewable energy, resource circularity, and sustainable value creation.

This initiative reflects ICL's conviction that industrial growth and environmental responsibility should be interlinked and sets a new benchmark for the chemical sector in Pakistan.

Leading Industry Dialogue for a Sustainable Future

ICL has always believed that true growth goes beyond profit. It means delivering value through innovation, responsibility, and sustainability. We place people, the environment, and long-term progress at the center of everything we do. This commitment is reflected in our role as a Zirconium Sponsor of Pakistan's largest International Chemical Expo. The event brought together the chemical industry to share ideas and shape a cleaner, smarter, and future-ready sector.



Strengthening Regional Trade Partnerships

Continuing its commitment to expanding regional trade and strengthening Pakistan's industrial footprint globally, ICL proudly participated in the 'Made in Pakistan' Exhibition held in Tashkent, Uzbekistan from June 28–30, 2024. The event was jointly organized by the Ministry of Commerce, the Trade Development Authority of Pakistan (TDAP), and the Embassy of Pakistan in Tashkent, with the cooperation of the Government of Uzbekistan.



Revolutionizing out Bound Logistics

ICL collaborated with Trukkr, a SaaS logistics specialist, to design and implement a traceable and transparent logistics ecosystem. This system enables real-time tracking, providing live updates to both customers and ICL, which helps ensure the timely delivery of products. This initiative enables us to optimize our supply chain, increase operational efficiency, and streamline financial outcomes.



The platform is fully integrated with our SAP software, allowing transporters to interact seamlessly with stakeholders. This integration optimizes costs and saves significant manhours in executing orders.

ICL is proud to be the first chemical company in Pakistan to implement such a model. One that is transparent, protects products from theft and ensures quality products reach clients consistently. The combined capabilities of Trukkr and our fully integrated SAP ERP system have reduced our paper consumption, while assuring safety, safeguarding trust, and delivering significant improvements in end-to-end processing time.

	FY 24/25	FY 23/24
Amount of paper consumption reduced	37,488	33,916
Processing time decreased by hrs	3,124	2,826

Bonding Sales with Automation

The COVID-19 pandemic challenged organizations worldwide to find new ways to sustain operations and serve customers effectively. Guided by our commitment to innovation and business resilience, ICL transformed this period of disruption into an opportunity to advance digitalization

We developed an online sales portal designed to enhance convenience, transparency, and customer engagement. The platform provides comprehensive product information and allows customers to place orders independently, eliminating the need for physical visits or phone calls to our sales offices.

In addition, the portal features an automated system for issuing transaction receipts and account statements. This functionality streamlines processes, reduces administrative workload, and improves the customer experience by ensuring timely, accurate access to essential documentation.

Through this initiative, we have strengthened business continuity, reduced reliance on paper-based processes, and laid the groundwork for a more efficient and sustainable sales ecosystem.

From Data to Action: Enhancing Business Decisions at ICL

To strengthen our ability to respond to market dynamics, customer needs, and emerging trends, ICL implemented Qlik Sense as an advanced decision support system. Fully integrated with our SAP platform, Qlik enables seamless data exchange and real-time analysis across core business functions, providing leaders with actionable insights to drive informed decisions.

Following its successful deployment in sales and distribution, ICL plans to extend this data-driven approach to finance, production planning, and inventory management in the coming

Following its successful deployment in sales and distribution, ICL plans to extend this data-driven approach to finance, production planning, and inventory management in the coming years. This investment in analytics and transparency reinforces our commitment to operational excellence, accountability, and continuous improvement.

Shifting Equilibriums for Our Clients

ICL is committed to meeting customer requirements with responsiveness, innovation, and a spirit of continuous improvement. Recognizing that each client's needs are unique, we remain flexible in adapting our processes to deliver tailored solutions.

In response to requests from key clients for toll manufacturing services on specific products, our in-house IT experts developed and integrated custom workflows into our SAP ERP system. This seamless integration ensured these specialized products could be managed efficiently without disrupting existing operations, reinforcing our dedication to operational excellence and customer satisfaction.

