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sustainability report 2023

energizing Pakistan



engro powergen qadirpur

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about the report

Our Sustainability Report provides a comprehensive overview of Engro Powergen Qadirpur Limited's (referred to as "EPQL" or the Company') sustainability efforts and performance that have an impact on the economy, environment, and society through its value chain and business relationships, and that are significant for stakeholder interest and decision-making.

This report details how EPQL's core values and governance model incorporate sustainable practices into our day-to-day operations, ensuring a sustainable future.

This report has been prepared keeping in view the core business and corporate functions of EPQL including our business operations and our community outreach programs. This report presents our sustainability strategies against financial and non-financial goals, and the opportunities, risks and outcomes attributable to our activities and how they affect both our key stakeholders and value creation abilities. This report also provides stakeholders with an overview of our performance on the prioritized impacts of our business operations with respect to the three pillars of sustainability i.e. People, Planet and Prosperity.

Information disclosed in this report only reflects the consolidated operations of EPQL (Qadirpur site & Head Office). Due to the unavailability of verifiable data, this report does not concern itself with the effects of our activities beyond our business operations.

reporting period

This report covers the period from January 1 — December 31, 2023, which is the annual reporting cycle of the Company.



reporting content

This report is aligned with:

- World Economic Forum (WEF) Stakeholder Capitalism Metrics (core metrics).
- UN Sustainable Development Goals (SDGs).



report methodology and data collection

The compilation of data has been done based on scientific calculations guided by international standards and recommended practices as per above-mentioned reporting frameworks. However, in areas where data is unavailable, several different methods have been adopted for developing a reasonable estimate.

This report supplements our corporate annual report which details EPQL's financial position and performance during the reporting period. EPQL strives to ensure accurate reporting throughout this Sustainability Report.



reporting audience

This report is prepared for all EPQL stakeholders, whether shareholders, customer, communities, or individuals directly or indirectly affected by the activities, products or services of the Company. EPQL engages with these stakeholders regularly to continuously strengthen its understanding of their concerns. This report provides stakeholders with a holistic view of how EPQL creates sustainable value within the economic, environmental, and social spheres. Our key stakeholders are shareholders, investors/lenders, employees, suppliers, customer & regulators



feedback

For any suggestions or feedback, please contact:
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external assurance

The report has been externally reviewed by an independent party KPMG for compliance with the WEF Standards. The external assurance report which includes details on the scope of the review engagement, is included in this document at the end.

company information

organization details

Legal Name	Engro Powergen Qadirpur Limited
Nature of Ownership & Legal Form	Public Listed Company
Location of Headquarters	Karachi, Pakistan

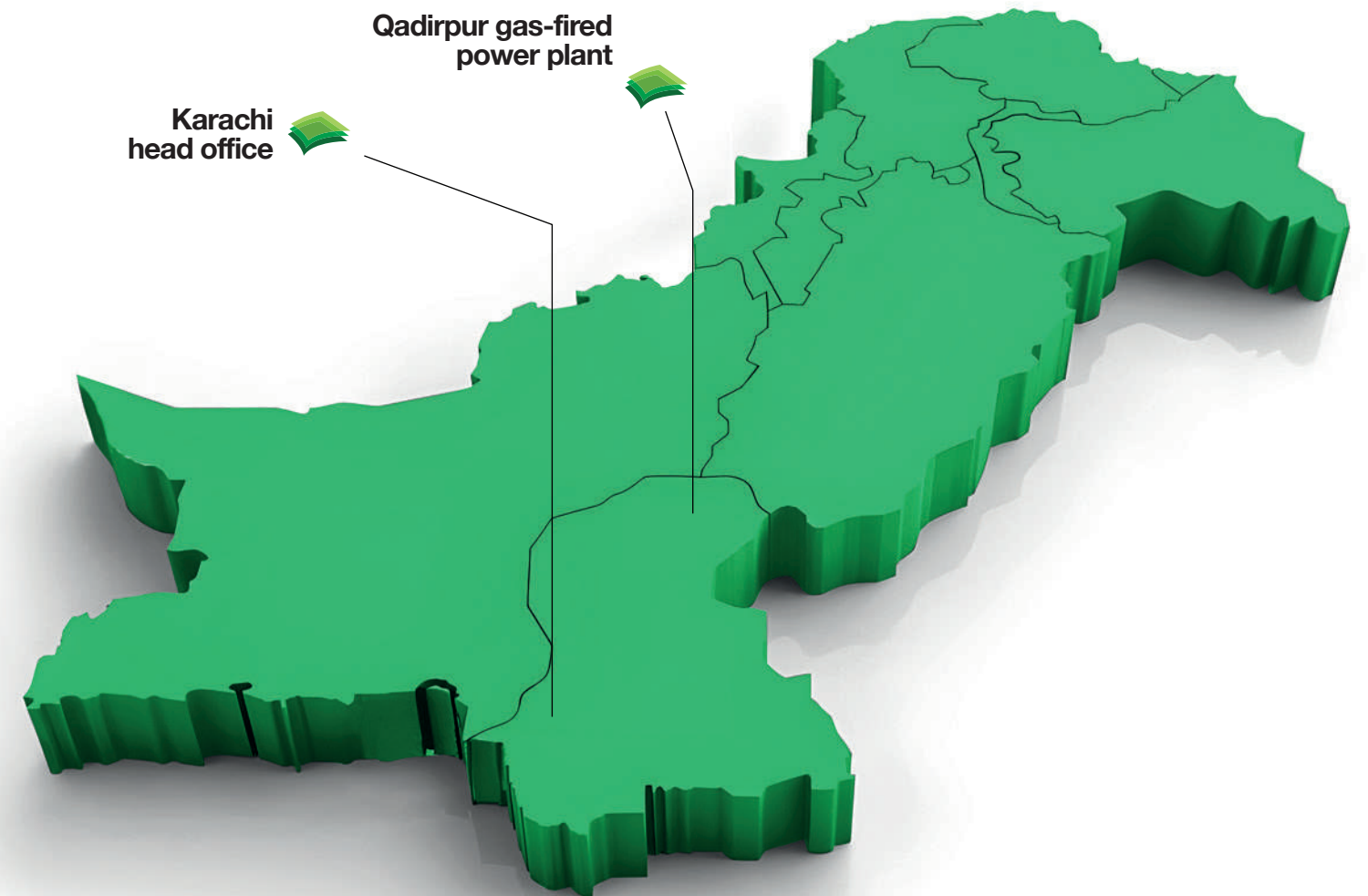
Engro Powergen Qadirpur Limited (EPQL), is a 217 MW combined cycle power plant and is the first green facility in Pakistan to utilize permeate gas, which was previously being flared through Qadirpur Gas Field. The construction of this plant started in 2008 & on 27th March 2010, Engro Powergen Qadirpur Limited declared commencement of commercial operations. EPQL is the only gas based Independent Power Project in Pakistan to reach completion within the stipulated time frame.

The project is unique as it converts low-BTU, high sulfur content permeate gas, which was earlier being wasted and flared, into much needed electric power. The Plant is a combined cycle plant, with 1+1+1 configuration; i.e. one gas turbine, one heat recovery steam generator (HRSG), and one steam turbine. The Plant uses permeate gas as its primary fuel source and HSD as backup fuel. The unique fuel usage, which was previously being flared, makes Engro Powergen Qadirpur Limited one of the lowest opportunity cost thermal power plants in the country.

The electricity generated through the Plant is transmitted to the National Transmission and Dispatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007 which is valid for a period of 25 years from the Commercial Operations Date.

Engro Powergen Qadirpur Limited is a publicly listed company that is traded on the Pakistan Stock Exchange under the symbol "EPQL". EPQL was listed on the Karachi Stock Exchange in October 2014. As of now Engro Powergen Qadirpur Limited is 68.9% owned by Engro Corp via Engro Energy whereas the remainder is distributed among general public shareholders.

The Plant has a huge social impact as it helps provide non-stop electricity supply to areas that face severe load shedding; and employment to the locals.



vision

To ensure affordable energy and reliable operations thereby creating value for all stakeholders.

mission

Plant operations and maintenance in a manner resulting in continuous supply to national grid by harnessing human talent and local resources giving high priority to health, safety and environment in a positive, sustainable and affordable way.



our strategic commitments

Maintain highest workplace safety standards



Ensure reliability and sustainability of operations and business processes



Continue with our commitment towards education, health, infrastructure, and livelihood areas in which we operate



Explore options on alternate sources of fuel supply for future needs



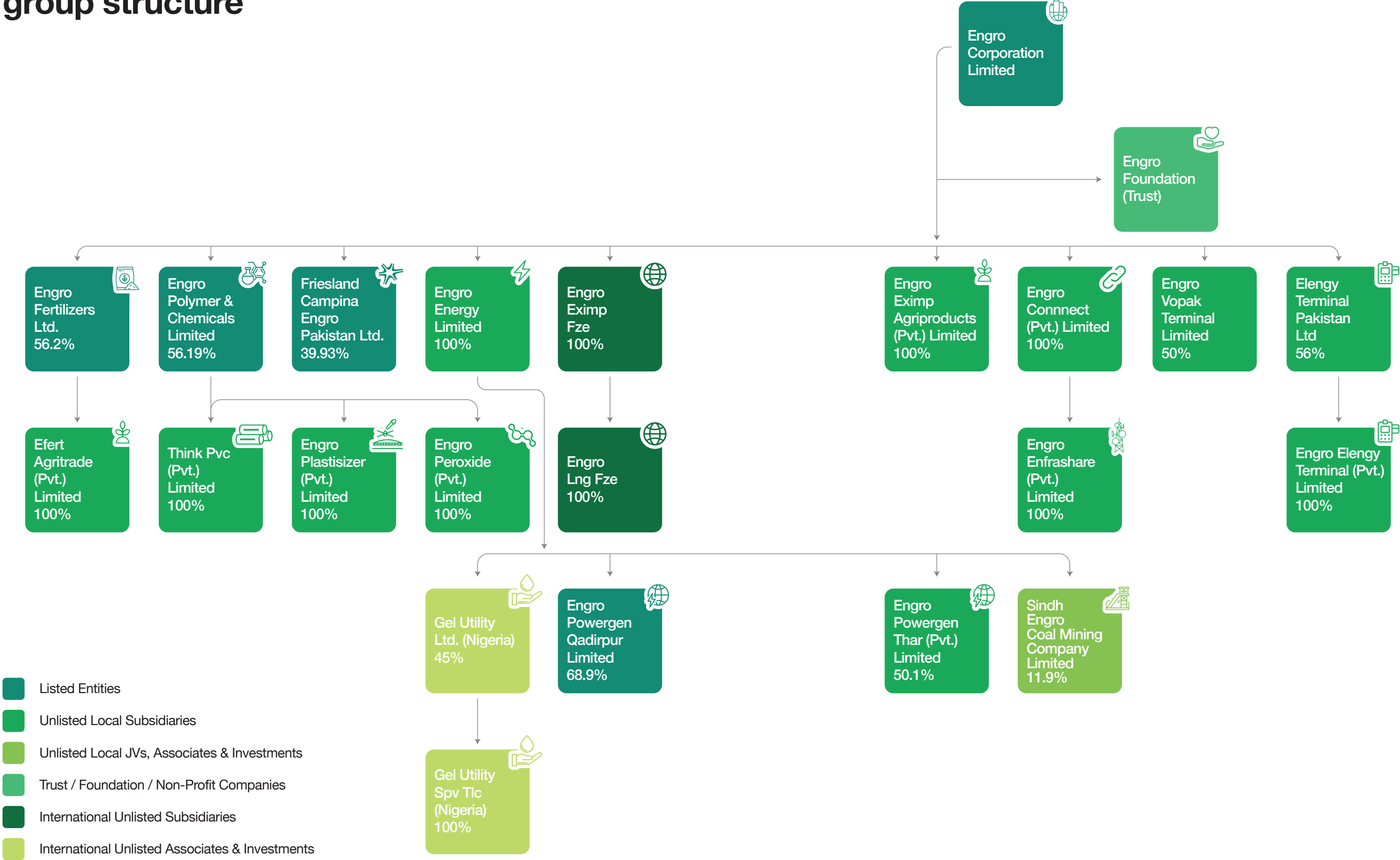
Continue to benchmark performance against acclaimed environmental practice as per World Bank and National Environmental Quality Standards



Develop and retain high performance teams/talent with a focus on deploying a diverse, inclusive and equitable work space



group structure



our footprint

business revenues (PKR. in billion)



revenue
13.26 billion

employees



total employees
(as of 31st dec 2023)
107

wealth generated (PKR. in billion)



wealth generated
5.2 billion

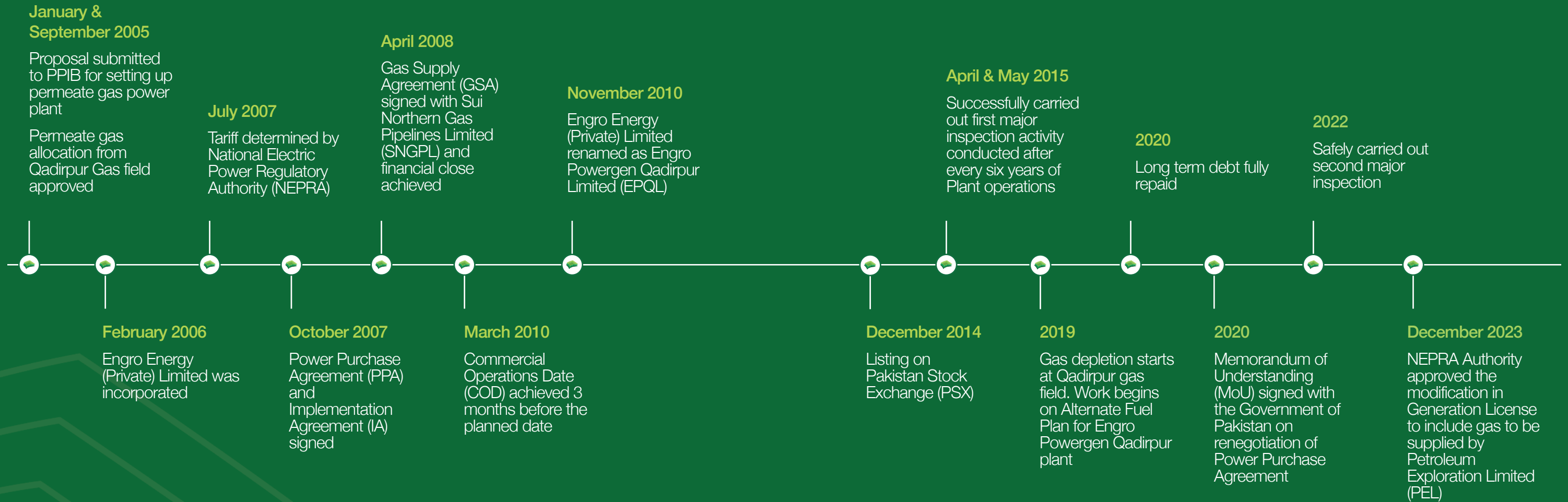
CSR (PKR. in million)



total social spend
15.5 million



our timeline



our core values

At Engro, we support our leadership culture through unique systems and policies which ensure open communication, foster an environment of employee and partner privacy, and guarantee the well-being and safety of our employees. Our core values form the basis of everything we do at Engro; from formal decision-making to how we conduct our business to spot awards and recognition. At Engro we never forget what we stand for.

health, safety & environment

Cares deeply about environmental impact and safety of people



ethics & integrity

Has impeccable character and lives by highest standards of integrity and accountability

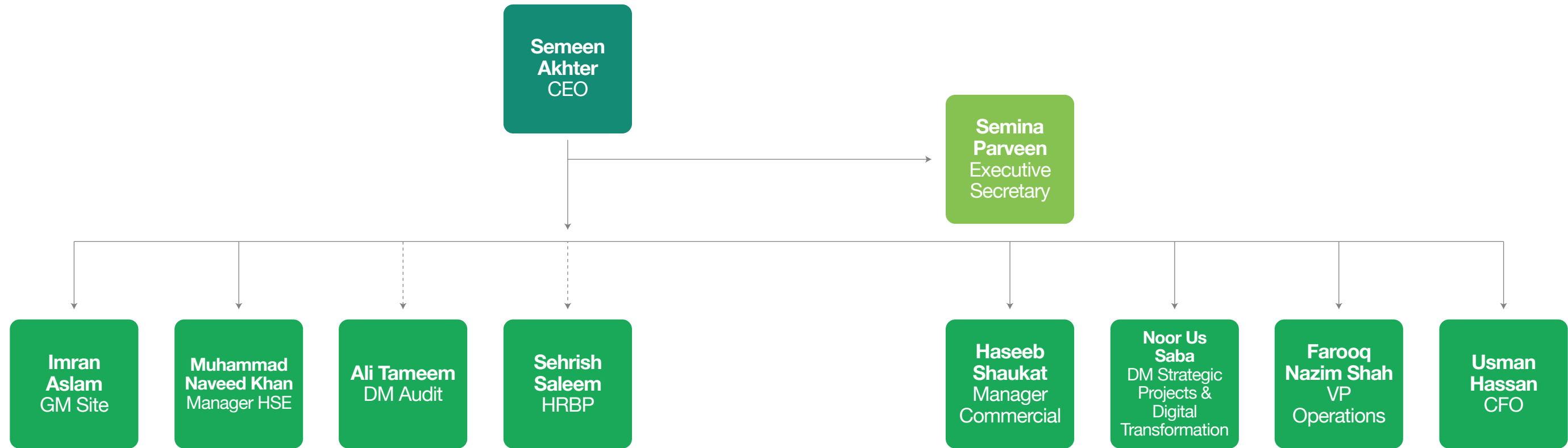


community & society

Nurtures passion to serve country, community and company, with strong belief in the dignity and value of people



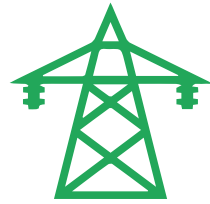
organizational structure



our value chain process

upstream

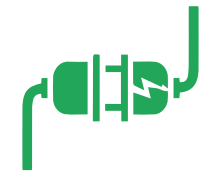
Generation
Engro Powergen Qadirpur Limited



electricity generated is dispatched to CPPA.

midstream

Transmission
NTDC



NTDC through CPPA transmits the electricity to DISCOs

downstream

Distribution
DISCOs

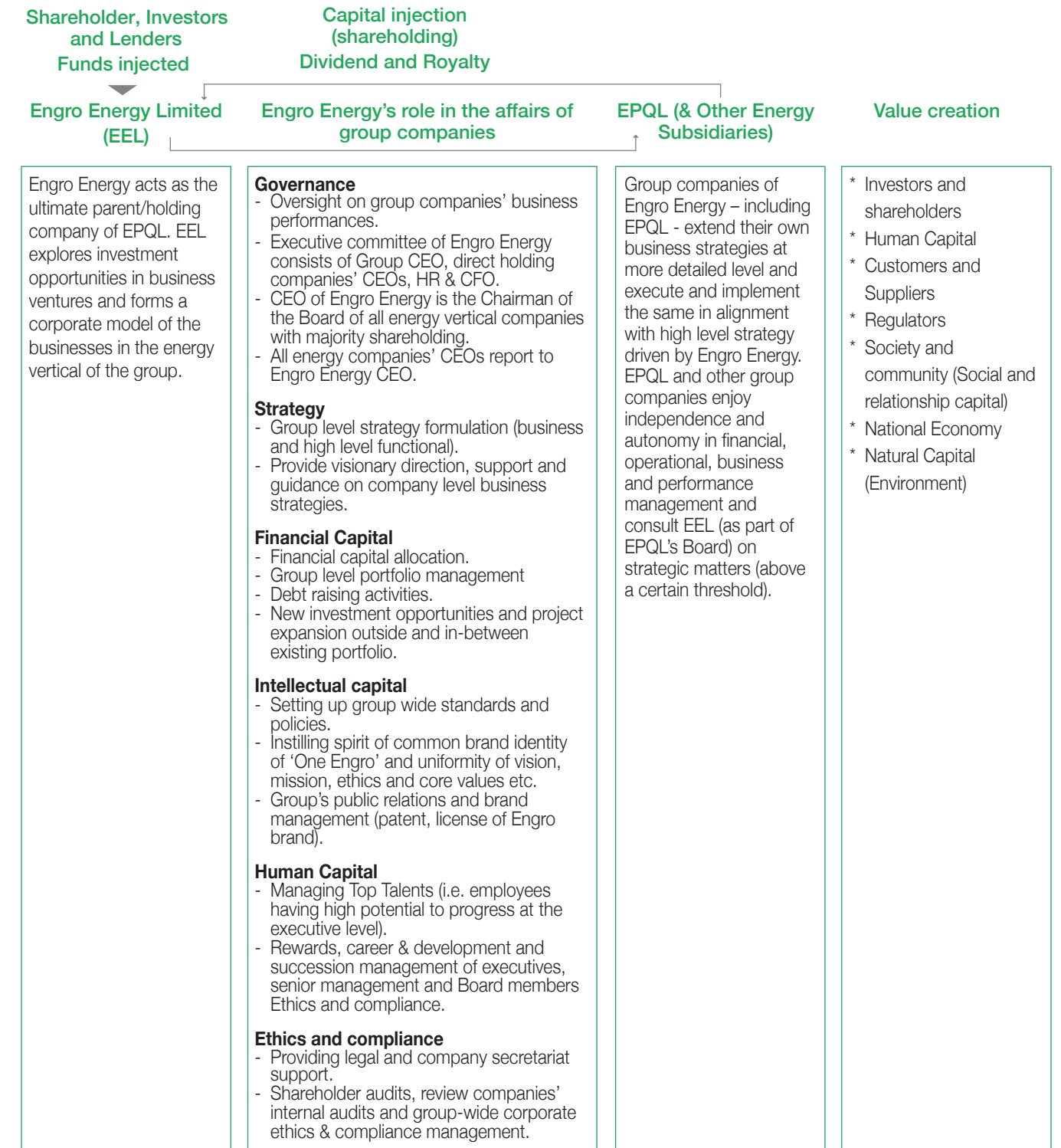


distribution to end users

customers/consumers manufacturing companies service companies domestic consumers

We strongly believe that our pursuit of an inclusive growth model will continue to yield greater success and value for all our stakeholders. Together through concrete processes and mechanisms, we fulfill our responsibilities with everyone we interact with whether it be our customers, suppliers, communities or the government.

our integrated value creation model



swot analysis



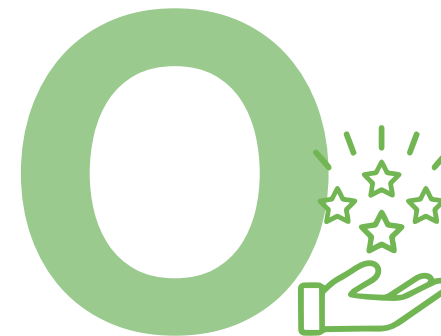
strengths

- Indigenous fuel-based plant which utilizes permeate gas that was previously being flared.
- Green fuel
- Operational excellence with Management team that has vast experience and technical expertise.
- High credit ratings, which reflect strong financials and management expertise.



weaknesses

- High receivable balance due to delays in payments by the power purchaser.
- Exposure to international fuel prices that affect merit order position.
- Dependence on fuel availability.



opportunities

- Investment in sustainable initiatives by developing social capital.
- HR transformation to ensure sustainable business operations whilst remaining an agile and flexible organization.
- Availability of low BTU fuels in plant vicinity.



threats

- Reduction in the prices of various fuels and addition of new indigenous fuel based plants in the system, which will impact EPQL's merit order position.
- Slowdown in economy affecting growth of power demand.
- Non-resolution of the circular debt situation.
- Limitations on foreign exchange outflow may affect procurement of critical spares.

our integrated business approach

inputs



social

- Key stakeholder and community relationships
- Organization's social license to operate
- Stakeholder trust and willingness to engage Engro
- Shared norms, common values and behaviors (Engro foundation manages community interventions on behalf of all group companies)



human

- Competencies, capabilities and experience of human resource
- Motivations to innovate and loyalties
- Ability to lead, manage and collaborate



natural

- Air, water, land, minerals, energy and forests
- Biodiversity and eco-system



finance

- Shareholders investments and funding from financial institutions



manufactured

- Buildings
- Equipment
- Infrastructure



intellectual

- Engro brand
- Intellectual property (patents, copyrights, software, rights and licenses)
- Tacit knowledge, systems, procedures and protocols



business engine



energy

- Thermal energy converted into electrical energy



outcome



social

- Improved facilities for customers & communities
- strong value chains
- collaborative partnerships



human

- Employee satisfaction
- Talent development



natural

- Reduction in emissions and waste water
- Conservation of energy, water and other natural resources



finance

- Financial growth
- investment growth
- Shareholder's return
- Contribution to GDP



manufactured

- Improved processing facilities



intellectual

- Improved brand reputation and penetration

UN sustainable development goals (UN SDGs)

EPQL is committed to generating value for its stakeholders while focusing on sustainable development. With our promise to grow further, EPQL believes in the collective efforts of all stakeholders across the value chain, in its journey towards achieving the UNSDGs.

At the group level, Engro is a member of the UN Global Compact and is committed to making a meaningful impact by incorporating the UN's ten principles into its strategy, culture and day-to-day operations.

