sustainability report 2024

engro fertilizers

journey to building character



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engrofertilizers.com

GREEN OFFICE
A WWF INITIATIVE TO REDUCE ECOLOGICAL FOOTPRINT

theAJENCY.

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about the report

This Sustainability Report provides an overview of Engro Fertilizers Limited's sustainability efforts and performance. The Company was incorporated in June 2009, post demerger from parent company Engro Corporation Limited (formerly Engro Chemicals Pakistan Limited) effective from January 1, 2010. Today Engro Corporation holds 56.27% of shares of the Company. EFERT is a renowned name in the Pakistani fertilizer industry, trading on the Pakistan Stock Exchange (PSX) under the symbol "EFERT". The Company holds a nationwide production and marketing infrastructure, producing leading fertilizer brands optimized for local cultivation needs and demand. EFERT has earned itself a distinguished name by continually striving to uphold its tradition and the trust of its customers.

This report details how EFERT's core values and governance model incorporate sustainable practices into our day-to-day operations, ensuring a sustainable future. This report was prepared keeping in view the core business and corporate functions of EFERT including our manufacturing operations, operational activities and our community outreach programs.

organization details

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

reporting period

The reporting period for our sustainability report is from January 1, 2024, to December 31, 2024, which is the annual reporting cycle of the Company.

reporting content

This report is aligned with the following sustainability frameworks:

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

We additionally reference our disclosures to SECP's (Securities and Exchange Commission of Pakistan) Guidelines on ESG Disclosures for Listed Companies, 2023.

report methodology and data collection

Data has been prepared on the basis of calculations guided by international standards and recommended practices as per the above-mentioned reporting frameworks. However, where data is unavailable, different approaches have been adopted for developing a reasonable estimate.

This report supplements our corporate annual report which details Engro's financial position and performance during the reporting period. The Company's Board of Directors have reviewed the content and layout of this report. EFERT strives to ensure accurate reporting throughout this Sustainability Report. An online PDF version of this report is available on EFERT's website.

reporting audience

This report is prepared for all Engro stakeholders, whether entities, communities, or individuals directly or indirectly affected by the activities, products, or services of the Company. Engro engages with these stakeholders regularly to continuously strengthen its understanding of their concerns. This report provides stakeholders with a holistic view of how Engro creates sustainable value within the economic, environmental, and social spheres.

external assurance

The report has been externally reviewed by an independent reviewer to provide a Limited Assurance conclusion in accordance with the 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, aligned with World Economic Forum (WEF) - Stakeholder Capitalism Pledge (Core) Metrics. The Independent Limited Assurance Report is included within this Sustainability Report.

feedback

For any suggestions or questions, please contact:
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about engro fertilizers

The Company was incorporated in June 2009, post demerger from parent company Engro Corporation Limited (formerly Engro Chemicals Pakistan Limited) effective from January 1, 2010. Today Engro Corporation holds 56.27% of shares of the Company.

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EFERT has earned itself a distinguished name by continually striving to uphold its tradition and the trust of its customers.

At EFERT, we believe in delivering the highest standards of quality hence our focus goes beyond the performance of brands to how our brands are impacting the lives of our consumers and enriching nutrient-deficient lands. Our efforts are directed at increasing crop yields, addressing malnutrition, and driving the Nation’s Food Security Agenda to meet Sustainable Development Goal of Zero Hunger. Therefore, at EFERT we strive to combine innovation and quality with customer needs and expectations.