Building Sustainable Production Infrastructure

This year, another caustic soda flaker plant is planned, which will result in decreased energy consumption by using less natural gas for flake production and lower costs. The letter of credit (L/C) has already been established for the project, and it is likely to be commissioned by the end of FY 2025–26. This initiative will improve profitability and is in line with Management's commitment to enhance shareholder value.



Advancing Water Stewardship and Environmental Compliance

We have commissioned our Wastewater Treatment Plant (WWTP) at the Kala Shah Kaku facility as part of our commitment to responsible water stewardship. The plant was designed to ensure that all process effluents are treated in accordance with the Punjab Environmental Quality Standards (PEQS) before discharge, minimizing our impact on local ecosystems and water bodies. The WWTP plays a critical role in enabling the safe treatment and handling of wastewater generated across our operations.

The system employs advanced treatment technologies to remove impurities and ensure compliance with regulatory discharge parameters. Water quality is continuously monitored, with regular third-party testing and reporting to relevant authorities. In addition to meeting compliance requirements, this facility provides the capability to recycle treated water back into the plant for selected operations, thereby reducing freshwater withdrawal. This initiative marks a significant step toward strengthening circularity in water use and reinforces ICL's dedication to environmental protection and operational sustainability.



Transforming Pilot Projects into Scalable Solutions

Our Research and Development efforts concentrate on improving process parameters to conserve resources and optimize inputs, ultimately reducing the cost of production. Our pilot project for the production of CaCl_2 solid has now progressed to a full-scale CaCl_2 prills unit established in collaboration with NIVOBAB.

Advancing Safe and Sustainable Manufacturing

We are committed to setting new benchmarks in chemical manufacturing by prioritizing safety, sustainability, and compliance. In alignment with the Minamata Convention, Ittehad Chemicals Limited quickly phased out the use of Mercury Ion Membrane Electrolyzers in caustic soda production. The transition was marked by the successful commissioning of Ion Exchange Membrane Plant 2, Phase II, a more environmentally friendly and efficient alternative.

To support this shift, our workshops developed a wide range of corrosion-resistant engineering materials. These included advanced FRP components, designed and manufactured through in-house research and local expertise. This achievement highlights our dedication to environmental stewardship, operational safety, and continuous innovation in sustainable manufacturing practices.

Another significant R&D achievement was the de-mercurization of Hydrochloric Acid. The later process was developed due to persistent demand of the neighboring gelatin factory for mercury free acid used in production of edible gelatin .

Data Privacy

At ICL, we recognize that safeguarding data is integral to maintaining the trust of our stakeholders. We are committed to ensuring that all customer, employee and business data is collected, processed and stored in a responsible and secure manner. We are proud to report that no data breach incidents have occurred or been reported at ICL. Our data management practices comply with applicable local regulations and international standards, with a strong focus on confidentiality, integrity, and accountability. Access to sensitive information is strictly controlled, and regular audits, training programs and system upgrades are carried out to strengthen cybersecurity defenses. By embedding data privacy considerations into our operations and decision-making, we aim to protect stakeholder information while enabling secure, transparent, and ethical business practices. The Audit department strives to conduct yearly IT audits. Last year, an SAP audit was completed, and the security audit has been performed in the current fiscal year.