We at EPQL, channel our efforts to positively impact Pakistanis by focusing on education, healthcare, livelihood, infrastructural development, and environmental sustainability. We believe in a shared purpose of creating a sustainable value chain. We take community responsibility as one of our core values and promote CSR activities at each level of our organizational structure. We understand the significance of the prevailing environmental challenges and strive to promote sustainable activities within the organization and beyond it. We strongly support the UNSDGs and encourage all our stakeholders to collectively work toward achieving them. We at EPQL always ensure to align our activities & policies in achieving today's goals without compromising the needs of tomorrow.

Therefore, as part of our sustainability strategy, we have mapped relevant SDGs into the Company's overall operations. Presented below is a synopsis of EPQL's contributions towards SDGs based on their relevance to EPQL's business operations.

SDG: 07 Affordable & Clean Energy

The Company uses low-BTU high Sulphur content permeate gas from Qadirpur gas field, which was previously being flared, for electricity generation. This utilization results in lower carbon emissions compared to other thermal plants and is hence considered a 'green solution'. The unique fuel usage makes the Company one of the lowest opportunity cost thermal power plants in the Country. In 2023, EPQL demonstrated operational excellence and maintained system reliability through ensuring plant availability and remaining compliant with international standards in safety and environment in providing reliable and affordable energy. Due to high merit order ranking in 2023, EPQL received dispatch throughout the year. The company is providing affordable & reliable electricity to the consumers through National Grid.



SDG: 03 Good Health & Well-Being

Consistent with its core value of health, safety & environment, EPQL has always held the safety and wellbeing of employees integral to its operations; and strives to provide a positive and healthy working environment, with a safety culture embedded in all its operations.

EPQL operates based on international standards and best practices within the realms of regulatory rules and regulations and continuously monitors and measures safety performance to ensure compliance. EPQL Health Safety is aligned with Dupont best practices, remains compliant with OSHA guidelines and follows ISO-14001 & ISO 45001 certification for elevating occupational health and environment standards.



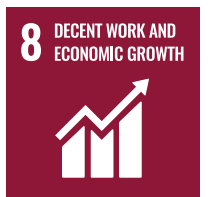
In achieving this, we believe it is conducive to provide trainings to our workers, consistently monitor the safety protocols and have feed-back loops to detect any variation from the norm. This whole process keeps us on our toes and consistently pushes us to achieve globally acceptable safety standards.

EPQL team with its continued focus on safety completed 14500 training hours in Year 2023.

Also, EPQL is providing operational support of a dedicated Primary Healthcare Centre (PHC) for our surrounding villages in partnership with Engro Foundation & HANDS and 3000+ patients have received timely medical treatments from this facility.

SDG: 08 Decent Work & Economic Growth

The company uses local gas to generate electricity & hence injects significant sum into the National economy for the purchase of this local gas on one hand and saves precious foreign exchange reserves on the other hand. In 2023, the company generated total revenue of around 13.3 billion PKR & wealth of around 5.2 billion PKR.



SDG: 01 | 10 | 04
 No Poverty | Reduced Inequalities | Quality Education

EPQL strives to uplift communities and strengthen the financial circumstances of underprivileged factions of society, by reducing inequalities in income and economic status. EPQL understands that to achieve this is to empower people financially, by improving the accessibility and quality of education. EPQL, in collaboration with Engro Foundation, sponsors one of the largest adopted school networks in district Ghotki, supporting operational costs of 3 government schools, educating ~700 students.

We give preference to local manpower & local contractors for supply of material & services. 100% of our un-skilled manpower and more than 50% of skilled resources are from local vicinity. We spend more than 200 Million PKR per annum on services & materials procurement through local contractors, and this amount is increasing with every passing year.

Also, EPQL spent around 15.5 Million PKR in 2023 for various CSR initiatives related to community development.

SDG: 06 | 14 | 15
 Clean Water & Sanitation | Life Below Water | Life on Land

Operating in the power sector and given that water is a scarce resource, we understand our responsibility to keep our water sources clean and ensure responsible disposal of water effluents. We developed a multilayered approach to ensure a high quality and control standard when managing our effluent generation, quality, and disposal at EPQL site. Furthermore, when it comes to water consumption, EPQL has been focusing on reusing the water in our processes to keep our water footprint to a minimum, thereby reducing the need for fresh water sources. Our water consumption program is based on maximizing recycling and reusing water through state-of-art design approach whereby steam & cooling water system at our plants operate in closed circulation by going through series of treatment facilities. Resultantly, total water consumption at site is reduced by approximately 69-70% thus minimizing fresh-water demand.

EPQL site is equipped with 01 evaporation pond that stores water when the canal discharge facility is unavailable. To avoid soil and underground water contamination, the evaporation pond is provided with HDPE membrane lining.

In 2023, we took an initiative of Optimization of Cooling Water System for Partial Load Operation that resulted in minimizing water consumption by 900 T/Day.

Also, in 2023, EPQL ensured 100% compliance to National Environmental Quality Standards (NEQS) & World Bank Guidelines (WBG) with respect to our effluent discharge, air emissions & waste disposal.

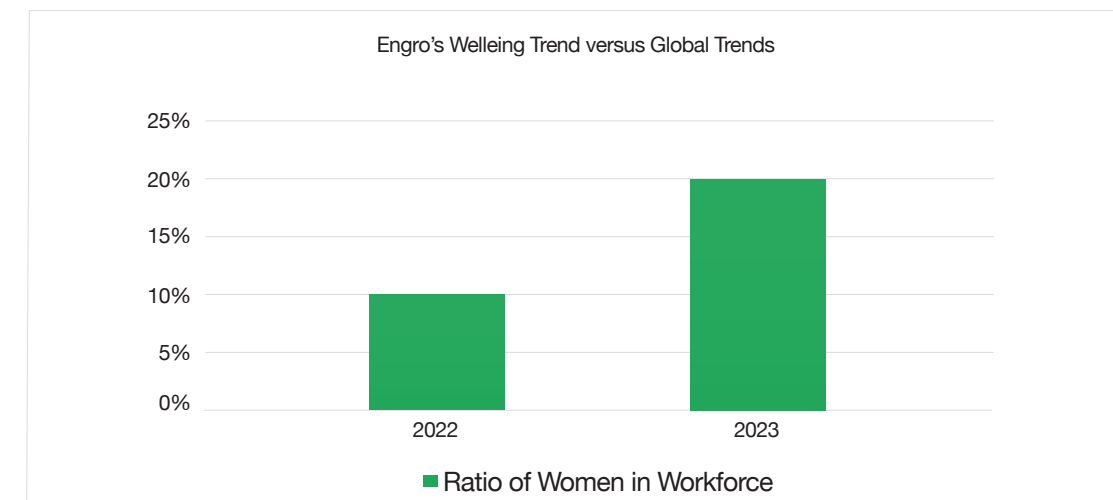


SDG: 05
 Gender Equality

At EPQL we take pride in providing everyone an equal opportunity at employment and growth and take steps in reducing the gender gap. Paving the way for a more diverse and inclusive workforce, EPQL also inducted 10 Qadirpur Trainee Engineers hailing from local communities who were the first females to work in technical roles at Qadirpur Plant.



With the induction of these 10 females as Qadirpur Trainee Engineers in 2023, female employees now represent ~20% of the total workforce on company payroll as compared to 10% in 2022 and this is the number we are working hard to improve further. We aim to build on this momentum in the future and be recognized as one of the most diversity fostering entities in the country.



EPQL women-friendly policies being managed centrally by Engro Corporation also include "She Moves With Careem" for commuting convenience and "Travel w/ Child Policy" to support mothers during travel, covering costs for child and attendant. Our generous parental leave includes 6 months for maternity and 15 days for paternity, ensuring a healthy work-life balance.

EPQL female employees also have the facility of centrally managed in-house daycare facilities for children aged 4 months to 6 years. There is also an Anti-Harassment Committee to maintain a safe workplace for women. Our groundbreaking centrally managed initiative "Break Ke Baad" facilitates the return of professional women after career breaks, offering flexible work arrangements and opportunities for senior roles. Through these initiatives and our ongoing commitment, we aim to lead in fostering diversity and inclusivity.

SDG: 09 | 12

Industry, Innovation & Infrastructure | Responsible Consumption & Production

EPQL believes in innovation, as evident from the fact that it is the first power plant in Pakistan that is generating electricity using permeate gas, which was previously being flared. EPQL continues to undertake initiatives that promote innovation and responsible business practices. During 2023, EPQL took a major Digital Transformation initiative where we converted many of our manual processes into digital processes. Following manual processes have been digitalized in Phase-I;

- Maintenance Log Sheets
- Maintenance Surveillance Sheets
- Operations Check Lists
- Mess/Travel Feedback Forms

Also, following dashboards have been developed under this project;

- Plant Machinery Surveillance
- Plant Operational Performance

All the above efforts resulted in 60% reduced paper consumption in 2023 as compared to 2022.

Additionally, EPQL prioritizes information security with:

- Online Information Security Awareness Training
- Information Security Awareness Sessions for all levels
- Administrative Controls including restricted USB access

SDG: 13 climate action

Pakistan, being one of the most vulnerable countries to climate change, requires businesses and society to take appropriate actions that can help build resilience against the impending climate change. For this purpose, EPQL has developed a climate resilience strategy that aims to identify climate change risks to the business and develop action plans to tackle the impacts of climate change.

EPQL is a green facility & is reducing net greenhouse gas emissions by utilizing waste/flared gas for power generation. We also carry out plantation activities at plant site to further improve environment around our surroundings. With a commitment to combatting climate change, in 2023, EPQL (Engro Powergen Qadirpur Limited) initiated a plantation endeavor with the motto "Planting Trees, Changing Lives" aimed to enhance the green cover in and around the plant area but also sought to enrich the educational experience of nearby schools by involving them in the ecological restoration process. More than 5000 saplings comprising a diverse array of 30 tree species were planted in the neighboring schools and plant vicinity, Ghotki.



awards & achievements



PSX recognition

5th rank by PSX in Top Performing Companies for Year 2022.



corporate & sustainability report awards

The EPQL Annual Report for 2022 secured 5th position in Best Corporate & Sustainability Report Awards in Fuel & Energy sector by ICAP.



EPQL annual report 2022 wins SAFA award

The EPQL Annual Report for 2022 received a Silver Award in Energy Category at South Asian Federation of Accountants (SAFA) Best Presented Annual (BPA) Report Awards 2022.



digitization at EPQL

In 2022, EPQL completed the digital transformation project under which major manual processes have been converted to digital in-house and without any external consultant. Through this transformation, the paper usage will drastically be reduced, paving towards a greener and more sustainable office at EPQL.



EPQL wins national forum for environment & health CSR awards

Engro Powergen Qadirpur recognized by the 'National Forum for Environment and Health', for exceptional contribution to CSR with 3 awards in the categories of Women Welfare, Empowerment & Development and CSR Projects.



EPQL achieved an American based healthy workplace certification

Engro Powergen Qadirpur Limited has achieved an American based Healthy Workplace Certification (2017-2019) from Global Center for Healthy Workplaces.



EPQL annual report 2020 wins SAFA award

The EPQL Annual Report for 2020 wins the best presented Annual Report Award as a joint winner in the Power and Energy category at the South Asian Federation of Accountants (SAFA) Awards 2020.



safety streak

EPQL achieves a safety streak of over 5000 consecutive days without Lost Work Injury (LWI) since its COD.



zero TRIR

Maintaining a perfect safety record with zero Total Recordable Injury Rate (TRIR).

truth, trust and transparency

principles of governance

ENGRO POWERGEN DIRPUR

chairman's review

Dear stakeholders,

On behalf of the Board of Directors of EPQL, it is my privilege to present to you our Sustainability Report for 2023.

With a legacy of more than a decade behind it, EPQL continues to play a vital role in the energy landscape of Pakistan through utilization of indigenous fuel source. Motivated by the profound impact we aspire to create for the entire country, our unwavering pursuit of value creation is deeply rooted in significant investments toward the growth of our people, communities, and the surrounding economy. As we navigate challenges and set our sights on new objectives, our dedication to operational excellence, safety, and sustainability remains unyielding.

EPQL once again achieved a commendable safety milestone in 2023, marking a streak of around 5,000 consecutive days without a lost workday injury (LWI) since our commercial operations began in 2010. This exemplifies our commitment to the well-being of our workforce and the communities in which we operate. Our commitment to environmental stewardship continued to drive our actions. Recertifying ISO 14001 and ISO 45001 ratings reaffirms our dedication to maintaining the highest standards in Health, Safety, and Environment (HSE) whilst also demonstrating our focus on protecting our people, our communities, and our environment. In terms of operational performance, the Company received dispatch throughout the year due its high merit order position. 2023 saw us demonstrate a billable availability factor of ~100%, dispatching a total net electrical output of 870 GWh, and achieving a load factor of 46%. We successfully recovered overdue receivables and continued to maintain a high ranking on the merit order.

On the input side, currently EPQL has a Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL), for supply of permeate gas from the Qadirpur Gas Field. With the gas supply from the Qadirpur field depleting, gas depletion phase has been declared by the company and the plant is made available in mixed mode where both permeate gas and High-Speed Diesel (HSD) fuel is utilized. The Company is engaged with relevant stakeholders for alternate fuel supply. EPQL has now secured the Modified Generation License and decision on Fuel Cost Component on PEL from NEPRA. As next steps, the Company needs to finalize a few more regulatory approvals and contractual formalities before commissioning this gas supply.

In line with our ethos of social responsibility, EPQL continues to invest in communities around our projects. Through the Engro Foundation, our CSR arm, we channel philanthropic capital into initiatives focused on education, technical training, skills development, and healthcare. In 2023, our dedicated Primary Healthcare Centre (PHC), established in collaboration with HANDS to serve the surrounding villages, offered timely medical treatments to a over 11,000 patients. Furthermore, EPQL, in partnership with Engro Foundation and Indus Resource Centre (IRC), actively sustains one of the largest school networks in the Ghotki district. This network encompasses three government schools—Rasheed Ahmed Arain, Gul M Arbani, and Juma Khan Arbani—educating over 700 students. In tandem with our community, we persist in our journey of fostering inclusion and creating value with purpose.

We have always maintained that our people remain our core enduring advantage and this year our priority on our people-agenda was no less. In 2023, we enhanced our focus on their well-being, conducted health awareness sessions, interventions for work-life management, and invested in professional growth through training initiatives. The induction of 10 female Graduate Trainee Engineers from surrounding areas of Qadirpur underscores our commitment to DE&I (Diversity, Equity and

Inclusion) and ensuring that we deliver on our inclusive growth agenda.

In the end, I extend my sincere appreciation to EPQL's management, employees, customers, partners, and stakeholders for their unwavering support. Your trust, confidence, and commitment drive us forward. Together, we will continue our journey of hope and perseverance, contributing to a prosperous 2024 for EPQL and Pakistan.



Sincerely,

A handwritten signature in black ink, appearing to read 'Yusuf Siddiqui', written over a white background.

Yusuf Siddiqui

Chairman, Engro Powergen
Qadirpur Limited (EPQL)

ceo's message

Dear Stakeholders,

I am delighted to present Engro Powergen Qadirpur Limited's Sustainability Report 2023 highlighting our sustainability related programs and performance. The report is aligned with World Economic Forum's Stakeholder Capitalism Metrics, a global ESG reporting framework that promotes transparency with investor and stakeholder engagement.

With a history spanning well over a decade, Engro Powergen Qadirpur Limited (EPQL) remains a key player in Pakistan's energy sector, harnessing indigenous fuel sources to generate affordable energy as we believe that access to affordable energy is an enabler for creating a much larger socio-economic impact in the country.

FY23 was a year of standout financial performance for EPQL with our sales revenue for the year 2023 closing at PKR 13,256 million, marking a significant increase from PKR 10,027 million the previous year. This growth is attributed to enhanced availability and dispatch, resulting in a higher gross profit of PKR 2,663 million, compared to PKR 1,711 million last year. EPQL achieved a net profit of PKR 2,511 million in 2023, contrasting with PKR 1,472 million in 2022, which resulted in much higher earnings per share of PKR 7.76 for 2023 versus PKR 4.55 for 2022.

Our financial stewardship is further reflected in the reduction of overdue payments from power purchasers, which stood at PKR 7.7 billion on December 31, 2023, down from PKR 8.0 billion on December 31, 2022. The overdue amount payable to Sui Northern Gas Pipelines Limited (SNGPL) on December 31, 2023, was PKR 1.5 billion, compared to PKR 2.4 billion in 2022. The Company remains committed to managing its finances effectively and ensuring timely payments to all stakeholders.

The year 2023 had its share of challenges but we demonstrated a billable availability factor of 100%, dispatching a total net electrical output of 870 GWh to the national grid, with a load factor of 46% versus 41% in 2022. The lower load factor in the previous year was attributed to a major inspection (MI). Our commitment to operational excellence was showcased through the successful completion of plant turnaround activities,

encompassing thorough inspections and maintenance of critical assets such as turbines, boilers, and transformers, ensuring continuous and reliable operations throughout the year. Notably, we also achieved additional operational milestones with the successful execution of the annual capacity test and the seamless installation and commissioning of a new gas mixing skid, strategically aligned with our future operational plans. In our endeavor to embrace the digital era, we also embarked on several digitalization programs, aimed at bolstering operational efficiency and refining our decision-making processes.

The corner stone of our operations is safe and reliable operations, and we are proud to have maintained and improved our exceptional safety record in 2023. We achieved a milestone of 5,000 consecutive days and 10-million-man hours without a lost workday injury (LWI) since March 27, 2010. Additionally, we carried out a critical outage activity during the year with a dedicated workforce of approximately 200 people maintaining the highest standards of safety which is a testament to the expertise, diligence, and adherence to stringent safety protocols by the EPQL team.

At EPQL we have always maintained that our commitment extends beyond the safety of our plants and our people; we are also meticulously focused on our environmental stewardship agenda. To this effect, rigorous compliance and governance activities throughout 2023 ensured that EPQL's processes and HSE standards aligned with global best practices. Achieving 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines. Additionally, the successful recertification of the ISO 14001 and ISO 45001 ratings further signifies our dedication to Health, Safety, and Environment (HSE).

We recognize that the hard work and perseverance of our people constitute our strongest asset, and we continue to invest in them. Their collective knowledge and skills, combined with their innovative spirit is what sets us apart. We strive to make EPQL a truly enriching place to work, with conducive policies, health and safety, meritocracy, opportunities and industry-best practices. In upholding our vision, we initiated a series of programs, including training, workshops, and personal development initiatives to enhance the overall

employee experience at Site and Head Office. All these efforts resulted in an astounding employee experience score of 86% - well above the global and industry average. Moreover, the addition of 10 female Graduate Trainee Engineers stands as a testament to our unwavering commitment to DE&I (Diversity, Equity, and Inclusion) and reinforces our pledge to foster an inclusive growth agenda.

We consider the communities in and around our operational areas as our key stakeholders and partners for sustainable growth. As a part of our core values, we nurture a positive relationship with them, and are always exploring ways to improve their lives and livelihoods. In 2023, we continued to make a positive

impact on the communities by investing in initiatives aimed at improving socio-economic conditions. Technical training programs, healthcare facilities, basic infrastructure development, and the expansion of educational and health programs further reinforced our commitment to the upliftment of local communities. As I conclude, let me take this opportunity to thank every stakeholder and request your continued faith and confidence in us. Looking ahead, I am confident that EPQL will continue delivering on all its stated commitments across financial, operational and ESG metrics, building upon our contributions to Pakistan's energy security and economic prosperity while investing in human capital and community welfare enriching the lives of thousands of people.



Semeen Akhter
CEO, Engro Powergen Qadirpur Limited

approach to governance

At EPQL, Our Board of Directors hold the ultimate responsibility for setting direction and approve all significant matters in good faith and in best interest of the Company and its stakeholders.

EPQL's system of internal controls comprises clear governance structures, authority limits and accountabilities, well understood policies, procedures, and a budgeting process.

internal control framework

responsibility

The Board is ultimately responsible to ensure that a system of sound internal control is established, which is effectively implemented and maintained at all levels within the Company. However, such a system is designed to govern rather than eliminate the risk of failure to achieve business objectives. The Board, whilst maintaining its overall responsibility for governance of risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Executive.

framework

The Company maintains an established control framework comprising clear structures, authority limits, and accountabilities, well communicated and understood policies and procedures and budgeting for review processes. All policies and control procedures are documented in manuals. The Board establishes overall corporate strategy and the Company's business objectives. Divisional management integrates these objectives into divisional business strategies with supporting financial objectives.

review

The Board meets at least once in a quarter, to consider the Company's financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators. The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls. There is a Company-wide policy governing appraisal and approval of investment expenditure and asset disposals. Post completion reviews are performed on all material investment expenditure.

internal audit

EPQL has an Internal Audit function, manned with suitably qualified and experienced staff. The Board Audit Committee annually reviews the appropriateness of resources and authority of this function. Moreover, the Board Audit Committee in coordination with the Board People Committee ensures that the performance review and compensation mechanisms of the Internal Audit personnel are appropriate to maintain their independence from the Company's management. The Head of Internal Audit functionally reports to the Audit Committee and has indirect reporting to the Head of Corporate Audit of the Ultimate Parent Company i.e. Engro Corporation Limited. The Head of Internal Audit only reports for administrative matters to the CEO of the Company. The Board Audit Committee approves the audit program, based on an annual risk assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports on findings to the Board Audit Committee. The Company ensures appropriate focus on its business ethics policies through an inhouse Ethics and Compliance section, housed within its Internal Audit department that monitors compliance against all ethics related policies, interalia the following:

- ◆ Code of Conduct
- ◆ Statement of Ethics and Business Practice
- ◆ Governance of Conflicts of Interest
- ◆ Whistleblower Policy – Speak Out

board of directors

Kaiser Bengali
Director

Maryam Aziz
Director

Yusuf Siddiqui
Chairman

Vaqr Zakaria
Director

Shabbir Hashmi
Director

Semeen Akhter
Chief Executive Officer

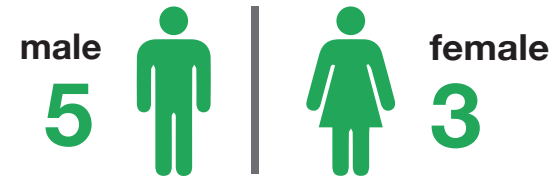
Mohammad Yasir Khan
Director

Nausheen Ahmad
Director



composition of the board of directors and board committees as at December 31, 2023

The total number of directors are eight (8) in the following manner:



*Including the CEO, who is a Deemed Director.

The composition of the Board is as follows;

Category	Name
Independent Directors	Ms. Nausheen Ahmad
	Ms. Maryam Aziz*
	Mr. Kaiser Bengali
Non-Executive Directors	Mr. Yusuf Jamil Siddiqui
	Mr. Mohammad Yasir Khan**
	Mr. Shabbir Hussain Hashmi
	Mr. Vaqar Zakaria
Chief Executive Officer	Ms. Semeen Akhter***

*Ms. Maryam Aziz was appointed on October 16, 2023, in place of Ms. Fauzia Viqar who resigned as a Director on May 8, 2023.

**Mr. Mohammad Yasir Khan was appointed on May 4, 2023, in place of Mr. Farooq Barkat Ali who resigned as a Director on May 4, 2023.

***Ms. Semeen Akhter was appointed on May 1, 2023, in place of Mr. Shahab Qader Khan who resigned as a Chief Executive Officer on May 1, 2023.



board of directors



Yusuf Siddiqui

Chairman

Yusuf Siddiqui currently serves as the Chief Executive Officer at Engro Energy Limited, a position he acquired on July 1st, 2022. Prior to this role, he served as the Chief Executive Officer of Engro Vopak and Elengy Terminal Limited, starting from April 2020.

Prior to this, he has headed the Shell businesses in Tunisia and Jordan. Yusuf is an energy industry executive with about 24 years of experience leading upstream, downstream & renewables energy ventures in Shell, Eni & BP. He has a global career profile with diverse assignments in Tunisia, Jordan, Oman, Netherlands, Iran, Italy & Pakistan. He brings valuable experience in safety, technical, strategic and commercial leadership, working with the world's top operators & innovators in the changing energy landscape.

Yusuf has an engineering degree in Petroleum Engineering from the University of Engineering & Technology, Lahore & an MBA from the Institute of Business Administration, Karachi. He is an alumni of various leadership, production, commercial & asset management academies of BP, Shell & Eni. He is an avid reader of history and an outdoor enthusiast with a love for camping, swimming and water sports.

He also serves on the board of Engro Powergen Qadirpur Limited, Engro Energy Services Limited, Engro Energy Limited, Engro Powergen Thar Private Limited, Thar Foundation, Engro Foundation and Gel Nigeria.



Semeen Akhter

Chief Executive Officer

Semeen Akhter currently holds the position of Chief Executive Officer at Engro Powergen Qadirpur Limited (EPQL). She began her journey with Engro Energy in January 2023 as the VP of Business Development. In this role, Semeen has been instrumental in advancing the development of the 400MW hybrid renewable project, and she actively explores business prospects in waste-to-energy, mineral mining, and alternate fuel opportunities.