The primary business segments of the company are:

- Straight Fertilizers (urea, phosphatic fertilizers).
- Specialty Fertilizers (Zabardast Urea, Zarkhez Grades).
- Agri services including site-specific fertilizer recommendations based on the 4Rs principles (Right source, Right dose, Right time, and Right method of application)



vision

We are passionate about transforming the agricultural landscape, bringing change, and helping the farmer grow.



core values

At Engro, we never forget what we stand for—our people, our purpose, and our unwavering commitment to doing what is right.

health, safety & environment

Cares deeply about environmental impact and safety of people

ethics & integrity

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

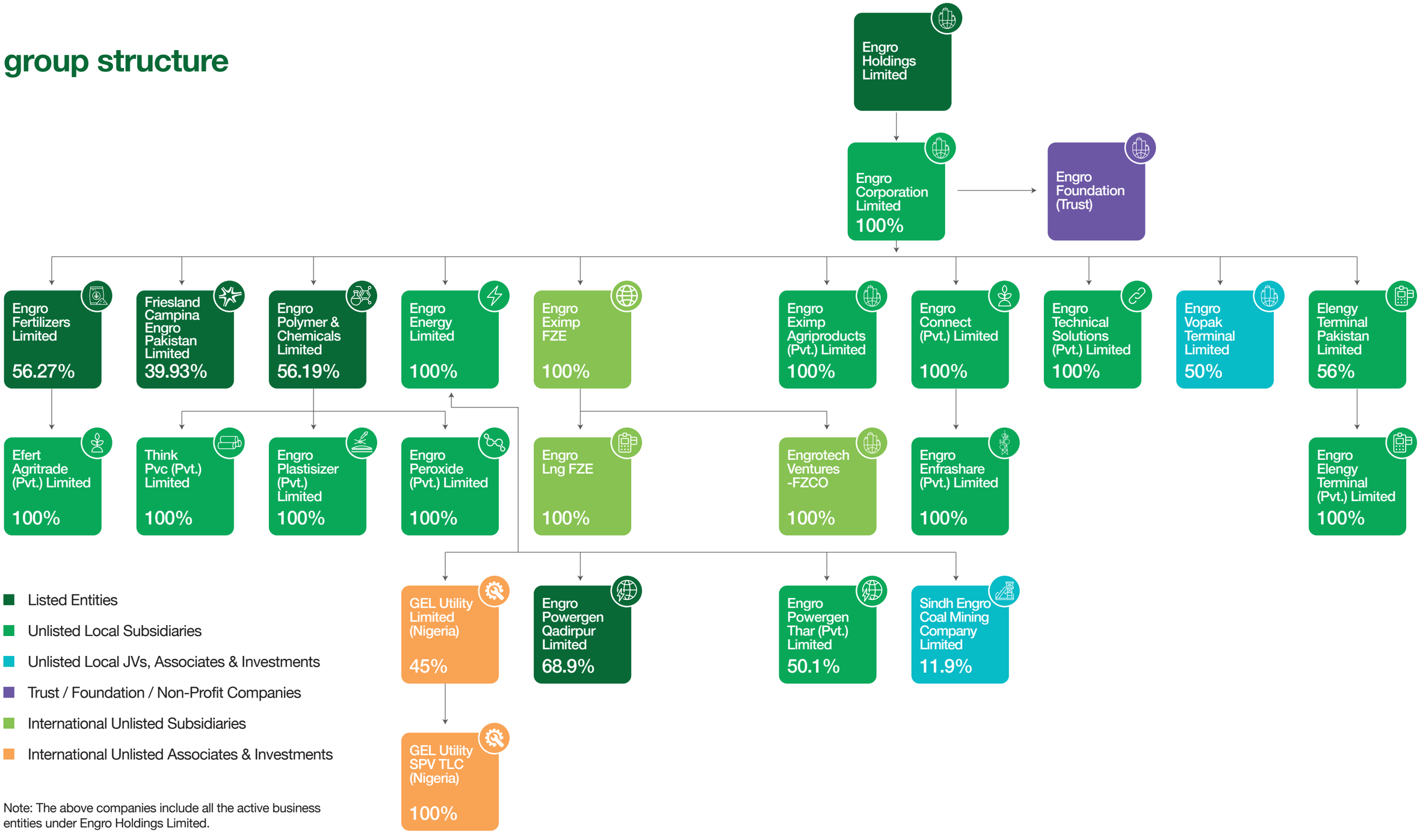
community & society

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

the guiding principles of character & good manners (CGM)



group structure



Note: The above companies include all the active business entities under Engro Holdings Limited.

our business model

At EFERT, our journey is powered by a clear vision: to deliver sustainable growth while making a meaningful impact. With unwavering support from our shareholders and the relentless drive of our management team, we focus on enhancing operational excellence, fostering innovation, and building lasting relationships with the communities we serve.