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 2: General Disclosures 2021	2-1 Organizational details	ICL At a Glance	
	2-2 Entities included in the organization's sustainability reporting	About the Report	
	3-2 Reporting period, frequency and contact point	About the Report	
	6-2 Activities, value chain and other business relationships	ICL At a Glance - Our Business	
	7-2 Employees	Our People and Communities - Employee Engagement	
	9-2 Governance structure and composition	ICL At a Glance - Our Governance Structure	
	10-2 Nomination and selection of the highest governance body	ICL At a Glance - Board Nomination and Elections	
	11-2 Chair of the highest governance body	ICL At a Glance - Our Governance Structure	
	12-2 Role of the highest governance body in overseeing the management of impacts	ICL At a Glance - Board Functions	
	13-2 Delegation of responsibility for managing impacts	ICL At a Glance - Board Functions	
	14-2 Role of the highest governance body in sustainability reporting	ICL At a Glance, Board Functions Role of the Board and Senior Executives	
	15-2 Conflicts of interest	Driving Responsible Growth - Ethical Standards and Anti-Corruption	
	16-2 Communication of critical concerns	ICL At a Glance - Our Governance Structure	
	17-2 Collective knowledge of the highest governance body	ICL At a Glance - Our Governance Structure	
	18-2 Evaluation of the performance of the highest governance body	ICL at a Glance - Our Governance Structure	
	19-2 Remuneration policies	ICL at a Glance - Our Governance Structure	
	20-2 Process to determine remuneration	ICL at a Glance - Our Governance Structure	
	21-2 Annual total compensation ratio	Driving Responsible Growth - Ethical Standards and Anti-Corruption	
	22-2 Statement on sustainable development strategy	CEO's Message	
	23-2 Policy commitments	Driving Responsible Growth - Regulatory and Reputational Compliance	
	24-2 Embedding policy commitments	Driving Responsible Growth - Regulatory and Reputational Compliance	
	25-2 Processes to remediate negative impacts	Driving Responsible Growth - Ethical Standards and Anti-Corruption	
	26-2 Mechanisms for seeking advice and raising concerns	Driving Responsible Growth - Ethical Standards and Anti-Corruption	
	27-2 Compliance with laws and regulations	Driving Responsible Growth - Regulatory and Reputational Compliance	
	28-2 Membership associations	ICL At a Glance - Industry Associations and Memberships	
	30-2 Collective bargaining agreements	Driving Responsible Growth - Ethical Standards and Anti-Corruption	
	GRI 3: Material Topics 2021	1-3 Process to determine material topics	Approach to Sustainability - Materiality Assessment
		2-3 List of material topics	Approach to Sustainability - Material Topics
		3-3 Management of material topics	Environmental Stewardship Our People and Communities Driving Responsible Growth

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	1-201 Direct economic value generated and distributed	Driving Responsible Growth - Economic Growth
	3-201 Defined benefit plan obligations and other retirement plans	Driving Responsible Growth - Ethical Standards and Anti-Corruption
	4-201 Financial assistance received from government	Driving Responsible Growth - Economic Growth
GRI 202: Market Presence 2016	1-202 Ratios of standard entry level wage by gender compared to local minimum wage	Driving Responsible Growth - Ethical Standards and Anti-Corruption
	2-202 Proportion of senior management hired from the local community	ICL At a Glance - Our Governance Structure
GRI 203: Indirect Economic Impacts 2016	1-203 Infrastructure investments and services supported	Driving Responsible Growth - Economic Growth
	2-203 Significant indirect economic impacts	Driving Responsible Growth - Economic Growth
GRI 204: Procurement Practices 2016	1-204 Proportion of spending on local suppliers	Driving Responsible Growth - Economic Performance
GRI 205: Anti-corruption 2016	1-205 Operations assessed for risks related to corruption	Driving Responsible Growth - Ethical Standards and Anti-Corruption
	2-205 Communication and training about anti-corruption policies and procedures	Driving Responsible Growth - Ethical Standards and Anti-Corruption
GRI 206: Anti-competitive Behavior 2016	1-206 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Driving Responsible Growth - Regulatory and Reputational Compliance
GRI 207: Tax 2019	1-207 Approach to tax	Driving Responsible Growth - Economic Performance
	2-207 Tax governance, control, and risk management	Driving Responsible Growth - Economic Performance
	3-207 Stakeholder engagement and management of concerns related to tax	Driving Responsible Growth - Economic Performance
GRI 302: Energy 2016	1-302 Energy consumption within the organization	Environmental Stewardship - Energy Security
GRI 303: Water and Effluents 2018	1-303 Interactions with water as a shared resource	Environmental Stewardship - Water Stewardship
	2-303 Management of water discharge-related impacts	Environmental Stewardship - Water Stewardship
	3-303 Water withdrawal	Environmental Stewardship - Water Stewardship
	4-303 Water discharge	Environmental Stewardship - Water Stewardship
	5-303 Water consumption	Environmental Stewardship - Water Stewardship
GRI 305: Emissions 2016	1-305 Direct (Scope 1) GHG emissions	Environmental Stewardship - Emissions Reduction
	2-305 Energy indirect (Scope 2) GHG emissions	Environmental Stewardship - Emissions Reduction
	4-305 GHG emissions intensity	
	7-305 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Stewardship - Emissions Reduction
GRI 306: Waste 2020	1-306 Waste generation and significant waste-related impacts	Environmental Stewardship - Waste Management
	2-306 Management of significant waste-related impacts	Environmental Stewardship - Waste Management
	3-306 Waste generated	Environmental Stewardship - Waste Management
	4-306 Waste diverted from disposal	Environmental Stewardship - Waste Management