With a professional career spanning over 20 years, Semeen brings a wealth of experience across various industries and global regions, including the Middle East, South Asia, Europe, USA, Brazil, and Australia. Her expertise encompasses business development, the formulation of new business models and strategies, data-driven analytics and marketing, and supply chain technologies.

Semeen holds a Bachelor's degree in electrical engineering from NED University and an MBA from the Institute of Business Administration (Karachi). Passionate about embracing digital future technologies, she focuses on areas such as Remote Operations, Factory of the Future, industrial IoT, Artificial Intelligence, and Big Data Analytics (Industry 4.0). Semeen Akhter is dedicated to driving innovation and excellence in the energy sector.

board of directors



Shabbir Hashmi

Director

Mr. Shabbir Hashmi currently serves as a Non-Executive Director at Engro Powergen Qadirpur Limited. He also serves as a Director on the Boards of Engro Corporation Limited, OJ Engineering Limited, and FINCA Microfinance Bank Limited. Additionally, he serves on the Board of Governors of The Help Care Society, which operates K-12 schools in Lahore for underprivileged children.

With over 35 years of experience in development planning, impact financing and private equity Shabbir Hashmi's multifaceted contributions reflect a seamless blend of business acumen and philanthropic spirit. He is passionate in making a positive impact in both the corporate and social spheres.

In executive roles, he has directed Pakistan operations of Actis Capital, a major PE player in the emerging market. Prior to this, he managed a substantial investment portfolio at CDC Group Plc, focusing on Pakistan and Bangladesh. In addition, he has held pivotal roles with USAID and then briefly with the World Bank in Pakistan, related to policy and price setting in the energy sector. So far, Shabbir Hashmi has served on over 24 boards as a nominee of CDC/Actis and 17 others as an independent board member. Notably, he brings heightened governance and accountability to listed companies, emphasizing their crucial need for robust oversight.

He is an engineer from Dawood College of Engineering & Technology, Pakistan and holds an MBA from J.F. Kennedy University, USA.



Mohammad Yasir Khan

Director

Mohammad Yasir Khan is currently serving as Vice President & Company Secretary at Engro Corporation Limited. He joined Engro Corporation in 2018 in Corporate Strategy and subsequently worked in different divisions including Mergers & Acquisitions and Investments. In 2023 Yasir also served as the Chief Financial Officer of Engro Energy Limited before transitioning into his current role.

During his role as the M&A lead and subsequently as General Manager in the Investments Division, Yasir evaluated numerous capital deployment opportunities relevant to Engro's business verticals, particularly in the telecom infrastructure and energy space. He has been instrumental in recommending and executing various portfolio moves for Engro Corporation including the buyback of shares. From the year 2020 to early 2023, Yasir also served as the Secretary to Engro Corporation's Board Investment Committee and the Steering Committee for Capital Allocation.

Yasir brings a wealth of experience from his previous roles in investment banking, M&A advisory, portfolio management and corporate strategy with deal credentials worth over USD 1.2 billion. Before joining Engro, he worked in the Capital Markets Division (Treasury & FIs Group) at Bank Alfalah Limited and prior to that in the Investment Banking Division of AKD Securities Limited.

Yasir serves as a Non-Executive Director on the Boards of Engro Powergen Qadirpur Limited and Engro Powergen Thar (Private) Limited. He has a Bachelor's and Master's degree in Business Administration from the Institute of Business Management.

board of directors



Vaqar Zakaria

Director

Vaqar Zakaria has over 40 years' experience in energy and environmental management in Pakistan and in the region. His professional focus has been on business policy and strategy evaluation, planning of energy production and distribution systems, energy pricing, demand forecasting, and environmental assessment of energy projects. With private sector firms, he has been extensively involved in power, and oil and gas infrastructure projects, including conceptual planning, engineering and project management. He has assisted the Planning Commission, energy ministries, state owned utilities, the World Bank, the Asian Development Bank, and the private sector in the development of energy infrastructure, policies to promote investment in the energy sector, and in formulating short and long-term energy plans.

He played a key role in setting up Hagler Bailly Pakistan in 1990, where he continues to oversee all organizational matters. He has also been instrumental in establishing the Himalayan Wildlife Foundation, an NGO active in setting up national parks and assisting the communities and government in management of the protected areas. He holds Bachelors and Master's degrees in Chemical Engineering from the Massachusetts Institute of Technology (MIT), USA. He joined the EPQL Board in 2008.

He also serves on the board of Hagler Bailly Pakistan, (Managing Director), Pakistan Foundation Fighting Blindness, (Member Board of Trustees), Elengy Terminal Pakistan Limited, Islamabad Wildlife Management Board and Engro Powergen Qadirpur Limited.



Nausheen Ahmad

Director

Nausheen Ahmad holds an LL.B. from Kings College, London, an LL.M. degree from the University of London and a degree in the Philosophy of Religion from Kings College, London. She was called to the Bar from the Honorable Society of Grays Inn London and is registered as an Advocate of the Sindh High Court. She was also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution, UK.

Having spent over three decades in the corporate sector, Ms. Ahmad brings with her a tremendous amount of experience and expertise in the legal field, as well as proven leadership skills. She began her legal practice with the corporate law firm Surridge and Beecheno. Later, she went on to hold the position of Legal Counsel at Pakistan Petroleum Ltd., Unilever Pakistan Ltd., ICI Pakistan Ltd. and Habib Bank Limited as the Company Secretary and General Counsel.

Ms. Ahmad left inhouse legal practice in mid 2021 to establish a boutique law firm called the Legal and Governance Advisory to provide corporate governance advice and training to businesses. She is an executive trainer and teaches the Directors Certification Training with PICG and IBA. She also conducts diversity and inclusion training and conflict resolution and negotiation skills courses. Ms Ahmad is part of the visiting faculty at KSBL and IOBM, Karachi.

She also serves on the board of Meezan Bank Limited, Jubilee General Insurance Company Limited, International Steels Limited, Engro Powergen Qadirpur Limited, Descon Engineering Ltd. Other Recent Offices held: First Women Bank Limited (FWBL) Pakistan Stock Exchange Limited (PSX).

board of directors



Maryam Aziz

Director

Maryam Aziz is a highly experienced finance and audit professional, with a career spanning over 20 years in financial reporting, internal & external audit and risk management. She is a Fellow Chartered Accountant from the Institute of Chartered Accountants of Pakistan. In addition, she has achieved professional certifications from Institute of Internal Auditors, US, Association of Chartered Certified Accountants, UK and Chartered Institute of Management Accountants, UK. She is a certified director from the Pakistan Institute of Corporate Governance.

She began her professional accounting career with KPMG Taseer Hadi Khalid & Co. from where she completed her articleship. During her 5 years with the firm, she covered external audits, internal control reviews, due diligence reviews and privatization assignments at major financial institutions including Deutsche Bank, Standard Chartered Bank, UBL, State Bank of Pakistan, ANZ Grindlays and National Development Finance Corporation. In 2002, she joined ORIX Leasing Pakistan Limited, a subsidiary of ORIX Corporation, a Japanese multinational financial group operating in 34 countries globally. In her 20 years' career with ORIX Group, she served in diverse roles, both within Pakistan and with group companies in the Middle East, Far East and Central Asia. As part of the International division of OLP, she performed critical due diligence reviews of strategic investment projects in the MENACA region and Russia. She was designated Finance Director at the IFC led joint venture investment by ORIX in a leasing company in Kazakhstan. She was a crucial resource in multiple assignments involving improvements to accounting and reporting processes in Kazakhstan, Indonesia and Pakistan. While she was Chief Internal Auditor in Pakistan, she was also designated as ORIX Group's Internal Control Advisor in the Middle East and headed audits in Oman, Saudi Arabia and UAE. Her other critical roles in ORIX Pakistan include Chief Financial Officer and Head of Enterprise Risk Management.

She also served for 3 years as a director and Chairperson of the Risk Committee on the Board of ORIX Modaraba, a subsidiary of ORIX Pakistan, and the oldest modarabas in the sector. Since 2019, she has been a member of the Board of Fauji Fertilizer Company Ltd. Aziz brings valuable experience in governance of financial reporting and risk management to the EPQL Board.



Kaiser Bengali

Director

Kaiser Bengali is an economist with over 40 years of experience in teaching, research and policy advice in Pakistan and abroad. He has a master's in economics from Boston University, USA, and a Ph.D. in Economics from the University of Karachi, Pakistan. He has taught and conducted research at prestigious institutions in Pakistan, such as the Applied Economics Research Centre (AERC), University of Karachi, Sustainable Development Policy Institute (SDPI), Islamabad, Shaheed Zulfikar Ali Bhutto Institute of Science & Technology (SZABIST), and was Managing Director of the Social Policy & Development Centre (SPDC), Karachi.

His areas of research interest include issues in planning & development and macro-economic and fiscal policies, particularly relating to inter-personal and inter-regional inequality, poverty, unemployment, and social justice, urban and regional planning, decentralization and local government and finance, education, and ethnic, sectarian and religious militancy and violence. His areas of expertise and experience include political management of planning & development, management of institutions, personnel and finance. He has also served in a number of government positions. Till recently, he was Head of the Chief Minister's Policy Reform Unit, Government of Balochistan. Earlier, he was Advisor to the Chief Minister of Sindh for Planning & Development. He was also the first head of the Benazir Income Support Programme and designed the programme. He was also Sindh's representative on the 7th National Finance Commission, which gave a successful Award. He has now been nominated on the 8th NFC to represent Balochistan. He has over 50 research publications in national and international journals and conferences and he is the author/editor of 8 books on subjects ranging from unemployment, inequality and poverty to education, water, gender, and regional development. He has regularly contributed articles on economic and political issues in newspapers and appears on electronic media. He joined the Board in 2019. He also serves on the board of Engro Powergen Qadirpur Limited, Sindh Education Foundation Bargad (NGO), PPP Support Fund (Sindh Govt) and Omar Asghar Khan Foundation (NGO).

principal board committee

board people's committee

The committee meets multiple times through the year to review and recommend all elements of the compensation, organization and employee development policies relating to employees including senior executives and to approve all matters related to the salary plans, employee development plans, executive appraisals and succession planning.

Nausheen Ahmad	Chairperson
Maryam Aziz	Member
Vaqar Zakaria	Member

The secretary of the Board People's Committee is Tamkeen Sardar Faisal

The Committee met twice during the year 2023.

the board audit committee

The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call on information from management and to consult directly with the external auditors or their advisors as considered appropriate.

The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

Kaiser Bengali	Chairman
Mohammad Yasir Khan	Member
Shabbir Hussain Hashmi	Member

The Secretary of the Committee is Ekta Sitani

The Committee met four times during 2023.

EPQL complies with the requirements of the Listed Companies (Code of Corporate Governance) Regulation, 2019. Our statement of compliance is published in the annual report on Page # 54-56.

directors orientation program

The Human Resource department chalks out a formal orientation plan, which is followed at the induction of a new Board member. The orientation plan is devised to familiarise the new member with the business. Each Divisional Head of the Company takes them through a presentation pertaining to their own divisions, and macro-level policies are discussed. During the year, one new director was appointed, and orientation course was conducted.

role of the chairman & the ceo

The Chairman of the Board and the Managing Director/CEO of the Company have well defined, separate but complimentary roles in line with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

chairman epql board

Chairman is responsible for providing effective leadership to the Board particularly during Board and shareholders' meetings. He sets the agenda of the Board meetings and ensures that reasonable time is available for discussion of the same. He ensures a conducive environment for overall effectiveness of the Board and facilitates and encourages the contribution of executive, non-executive and independent directors in carrying out the Board's business in line with applicable laws, rules and regulations. At the start of the term of newly appointed directors, the Chairman informs them about their roles, responsibilities, duties and powers to help them effectively manage the affairs of the Company.

ceo of epql

The CEO is responsible for providing effective leadership to the management and employees and for overseeing the day-to-day operations and management of the Company's businesses and affairs by ensuring that the executive team implements the policies and strategies approved by the Board. He keeps the Board updated on significant and sensitive issues that might affect the Company. He ensures that operational plans and control systems are in place and he regularly monitors actual performance against plans and takes remedial actions, where necessary.

operations of the board

The Board is responsible for setting strategic objectives, overseeing the effective management and control of the Company, and identifying significant business risks and ensuring that policies and mechanisms are in place to adequately manage those risks. The Board has delegated certain responsibilities to its committees for review of relevant matters and making recommendations to the Board. All Committees operate in accordance with their TORs approved by the Board. The permanent Committees of the Board are the Board Audit Committee and the Board People Committee. Any agenda or matter that requires Board's approval is first presented to relevant Committee of the Board which, after thorough deliberations, presents its recommendations to the Board for final decision.

board's policy on diversity

EPQL has a diverse and balanced Board which not only represents the shareholders proportionately but also provides a mix of professional expertise in leadership, finance, economics, engineering, legal, corporate law, energy and business management skills and experiences covering adequately all areas of EPQL's business undertakings.

Furthermore, in compliance with regulatory requirements, two female directors have been on the Board.

formal orientation of our board

The Human Resource department chalks out a formal orientation plan, which is followed at the induction of a new Board member. The orientation plan is devised to familiarize the new member with the business. Each Divisional Head of the Company takes them through a presentation pertaining to their own divisions, and macro-level policies are discussed. During the year, three new directors were appointed including CEO.

matters decided and delegated by board of directors

The powers of the Board of Directors and the management of the Company have been defined with special reference to, and in compliance with, the Companies Act 2017, the Code of Corporate Governance and the Articles of Association of the Company. In addition to approving the vision, core values, corporate strategy and the policies for conduct of business of the Company, the types of decisions taken by the Board includes the following:

- To issue shares
- To issue debentures or any instrument in the nature of redeemable capital
- To borrow moneys otherwise than on debentures
- To invest and divest funds of the company
- To make loans
- To authorize a director or the firm of which he is a partner or any partner of such firm or a private company of which he is a member or director to enter into any contract with the company for making sale, purchase or supply of goods or rendering services with the company
- To approve financial statements
- To approve bonus to employees
- To incur capital expenditure on any single item or dispose of a fixed asset in accordance with the limits as may be specified
- To undertake obligations under leasing contracts exceeding such amount as may be notified
- To declare interim dividend Having regard to such amount as may be determined to be material (as construed in Generally Accepted Accounting Principles) by the board
- To write off bad debts, advances and receivables
- To write off inventories and other assets of the company
- To determine the terms of and the circumstances in which a lawsuit may be compromised and a claim or right in favor of a company may be released, extinguished or relinquished
- To take over a company or acquire a controlling or substantial stake in another company
- Any other matter which may be specified

matters delegated to the management

Management of the Company is entrusted with the responsibility to conduct operations of the Company adhering to the vision, core values, corporate strategy and the policies for conduct of business approved by Board of Directors. The delegation of authority to the management has been formally documented in the Limits of Authority Manual (LOAM) which is periodically reviewed and appropriately updated.

conflict of interest among board members

A formal code of conduct is in place that promotes ethical culture in the company and prevents conflict of interest in capacity as member of the board, senior management and other employees. The code of conduct also includes a section on fiduciary duties of Directors which included the following:

- Duty not to place themselves in a position of conflict between their personal interests and those of the company – this includes the duty to disclose any such personal interests to the Company and the duty not to make secret and/or incidental profits at the expense of the company
- Duty to account for profits, and not to make secret or incidental profits
- Duty not to act on behalf of Company in any matter in which he/she has an interest that conflicts, or may conflict, with his duties to his/her company
- The Directors of the Company excuse themselves from the meetings when the matters under discussion involve a conflict or potential conflict of interest with the activities of any undertaking in which they may hold a real or beneficial interest.

risks and opportunities

Risks are inherent in the businesses and can relate to strategic threats, operational issues, compliance with laws and regulations, and reporting obligations. To deliver value to all stakeholders, it is important that the Company understands and manages the risks faced across the entire organization.

Risk Governance

The Board of Directors are responsible for ensuring that the Company has a robust process in place for assessment of principal risks facing the Company, including those that would threaten the business model, future performance, solvency, or liquidity. The Board Audit Committee is responsible to oversee implementation of the Enterprise Risk Management methodology approved by the Board. In addition, the Board People's Committee focuses on risks relating to human capital including assessment of compensation programs and succession planning.

Further, management level committees have been constituted which perform regular oversight of performance of the Company with respect to Organization & Employee Development, Health Safety & Environment, Execution of Planned Capital Projects, Business Continuity Planning and Business Process Reengineering.

The Company has a dedicated Internal Audit function which provides independent and objective evaluations while reporting directly to the Audit Committee on the effectiveness of governance, risk management and control processes.

enterprise risk management process

Enterprise Risk Management (ERM) methodology implemented at the Company provides a structured, disciplined, and consistent approach to risk management that facilitates risk-informed decision-making throughout the organization. The Framework implemented at the Company is illustrated below:

Formulation of Strategy and Business Objectives

The focus of ERM at the Company is to ensure achievement of the organization objectives. Defining the organization's strategy and objectives is pre-requisite to identifying risks and opportunities. During this step, the management defines strategy and objectives for different areas of the organization which are then approved by the Board of Directors.

Identification of Risks and Opportunities

The purpose of this step is to identify a comprehensive list of risks and events that may potentially impact the achievement of organization's mission and strategic objectives. In order to identify enterprise-level risks to be managed, a structured and systematic "Enterprise Risk Register" is used. Broad types of risk which are used for categorization of risk and opportunities are as follows:

Risk type	Description
Strategic Risk	Strategic risks are risks that affect or are created by an organization's business strategy and strategic objectives.
Commercial Risk	Commercial risks refer to potential losses arising from third party stakeholders or the sector in which the Company operates.
Operational Risk	Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.
Financial Risk	Financial risk is an umbrella term for multiple types of risk associated with financing, profitability, liquidity, and credit. The Company's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. The Company's policy for management of financial risks is explained in notes to the financial statements for the year ended December 31, 2023.

Risk Assessment

The process involves consideration of the causes and sources of risk, the probability that the risk event will occur, their consequences and magnitude, and the likelihood that those consequences may occur. The Board has approved formal criterion for assessment of the 'likelihood' and 'impact' which is used by the management for risk assessment. Each risk is assigned a rating and recorded in the Risk Register. Risk assessment provides the basis for evaluation and decisions regarding risk response or treatment.

Prioritization of Risk

The purpose of this step is to develop a prioritized list of enterprise-level risks for response options. By ranking and prioritizing the enterprise-level risks, the Company's leadership can respond as appropriate with strategic allocation of resources while responding to the risks. The risks are ranked according to Impact and likelihood rating.

Implementation Of Risk Responses

The purpose of this step is to select a combination of risk response options that will optimize the Company's resources in managing its portfolio of risks. The process involves identifying and assessing the range of risk response options and preparing implementation plans for selected response options. Using a prioritized list of quantified risks requiring response options, the leadership makes informed strategic decisions about how to allocate resources to risks reflected in the Enterprise Risk Register.

Risk type	Description
Accept Risk	<ul style="list-style-type: none"> Retain risk at its present level, taking no further action
Avoid Risk	<ul style="list-style-type: none"> Prohibit unacceptably high-risk activities and asset exposures through appropriate policies. Stop specific activities by redefining objectives, refocusing strategic plans and policies, or redirecting resources. Screen alternative projects and budgeted investments to avoid off-strategy and unacceptably high-risk initiatives. Eliminate at the source by designing and implementing internal preventive processes.
Reduce Risk	<ul style="list-style-type: none"> Disperse financial, physical, or information assets to reduce risk of unacceptable catastrophic losses. Control risk through internal processes or actions that reduce the likelihood of undesirable events occurring to an acceptable level. Respond to well-defined contingencies by documenting effective plan and empowering appropriate personnel to make decisions; periodically test and, if necessary, execute the plan. Diminish the magnitude of the activity that drives the risk. Improve capabilities to manage a desired exposure. Redesign the approach to managing the risk.
Share risk	<ul style="list-style-type: none"> Outsource non-core processes (a viable risk transfer option only when risk is contractually transferred). Delegate risk by entering arrangements with independent, capable authorities.

monitoring and reporting

The ERM Risk Register is reviewed on periodic basis to ensure updating for changes in external and internal environment. The ERM Risk Register, and mitigation strategies are also presented to the Management Committee and the Board Audit Committee on bi-annual basis.

risk and mitigation plan:

Following are the major risks affecting the operations of the business, along with the management assessment of their source, likelihood, impact, and the mitigating strategies implemented by the Company for these risks:

strategic risk

Risk Type	Risk Assessment		
	Strategic Risk	Likelihood	Impact
Reduction in Company's Net Electrical Output Source of Risk: External	Medium	Medium	Macroeconomic challenges may have an impact on power demand. The Company is actively monitoring changes occurring in the power sector. The Management is closely working with key stakeholders to improve its dispatch position.
Adverse impact of increasing Circular Debt on Company cashflows Source: External	High	High	The Company has developed liaison with relevant stakeholders for clearance of outstanding dues and recovery profile is closely monitored for any advance triggers.
Reduction in gas supply from Qadirpur Gas Field Source of Risk: Internal	High	High	The Company is engaged with relevant stakeholders for finalization of an alternate fuel plan. EPQL is engaged with PEL for supply of 8-13 mmscfd gas, which will supplement Permeate Gas supply.

commercial risks

Risk Type	Risk Assessment		
	Strategic Risk	Likelihood	Impact
Slowdown in corporate lending due to increased exposure in the energy sector taken up by majority commercial banks. Source: External	Medium	Medium	The Company's management has maintained valuable relationships with lenders to minimize financing costs.

operational risks

Risk Type	Risk Assessment		
	Strategic Risk	Likelihood	Impact
Emergence of new variants of virus resulting in plant outage. Source: External	Low	Low	The Company has a strong Business Continuity Plan in place to keep the plant operational. Key site personnel have been identified along with back-ups. All employees have been vaccinated.
Compromised Plant availability due to operational issues at Plant site. Source: Internal	Low	High	The Company has control and mitigation plans to maintain the likelihood of operational issues within the agreed tolerance levels. An efficient technical team, trained for remedial actions, is deployed at the site.
Delay in procurement due to low forex availability Source: External	Medium	Medium	The company is actively engaged with relevant stakeholders to ensure timely procurement for critical equipment / spares.

financial risks

Risk Type	Risk Assessment		
	Strategic Risk	Likelihood	Impact
Liquidity constraints due to circular debt. Source of Risk: Internal / External	Medium	Medium	The Company has a pro-active treasury function which ensures that adequate funds and credit lines are kept available for any unforeseen situation.
Inability of the Company to recover billed amount resulting in delayed payment obligations and adverse impacts on shareholder value.	Medium	High	The Company has ensured strong relationships to ensure an improved collections profile and manages liquidity prudently by engaging key stakeholders and leveraging relationships to retrieve payments, smoothing out cashflow issues.

opportunities

The Company is currently pursuing opportunities to create value in the short, medium, and long term through identification of cost optimization strategies associated with its strategic objectives, policies, and targeted growth.

Key Opportunity	Impact Area	Way Forward
Development of Business Sustainability	Natural Capital	The Company is actively pursuing its gas depletion mitigation plan to safeguard shareholder value and improve operational efficiencies.
Investment in Sustainable Initiatives	Social Capital	The Company takes a concerted effort to help communities prosper by investing in initiatives that provide education, technical training, health-care facilities, and basic infrastructure to beneficiaries.
HR transformations	Human Capital	The Company focuses on HR transformation to ensure sustainable business operations whilst remaining an agile and flexible organization. The Company has identified and resolved to move to a system which is more performance driven, better aligned with the market and creates opportunities for growth.

way forward

The Company remains wary of the gas situation in the country and has been taking measures to efficiently use its allocated share. The Company has engaged with all stakeholders and prepared and submitted a gas depletion mitigation plan to PPIB. The Company has been actively working towards finalizing an alternate fuel plan. The Company had identified an additional source of local fuel from PEL and is engaged with relevant parties for approval. NEPRA Authority has recently approved the modification in Generation License for EPQL to include gas to be supplied by PEL. The decision on Fuel Cost Component on gas to be supplied by PEL has also been announced by NEPRA. Onwards, respective approvals will be taken from the relevant parties. The Company takes a holistic view while detailing out plans for coming years, which include studying the industry position and taking prudent measures to formulate strategies for cost effective solutions

ethics & compliance

EPQL prides itself with a robust culture of ethics and integrity managed through a strong code of conduct and governance structure. We believe in constant reinforcement, periodic reviews, and accountability to sustain our culture of integrity. We have a dedicated centralized Ethics and Compliance (E&C) team to look at all E&C related issues. EPQL ensures compliance with all regulatory and governance requirements while conducting its operations and has formulated various policies and standards which are being continuously monitored through our Ethics and Compliance function which report into the Board Audit Committee (BAC). Our values and commitment to ethical practices is reflected in our statement of Ethics and Business practices:

“Ethics and integrity are among the three core values of Engro, and we expect compliance with our standard of integrity throughout the organization. We do not stop with legal compliance but rather hold all Engro employees and our business partners to the standard we perceive that centers morality, justice, equity, and a commitment to do good while creating value for all our stakeholders. Our commitment to ethics and sustainable business practices is reflected in our Code of Conduct which has clear policies outlining what constitutes unethical business practices and our zero-tolerance towards such practices.”