Our success is rooted in the synergy of our diverse stakeholders. From suppliers of essential raw materials like natural gas to our trusted banking partners, from shareholders who share our vision to our dedicated workforce, every link in our chain strengthens our resolve. Customers remain at the heart of everything we do, supported by our logistics partners who ensure seamless delivery, and the communities around us whose progress is integral to ours.

Over the years, EFERT has made strategic investments in our manufacturing facilities, significantly enhancing operational efficiency and maximizing the value derived from every input. These advancements have cemented our position as a vital contributor to Pakistan's food security, a responsibility we embrace with pride.

Innovation is more than a goal—it's a driving force behind everything we do. Our diverse portfolio of fertilizer solutions, including the standout "Zabardast Urea," has revolutionized farming practices across Pakistan. By empowering farmers to achieve higher yields and greater productivity, we're shaping the future of agriculture.

Our extensive dealer and warehousing network ensure that our products reach every corner of Pakistan, making accessibility our strength. These partnerships go beyond transactions; they're built on trust and collaboration, playing a pivotal role in achieving our sales and operational targets.

At EFERT, we believe in "doing good while doing well." This ethos is reflected in our ongoing commitment to community development. Through impactful Corporate Social Responsibility (CSR) initiatives—outlined in detail in the "Directors' Report"—we continue to uplift the lives of those around us, reinforcing our role as a responsible corporate citizen.

As we look ahead, EFERT remains steadfast in its mission to transform Pakistan's agricultural landscape. By empowering farmers, boosting productivity, and strengthening food security, we're creating a sustainable future. At the same time, our commitment to delivering exceptional returns to our stakeholders underscores the values that define our business model.

Capitals & Key inputs

financial

- Equity: PKR 47 Billion
- Long-term debt: PKR 22 Billion

manufactured/ infrastructural capital

- Manufacturing facilities: 2
- Production Capacity: 2,275,000 MT Urea; 100,000 MT NPK
- No of selling locations: 80+
- Market Channels: Primary and Secondary via dealers/ distributors

human resource

- No. of employees: 1,169 (excluding contractual employees)
- Hiring the top resources to generate maximum value
- Positive culture to keep employees motivated
- Extensive training to ensure employee growth and optimize their performance
- Strong HSE practices to ensure employee safety

natural

Availability of required materials for the business operations
- Natural Gas
- Minerals for Catalyst and Chemicals
- Water
- Materials

intellectual

- Strong brand and corporate image
- Investment in intangibles & externally purchased proprietary rights - PKR 5,007 Million
- Investment in ERP and data analysis systems
- Investment in Humsafar (Sales), UgAi, field force management, fleet management, and Velocity (HSE) software
- Talented leadership
- Highly capable workforce
- Agronomy department for market research and industry intelligence
- R&D department for new product development

social and relationships

Relations with our stakeholders (customers, suppliers, investors, etc.) and local community:
- Representations and associations with external bodies
- Dealers / Distributors: 3,000+
- Dealer shop branding to increase engagement
- No. of Shareholders: 35,711
- Constant efforts to improve the socio-economic status of the communities in which we operate
- Various local and international R&D partners

Our value chain delivers its promise for sustainable development on all fronts, including social, economic, and environmental:

Outcomes

- Constant efforts to improve the socio-economic status of the communities in which we operate
- Various local and international R&D partners

Refer to the subsection Corporate Memberships and Affiliations of this report for a list of memberships.

financial:

Wealth generation and economic growth
- Total revenue: PKR 257 Billion
- Salaries: PKR 8 Billion
- Dividends: PKR 29 Billion
- Economic value added: PKR 19 Billion
- Wealth generated: PKR 84 Billion
- Contribution to National Exchequer: PKR 55 Billion
- Strong focus on cost optimization helping deliver sustainable returns

customers

- Trust based relationships with all stakeholders
- High level of customer satisfaction
- Smallholder farmer development through our Shandaar Kissan program and other engagement events
- Innovative product lines helping farmers achieve higher yields