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GRI STANDARD	DISCLOSURE	LOCATION
	5-306 Waste directed to disposal	Environmental Stewardship - Waste Management
GRI 401: Employment 2016	1-401 New employee hires and employee turnover	Our People and Communities - Employee Engagement
GRI 403: Occupational Health and Safety 2018	1-403 Occupational health and safety management system	Our People and Communities - Employee Health and Safety
	2-403 Hazard identification, risk assessment, and incident investigation	Our People and Communities - Employee Health and Safety
	3-403 Occupational health services	Our People and Communities - Employee Health and Safety
	4-403 Worker participation, consultation, and communication on occupational health and safety	Our People and Communities - Employee Health and Safety
	5-403 Worker training on occupational health and safety	Our People and Communities - Employee Health and Safety
	6-403 Promotion of worker health	Our People and Communities - Employee Health and Safety
	7-403 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People and Communities - Employee Health and Safety
	8-403 Workers covered by an occupational health and safety management system	Our People and Communities - Employee Health and Safety
	9-403 Work-related injuries	Our People and Communities - Employee Health and Safety
	10-403 Work-related ill health	Our People and Communities - Employee Health and Safety
GRI 404: Training and Education 2016	1-404 Average hours of training per year per employee	Our People and Communities - Training and Development
	2-404 Programs for upgrading employee skills and transition assistance programs	Our People and Communities - Training and Development
	3-404 Percentage of employees receiving regular performance and career development reviews	Our People and Communities - Training and Development
GRI 408: Child Labor 2016	1-408 Operations and suppliers at significant risk for incidents of child labor	Our People and Communities - Employee Engagement

SECP ESG Disclosures

DISCLOSURE	LOCATION
	ENVIRONMENT
GHG Emissions	Environmental Stewardship - Emissions Reduction
Energy Usage	Environmental Stewardship - Energy Security
Energy Mix	Environmental Stewardship - Energy Security
Water Usage	Environmental Stewardship - Water Stewardship
Environmental Operations	Environmental Stewardship
Environmental Oversight	Approach to Sustainability
	SOCIAL
Employee Turnover	Our People and Communities - Employee Engagement
Gender Diversity	Our People and Communities - Employee Engagement
Global Health & Safety	Our People and Communities - Employee Health and Safety
Child & Forced Labor	Our People and Communities - Employee Engagement
Corporate Social Responsibility	Our People and Communities - Local Communities
Employee Training and Succession Planning	Our People and Communities - Training and Development
Injury Rate	Our People and Communities - Employee Health and Safety
	GOVERNANCE
Board Diversity	Driving Responsible Growth - Economic Performance
Collective Bargaining	Driving Responsible Growth - Economic Performance
Supplier Code of Conduct	Driving Responsible Growth - Economic Performance
Ethics and Anti-Corruption	Driving Responsible Growth - Ethical Standard and Anti-Corruption
Data Privacy	Driving Responsible Growth - Data Privacy
Disclosure Practices	Approach to Sustainability





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