We have adopted several policies related to good corporate governance which reflect the high standard of ethical and responsible conduct to which we pledge ourselves as an organization. This has always been our core strength and is reinforced through reporting of irregularities, and periodic reviews and audits of business practices, and our external reporting.

empowerment with accountability

Whilst we seek to empower our employees to facilitate business decision making, we also hold them accountable for their actions. During performance of various job tasks, employees are required to ensure that they conduct themselves in a manner that reflects positively on the company.

As part of deploying a rigorous internal control framework all our employees are held to the highest of standards and are responsible for:

- Complying with all applicable laws, company policies and procedures Maintaining appropriate ethical behavior in all internal and external dealings
- Reporting any suspected misconduct, illegal activity, fraud, abuse of company assets or other violation of ethical standards
- Submit an ethics compliance declaration.

Our Supporting Infrastructure to Aid in Ethical Conduct

orientation

Brief to new hires about policies on ethical business conduct

reinforcement

Workshops on Ethics carried out periodically.

All vendors, contractors and customers are sent the Ethics Policy statement, which has been translated into Urdu, periodically with a request to ensure compliance in their dealings with the company.

Clauses related to Ethics and Conflicts of Interest are mandatory in all contracts entered into by the company.

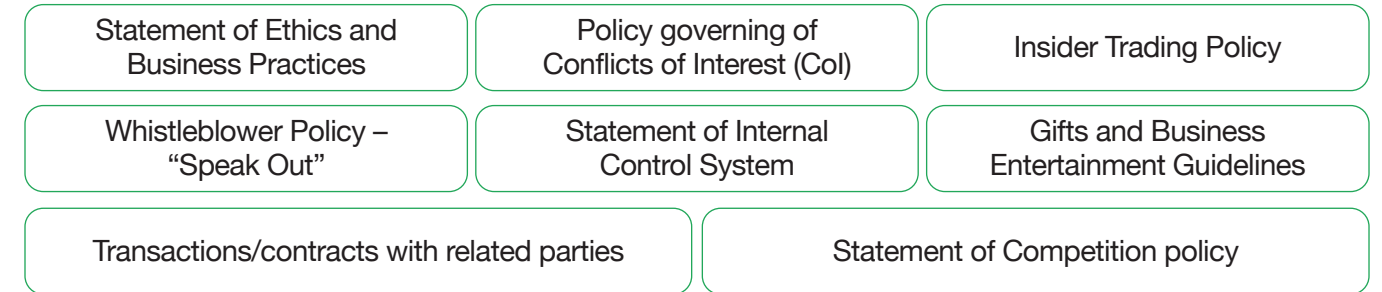
monitoring of compliance

- Voluntary disclosure of actual or suspected non-compliance through Irregularity Reporting system
- Irregularity reports are shared with management and Board Audit Committee on a quarterly basis
- Whistleblower system whereby employees are encouraged to raise red flags and help strengthen the control environment
- Whistleblower complaints and results of their investigations are also reported to Board Audit Committee every quarter
- We are also cognizant of the fact that our employees may encounter a variety of legal issues while taking decisions to conduct business and, therefore, they need to be aware of the legal implications of their actions. Consequently, to mitigate risks associated with non-compliance we continue to host information and training sessions that promote compliance to the law and strengthen awareness of systems and protocols that have been instituted to monitor and report any such violations. We also encourage our employees to seek clarification from their respective supervisors and company's legal advisors to ensure that we remain fully compliant with all applicable laws, rules and regulations.
- As an enabler of ethical excellence, we believe in promoting fair trade and a free-market competitive system – an objective that all our companies seek to pursue. While all our companies compete vigorously in the marketplace, they also ensure compliance with the Competition Act 2010 and, therefore, compete on the merits of their product quality, prices, service and the customer loyalty we create by fulfilling the needs of all our consumers and clients. In order to reinforce our commitment to the competition laws, all Engro companies have joined up to the requirements of the voluntary competition compliance code initiative of the CCP and implemented all its requirements. Furthermore, we also strive to ensure that all our employees remain transparent in their dealings and are accurate in describing the attributes of the Company's products.
- Our employees often have access to confidential information on future plans and financial data. Such individuals commonly referred to as 'insiders' can use this information in the public domain for trading or tipping others to trade in the Company's securities or use this information to exercise any share options granted by the Company to the employees. To discourage insider trading all our employees are educated about the ethical and legal implications of such actions.

- Yet even as we monitor the behavior of our employees and suppliers, we also make it a point to ensure that EPQL treats them fairly. We believe our commitment to living up to our financial obligations in a timely manner sets us apart from many of our competitors.

code of conduct

Our Code of Conduct outlines our position on an array of topics and highlights the key commitments and principles of our compliance program and applies to all EPQL employees, whether full-time, part-time, permanent, or temporary, and to the members of the Board of Directors. The Code of Conduct is reviewed periodically and is available on our website. The policies covered in the Code of Conduct include, but are not limited to Code of Conduct



The company also has centralized portals for all employees where they are mandatorily required to:

- Disclose on actual/perceived Col
- Disclose any gift received

These portals are managed and handled by the E&C team.

speak up at epql

At EPQL, have a robust whistleblower mechanism which helps us identify risk, and carry out due process for risks assessed based on which appropriate actions are taken which is available for both internal and external stakeholders.

Facilitating dialogue, providing channels for reporting complaints and communicating critical concerns are important elements of our stakeholder management process. We have several company-wide channels and processes to identify areas for improvement or complaints. We regularly engage with employees, customers, suppliers and other stakeholders through our regular operational engagement, business meetings and networking sessions, engagement surveys (for employees), questionnaires, townhall meetings, performance and development discussions, and more. We actively promote discourse and sharing of feedback to ensure critical concerns and complaints can be raised and addressed.

The Company expects employees, suppliers, and contractors to abide by its standards, and should they have or wish to report any concerns regarding business ethics, safety and environment, human rights violations, employment-related matters or other possible breaches of compliance, they may do so using our Speak out platform, which ensures confidential and independent investigation into the case. Complainants can report anonymously on this platform. The Speak Out platform is managed by our Ethics and Compliance team which is an independent function reporting into the Board Audit Committee.. The Speak out email details are publicly available on our website.

To seek advice on internal ethical and lawful practices, or address compliance queries, employees can contact the E&C team via email: compliance@engro.com.

Besides emails and hotlines, employees may also reach out to any of the E&C team members directly for any queries and concerns pertaining to ethics and compliance.

Open and candid communication is an important part of our culture.

- Employees are encouraged to raise their concerns with line managers. We believe that dialogue and discussion are essential to building and preserving good relations amongst employees. Employees who have work-related concerns, or feel that they have been treated unfairly, are free to speak with their immediate supervisors, without fear of retribution. However, if they are not comfortable in doing so, they can use the Speak Out hotline or email to raise their concerns.
- For investors, the Company's contact details are disclosed in "Company Information" section of the annual report and on its website under "Investor relations" section to facilitate shareholders / other investors' and timely resolve their complaints, if any. As mentioned earlier, the Speak Out platform is available for any other complaints.
- Our external stakeholders such as business partners, including our suppliers, contractors and vendors, customers, and local communities are also encouraged to utilize the Speak Out platform.

All negative impacts, grievances and complaints, whether reported through the Speak Out platform, audits and reviews, or identified otherwise, are investigated through the Internal Investigation Procedure which is a structured and systematic approach by the Ethics & Compliance department, where independent people / teams are appointed to investigate the case confidentially.

The investigations of proven cases results in corrective, remedial and/or disciplinary action being taken. Within all cases whether proven or not feedback is provided to the complainant at the time of case closure. A summary of all cases, that are investigated, whether they are substantiated or not, is presented to the Board through the Board Audit Committee, on a quarterly basis along with actions taken.

Total cases reported (substantiated) for EPQL pertaining to corruption & bribery were nil in 2023 and nil in 2022.

Relevant and appropriate action is taken to deal with confirmed and substantiated cases to remediate negative impact and prevent future occurrence where possible.

Engro's commitment letter to UNGC is a further testament to our commitment to promoting ethical and anti-corruption practices.

trainings & awareness:

Given the importance of the subject, E&C conducts in person Awareness Roadshow session covering code of conduct, anti-corruption speak out platform, workplace harassment, anticorruption practices and conflict of Interest policy for all employees. These sessions also impart key learnings from sanitized cases to promote forward-looking approach for continuous improvement. The session was attended by 85 employees in total covering a total of 680 learning hours. Additionally, two group wide employee engagement activities and several awareness communications were shared during 2023.

In order to facilitate better understanding and promote a culture of ethics and integrity, all applicable policies and training materials are available on the internal portal. Moreover, in case of any ambiguity or clarity, employees can reach out to the E&C team for clarity.

stakeholder engagement

EPQL believes that the success of its business relies on effective engagement with our key stakeholders and having a clear understanding of their interests, level of influence & dependency as it can contribute to value creation for both the Company and the value chain. Stakeholder engagement, therefore, forms core component of its corporate responsibility. This belief is reflected in our commitment to stakeholders as spelt out in our Code of conduct.

A strategic approach to stakeholder engagement helps build trust and develop strong partnerships, make use of stakeholder capital, gather business intelligence, and seek & incorporate stakeholder perspectives which can contribute to company's growth and success.

Our Stakeholder Engagement Process provides a structured approach to the way we consult, involve, and collaborate with stakeholders. We conduct stakeholders' analyses as part of our business planning, or in the case of specific events or initiatives.



EPQL's stakeholder engagement approach focuses on the identification of relevant and important stakeholders by considering those groups or individuals who can be significantly affected by our business activities, outputs, or whose actions can be expected to significantly affect our ability to create value over time. These groups are mapped and profiled based on two important factors i.e. influence of stakeholder group on company's operations & dependence of Company's operations on the stakeholders. Broadly, our stakeholders groups include – shareholders, investors & lenders, insurers, government and regulators, customers, employees, suppliers & contractors, local communities, civil society organizations/NGOs and media.

Engagement with these stakeholders is an ongoing process through our relevant departments and individuals at different engagement levels using a variety of communication methods. In addition to this direct form of engagement, we have provided our contact information and Speak-out hotline details on our website that any stakeholder can use to reach out to us for any concerns. Any findings and concerns raised, feedback and matters brought to light through these engagements are documented and responded to in a timely and appropriate manner.

While engagement is with a large set of stakeholder groups, particular focus is on primary stakeholders for routine operations and for focused understanding on our impacts. Details of engagement with these primary stakeholders is given below:

Shareholders & Investors

engagement process

- Annual general meeting
- Stock exchange announcements
- Corporate briefings
- Annual and quarterly financial statements
- Notices to shareholders
- Press releases
- Roadshows
- The company maintains a dedicated section on the corporate website for investor relations, to facilitate shareholders & investors queries

why we engage

Engagement allows the Company to increase the confidence of providers of capital by:

- Reporting performance and results to the shareholders;
- Discussing the reasons for significant variations and future corporate plans with them; and
- Investor hotline to maintain healthy investor relations and timely responding to shareholder queries

We seek to maximize return to our shareholders and act in their best interest. We engage to provide them with accurate, comprehensive, and timely information, to form a good basis for making decisions related to valuation and trade of Company share



Lenders

engagement process

- Meetings
- Presentations
- General correspondence
- Annual and quarterly financial statements
- Other legal documents (if applicable)

why we engage

- To build confidence and transparency with regards to company's operations for continued access to funds, continuity of relationship and help company maintain sustained growth.



Insurer

engagement process

- Surveys/Questionnaires
- Site Annual Survey/Meetings

why we engage

To keep them updated of company's performance To maintain insurance cover To keep them abreast of any significant changes in business operations/site facility



Government and Regulators

engagement process

- Meetings
- Data submissions to ensure compliance (where applicable)
- Events and Seminars

why we engage

- Ensure all legal and regulatory requirements are complied with.
- Ensure continuation of the common objective of the government and the Company by sharing knowledge to shape regulatory action.

We continue to engage with the government and regulators (NEPRA) in public policy lobbying and policy reforms at local, provincial, and federal level. EPQL's management frequently engages with government officials on various matters including energy sector issues, alternative power, local community development and infrastructure related issues.

We also maintain close coordination with other relevant regulators including the stock exchange, tax authorities, and Securities & Exchange Commission of Pakistan (SECP).



Customer

engagement process

- Meetings
- Conferences and events
- Surveys/Questionnaires
- Website
- Media
- Digital platforms
- General correspondence

why we engage

- to encourage continued excellence in our performance
- to uphold our brand image
- Strengthen brand value
- Our primary customer is Central Power Purchasing Agency (CPPA). We are in continuous contact and dialogue with our customer.



Suppliers and Contractors

engagement process

- Meetings
- General correspondence
- Digital platforms
- Training events
- Website
- Surveys/Questionnaires

why we engage

- To ensure our suppliers and contractors deliver on their promises while adhering to applicable and recognized best practices
- To provide them with technical assistance related to their business, to benefit both the industry and the economy in which we operate.



Employees

engagement process

- Townhalls
- Trainings
- Engagement surveys/Questionnaires
- Performance appraisal and talent development
- Systematic support for health, safety and wellbeing
- Active communication, dialogue and cooperation with all employees
- Internal web portal
- Digital platforms
- General correspondence
- Internal newsletters and emails

why we engage

- To assess the levels of engagement and motivation at the workplace
- To analyze & improve on areas of weaknesses
- To ensure strengths are held stable
- To boost employee motivation and retention
- To improve company performance through increased productivity
- To provide employees self- development and growth opportunities



Local Communities

engagement process

- Meetings with local communities representatives
- Surveys/Questionnaires
- General correspondence & interactions

why we engage

- To understand how we can improve our relationship with local communities
- To identify areas of enhanced social contribution & development

The Company is extremely active in health, education, livelihood, and environmental projects for the betterment of these communities.



materiality assessment

To assess EPQL’s impacts on the economy, environment, and society, we evaluated EPQL’s activities and business relationships, and voice of its primary stakeholders, as these form a critical base in understanding the sustainability context of the overall business. To identify topics that are material for EPQL, we conducted a detailed exercise in 2023:

- Engaging primary stakeholders for their views and concerns based on our context
- Carrying out an internal impact assessment
- Reviewing issues and impacts derived from the first two steps against materiality criteria set for EPQL
- The shortlisted impacts identified in step 3 were then mapped to allow for a structured approach to holistically evaluate impacts and report on the relevant data.

These are elaborated further:

stakeholder engagement survey:

For specific purpose of identification of impacts and to finalize material topics for reporting purposes, we reached out to our primary stakeholders (see Table for the complete list of primary stakeholders) that were shortlisted on the basis of two parameters – stakeholder dependency and stakeholder influence.

These stakeholders were approached formally through questionnaire surveys to solicit their feedback on key impacts. Each shortlisted stakeholder group was approached by relevant departments in a manner suitable for the stakeholder. This exercise provided insights on key impacts.

internal impact assessment:

The impacts were also evaluated internally based on quantitative and qualitative parameters. Each topic will be assessed on basis of impact on the company or off the company. Once all impacts were evaluated, the impacts were further prioritized based on significance which is a factor of the severity and likelihood of these impacts.

prioritization

- Based on stakeholder views and impact assessment, the material topics are prioritized through a materiality threshold that has been influenced by EPQL’s Enterprise Risk Management Framework for a uniform and structured scoring. The combination of severity and likelihood yields the final assessment score which is ranked against a threshold - impacts that exceed the threshold are considered as Material for the organization.

material topics

Material topics for Engro Polymer & Chemicals, based on the above criteria have been identified as:



1. economic performance

Creating value for all stakeholders in terms of profits (dividends) for shareholders, retained earnings for future projects creating economic impact; employment generation; contributions to society for socioeconomic development; taxes to government.

2. employment practices

Our business generates economic activity that results in direct and indirect employment generation and other social and economic benefits for our employees. As an employer, our impact is not limited to an individual's financial remuneration but extends to their professional growth and development through learning opportunities that add value to the employees' skills set. Additional benefits such as health insurance and other recreational opportunities are extended to employees and their families.

3. occupational health and safety

Implementing stringent health and safety policies and protocols to safeguard people from the risk of accidents and injuries at work, that could affect a person’s productivity, health or quality of life. Senior management considers OHS of paramount priority, closely tracking KPIs and incidents to ensure zero tolerance for any lapses.

4. energy efficiency & consumption

EPQL ensures optimal energy performance, contributing to economic value and sustainable practices. Our commitment to energy efficiency focuses on efficient resource use, creating value for stakeholders by minimizing environmental impact. Major suppliers adhere to regulations, mitigating non-compliance risks. Agreements incorporate stringent environmental clauses and penalties, exemplifying our dedication to responsible energy consumption and sustainability. Through a comprehensive approach to energy management, we aim to enhance economic performance.

5. community investments

At EPQL, the commitment to social and economic development within local communities is ingrained in our core values. Recognizing the pivotal role of "Community & Society" in our mission, we extend our impact beyond non-stop electricity supply to areas facing severe load shedding. Our dedication to social development aligns with our holistic approach to value creation. In tandem, our procurement practices serve as a strategic cornerstone, seeking a sustainable competitive advantage through the efficient sourcing of goods and services. Grounded in principles of innovation, risk/return benefit, product quality, timely deliveries, reliability, and controls, our procurement policy is an integral component of our commitment to both community welfare and an optimized value chain.

6. diversity, equity and inclusion

At EPQL, Diversity, Equity, and Inclusion (DEI) are integral to our organizational DNA. We prioritize creating a workplace where every individual, regardless of background or identity, feels valued, respected, and empowered. Our commitment to DEI extends across recruitment, career development, and decision-making processes. Through initiatives like diversity training and recruitment drives, we cultivate an environment that fosters innovation and better serves our diverse workforce and communities. By championing DEI, we not only enhance employee engagement and satisfaction but also drive sustainable growth and impact.

7. material availability, procurement & utilization

At EPQL, efficient material utilization is a cornerstone of our sustainability efforts. We strive to optimize the use of materials throughout our operations, from procurement to production and waste management. Through stringent inventory management, responsible sourcing, and employee engagement, we aim to reduce our environmental footprint while driving operational excellence and cost savings. By prioritizing material efficiency, we uphold our commitment to sustainability and responsible resource stewardship.

8. procurement from local vendors

EPQL places significant emphasis on sourcing goods and services from local vendors. By prioritizing and partnering with local suppliers, we reduce transportation emissions and contribute to job creation in our operating regions. Our procurement practices focus on ethical and sustainable standards, empowering local businesses and fostering economic resilience.











performance with purpose

prosperity



2023 at a glance (PKR)

<p>Rev</p> <p>13.3 Bn</p> 	<p>credit rating</p> <p>AA-</p> 
<p>dividend</p> <p>1.6 Bn</p> 	<p>market cap</p> <p>10.3 Bn</p> 
<p>total assets</p> <p>23.1 Bn</p> 	<p>total electricity generated</p> <p>870 GWh</p> 
<p>wealth generated</p> <p>5.2 Bn</p> 	<p>earning per share</p> <p>7.76</p> 

EPQL's performance is guided by its Central idea and its mission that we have an undeniable responsibility in our individual and institutional capacity, to solve one of the most pressing issues of our time i.e. reliable & affordable electricity. In the pursuit of building a better future for Pakistanis, EPQL views the challenges faced by the nation as opportunities to change the status quo.

Economic performance is recognized as a critical responsibility and a key driver to achieve the company's strategic and operational aspirations under the guidance and governance from the Board of Directors.

Our financial performance and effectiveness of controls is reviewed by BoD through its board Audit Committee (BAC), guided by local regulations and various policies approved by the board. There exists an independent Internal Audit and Compliance department that reviews the operational and financial performance, including the risk management processes of the Company and reports its findings independently to the BAC.

To inform investors and other stakeholders of our performance, and as part of the regulatory requirements, EPQL submits comprehensive financial statements to the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX). Additionally, to protect shareholders' interest, all material information is publicly disseminated on timely basis and, for any concerns, investors can refer to the details on investor relations on our website.

Our risk management process encapsulates compliance to regulatory, legal and corporate governance requirements. All activities undertaken by the business carry an element of risk. At EPQL, the exposure to these risks is managed through the practice of Enterprise Risk Management (ERM). The purpose of ERM is to identify potential risks and uncertainties and to define the strategy for managing the impact of these risks, as well as the mechanisms to effectively monitor and evaluate identified strategies for enhancing the capacity of the Company to build and preserve value for its shareholders. It is the policy of EPQL to view ERM as integral to the creation, protection, and enhancement of shareholder's value by managing the uncertainties that could influence the achievement of corporate goals and objectives. To achieve this, an appropriate framework is adopted by the management and approved by the Board. At EPQL, we believe that a robust and prosperous society is imperative for the growth of our business. EPQL is fundamentally committed to creating shared value and believes that, for any project to have lasting impact, it must be connected to a larger value chain. EPQL is committed to creating sustainable and meaningful change through wealth creation, healthcare, education, and environmental stewardship. With a dream of an uplifted society, EPQL aims to maximize the social and economic impact of our developmental work through an inclusive business model that targets low-income communities where our business is based.

economic performance:

EPQL is operating Pakistan's first 217 MW combined cycle power plant on permeate gas, supplying affordable energy and providing employment to the local people. The project converts low-BTU, high Sulphur content gas, which was earlier being wasted and flared, into much-needed electric power. The unique fuel usage makes EPQL one of the lowest-cost thermal power plants in the country and reduces reliance on costly imported fuels.

Due to high merit order ranking in 2023, EPQL received dispatch throughout the year.

The notable highlights of the period include net electricity generation of 870 GWh, with billable availability factor of 100% in FY-23 as compared to 93% in FY-22 and a load factor of 46% in FY-23 as compared to 41% in FY-22. Sales revenue for the year 2023 was PKR 13.3 billion as compared to PKR 10 billion last.

year. The increase in sales revenue is attributable to higher availability and dispatch coupled with an increase in tariff. Consequently, gross profit for the year was higher at PKR 2.7 billion against PKR 1.7 billion last year.

The Company earned a net profit of PKR 2.5 billion for 2023 as compared to PKR 1.5 billion for 2022, which resulted in earnings per share of PKR 7.76 for 2023 vs PKR 4.55 for 2022. The company is conscious of its huge social impact and remains fully committed to Health, Safety & Environment (HSE) standards. It has been making significant contributions to the society through its energy project by providing them affordable & reliable electricity source. During the year 2023, EPQL generated total wealth of PKR 5.2 billion for its stakeholders.

direct economic value generated

2023 was an year of achievement for the Company as EPQL posted a PAT of PKR 2.5 billion as compared to PKR 1.5 billion in FY-22. Despite economic challenges, EPQL delivered strong operational & financial performance. The businesses ensured prudent cost management and productivity-enhancing measures to navigate any short-term impacts that may arise from the macroeconomic environment.

For the year 2023, a snapshot of economic value generated and distributed, based on our consolidated financial accounts, is presented below:

statement of value addition & distribution

(Rupees in thousand)

	2023Rupees....	2022
Wealth Generated			
Total revenue inclusive of sales tax and other income	16,345,754		11,932,033
Bought-in-raw material and services	(11,190,665)		(8,438,684)
	<u>5,155,089</u>		<u>3,493,349</u>
Wealth Distributed			
To Employees			
Salaries, benefits and other costs	707,423		558,484
To Government			
Taxes and duties	3,463		34,165
To Society			
Donation towards education, health, environment and natural disaster	15,460		17,635
To Providers of Capital			
Dividend to shareholders	1,133,453		4,533,200
Mark-up/interest expense on borrowed money	1,066,490		568,215
	<u>2,199,943</u>		<u>5,101,415</u>
Retained for reinvestment and future growth			
Depreciation, amortization and retained profit (net of dividend paid)	2,221,127		(2,218,350)
	<u>5,155,089</u>		<u>3,493,349</u>

For detailed financial statements, please refer to EPQL Annual Report-2023.

total tax contribution

EPQL's tax approach is guided by its Tax Policy approved by the Board which focuses on a high level of tax compliance in all jurisdictions in which it operates.

Tax break-up for 2023 as compared to 2022 is provided in below table;

Tax Category (PKR. in Thousands)

corporate income tax	sales tax
2023 11,221 2022 7,037	2023 1,703,572 2022 1,178,990

The Company's profits and gains from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company is also exempt from minimum tax on turnover under clause 11 A of part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, the Company has not recognized any deferred tax. However, the Company's income from other sources is subject to taxation.

financial investment contribution

Capital Expenditure:

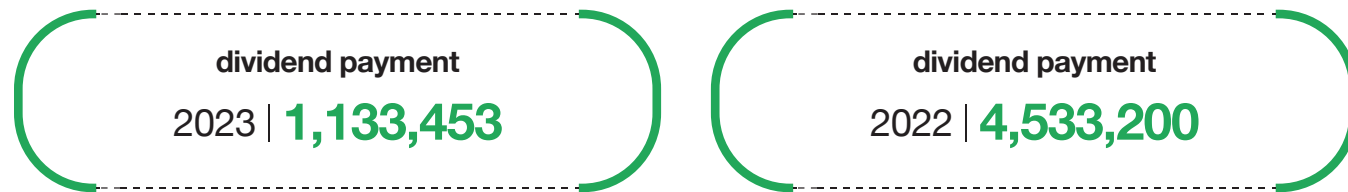
EPQL investment strategy is based on the goal of seeking returns for its shareholders whilst generating economic growth and prosperity by ensuring reliable operations and creating additional employment opportunities.