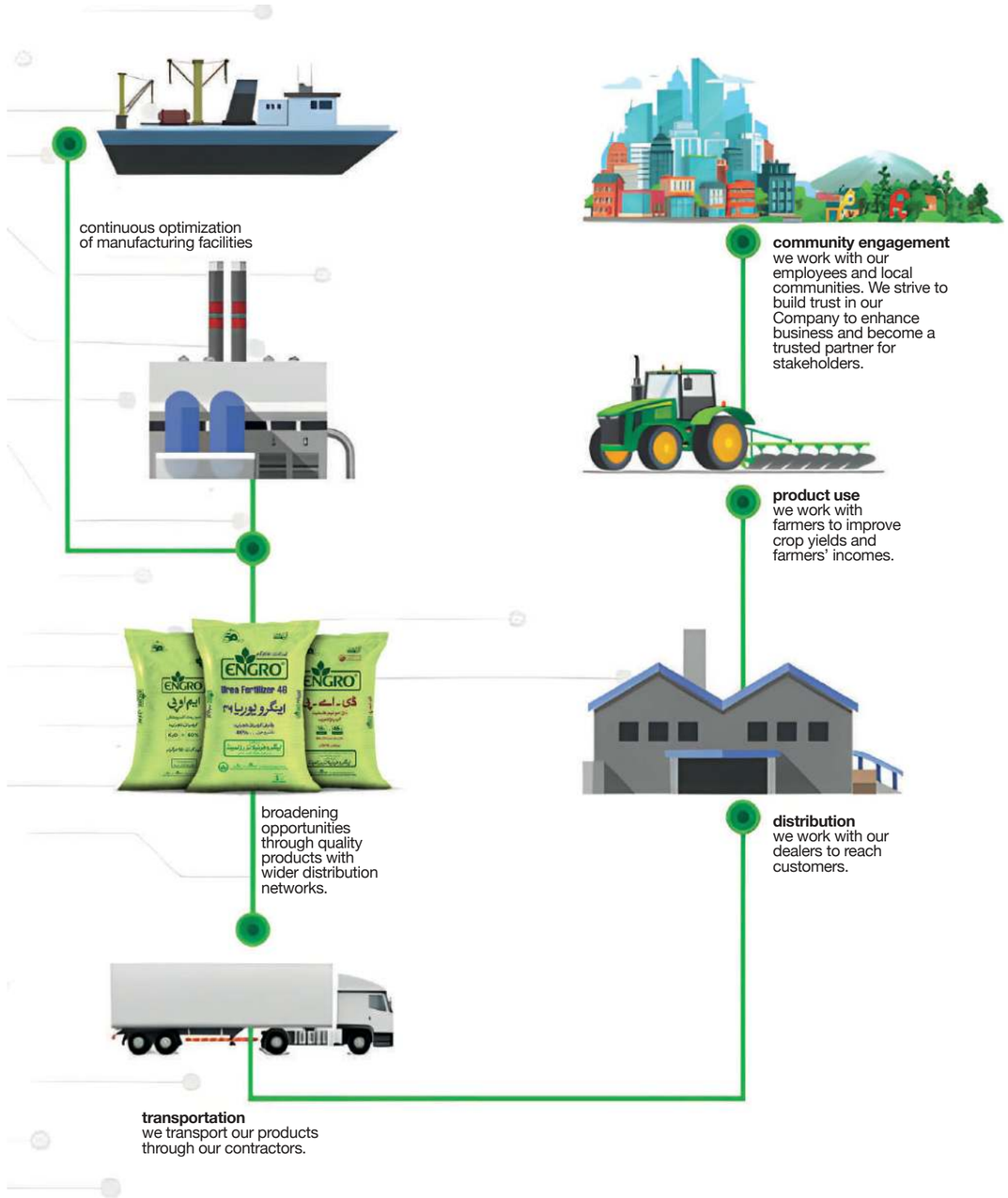
Refer social performance section detailing efforts for our farmers