This is linked to Engro's central idea and investment strategy that aims to solve the country's most pressing issues, one of which is supply of reliable & affordable electricity. Also, EPQL puts in best efforts with a balanced approach to ensure distribution of capital to shareholders via dividend payments.

Our consolidated capital expenditures in 2023 was 330.3 million PKR (FY: 2022: 123.2 million PKR) whereas total depreciation charge on all assets amounted to 843.3 million PKR (FY 2022: 843.1 million PKR).

Dividend Paid:

Rupees in Thousand



financial implications and other risks and opportunities due to climate change

EPQL is cognizant of the fact that climate change presents physical and financial risks and opportunities to its operations, profitability and future growth and overall enterprise value.

To better capture these, we have conducted a preliminary assessment of climate related risks and opportunities and classified them as physical or transition risk, guided by the TCFD framework. This exercise is aimed at providing insights to broaden our understanding of the climate related risk and opportunities and prepare strategies and action plans to be put in place. Given the exercise is at nascent stage, the financial implications of the risk or opportunity or the costs of taking these actions are not available but will be worked on in future.

We are mindful of the growing importance of reporting climate related disclosures through credible frameworks such as the IFRS standards and will align our climate related reporting in due course.

financial assistance received from government

EPQL is a public listed company & believes in transparency. The Company has not received any financial assistance/incentives from government during this period.

For an extensive review of the company's business performance and its financial position for the year 2023, please refer to EPQL Annual Report 2023 published on our website.

social contribution:

EPQL firmly believes that sustainable growth and prosperity are intricately linked to the development of the communities in which we operate. We are committed to going beyond the standard practices and investing in an inclusive business model that transforms communities positively across various dimensions of their economic and social lives. This comprehensive approach is embedded in our entire value chain, recognizing and contributing to the societal elements that directly and indirectly influence our business.

Our corporate social responsibility strategy aligns seamlessly with our vision of serving all stakeholders and surpassing their expectations. The vision to inspire positive change, leading to socio-economic development and aiding those in need, culminated in the establishment of Engro Foundation (EF) in 2010. EF serves as the dedicated CSR arm for all Engro companies, striving to improve the quality of lives of people in the surrounding communities of our projects through the implementation of various impactful initiatives.



At EPQL, our concerted efforts to foster community prosperity involve targeted investments in key thematic areas, including education, technical training, livelihoods, healthcare facilities, basic infrastructure, women empowerment, and disaster relief. These initiatives significantly impact the lives of thousands by enhancing access to essential facilities.

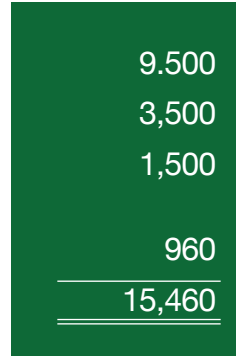
Demonstrating our commitment to local communities, we prioritize local workforce and contractors for material and services. Notably, 100% of our unskilled workforce and over 50% of skilled resources are sourced locally.

Regular and meaningful interactions with our local communities are integral to our approach. These engagements serve to deepen our understanding of how we can enhance our relationships and contribute to the ongoing development of the communities in which we operate.

statement of charity account

Rupees in Thousand

Education	9,500
Health Care	3,500
Skill Development/Women empowerment	1,500
reimbursement of salaries of EPQL employees rendering services to Engro Foundation	960
Total	15,460



our initiatives and programs

Our commitment to community well-being extends to various development initiatives across different sectors, encompassing education, technical training, livelihoods, healthcare facilities, basic infrastructure, women empowerment, and disaster relief. These initiatives align with our broader strategy to create a positive impact on the lives of those communities in which we operate.



creating livelihoods:

To support the social and economic development of the local communities, we give merit-based preference to local manpower and contractors for supply of material and services. This has translated into ensuring that 100% of our un-skilled manpower and more than 50% of skilled resources are from local vicinity. Also, over 70% of our total procurement budget is contracted through local vendors and this amount is increasing every year; ensuring that means of livelihoods is also created indirectly.

education initiatives:

EPQL's commitment to education in 2023 continued through strategic initiatives aimed at supporting local schools and empowering students:

- EPQL, in collaboration with Engro Foundation & Indus Resource Centre (IRC), sponsors one of the largest adopted school networks in district Ghotki: This collaboration underscores our commitment to education. The company specifically supports the operational costs of three government schools—Rasheed Ahmed Arain, Gul M Arbani, and Juma Khan Arbani in the Ghotki area. This collective effort plays a crucial role in educating more than 700+ students, contributing to the overall improvement of educational facilities in the region. Apart from that, 15 awareness sessions were also conducted to sensitize the local people regarding importance of education.
- Establishment of an Educational Hub with Diploma and Entry Test Preparation, Accompanied by Comprehensive Pick and Drop Services for Girls: EPQL has taken a pivotal step in empowering students by setting up an innovative Education Centre. This center focuses on providing specialized training for diploma and entry tests, offering invaluable educational support. Additionally, recognizing the importance of accessibility, EPQL ensures inclusivity by providing complete pick and drop services for girls. This initiative aims to eliminate barriers to education, fostering an environment where every student can pursue academic excellence.

healthcare initiatives:

- Primary Healthcare Infrastructure: EPQL is providing operational support to a dedicated Primary Healthcare Centre (PHC) in partnership with HANDS, benefiting the surrounding villages. In 2023, this facility provided timely medical treatments to over 11,000 patients. The organization also worked to hold approximately 40 awareness sessions with over 550 attendees.
- Support for Polio Eradication: EPQL supported the district government's Polio campaign with provision of transportation facility, showcasing our commitment to public health.

women empowerment:

- Women Skill Development: In 2023, as part of our commitment to advancing women's empowerment, we successfully executed a comprehensive initiative. This included organizing a 3-month stitching course for 25 girls from nearby villages, focusing on imparting practical and marketable sewing skills.

Upon completion of the course, each of the 25 participants was provided with a sewing machine. This initiative is aimed at empowering these women by not only equipping them with the required skill but also tangible tools to kickstart their own small-scale businesses.

- EPQL Hunar Program: In this program, two initiatives were conducted successfully: Coaching Academy & Stitching Centre. Under Coaching Academy, around 28 girls attended Entry Test Preparation Classes for Diploma of Associated Engineering (DAE) Admissions and all of them passed entrance exam. However, 16 girls got enrolled in DAE (Electrical). Out of 16, 15 deserving girls from underprivileged community were supported through generous scholarships to pursue their technical education i.e. Three Years Diploma of Associated Engineering (Electrical Program) at Technical Training College (TTC) Daharki.

The provision of scholarships and transportation is a key step to remove barriers to education, ensuring that talented and ambitious individuals have equal opportunities for skill development.

- Organizing STEM Session for Girls from Local Community: EPQL hosted an inspiring STEM session at the plant site, conducted by our Engineers to empower and encourage girls from neighboring areas to explore educational opportunities in Science, Technology, Engineering, and Mathematics (STEM). The goal was to ignite curiosity and passion for these fields, showcasing the diverse and rewarding avenues within STEM disciplines.

All of the above initiatives align with our broader commitment to empowering women in the region by facilitating access to quality education and by providing opportunities for skill development. Through such endeavors, we aim to contribute to the overall socio-economic development of the community.

community engagement and development initiatives:

- 14th August Celebration with Students from our Adopted Schools: On Independence Day, employees from our Ghotki plant visited the nearby adopted schools of EPQL, creating a vibrant celebration. Our team, including our female graduate trainee engineers, actively participated in the event. The students showcased their talents through speeches, tableaux, and games, creating an engaging and educational atmosphere. Sweets were distributed among the students, enhancing the joyous occasion. This initiative reinforced our commitment to community engagement, strengthening our connection with the adopted schools and fostering a sense of patriotism and community spirit.
- Family Park at Ghotki: EPQL developed a family park and playground, covering 22,000 square feet near one of our adopted schools in Ghotki. It features a beautiful lawn area and the installation of outdoor playing materials, like seesaw, slides etc. enhancing recreational opportunities for families. The project aims to foster community connections and support the physical and social development of individuals, especially children.
- Provision of Loader Rickshaw to District Government: EPQL provided a Loader Rickshaw to the District Government. Recognizing the limitations of large garbage collecting vehicles in narrow local streets, this initiative aims to control pollution and enhance healthcare in the community. By facilitating effective garbage collection, EPQL contributes to creating a cleaner and healthier environment for the local residents.

- Supporting Ghotki Fun Festival for Gazetteer Publishing: EPQL provided targeted financial support for the Gazetteer publishing expenses of the Ghotki Fun Festival, specifically aiming to boost local businesses with stalls at the event. This not only contributed to the festival's success but also created opportunities for community businesses while fostering an engaging environment for the Ghotki community.

disaster (flood) relief initiatives:

During the year 2022, the Ghotki region was badly affected by floods & heavy rains. Around 3 feet water was present in most of the areas of Ghotki region. In these difficult circumstances, EPQL extended its full support to the nearby villages to help them tackle with this calamity. Different initiatives that were taken as part of flood relief activities included;

- Distribution of Ration bags
- Provision of diesel oil for carrying out dewatering activities in the local vicinity
- Company pumps were provided to clear rainwater from surrounding of nearby villages to canal
- Fumigation activities during rain emergency

During this emergency, EPQL team remained consistently engaged with nearby villages representatives as well as district government to provide its utmost support to the best extent possible.

digitalization & innovation

Committed to innovation and responsible business practices, EPQL stands as the pioneer in Pakistan's power generation sector, being the first to produce electricity using permeate gas. Fueled by this innovative spirit, EPQL envisions a seamless Digital Transformation. Our vision emphasizes efficient data management—acquisition via mobile devices, secure cloud storage, and authorized user access.

To propel this transformation journey, EPQL embarked on a significant Digital Transformation initiative, converting manual processes into digital workflows. Notably, this transformation was achieved using in-house resources and the Microsoft Office 365 platform, underscoring EPQL's commitment to cost-effective and sustainable digitalization.

digitalization initiatives:

Digital Transformation of Workflows:

In Phase-I of the Digital Transformation project, EPQL seamlessly transitioned critical manual processes into digital workflows. Maintenance and operational processes were transformed. This not only streamlined operations but also enhanced data accuracy and accessibility for maintenance personnel. Key processes digitalized include:

1. Maintenance Processes:

- Maintenance Log Sheets
- Maintenance Surveillance Sheets
- Tools Issuance
- Reliability Incidents Reporting

2. Operational Processes:

- Operations Check Lists
- Mess/Travel Feedback Forms

Data Driven Decisions through Dashboards: EPQL expanded its digital footprint, further reinforcing its position as a leader in the industry. EPQL conducted a competition to develop maintenance dashboards. This competition aimed to harness insights from different datasets, fostering a culture of continuous improvement and data-driven decision-making. Several multidimensional dashboards were developed using Microsoft Power BI by our team to monitor specific data streams, providing comprehensive insights into preventive and corrective maintenance activities. These dashboards included:

1. Equipment Surveillance Dashboard:

Provides insights (predictive maintenance indicators) for optimal asset performance & maintenance requirements.

2. Plant Overall Performance and Efficiency Dashboard:

Offering a holistic view of plant performance metrics, enabling continuous optimization for enhanced efficiency.

3. EPQL Budget Dashboard:

Providing insights into budgetary allocations and expenditures, ensuring effective utilization, monitoring & management.

These dashboards empower maintenance engineers with data insights to achieve operational excellence.

Paper Consumption Reduction: Apart from streamlining the processes, a notable achievement in 2023 was the reduction in paper consumption by approximately 60% compared to 2022.

Digital Learning for HSE Practices: In a bid to digitalize learning, EPQL introduced self-graded quizzes during weekly D-level meetings. This digital learning initiative leverages technology to enhance Health, Safety, and Environment (HSE) knowledge among employees. By seamlessly integrating educational content into routine meetings, EPQL ensures continuous improvement in HSE practices, demonstrating the multifaceted impact of digitalization beyond operational processes.

Centralized Email for Microsoft Office 365 Power Platform: EPQL further strengthened the security of its in-house digital workflows by centralizing the Microsoft Office 365 account. This strategic move enhances data integrity, continuity, and showcases EPQL's commitment to digital best practices.

Ennovate Ideathon Triumph: EPQL demonstrated digital expertise in Engro Corp's "Ennovate Ideathon" 2023. The competition focused on delving into the realm of AI to enhance everyday business processes. Outperforming 22 teams, EPQL secured a top-five position with its innovative smart inventory management system. This accomplishment emphasizes EPQL's commitment to advanced solutions, representing a significant milestone in the digital innovation landscape.

EPQL's journey exemplifies a blend of innovation, efficiency, and environmental responsibility in the power generation sector. Through these initiatives, EPQL sets a benchmark for sustainable digital transformation, driving positive change within and beyond its operational boundaries.

information security initiatives at epql:

In response to the evolving landscape of cyber threats, EPQL has implemented robust information security initiatives to fortify its digital defenses and ensure the safety of its workforce.

- ▶ **Online Information Security Awareness Training:** In a proactive effort to fortify EPQL's defense against cyber threats, employees engaged in an online Information Security Awareness Training. This training, completed by an impressive 95% of the EPQL population, serves as a crucial step in enhancing the organization's overall cybersecurity posture by equipping the workforce with the latest insights and best practices.
- ▶ **Information Security Awareness Sessions:** To educate and empower the workforce to recognize and mitigate potential security risks, Information Security Awareness Sessions were conducted at the site. These sessions were attended by all levels of the employees at the site, including top management. The primary goal was to educate employees about potential security risks and instill a culture of proactive vigilance. By fostering a shared responsibility for information security, EPQL ensures a resilient defense against cyber threats at every echelon of the company.
- ▶ **Administrative Controls for Cyber Defense:** As part of its proactive cybersecurity strategy, EPQL has implemented various effective administrative controls to regulate system access and mitigate cyber risks. One of them includes the restricted access of USB for all employees, a strategic measure aimed at minimizing potential security vulnerabilities associated with external devices.

our people our growth imperative

people



total number of employees (headcount basis)

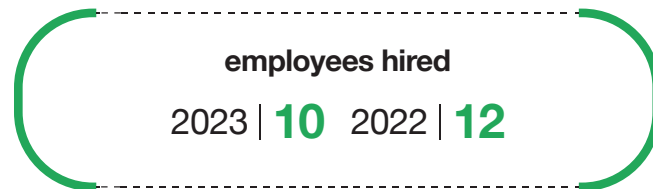


employment numbers by category

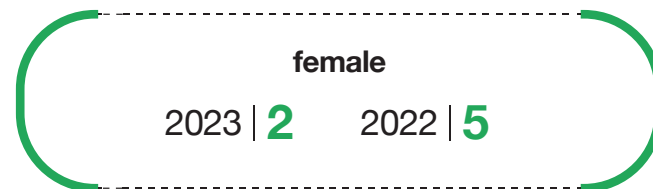
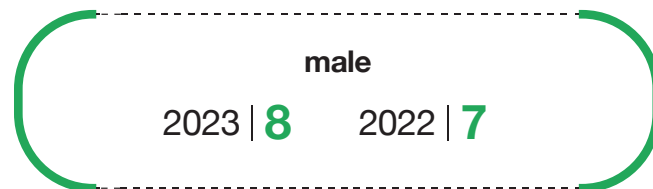


hiring

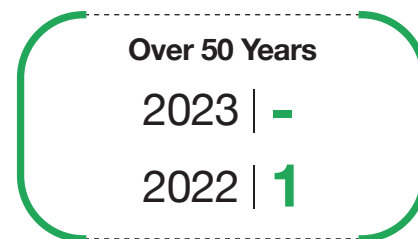
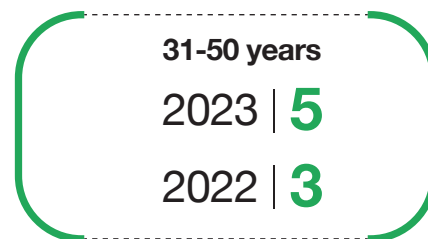
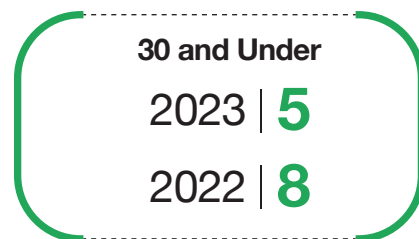
Includes Permanent employees only



hiring by gender



hiring by age group

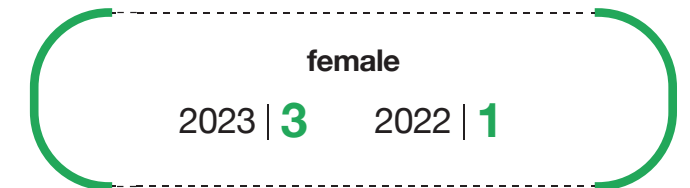
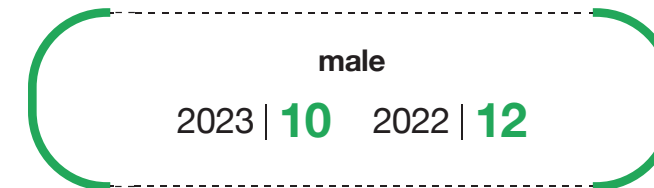


turnover

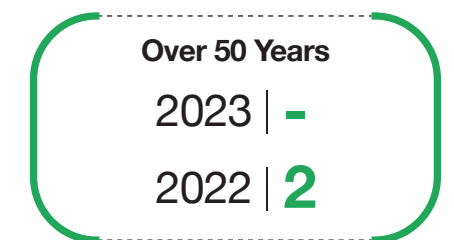
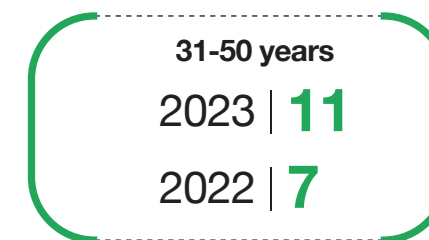
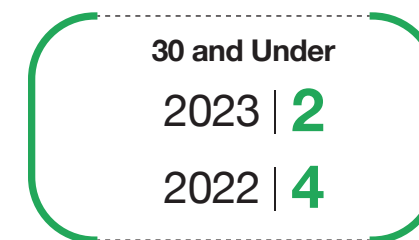
Includes Permanent employees only



turnover by gender



turnover by age group



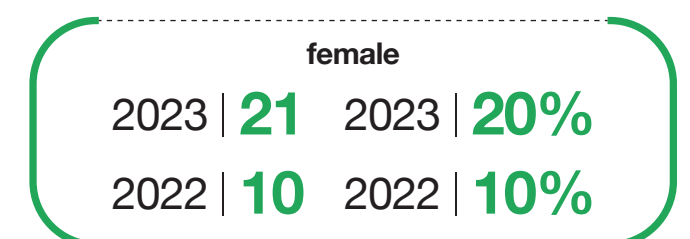
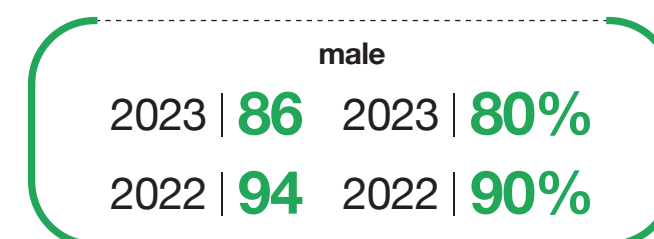
Note:

The above data does not include internal transfers/postings

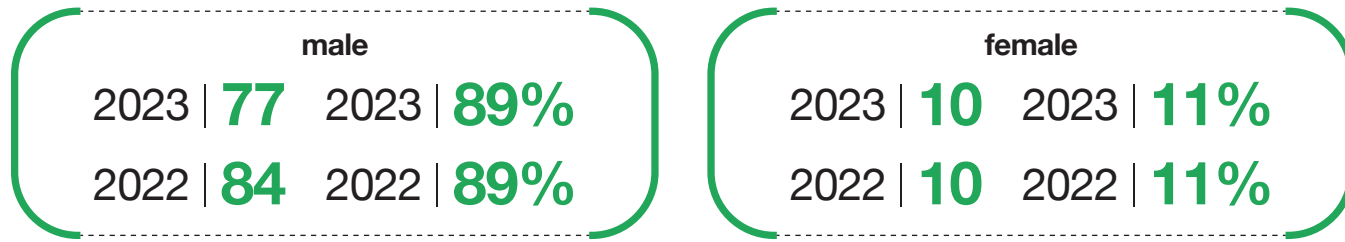
diversity at epql

Diversity by Gender for key employee categories:

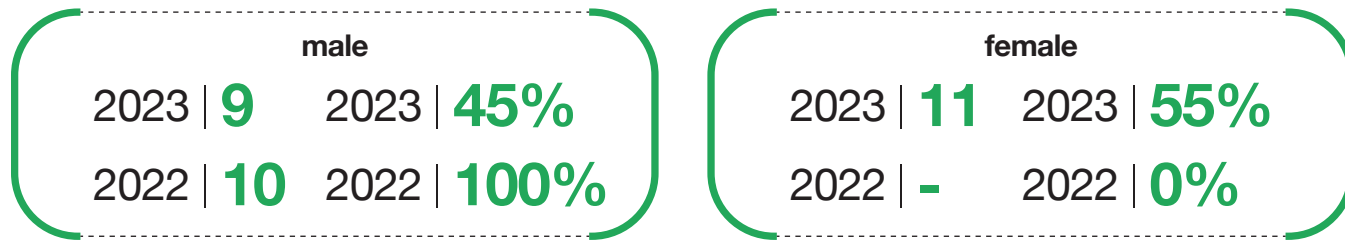
all employees



permanent employees

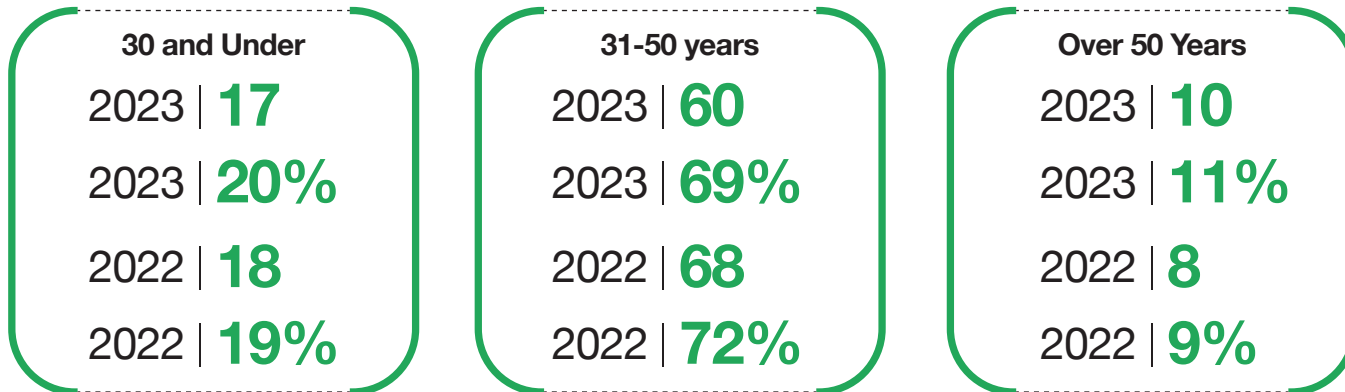


contractual employees

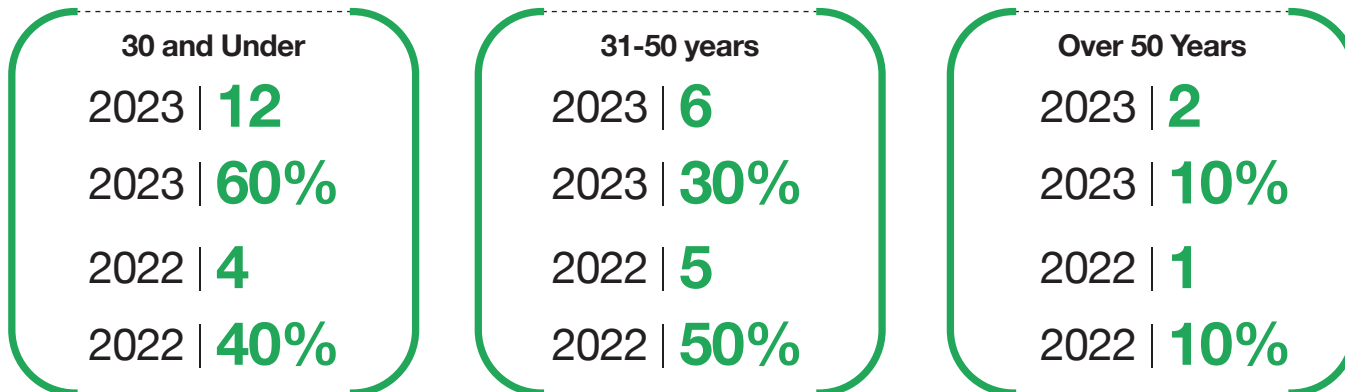


diversity by age group for key employee categories

permanent employees



contractual employees



people philosophy

Human Capital remains a strategic priority at EPQL as we aspire to attract the best-in-class talent to help create value and drive impact in challenging and changing times. EPQL understands that the challenges for its businesses in the future will be different from those in the past, and the Company must invest in developing the required leadership competencies to face those challenges. For our continued success, and to ensure we continue to bet big on our people, we are focused on transforming our talent management approach along with our commitment to the desired culture – from attracting and developing the best people, to enhancing their engagement and sustaining a performance-oriented culture of learning and leadership.

At EPQL, we recognize that our success as a Company is contingent upon the multiplier effect of our people. Our employees play a central role in the continued success of our businesses and are an integral part of our Central Idea and Core values. We work towards building a performance-driven culture that fosters an environment of truth, trust and transparency, promoting open communication, diversity, equity and inclusion, learning and development, entrepreneurship, commitment to excellence, and safeguarding the health and wellbeing of our people to ensure that we remain well positioned to manage our growth and tackle any challenges faced by businesses today and in the future.

EPQL strongly believes in “Putting People First”. We understand that we can only deliver on our aspirations if we have the best-in-class talent on board. Therefore, EPQL’s Board places great importance on policies and processes related to People development as these are at the heart of our core values. To ensure dedicated focus on HR matters, the Board has established the Board People Committee (BPC) that exercises oversight over HR policies and systems. The committee meets multiple times through the year to review and recommend all elements of the compensation, organization and employee development policies relating to employees including senior executives and to approve all matters related to the salary plans, employee development plans, executive appraisals, and succession planning.

The Company’s HR policies have been developed encompassing following principles:

equal opportunity:

- Provide equal opportunity to all job applicants through clearly defined and consistently applied induction standards.
- Create a work environment where every employee has an equal opportunity to develop their skills and talents.

training and development:

- To meet employee and organizational needs, provide opportunities to employees for acquisition of knowledge for technical and managerial skills through classroom and on-the-job learning.

performance management:

- Have a transparent and merit-based performance management system in place.
- Have a formal career development and succession planning system.
- Clearly defined system for career progression based on merit and potential.

compensation and benefits:

- Rewards policies aligned with best companies in the market that compete for high quality talent.
- Clear linkage of reward policies with performance and potential.

diversity, inclusion and non-discrimination:

- Provide an environment free from all forms of discrimination and harassment at workplace.
- Foster gender diversity at all levels within the Company
- Policies aimed at creating flexible, inclusive and conducive workspace for all irrespective of any difference

At EPQL, we celebrate continuous learning, in which people development is a critical responsibility of all managers. Our leaders are expected to create learning opportunities, provide coaching and give regular, constructive feedback - a philosophy further reinforced in our performance management, goal setting, and learning management systems. Our Leadership Competency Model, increased digitization efforts, and robust people processes are designed to promote collaboration, innovation, data-driven insights & evidence-based decision making whilst keeping "People-First" at its core.

To strengthen the focus on health and wellness of its employees, EPQL has implemented various initiatives through a structured Wellness Program being centrally managed by Engro Corporation. These include access to Saaya Health (for emotional wellbeing), consultations as well as webinars and workshops with a nutritionist, and access to gym facilities and fitness training classes along with the flagship 41 Day Fitness Challenge.

EPQL takes special care to attract, hire, retain, and develop the right talent to drive its results. We routinely map out skill gaps and offer tailored training and development programs to enhance the employee experience and supplement these with favorable HR campaigns such as GTE Drive, Qadirpur Trainee Engineer Drive, Break Ke Baad, Talent Development Program and the DE&I Leaders Program, which help us ensure long-term, shared value creation for both women and men from all backgrounds

The HR department has robust processes and wide range of policies governed by its Code of Conduct, People strategy and its Leadership Competency Model. To ensure a workplace where employees feel safe, respected and appreciated, EPQL has competitive and transparent policies to attract, develop, retain and engage its talent, which are made accessible to the employees through a comprehensive HR policy manual.

We believe that dialogue and clear communication are essential to building and preserving good relations between management and employees. Our leadership messages and townhalls provide opportunity to employees to engage with senior management and get their views and clarity on strategic matters. We have a culture that promotes open communication and employees are encouraged to raise their concerns or seek clarifications with line managers. We also have a whistleblower platform: Speak Out, that allows employees to speak about any concerns they have regarding business ethics and compliance, safety, environmental performance, harassment, and other employment related matters. There is also an Anti Harassment Committee to take decisions on harassment related complaints. These matters are investigated independently, and results are communicated to the Board. Adherence to HR policies and processes is ensured through our internal control framework whereby Internal Audit conducts periodic reviews to gauge effective implementation and identify any gaps so that timely corrective action can be taken.

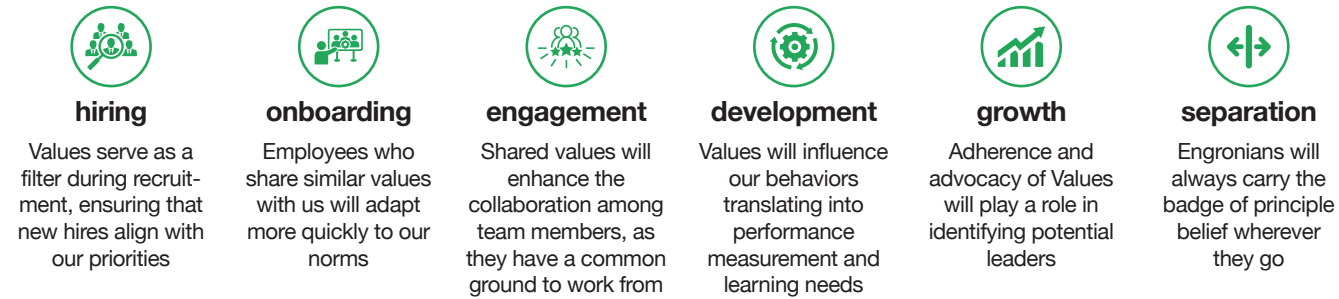
To build a culture promoting merit and competence, we have a performance appraisal system for individuals' annual evaluation, focusing on the current year's performance and future development needs. The effectiveness of our systems, HR driven initiatives, organizational culture and company policies are gauged through an annual employee experience survey, results of which are communicated organization wide to promote transparency while areas of improvement are identified and action plans are developed.

We consistently enhance the user experience by delivering top-notch operational services to our employees. Through the utilization of cutting-edge technology, we ensure that EPQL maintains effective people-related operational controls, administrative and reporting procedures, and robust people systems. Our internal Success Factor portal streamlines processes for employees, facilitating benefit claims, reimbursements, performance evaluations, succession planning, learning, training, recruitment, and onboarding. Additionally, our operational system supports back-end operations and record-keeping. Leveraging the networking platform "Workplace from Facebook" and disseminating periodic newsletters, we foster an efficient system with rapid turnarounds, promoting a connected and learning-oriented culture.

We are proud of the engagement of our workforce at EPQL which has helped us become one of the leading conglomerates in Pakistan and an employer of choice.

talent & culture – the employee lifecycle:

Our people strategy is influenced by our central idea whereby people are named as the organization's growth imperative. Since the central idea encourages focus on new businesses, our people need to be more entrepreneurial with an innovative frame of mind for our business success. Our core competencies and a robust and comprehensive people's strategy helps us to successfully navigate through the changing business landscape, and ensure that we continue to attract, retain and develop talent.



hiring: talent acquisition:

Talent acquisition plays a pivotal role in an organization's success by identifying, acquiring, assessing, and hiring individuals who can contribute to the company's goals and culture. Its main purpose is to attract and retain high-quality talent that aligns with the organization's mission and objectives. It ensures the right skills for specific roles, aiding strategic goals, improves team productivity by hiring the right talent, evaluates alignment with values creating a positive workplace ensure diversity in hiring bringing fresh ideas and fostering growth.

Following are some of the programs being run under the Talent Acquisition umbrella:

- **Job Fairs and Corporate Connect Sessions:** Conducting Job Fairs in Technical Universities in Pakistan such as NED, DUET & MUET was pivotal in fortifying visibility and fostering vital connections between the corporate sphere and universities. Their primary aim was to cultivate stronger ties and bridge the gap between academic knowledge and prospective talents.
- **Qadirpur Trainee Engineer:** Paving the way for a more diverse and inclusive workforce, we were able to induct 10 Qadirpur Trainee Engineers hailing from local communities who were the first females to work on technical roles at Qadirpur Plant.
- **Suleman Dawood Internship:** Suleman Dawood Internship has undergone centralization across the Engro group. We initiated an internship campaign via social media and universities, participating in campus drives. To enhance their understanding of Engro, we arranged leadership sessions for interns, aligning their learning with practical insights. Projects were assigned, and specific lines supervised and evaluated their performance, providing constructive feedback for their future growth. We organized a comprehensive orientation across Engro to ensure a consistent and positive candidate experience, including a thoughtful goodie bag as part of their onboarding process.

- **Internal Job Posting:** The talent team launched a digitized solution of Internal Job Posting (IJP) to keep the mid-career talent updated about available opportunities within the Engro group, followed by thorough awareness/training sessions to all line managers in couple with rigorous promotional campaign to introduce IJP process & framework group wide. This shows the company's commitment to the development of the talent available internally.
- **Sourcing Channels:** Consolidating sourcing channels like LinkedIn, headhunters, and internal job postings in talent acquisition brings a multitude of advantages. This consolidation of sourcing channels streamlined the entire recruitment process, offering recruiters a centralized platform to explore and engage with diverse talent pools.

onboarding:

Our onboarding module available on Success Factors ensures that new joiners get on board without any issues. This is an end-to-end service to ensure that regardless of location, the employee experience remains the same.

engagement: culture (employee engagement)

EPQL recognizes that employee engagement is critical for retaining value talent and boost employee experience. Our success is measured by a defined set of engagement perimeters adaptable to our working environment. Each year, we conduct an employee engagement survey, the results of which are shared with both employees as well as the Board. These results are analyzed and action plans are developed. The survey addresses following dimensions:

Purpose	Overall Leadership
Values	Truth, Trust & Transparency
Puts People First	Diversity & Inclusion
Encourages Innovation & Change	Wellbeing
Collaborates Openly	Engagement
Acts with Ownership	

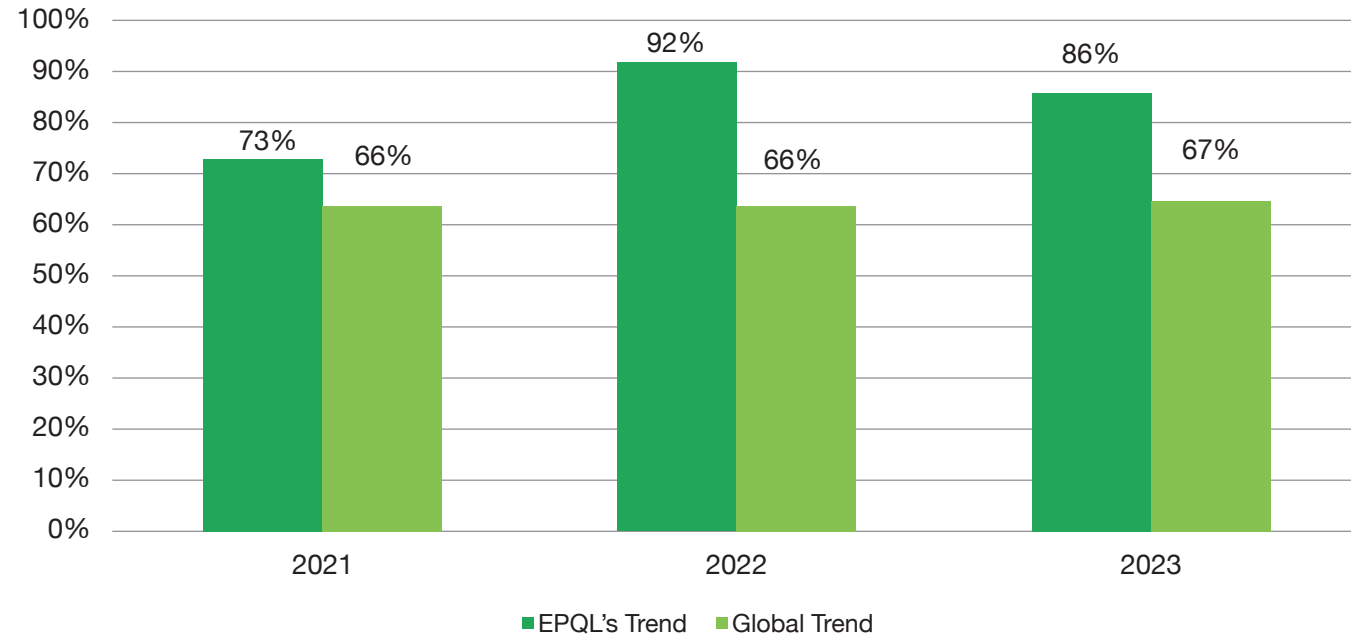
During 2023, the results of engagement survey for EPQL were:

86%
engagement score
(2023)

92%
engagement score
(2022)

We aim to score above the global average which, according to Qualtrics 2024 Employee Trends report, was 67% in 2023. Over the last few years, we have managed to remain above the target with variation on year to year basis. In 2023, the Company successfully achieved a healthy engagement index of 86% which is significantly higher from the overall vertical score of 83% of this year - demonstrating high engagement levels and employee morale in EPQL.

Engagement Scores



These results are analyzed by each division's HRBP to understand the factors that are encouraging as well as factors that need interventions and accordingly plans are designed to improve employee experience in those areas.

In 2023, the following engagement activities took place at EPQL in addition to multiple Baithak sessions:

- ◆ March: Womens Day Digital Trivia & Giveaway
- ◆ March: Engro's Got Talent
- ◆ March: Energy Excellence Awards & Ramadan Digital Nutrition Series
- ◆ April: Eid Breakfast & Giveaway
- ◆ May: Mental Health Awareness Month
- ◆ May: Mother's Day Digital Campaign
- ◆ June: Father's Day Digital Campaign
- ◆ August: Pakistan Day Celebration
- ◆ September: 10 Million Workhours Celebration
- ◆ October: PinkTober Event
- ◆ November: Childrens day Event
- ◆ December: DEILP Success Event







wellness:

As part of EPQL’s commitment to improve employee well-being, programs are designed to achieve high levels of employee wellness – such as nutritional and emotional well-being initiatives, which help us foster a culture of proactive engagement. They act as practical tools.

Over the year, there have been a number of centrally managed wellness programs including Emotional Wellness, Nutritional Wellness & Physical Wellness. Additionally, a flagship centrally managed 41 Day Fitness Challenge was launched that acts not just as a wellness tool but also enhances employee engagement.

dimensions	initiatives
Emotional 	<ol style="list-style-type: none"> 1. One-on-one counselling sessions for employees and their families 2. Workshops (in-person & online)
Physical 	<ol style="list-style-type: none"> 1. 41 Day Fitness Challenge 2. Yoga 3. HIIT 4. In-house gym
Nutritional 	<ol style="list-style-type: none"> 1. One-on-one sessions 2. Workshops (in-person & online)

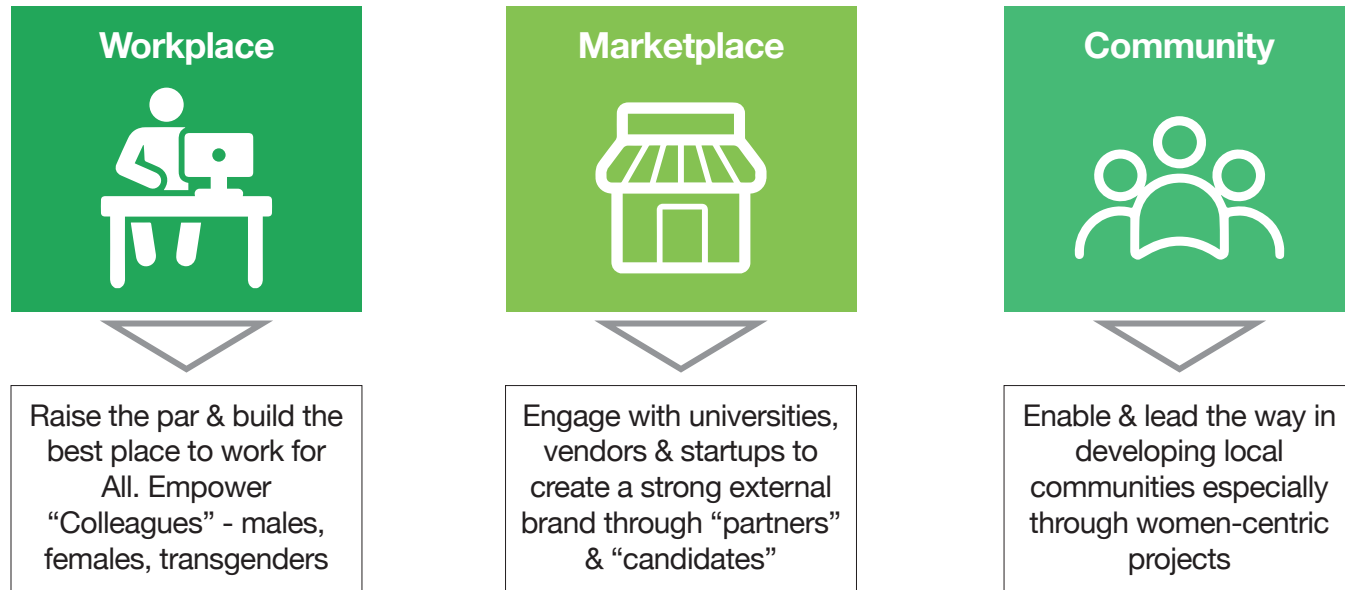
diversity, equity & inclusion

At EPQL, we believe that our diversity equity and inclusion strategy strengthens a culture that nurtures an inclusive work environment and promotes the social and economic values that we propagate. In such an environment, employees feel valued and safe to express their views. With diverse perspectives, teams can make better decisions, improving their performance and agility in a complex and changing business environment.

EPQL recognizes Diversity, Equity & Inclusion as a strategic dimension that shall complement our existing efforts for a more diversified and inclusive, future ready workforce. Our people strategy, initiatives and employment practices ensure that our employees are provided with equal opportunity, fair representation from various aspects, are treated equitably, have the freedom to thrive professionally and grow to their full potential. Starting from the recruitment process, we endeavor to give equal opportunities to all candidates, irrespective of their gender, religion, or background.

our purpose statement

“Encourage, Enable & Empower women in our society by consciously focusing on: Workplace, Marketplace & Community”



We have multiple programs to ensure diversity at our workplace and believe that the current and future initiatives that we undertake to further our DEI ambition, will help us achieve our goal to encourage, enable and empower women in our workplace, marketplace and communities. This includes increasing our gender diversity footprint at both the senior leadership as well as fresh induction levels.

A few of our key initiatives to promote DEI at Engro include:

► **diversity, equity & inclusion leaders program (deilp)**

The Diversity, Equity & Inclusion (DE&I) Leaders Program equips employees at all levels with the skills and tools necessary to inculcate a culture of inclusion across the Company. A key part of the program is studying various forms of exclusion and discriminatory behaviors common in office spaces, and the adverse effects they may perpetuate on employee productivity.

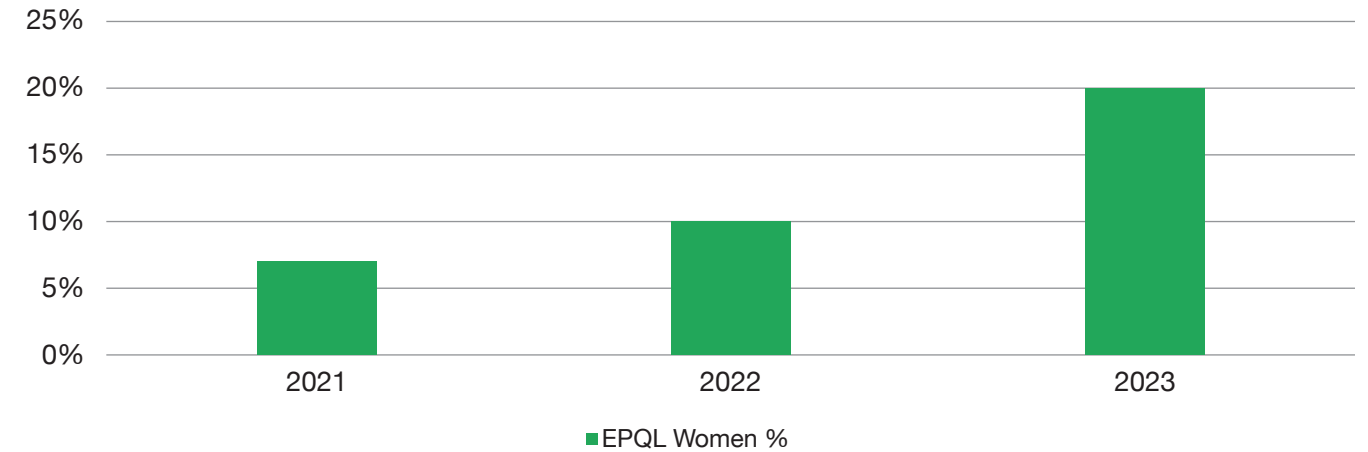
DE&I Leaders Program has been designed on a sustainable model that features in-house volunteer trainers (DE&I Ambassadors) to ensure employees undergo comprehensive and customized sensitization training. This Program includes four modules: Awareness, Acceptance, Advocacy & Anti-Harassment. DE&I Leaders Program not only shapes our present but also paves the way for a more enlightened and inclusive future for all.

Qadirpur Trainee Engineers Program

In its commitment to DE&I agenda, EPQL inducted 10 Qadirpur Trainee Engineers (QTEs) hailing from local communities who were the first females to work in technical roles at Qadirpur Plant.

With the induction of these QTEs, female employees now represent ~20% of the total workforce on company payroll and this is the number we are working hard to improve further. We aim to build on this momentum in the future and be recognized as one of the most diversity fostering entities in the country.

EPQL Women % as compared to Total no. of Employees



Moreover, The HR team focused extensively on engaging with the female workforce of EPQL by holding sessions which discussed concerns, if any, and areas of improvement towards creating a more diverse and inclusive organization.

de&i related policies:

- **She Moves With Careem:** Enabling women employees by offering commute facilities in partnership with Careem.
- **Travel w/ Child Policy:** Offering local and international travel with child and attendant for all permanent women employees and trainees with children up to 3 years of age where the company covers the cost of child and attendant
- **Parental Leave:** EPQL offers its women 6 months of paid maternity leave and its men 15 days of paid paternity leave to support their partners at home.
- **Daycare:** 2 in house daycares at different office locations are available for children between 4 months to 6 years.
- **Anti- Harassment Committee:** The Anti-Harassment Committee, as a dedicated reporting platform, empowers employees to confidently report harassment or bullying cases. Operating for years and committed to ongoing support, it ensures a safe and respectful workplace.

de&i programs:

► break ke baad (bkb)

Engro centrally launched a first-of-its-kind initiative ‘Break Ke Baad’ as a stepping stone for professional women who want to transition back to the workplace after taking a break. The objective was to build a high-quality pool of women for senior roles by providing opportunity to all talented women, including Ex-Engro employees. The program has a flexible working model which offers associates full-time employment, part-time employment and flexible working hours. Break Ke Baad seeks to induct applicants with at least 3 years of prior experience, after a gap of at least 2 years.

► khudi:

Khudi introduces a one-year contractual training program that is managed centrally by Engro Corporation and is meticulously designed to empower and nurture PWDs. Through exposure to various roles across Engro, this initiative aims to instill pride, identity, and purpose within individuals. By creating pathways for growth, development, and meaningful contributions, Khudi actively addresses the challenges faced by PWDs in securing meaningful employment.

With regards to DE&I, we are proud of the impact created in terms of the upward trend of women in the organization.

Compensation & Rewards:

As a commitment to diversity, equity and inclusion, EPQL has a fair and non-discriminate compensation policy. Our rewards philosophy does not differentiate any individual based on their gender, ethnic or religious background. Our principles for pay determination and pay progression are based on 1) pay equity compared to market 2) individuals’ performance and 3) leadership competency rating through a comprehensive performance management process.

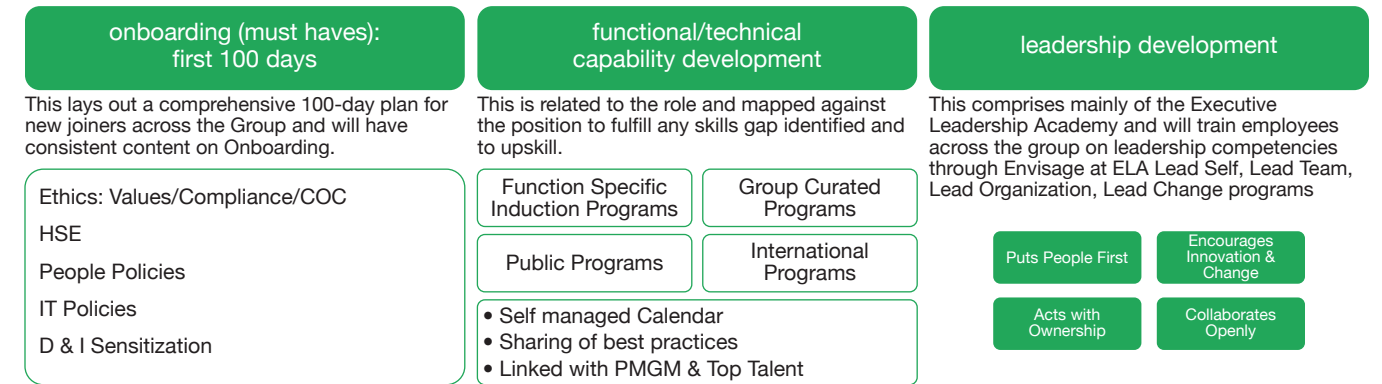
During the lifecycle of an employee at EPQL, employee remuneration is decided at three stages, 1) at the time of hiring, 2) at the time of increment and 3) at promotion. Our compensation philosophy, systems, and controls ensure that no pay gap is created from the onset.

talent development:

Capability Development

LEAP stands as an umbrella brand dedicated to advancing group-wide upskilling through a unified platform. Its core aim is to build a comprehensive framework comprising three vital elements: Onboarding, Functional/Technical Training, and Leadership Development. This framework is tailored to address capability development needs while also prioritizing the development of future skills aligned with our organization's strategy, crucial for sustaining ongoing success and sustainability.