environment

- Continuous investment in manufacturing facilities to improve operational efficiency, leading to sustainable usage of scarce raw materials
- Implementing environmentally friendly practices
- Responsible energy consumption with increased focus on renewable energy
- Innovative cooling water system enabling reusability 615 million tons per annum

community

- CSR contribution: PKR 464 Million
- Contribution to national food security through supply of fertilizers: 31%
- Operational excellence with the highest safety standards, leading to low injury/fatality rates
- Trust-based relationships with all stakeholders
- Ensure gender inclusion at all levels with 6% female
- Employee engagement participation: 95%



chairman's review

Dear Shareholders,

On behalf of the Board of Directors, I am delighted to present Engro Fertilizers Limited's (EFERT) Sustainability Report, encapsulating its outstanding performance for the year ended 2024.

2024 continued to be a challenging year for the global economy with considered approaches taken by governments all over the world for stimulating growth whilst limiting inflation and curbing the impact of disruptions caused by geopolitical conflicts and climate change.

In 2024, Pakistan's economy faced a mix of challenges and opportunities. The government implemented several measures to stabilize the economy, focusing on fiscal reforms and boosting investor confidence. Efforts were made to address inflation and improve the balance of payments situation. The agricultural sector showed resilience, while the industrial and services sectors continued to remain depressed. I commend and appreciate the administration's efforts to stabilize the economy. It is my belief that a strong industrial base is essential for the future economic prosperity of our generations. While the Government has supported this sector through its policies, however, it's important to acknowledge that the industrial sector's contribution to economic growth continues to be limited by elevated input costs and tax burdens.

Fertilizer industry also faced challenges during the year. Global markets remained volatile particularly due to the ongoing conflicts, which impacted the supply and transportation of fertilizers globally. Pakistani fertilizer industry continued to sell locally produced Urea at a significant discount of ~Rs. 2,400 per bag at the year-end 2024. Furthermore, considering the dire need of the country to shore up its foreign reserves, I am happy to state that the fertilizer industry saved more than $2.3 Bn collectively through import substitution.

On the local side, the fertilizer industry was impacted by farmer earnings crisis resulting in a change in market dynamics, we foresee the change extending across the next year as well.

2024 was also the year in which climate change manifested with its wide-ranging effects, from untimely rains to extended drought periods, a change to which most of our crops are unsuited for. Crop harvests were delayed, yields deteriorated and pest infestations took their toll. The shift in weather pattern has already forced farmers to plant early fearing the record-breaking scorching heat of the summer months, upending fertilizer supply and demand dynamics.

Considering the challenges emanating from man-made climate change, EFERT recognizes the importance of incorporating environmental factors to maintain ethical and sustainable business practices. EFERT's strategy for sustainable value creation carefully considers environmental challenges and includes plans to minimize its environmental footprint. EFERT is dedicated to achieving top-tier environmental standards, utilizing the best available technologies, and working towards becoming a leader in promoting and advancing sustainable practices.

I must congratulate our management team in the safe and successful historic turnaround of the EnVen Plant. It could not have been achieved without their expertise and commitment to excellence. The turnaround, the largest in Pakistan's history, was years in the making. This historic undertaking ensures that the plant will function reliably for many years, fulfilling our promise to operate the most efficient plant in Pakistan.

On the operational front, our management team have once again delivered a record-breaking PAT of Rs 28.3 Bn despite the EnVen turnaround and farmer liquidity crisis. It is my firm belief that the team, will continue to surpass any obstacles in their way in ensuring maximum value to shareholders, and I have every confidence in their leadership abilities to not only engage with and satisfy our external stakeholders but also our internal stakeholders, most importantly of whom are our employees, which remain our greatest assets.