The three verticals under LEAP are illustrated below.



The primary goal is to strategically position 'capability development' as a consultant for learning across the entire organization. This approach emphasizes a shift in mindset, highlighting that capability development is an employee-owned endeavor. The capability strategy is designed to align with employee preferences by offering a variety of options through a structured calendar for personal and professional development, empowering individuals to customize their learning pathways.

► functional / technical offerings:

In the realm of Functional/Technical Development, EPQL, boasting world-class manufacturing facilities, has developed training programs on engineering excellence skills over the years. The objective is to foster a unified approach across subsidiaries and enhance knowledge accessibility.

Technical trainings play a crucial role in fostering a culture of continuous learning and ensuring organizational agility in the face of technological advancements. Realizing the importance of technical trainings, EPQL employees have been given access to various technical courses on Learning Management System (LMS) Module of Success Factors. In addition to LMS, site teams of respective departments conduct regular technical trainings sessions. The purpose of technical trainings is to equip individuals with the technical knowledge, skills, and competencies required to excel in their respective roles within the dynamic and evolving technological landscape. These trainings are designed to address specific needs within the organization, fostering professional development and enhancing overall performance.

► leadership development offerings:

Leadership Development is linked with the Leadership Capability Model (LCM), nurturing leadership and management skills across all tiers. Training series conducted in 2023 covered areas like Self-Development, Team Leadership, Soft Skills and Constructive Feedback.

► access to coursera

Further promoting the employee development agenda, the Company has also provided the employees the opportunity to access hundreds of courses offered on online platforms such as Coursera. The employees have the convenience to access these courses remotely & complete them at their own pace. During the year 2023, courses covered through Coursera included Data Analysis, Artificial Intelligence, Microsoft Power Platforms and Risk Management.

total training spend
PKR **4.8** Million

average training spend
PKR **55,101**

Total Training Hours for Permanent Employees	13,715 hours
Total Training Hours – Male	12,232 hours
Total Training Hours – Female	1,483 hours
Average training hours for permanent employee	158 hours
Average Training hours by gender	
Male	159 hours
Female	148 hours

Over the years, our learning model has been developed to offer efficiency to increase our outreach and cover a large employee base through use of technology and in-house expertise. This helps us to manage our cost while helping us to maximize our training efforts. Soft skills training is largely centralized and is imparted through in-house trainers club, with occasional support from external vendors, as and when required and also through digital learning courses offered through Coursera and Engro’s Centralized LMS system, ensuring convenience to the employees. Our model is aligned with the changing dynamics of the world today leveraging smart tools and technology to maximize efforts to increase outreach.

talent management

EPQL understands that the challenges for its businesses in the future will be different from those in the past, and the Company continues to invest in developing the required leadership competencies to face those challenges. Our Talent Development outreach stems from Engro’s Leadership Competency Model (LCM), instilling a sense of responsibility towards our core values.

Developing a leadership mindset is important at all levels, therefore, to nurture leadership we evaluate our people based on key behavioral indicators and invest in them by developing quality leadership skills through tailored capability development programs. We encourage a culture, where talent development is a critical responsibility of the line manager. We believe that continuous growth and development of our people is key to surviving in a dynamic, complex, and challenging business environment.

Performance Management System

At EPQL, we promote a healthy competitive and result-oriented culture. We recognize and reward our best employees. Our performance management system measures not only “what” but also “how” of the performance as part of a 50-50 balance scorecard and is a critical tool to hold people accountable for actions as well as developing our culture and people with actionable, evidence-based feedback on LCM and objectives.

Succession Planning Policy:

The Company’s Succession Planning policy is aimed at ensuring seamless business continuity, through a stronger talent pipeline for future leadership positions. Keeping

People Development at the core and recognizing that change is imminent, focus is on skill enhancement for all current and future business needs to ensure that the organization remains abreast with changing times. Career growth for employees has also been mapped keeping in view, the individual’s potential, experience, display of EPQL competencies along with other factors. Each employee is provided training and development opportunities and is equipped with the necessary tools and resources to perform at the job.

wage level:

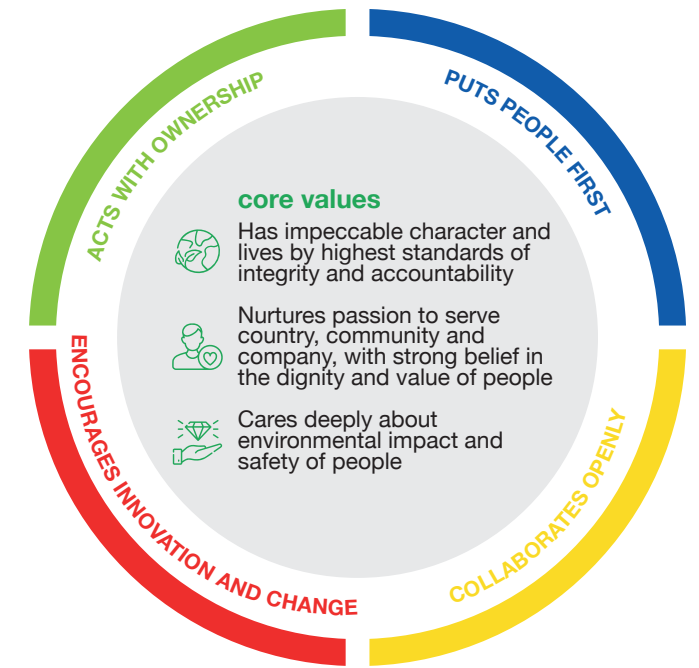
Our Entry level is through GTE program and the ratio for entry level wage to minimum wage is 3x & this pay does not vary by gender.

annual total compensation ratio:

Due to confidentiality reason, this information (ratio of CEO’s total annual compensation to median total annual compensation of all employees excluding the CEO) is not being provided in this report.

risk for incidents of child, forced and compulsory labor:

At EPQL, we are compliant with Pakistan labor laws and therefore have no incidents of child, forced or compulsory labor within our organization.



health & safety:

highlights:

10.5 M Workhours w/o LWI since COD

5028 Safe Working days since COD

“Zero” TRIR

14500+ Training Hours

Safe & Successful completion of 18 days schedule outage without even a First Aid Case

Safe completion of Badar Gas Skid Erection & Tie-in activity without even a First Aid Case

At Engro Powergen Qadirpur Limited, the health, safety, and well-being of our employees and the communities that we engage with, remain the epicenter of everything we do & that’s why it is one of our Core Values. We strongly believe in “Safety-First” culture & ensure that all our business operations and work practices deliver the best-in-class HSE performance based on international standards. Our investment decisions retain adequate provisions for implementing inherent safety features since inception because we are the custodians of people coming to our workplaces.

The quality of our Process Safety Management (PSM) and Process Safety & Risk Management (PSRM) systems is reflected in the fact that the Company has maintained zero Loss Workday Injury; completing 10.5 million safe Workhours & 5028 days safely without LWI since Commercial Operations Date (COD) of the project.

EPQL Plant HSE Committee, chaired by Site Head meets every month & EPQL HSE Committee, chaired by Company’s CEO meets every 3 months to discuss monthly HSE statistics, initiatives, preventive/pro-active actions & learnings from past incidents to focus on areas of further improvement. HSE department provide actual statistics of following to both the committees in comparison to the baseline & stretched yearly targets.

- Behavior Related Leading Indicators
- Process Related Leading Indicators
- OHIH Related Leading Indicators
- Environment Related Leading Indicators

In 2023, EPQL has achieved two remarkable milestones by continuing its exceptional safety record, reaching safety streak of 10 Million Safe Workhours and 5,000 Consecutive days without Lost Work injury (LWI) since Commercial Operations Date on March 27,2010.

Enhanced HSE MIS Velocity-EHS Software went Live at Site after training of site users. This software includes modules related to Incident Investigation/Reporting, Audits, MOCs, ESG, Meetings, Operational Risks & is a great tool for tracking all HSE related data on one centralized platform.

Risk Based Assessment (RBA) HSE program was launched at EPQL in 2023. Focus was made on the top risks and their evaluation that how the management systems elements and other controls are implemented to manage the identified top risks. Detailed Exercise was carried out in which Major Accidental hazards review was done, followed by development of bowties, performance standards and Critical activity catalogue.

As part of Hazards and Effects Management Process, EPQL carried out Quantitative Risk Assessment (QRA) study of the EPQL facility at Ghotki Sindh through M/s Shepherd Risk consultants. A Quantitative Risk Assessment (QRA) is used to make decisions for the site on whether it should consider alternatives to reduce the risk to meet the risk tolerance criteria.

occupational health and safety management system:

EPQL has implemented an internationally accredited occupational health and safety system at the plant site. The system has been implemented based on regulatory requirements of the Environmental Protection Act 1997, National Environmental Quality Standards and the OSHA Guidelines for Health and Safety. Further, the system also addresses the risk management plans of the Company in relation to the health and safety of its employees and workers. The system covers all employees & workers, activities & workplaces including the workers who are not employees but whose work or workplace is controlled by the Company. Also, all employees and contractors whose work and/or workplace is controlled by EPQL are required to comply with all health and safety management system requirements.

The Company’s safety management system meets the requirements of the standards ISO-14001 (Environmental Management System), and ISO-45001 (Occupational Health and Safety).

process safety management (psm):

Process safety is an integrated management system approach to evaluate processes that may lead to catastrophic incidents such as fires, explosions, or toxic releases. This program focuses on three areas related to operational risks: technology, facilities/equipment, and personnel. It includes applying safe practices, systems, and controls to processes so that hazards are identified, risks are understood and controlled so that incidents can be prevented.

Process safety systems are fundamentally based on managing risks associated with site operation through a systematic approach of risk assessment studies, exercising, and integrating them into the design of new facilities and modifying existing facilities to make them safer.

integrated management system (ims)

IMS system is in place at company with a vision to ingrain a continuous improvement cycle which enables the Company to continuously assess, envision, plan, and implement. Creating a safe working environment is not just about eliminating safety hazards, it is about implementing safety procedures and inculcating safe work practices. It is about people, their attitudes, their approach towards safety & their behavior. People are the critical factor in making the workplace safe. Safety management is a means and methodology of changing behaviors’ leading to a mindset of safety. This change can occur only when everyone in the organization “owns” the culture of safety. The progression from a “reactive” approach to safety based on enforced compliance to an independent ability to take care of oneself as an “interdependent team” approach, illustrates the behavioral change that takes place as a culture of safety takes hold.

The Company's safety systems are based on DuPont integrated world-class management systems and ISO integrated framework. These systems highlight the elements of leadership, management structure and capacity building. The following are the process and behavioral safety elements which ensure HSE excellence at EPQL:



Multiple process & maintenance activities related risk management studies like PHA/HAZOP/JSA/PTW etc. are followed along with high stands of design practices to make plants/equipment inherently safe for workers.

For processes, PHA/HAZOP are used to identify hazards, assess & assign rating to associated risks & apply relevant controls to eliminate/substitute the hazards & minimize the risks. PHAs of different systems are done on cyclic basis as per applicable frequency defined in Company's SOP. PHA team leader nominated by Plant HSE Committee chairman leads PHA study & final report is presented to Plant HSE Committee. The recommendations of PHA study are stewarded by HSE department to ensure timely closure.

For routine maintenance jobs, rigorous PTW (Permit to Work) system is in place to ensure "Safety from the System" for working party. No maintenance job at plant could be carried out without PTW.

For non-routine or critical jobs, JSA (Job Safety Analysis) is being carried out to identify hazards/risks associated with each step of the job & take precautions accordingly for safe execution of the job.

For any new change/modification, PSSR (Pre-startup Safety Review) is done before taking the system in service to ensure that potential hazards have been properly addressed.

Also, workers are encouraged in toolbox & safety talks to utilize STA (Stop, Think & Act) approach before proceeding for work & they are advised to stop work in case they see any safety concern. EPQL as a company that has HSE as its core value encourages safety concerns being raised by any one including workers & tries to address those concerns on priority. There are no reprisals in case a genuine safety concern is being raised by any worker & our record for external concerns raised through "Speak-out" platform is evident of it.

velocity-ehs licenses issuance:

Also, to promote HSE culture further, EPQL is using HSE MIS portal called "Velocity-EHS" & all EPQL employees have its access where they may login anytime to file any concern/incident or unsafe act/condition. There is a detailed procedure for incident investigation in which incidents are classified based on their Risk Rating & investigated accordingly as per applicable investigation approval matrix.

velocity-ehs qlik dashboard:

To ensure that our Digital Journey progresses further, GHSE in coordination with Site HSE team has developed cloud-based Velocity HSE Dashboard. Dashboard provides holistic view of various safety related tasks i.e. Incidents (IRs) raised & their status, Action items generated & their status etc. The development of this dashboard is major step forward in ensuring that all HSE related tasks are completed timely.

For OHIH matters, HRA (Health Risk Assessment) is performed to make sure people are protected and all hazards identified are addressed. HSE department has the lead in it and all the hazards identified are marked to relevant group leaders through HSE Software (Velocity-EHS) for proper tracking & closure.

In addition to above, related KPIs for safety & occupational health (Behavior/Process/OHIH/Environment Related Leading Indicators) are reviewed monthly by the Plant HSE committee and Quarterly by EPQL HSE Committee.

hse initiatives:

Workplace Hazard Identification Competition

Workplace Hazard Identification Competition was carried out for 4 weeks. Purpose of this activity was to create a sense of competition among employees to identify workplace hazards & reward the employees who identified the hazard that was a serious safety concern. Hazards related to below categories were identified by the employees during these 4 weeks;

- Fire
- Electrocution
- Slip, Trip & Fall
- Confined Space

➤ **Behavior Based Safety Survey:**

Behavior Based Safety (BBS) Survey was conducted to gauge the awareness level of site team about their understanding of the responsibility for safe operations & their behavior towards implementing that safety system.

➤ **Physical Wellbeing:**

Dedicated 60 days Fitness Challenge was arranged by HSE team to promote employee’s fitness & physical well-being. The session was attended by all site team members.

➤ **HSE Awareness Sessions:**

EPQL team with its continued focus on safety has completed 14500+ training hours in the Calendar year. Keeping in view the limited site manpower, this is a big achievement & shows our relentless focus on the Core Value of “Health, Safety & Environment”. In addition to these training sessions, multiple emails & awareness messages related to various diseases (dengue, heat stroke etc.) are being circulated on regular basis to ensure employees are well aware of the preventive & remedial actions to be taken against respective diseases.

Our occupational health and industrial hygiene services aim to protect the health of our employees through rigorous risk assessment and strict compliance with mitigating controls. Regular process monitoring controls, including technical checks, ensure safe working conditions at the plant. This program also focuses on training employees, keeping them abreast of the numerous technological changes evolving in the current paradigm and enlightening them with various safety and health-related aspects of their jobs.

training workhours conducted



The trainings & refresher sessions on PSM, PHA, PTW & JSA are being conducted by HSE & Line team to enhance awareness among employees. Also, safety meetings (D-level & B-level) and toolbox talks are carried out on routine basis to highlight the importance of HSE. Some of the trainings conducted during this year focused on;

- Velocity Incident Reporting & Investigation
- Electrical Safety
- Risk Assessment
- OHIH elements
- Workplace Hazards Identification
- PTW Refresher
- Fire Safety
- Kitchen & Porta Hygiene
- Drinking Water Management
- Workplace Ergonomics
- Manual Material Handling
- First Aid & CPR
- Dengue Awareness Session
- Blood Borne Diseases & Prevention

To stay true to our commitment to Core Value “Health, Safety & Environment”, we ensure that our health programs exceed basic healthcare treatment facilities at plant site and lean towards providing awareness, prevention, and treatment strategies as well. Full time employees receive a wide variety of health/medical benefits including basic health and welfare benefits & life insurance. For our workers, we ensure to provide awareness on prevention of diseases and also provide them first aid in case they require it at plant.

audits:

Regular 1st party or 2nd party (by Group HSE (GHSE)) audits are being carried out for various elements of Safety Management system to check compliance & highlight areas of improvement. 1st Party Audits conducted during this year include but not limited to:

- Occupational Health & Industrial Hygiene (OHIH)
- Process Safety Management (PSM)

Indicators	2023	2022
Total Number of Workhours	741,893	791,825
Employee Workhours	233,922	241,972
Contractual Workhours	507,971	549,853
Total Number of Fatalities	0	0
Total Number of Lost Time Accidents	0	0
Lost Day Rate	0	0
Fatality Rate	0	0

Notes:
 - Total Recordable Incident Rate (TRIR) for the year is calculated as follows;
 $TRIR = \frac{\text{Total Number of Recordable Cases} \times 200,000}{\text{Total man-hours}}$
 - There have not been any work related ill-health issues identified at EPQL in 2022 & 2023.

Indicators	2023	2022
Total Injuries	0	0
Fatalities	0	0
LWIs	0	0
RWCs	0	0
MTCs	0	0
First Aid Cases	3	13
Process Fire Incident	01	01
General Fire Incident	01	04
Environment Internal incident	07	09
Total Incident+ Near Miss	261	430
Vehicle Incident	0	07

outstanding rating in nepra hse performance evaluation report:

EPQL has been ranked “Outstanding” with a score of “91%” in NEPRA HSE Performance Evaluation Report for year 2021-22 from National Electric Power Regulatory Authority. The ranking criteria gauges performance in Occupational Health, Safety & Environment (HSE) in line with NEPRA Power Safety Code. Performance is assessed via detailed questionnaire of 20 common “Assessment Categories”. The evaluation is done to formulate a baseline for power sector & identify top HSE performers with a score ranging from 81-100%.

certifications:

ISO-45001

The Company conforms to the standards of ISO 45001. During the year, the company successfully recertified ISO 45001 rating; signifying its commitment to OH&S.

iso 55001: 2014 certification

In 2020 EPQL was recertified for the ISO 55001:2014 certification by the British Standards Institute (BSI) for effective asset management – making it the first subsidiary in the group to achieve this certification.

dupont certification

DuPont’s Process Safety system has been acknowledged as one of the top safety management systems worldwide and implemented at site from COD to cater all the process and personal safety risks.

5-s certification

EPQL has been awarded the 5-S Certification for Warehouse Management by National Productivity Organization (NPO), Ministry of Industries, and Government of Pakistan.



fueled by sustainability

planet



planet

highlights:

100% National Environmental Quality Standards and World Bank Guidelines Compliance with respect to our effluent discharge, air emissions & waste disposal.

Engro Powergen Qadirpur Limited (EPQL) exemplifies a proactive approach to environmental stewardship, weaving it into the fabric of its organizational culture. EPQL aligns its initiatives with Engro's commitment to sustainable value creation, focusing on resource efficiency, technological interventions and nature conservation.

As a leading energy player, we are aware of our commitment to include a broader stakeholder community so we can establish a truly sustainable framework of doing business. We have developed an organizational culture that nurtures diligent thought process and is committed to preserving the natural environment for our future generations. EPQL takes utmost responsibility in defining and designating priority areas and assigning aggressive targets for successful management of environmental effluents and resource conservation.

We treat our ecosystem management and resource utilization as our own natural capital, and continuously strive for its betterment. A key aspect of this ever-evolving process is our fundamental core value of Health, Safety & Environment, defined as 'cares deeply about environmental impact and for the safety of people'.

At Engro, our approach towards natural capital management has always been that of a responsible stakeholder while delivering excellence in production operations.

our environmental stewardship strategy

To align our focus on driving an eco-friendlier approach towards doing business we continue to focus our efforts on a four-pronged strategy to manage our investments in health, safety and environment. Based on these identified focus areas, we formulate our own health, safety and environmental stewardship strategy catering to our specific business operations. This agenda includes:

- Environmental Footprint Management
- Adherence to Local Laws and Global Standards
- Occupational Health & Safety
- Conservation of Natural Resources

epql's environmental management system:

Over the years, we have been able to maintain business growth while reducing our environmental impact through a focused eco-efficient approach. Our operations are ISO 14001 certified and fully compliant with the national environmental regulations. Moving beyond regulations and compliances, we incorporate international best practices, and maintain a well-established environmental management system. The system includes Standard Operating Procedures, extensive internal as well as external audit programs, and systematic monitoring of environmental footprint, ensuring a structured approach to risk management and continuous improvement.

In 2023, EPQL demonstrated its commitment to environmental responsibility through regular monitoring of its Environmental Action Plan and Environmental covenants. Quarterly reports sent to the Sindh Environmental Protection Agency reflected 100% compliance with National Environmental Quality Standards.

The major plan of the operations-phase environmental monitoring at Qadirpur Site are as follows:

Activity	Objectives of monitoring	Parameters to be monitored	Measurements	Location	Frequency	Remarks
Plant noise Emission	To ensure that the noise levels at the plant boundary wall comply with the world bank noise standards	Ambient noise level at the boundary and various locations within the plant	A-weighted noise levels – 24 hours, readings taken at 15 s intervals over 15 min. every hour, and then averaged	Along the plant boundary wall at 100 m intervals and near the various noise emission sources in the plant 15.2 m from the source in four direction	Once in 3-months	Done as per plan. No deviation occurred.
Liquid Effluent Discharge	To ensure the discharge of liquid effluent in compliance with NEQS	pH, TDS, oil, Temperature	in house & 3rd party SEPA Lab on set frequency	Waste water dilution pit	Once in 3-months detail analysis. Daily monitoring of pH, TSS and sulphates	Done as per plan. No deviation occurred.
Plant Air Emissions	To ensure that the air emissions from the plant are in compliance with the NEQS and IFC standards	NOx, SOx, CO, and PM10	Plant stack emissions through sampling	At the plant stack	Once every three months on a typical working day	Done as per plan. No deviation occurred.
Exhaust Gas Quality	To estimate the air emissions from actual fuel consumption	Fuel consumed per day	Estimated through actual fuel usage	Import pipeline gas metering station	Daily	Done as per plan. No deviation occurred.
Ambient Air Quality	To ensure that the ambient air quality around the plant site is within the required standards	NOx, SOx, CO, and PM10	12-hour ambient air sampling at each of the selected points	Maximum points of pollutant concentration worked out from air dispersion modeling	Once in 3 months	Done as per plan. No deviation occurred.
Solid Waste Disposal	To check the availability of waste management system and implementation	Inspection of waste generation, collection, segregation, storage, recycling and disposal will be undertaken at each site of the project activity	Visual inspections, waste records	Plant and office areas	Daily	Done as per plan. No deviation occurred.

energy

EPQL believes in conducting sustainable operations with a focus on optimizing energy consumption by constantly reviewing energy sourcing decisions and monitoring operational efficiencies. To generate electricity, EPQL uses permeate gas as its primary fuel source and HSD as backup fuel. The remainder of our energy supply comes in the form of purchased electricity for Head Office as well as for site auxiliary equipment operation while plant is on standby owing to maintenance outage.

affordable & clean energy:

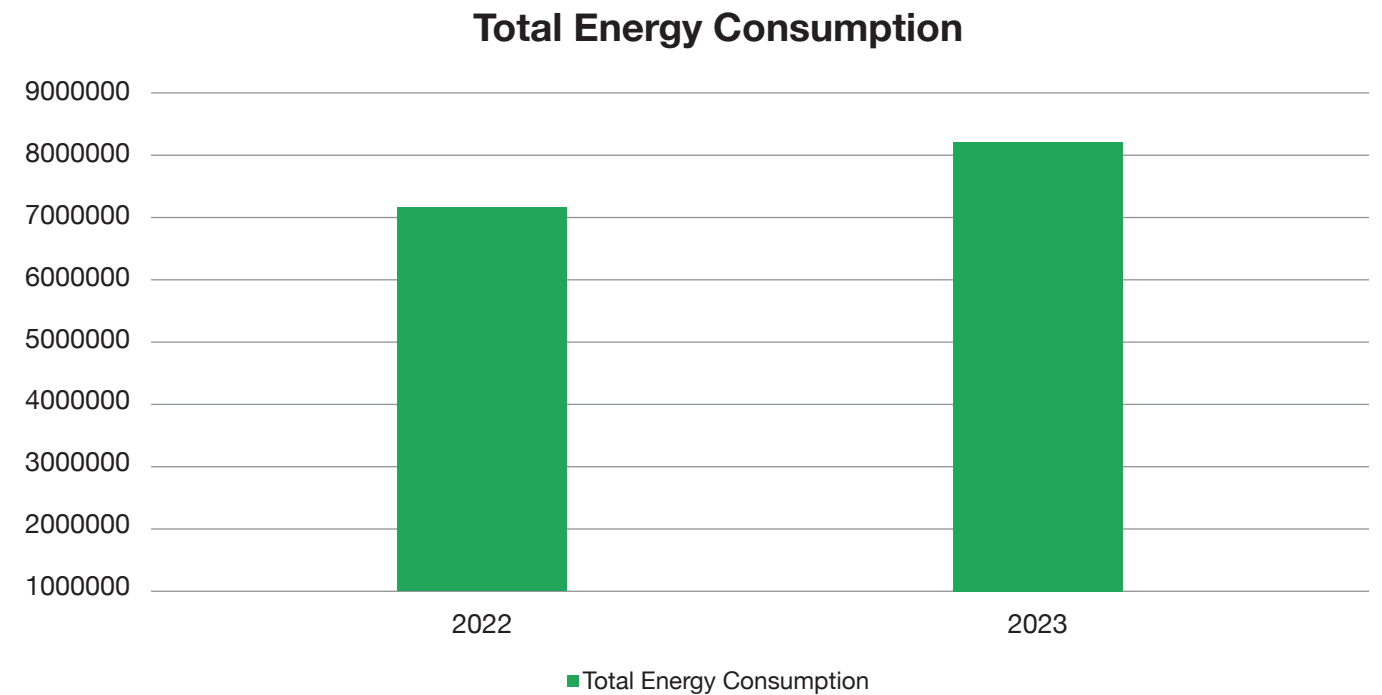
In 2023, EPQL demonstrated operational excellence and maintained system reliability by ensuring plant availability and remaining compliant with international standards of safety and environment in providing reliable and affordable energy. The company received dispatch throughout the year due to its high ranking in merit order. The Company uses low-BTU high Sulphur content permeate gas from Qadirpur gas field, which was previously being flared, for electricity generation. This utilization results in lower carbon emissions compared to other thermal plants and is hence considered a 'green solution'. The unique fuel usage makes the Company one of the lowest opportunity cost thermal power plants in the Country.

EPQL has appropriate processes in place for measuring and monitoring energy consumption at the plant site and Head office. Our total energy consumption stood at approximately 8.2 million GJ (2022: 7.1 million GJ).

S.No.	Parameter	Unit	2023	2022
1	Total Production	MWh	910,735	803,202
2	Total Energy Consumption	GJ	8,211,505	7,154,258
3	Energy Intensity Ratio	GJ/MWh	9.01	8.91

The increase in energy consumption from 7.1 million GJ in 2022 to 8.2 million GJ this year is directly correlated with higher production & a superior load factor of 46% (2022: 41%). EPQL maintains its dedication to refining operational efficiency while rigorously overseeing energy consumption at plant sites and the Head office for sustained progress.

Chart 1 – 2023 Versus 2022 Energy Consumption In GJ



ghg emissions

As a leading energy player, we are aware of our commitment to include a broader stakeholder community so we can establish a truly sustainable framework of doing business. We, as a company are passionate about ensuring that our policies & procedures remain eco-friendly and over the years, we have demonstrated our focus on the environment by taking ownership of our environmental footprint year on year. We are already reducing net GHG emissions by generating power through permeate (high sulfur) gas, which was previously being flared through Qadirpur Gas Field for almost a decade.

EPQL regularly monitors its GHG emissions to be in compliance with NEQS limits at the plant site to steward its CO2 footprint at the Company level.

highlights:

100% National Environmental Quality Standards and World Bank Guidelines Compliance

S.No.	Parameter	Unit	2023	2022
1	Scope 1 Emissions	TCO2e	537,152	469,191
2	Scope 2 Emissions	TCO2e	266	790
3	Total Emissions	TCO2e	537,418	469,981
	Emissions Intensity Ratio	TCO2e/MWh)	0.590	0.585

In the above table depicting Scope 1 and 2 calculations, three of the GHGs - carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) have been captured out of the seven GHGs - carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), and nitrogen trifluoride (NF₃). Furthermore, the sources of emissions include stationary, process and mobile combustion (barring employee commute in company owned vehicles), as applicable in Scope 1 and Scope 2 and as per nature of businesses involved. Fugitive emissions have not been calculated. The calculations for emissions given in the table, are based on our current data collection systems and for future, we plan to continue to capture additional data, as and where applicable in our businesses.

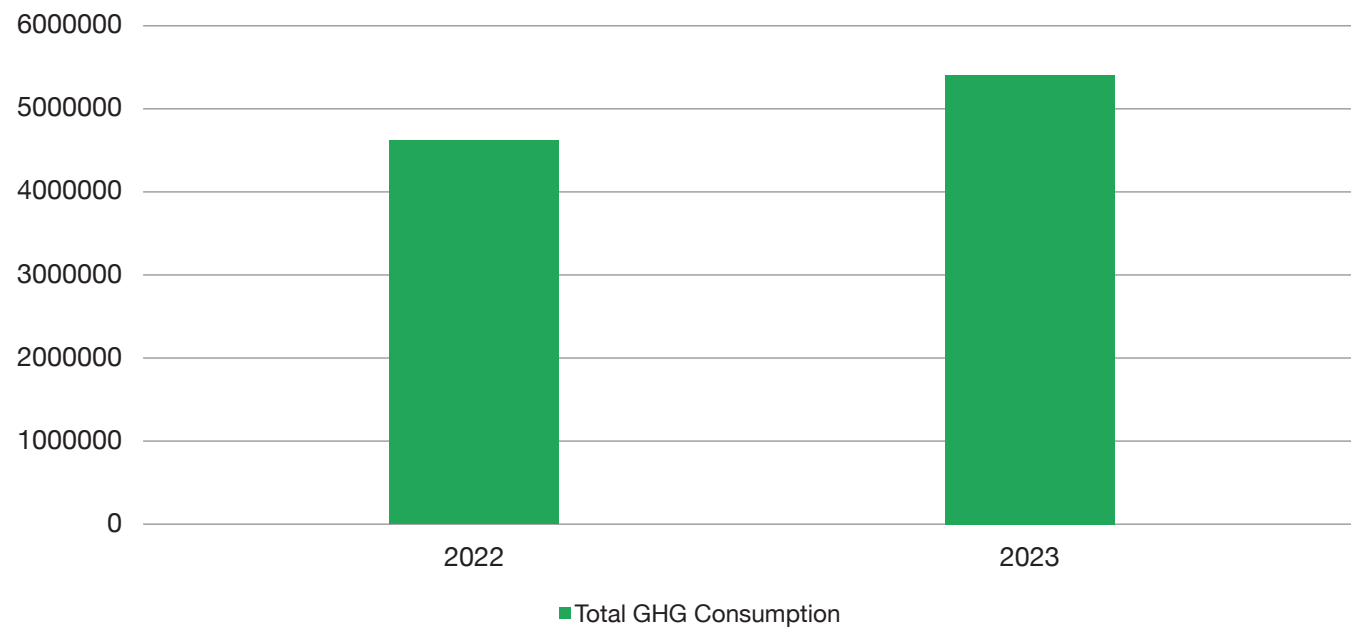
Scope 1 emissions include permeate gas & HSD combustion in Gas Turbines for power generation, Diesel/Petrol consumption in mobile equipment (Cranes, Fork-lifters & LTVs) and LPG combustion. Scope 2 emissions include purchased electricity for site & head office and purchased gas.

An increase in emissions in 2023 as compared to 2022 is due to the increased production, however emissions intensity is almost same.

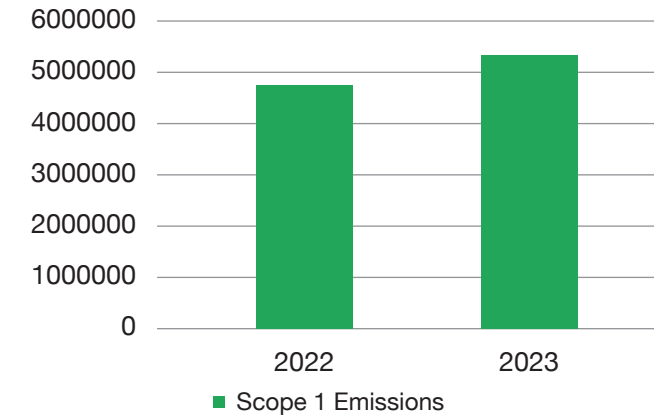
GHG Emissions Intensity ratio for our company is defined as Ratio of Total Carbon Footprint (Tons of CO₂ eq.) to Total Production (MWh).

We have not covered emissions outside the reporting boundary i.e. EPQL Head Office & Qadirpur Site as currently we don't have any processes in place for the identification or measurement of emissions from upstream or downstream value chain operations.

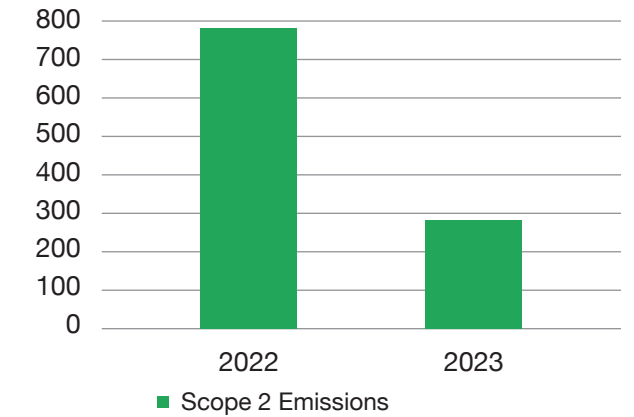
Total GHG Consumption



Scope 1 Emissions



Scope 2 Emissions



We are committed to managing our GHG emissions performance through rigorous internal & external audits.

Notes:

- Green house gases in our carbon footprint include methane (CH₄), carbon dioxide (CO₂) & nitrous oxide (N₂O) as per below mentioned break-up.

GHG	CO ₂	CH ₄	N ₂ O
Tonnes of Equivalent CO ₂	537,132	147	139

As part of the plantation drive, EPQL has planted 5000 saplings of 30 different types of trees, in the plant vicinity & neighboring schools.

water consumption and withdrawal in water-stressed areas

Operating in the power sector and given that water is a scarce resource, we understand our responsibility to ensure responsible disposal of water effluents. Throughout the year 2022, we have ensured 100% compliance to the discharge water quality as per applicable standards & no violation was observed. Furthermore, when it comes to water consumption, EPQL has been focusing on reusing the water in our processes to keep our water footprint to a minimum, thereby reducing the need for fresh water sources. Our water consumption program is based on maximizing recycling and reusing water through state of art design approach whereby steam & cooling water system at our plants operate in closed circulation by going through series of treatment facilities. Resultantly, total water consumption at site is reduced by approximately 69-70% thus minimizing fresh water demand.

For operations, data for water withdrawn and consumed is tabulated below:

S.No.	Parameter	Unit	2023	2022
1	Total Water Withdrawal	Megaliters	2,139	2,286
2	Total Water Discharge	Megaliters	664	710
3	Total Water Consumption	Megaliters	1,475	1,577

Note:

For residential area, the municipal liquid is treated through sewage Treatment Plant and water is discharged to nearby canal after meeting all requirements of National Environmental Quality Standard.

EPQL site is equipped with 01 evaporation pond that stores water when the canal discharge facility is unavailable. To avoid soil and underground water contamination, the evaporation pond is provided with HDPE membrane lining.

EPQL Site Operations fall in water stressed area according to WRI Aqueduct water risk atlas tool.

Decrease in total water consumption despite higher production reflects EPQL commitment to water conservation by taking initiatives as highlighted below.

- **Optimization of Cooling Water System** was carried out for Partial Load Operation that resulted in minimizing water consumption by ~900 T/Day. This process not only enhanced operational efficiency but also yielded significant environmental benefits by reducing water consumption by approximately 900 tons per day. The successful optimization underscores our commitment to sustainable resource management and aligns with our overarching natural resources conservation goals, contributing to a more environmentally responsible operation.
- **Installation of Sensor Taps** was carried out in areas of significant potable/tap water usage to minimize water consumption.
- **Awareness campaign** with Slogan “Save Water, Save Life” was carried out at plant site to sensitize employees and workers on the importance of conserving water through optimal usage.

waste management

EPQL has implemented effective waste management procedures that involve reduction in waste generation by employing efficient ways for disposal, treatment and pursuing recycling and recovery options wherever feasible. Solid waste generated at sites (paper, wood, kitchen waste etc.) are handled and managed by SEPA approved contractors and disposed / recycled in accordance with SEPA guidelines. During the year 2023, EPQL ensured 100% compliance to SEPA rules while disposing off waste.

EPQL also continues to work on waste reduction and effective management to improve our environmental footprint.

For operations, where waste is material, the data is tabulated below:

S.No.	Parameter	Unit	2023	2022
1	Hazardous Waste	Tonnes	44.43	314
2	Non-Hazardous Waste	Tonnes	67.09	162
3	Total Waste	Tonnes	112	476

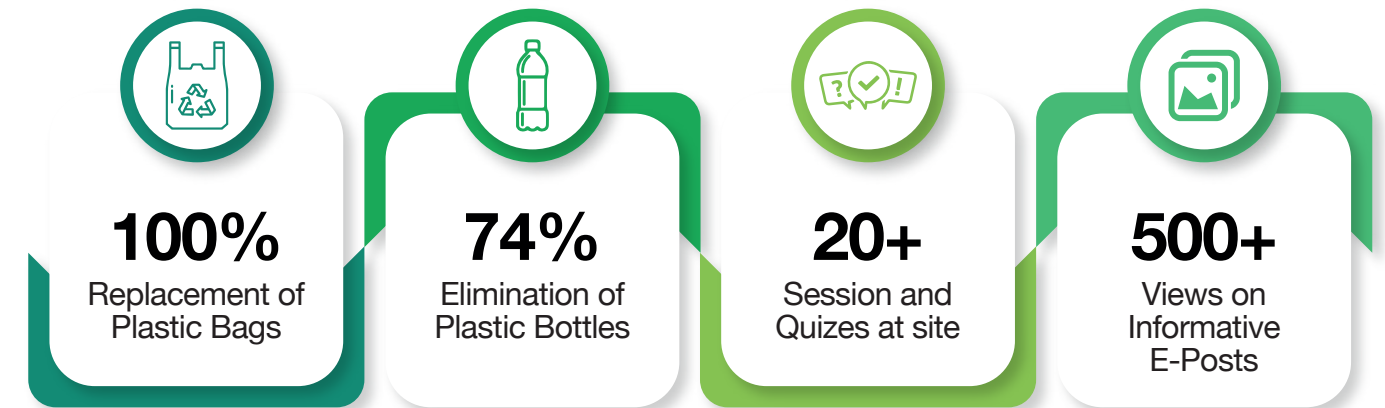
*Numbers for 2023 are significantly lower as no warehouse scrap disposal activity was carried out this year.

highlights:

Engro Powergen Qadirpur Limited has implemented the following initiatives in collaboration with the Engineering, Administration and Health, Safety, & Environment (HSE) departments:

► beyond plastic

An initiative implemented at Engro Powergen Qadirpur Limited to minimize the consumption of single-use Plastic from our operational site in 2023



beyond plastic process



- **Minimizing Paper Consumption:** EPQL successfully achieved a notable 60% reduction in paper consumption during 2023 compared to the previous year. This significant milestone is attributed to the implementation of various digital initiatives throughout our operations. By transitioning to digital platforms and embracing technology, we have minimized our reliance on paper, contributing to the reduction of waste generated from traditional printing and document handling processes.

The above achievements align with our sustainable practices, contributing to waste reduction and promoting responsible consumption patterns. These initiatives not only reaffirm our commitment to environmental responsibility but also underscore our dedication to optimizing resource usage and promoting sustainable business practices.



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To the management of Engro Powergen Qadirpur Limited

Independent Limited Assurance Report to Engro Powergen Qadirpur Limited

We, KPMG Taseer Hadi & Co. (KPMG in Pakistan, we, us, our), were engaged by the Management of Engro Corporation Limited (ECL, the Corporation) to provide a Limited Assurance conclusion under International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" on the selected metrics reported in the Sustainability Report (the Report), aligned with World Economic Forum – Stakeholder Capitalism Pledge [Core] Metrics (WEF Core Metrics), for the year ended 31 December 2023 (the reporting period) of the Engro Powergen Qadirpur Limited (EPQL, the Company).

Our scope of review is limited only to the selected metrics presented and disclosed in the Report, in accordance with the WEF Core Metrics (the Applicable Criteria) and are presented in the Company's Sustainability Report for the reporting period.

Applicable Criteria

The Applicable Criteria for Engro Powergen Qadirpur Limited are defined as the WEF Core Metrics, provided in EPQL's Sustainability Report in the section *Index - World Economic Forum Stakeholder Capitalism Metrics*.

Management's Responsibilities

Management is responsible for preparing and presenting the WEF Core Metrics and related explanations and disclosures in accordance with the WEF Core Metrics. The management is also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with all the laws and regulations applicable to its activities through its internal due diligence mechanisms and framework.

Management is additionally responsible for ensuring that the staff involved in preparing and presenting reported metrics in the Sustainability Report in line with the WEF Core Metrics are adequately trained, information systems are appropriately updated, and any changes in the Report encompass all significant business units.

Our Independence and Quality Management

We have adhered to the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Pakistan (ICAP), which encompasses requirements related to independence and other fundamental principles such as integrity, objectivity, professional competence, due care, confidentiality, and

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KPMG Taseer Hadi & Co.

professional behavior. KPMG in Pakistan applies relevant applicable standards on quality management, maintaining a comprehensive quality management system that includes documented policies and procedures for ethical compliance, adherence to professional standards, and meeting legal and regulatory requirements.

Our Responsibilities

Our responsibility is to provide a limited conclusion on the selected metrics presented in the Sustainability Report, aligned with the WEF Core Metrics, and to express a conclusion based on the work performed. The KPMG Sustainability Assurance Manual guides us in examining these sustainability metrics. We design our review procedures accordingly, i.e., performed per the International Standard on Assurance Engagements ISAE 3000 [Revised] "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" [ISAE 3000] as issued by the International Auditing and Assurance Standards Board [IAASB] and as adopted and applicable in Pakistan.

Procedures Performed

A review of whether the selected metrics presented in the Report are aligned with the WEF Core Metrics, consists of making inquiries, primarily of persons responsible for preparing the relevant information presented in the Report and applying analytical and other evidence-gathering procedures, as appropriate. These procedures included:

- assessing the suitability of the Applicable Criteria in terms of their relevance, reliability, understandability and their consistent application;
- interviewing the selected key personnel of the Company to understand the current processes in place for capturing sustainability performance data, the Company's sustainability goals, and the progress made during the reporting period;
- interviewing the relevant staff responsible for providing the information in the Report for WEF Core Metrics;
- comparing the information presented in the Report for WEF Core Metrics to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the relevant sections of the metrics reported;
- reviewing the Company's stakeholder engagement processes to understand how stakeholder feedback is incorporated into overall sustainability reporting and performance management practices, and in its finalization of material topics;
- reviewing the relevant documents and systems for gathering, analyzing, and aggregating sustainability performance data in the reporting period and performing site visits as part of the review procedure; and
- studying the information presented in the relevant sections of the Report on WEF Core Metrics to determine whether it aligns with our overall knowledge of, and experience with, the Company's sustainability performance.

Inherent Limitations

The procedures performed in a review vary in nature and timing and are less extensive than those for a reasonable assurance engagement, and audit. Consequently, the level of assurance obtained in a review is substantially lower than that which would have been obtained had a reasonable assurance engagement been performed.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information may occur and may not be detected. Our review is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the overall Report, and is limited to selected sections where metrics aligned with WEF Core Metrics are reported, as the engagement has not



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been performed continuously throughout the reporting period, and the procedures performed were undertaken on a test and sample basis.

Limitations

Our Limited Assurance scope excludes:

- reviewing, verifying, recalculating, or ensuring the accuracy and validity of the Report's contents or disclosed data and information other than the WEF Core Metrics as defined in the Applicable Criteria;
- the Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic, sustainability, and environmental aspects and/or other initiatives and aspirations in this regard;
- review of information reported other than the reporting period including baseline, where provided, and data and information on the economic and financial performance of the Company, which, we are informed, are from the Company's audited financial records and/or statements.

Conclusion

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusions.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected metrics presented in the Report of EPQL, aligned with World Economic Forum – Stakeholder Capitalism Pledge [Core] Metrics for Engro Powergen Qadirpur Limited, for the year ended 31 December 2023 are not presented, in all material respects in accordance with the Applicable Criteria.

In accordance with the terms of our engagement, this independent Limited Assurance report has been prepared for Engro Powergen Qadirpur Limited in connection with reporting to Engro Powergen Qadirpur Limited and for no other purpose or in any other context.

Restriction of Use of Our Report

Our report is released to EPQL on the basis that it shall not be copied, referred to, or disclosed, in whole or in part or without our prior written consent.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than EPQL, for any purpose or in any other context. Any party other than EPQL who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than EPQL for our work, for this independent Limited Assurance report, or for the conclusions we have reached.

KPMG Taseer Hadi & Co.
Chartered Accountants
28 May 2024

indices

Index – World Economic Forum Stakeholder Capitalism Metrics

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
Governance	Governing Purpose	Setting Purpose	a. The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders	34-40
	Quality of Governing Body	Governance Body composition	a. Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation	41-53
	Stakeholder Engagement	Material issues impacting stakeholders	a. A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged	67-73
	Ethical Behaviour	Anti-corruption	a. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region	62-63

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
Governance			b. The (a) total number and nature of incidents of corruption confirmed during the current year but related to previous years. (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.	62-63
			c. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	62-63
	Protected ethics advise and reporting mechanisms		A description of internal and external mechanisms for a. Seeking advice about ethical and lawful behaviour and organizational integrity;	64-66
			b. Reporting concerns about unethical or lawful behaviour and organizational integrity	64-66
	Risk and Opportunity Oversight	Integrating risk and opportunity into business process	a. Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship	56-61

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
Planet	Climate Change	Greenhouse Gas (GHG) Emissions	a. For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	124-126
			b. Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050	124-126
	Nature Loss	Land use and ecological sensitivity	a. Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Not applicable

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
Planet	Freshwater Availability	Water consumption and withdrawal in water-stressed areas	<p>a. Report for operations where material, mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool.</p> <p>Estimate and report the same information for the full value chain (upstream and downstream) where appropriate</p>	126-128

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
People	Dignity and Equality	Diversity and Inclusion	a. Percentage of employees per employee category, per age group, gender and other indicators of diversity (e.g. ethnicity)	97-98, 104-107
		Pay Equality	a. Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas	107
		Wage Level	a. Ratios of standard entry-level wage by gender compared to local minimum wage	110
	b. Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO)		110	

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
People		Risk for incidents child, forced or compulsory labor	a. An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; or countries or geographic areas with operations and suppliers considered at risk	110
	Health and Well-being	Health and safety	a. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries, main types of work-related injury; and the number of hours worked	111-117
			b. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers	111-117
	Skills for the Future	Training Provided	<p>a. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees)</p> <p>b. Average training and development expenditure per full time employee</p>	107-110

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
Prosperity	Employment and Wealth Generation	Absolute number and rate of employment	a. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region	93-95
			b. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region	93-95
		Economic Contribution	a. Direct economic value generated and distributed (EVG&D) – on an accrual basis, covering the basic components for the organization’s global operations, ideally split out by: EVG&D can provide a valuable snapshot of the direct monetary value added to local economies through generation of products and services, servicing of capital, payment of wages, taxes and community investment, while the significant financial assistance received from government, when compared with separate disclosures on taxes, can be useful for developing a more balanced and transparent snapshot of the balance of transactions between the company and government. <ul style="list-style-type: none"> • Revenue • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 	79-81

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference	
Prosperity			b. Financial assistance received from the government - Total monetary value of financial assistance received by the organization from any government during the reporting period	79-81	
		Financial investment contribution	a. Total capital expenditures (CapEx) – Depreciation supported by narrative to describe the company’s investment strategy	81	
			b. Share buybacks + Dividend payments supported by narrative to describe the company’s strategy for returns of capital to shareholders	81	
			Financial assistance received from government	82	
		Innovation of better products and services	Total R&D expenses	a. Total costs related to research and development	Not applicable
		Community and Social Vitality	Total tax paid	a. The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes	80

UNSDGs

Principle	Statement	Page Number
SDG 1	No Poverty	27,29,85
SDG 2	Zero Hunger	-
SDG 3	Good Health and Well-being	26,85, 111-117
SDG 4	Quality Education	27,29,85
SDG 5	Gender Equality	28, 85, 86, 105-107
SDG 6	Clean water and sanitation	27
SDG 7	Affordable and Clean Energy	25, 123
SDG 8	Decent Work and Economic Growth	26, 77
SDG 9	Industry Innovation and Infrastructure	29
SDG 10	Reduced Inequalities	27, 29, 105-107
SDG 11	Sustainable Cities and Communities	-
SDG 12	Responsible Consumption and Production	29
SDG 13	Climate Action	29, 126
SDG 14	Life Below Water	27
SDG 15	Life on Land	27
SDG 16	Peace, Justice and Strong Institutions	-
SDG 17	Partnerships for the Goals	-