During the year, EFERT was awarded the 2nd place in the PSX Top 25 Companies Award 2023. EFERT was also awarded 1st prize in the Management Association of Pakistan awards (fertilizer sector) whilst also receiving the Green Leaf award presented by the International Fertilizer Association for our efforts in environmental sustainability, amongst others.

I wish to express my profound gratitude to the Board of Directors and its committees for their exceptional guidance and motivation. My appreciation also extends to our investors, employees, and valued customers for their relentless support. I am also appreciative of the counsel and assistance provided to us by our regulators. Only through strength of character and steadfast integrity can we continue to solve the pressing issues that have beset our beloved country Pakistan.



Ahsan Zafar Syed
Chairman

ceo's statement

I am honoured to present the Sustainability Report of Engro Fertilizers Limited (EFERT) for the year ended 2024.

The past year brought about a period of economic stabilization for Pakistan, with indications of positive momentum following the contraction of FY23. This progress was made possible by the consistent dedication of our management and stakeholders. Their efforts ensured we could continue to build upon our long-standing legacy and provide sustained value to our shareholders and the nation.

Throughout 2024, Pakistan's economic landscape exhibited signs of stability, with inflationary pressures subsiding, policy rates easing, and increased investor confidence fuelling unprecedented growth in the Pakistan Stock Exchange. Stability in the exchange rate, stronger foreign reserves, and a current account surplus backed by robust remittances and prudent economic measures set a foundation for continued recovery and sustainable growth.

EFERT remained a key enabler of Pakistan's agricultural sector, reinforcing its commitment to the nation and the Government of Pakistan (GoP) by ensuring urea availability at prices significantly lower than global benchmarks. This effort not only strengthened the agri value chain but also played a crucial role in bolstering food security and supporting economic recovery.

In 2024, the domestic fertilizer market remained resilient despite market fluctuations. Urea demand stood at 6,574 KT, slightly lower than 6,639 KT in 2023, with offtake driven by favourable farm economics in the first half of the year and the continued availability of urea at a discount to global prices. However, these gains were partially offset by market corrections resulting from the wheat crisis and weak cotton crop performance. At the same time, urea production increased to 6,670 KT from 6,438 KT last year, ensuring a stable supply. For phosphates, the domestic DAP market growth remained stable, with demand of 1,636 KT compared to 1,558 KT in 2023.

On the production front, EFERT produced 2,147 KT of urea in 2024, an 7% decline from last year due to an extended plant maintenance shutdown. To ensure market stability, government effectively bridged the supply gap through imported urea.

Our DAP business demonstrated consistent performance in 2024, achieving a slight increase in sales volume to 306 KT compared to 279 KT in 2023. Strategic adjustments helped us improve our market share despite competition from private importers.

In 2024, the Specialty Fertilizer Business (SFB) faced headwinds as unfavourable farmer economics impacted revenue. To strengthen market awareness, we launched a market development program in the Rabi season, highlighting the nutritional importance of Zinc and promoting Engro Zabardast Urea as a cost-effective solution. Engaging 42,000 farmers through 1,560 meetings, we achieved a 47% commitment-to-conversion rate.

By the grace of Allah, EFERT delivered robust financial results, with sales revenue soaring to PKR 256.7 billion—marking a remarkable 14.7% year-on-year growth. EFERT gross profit was PKR 72.3 billion, yielding a 28% gross margin, down from 32% in 2023. This decrease is attributed to the end of the concessionary gas supply resulting in significant increase in gas cost. Despite this, our profit after tax reached PKR 28.3 billion registering a growth of 7.9% as compared to last year — translating into consolidated earnings per share of PKR 21.16. To reward our shareholders, a final dividend of PKR 8.0 per share has been proposed for approval at the Annual General Meeting, bringing the total dividend for 2024 to an impressive PKR 21.5 per share.

At EFERT, safety remains an uncompromising priority. Our commitment to stringent safety protocols led to an exceptional Total Recordable Incident Rate (TRIR) of 0.04, with zero Loss Workday Injuries (LWI) or fatalities. Additionally, efficient operational planning resulted in minimal unplanned outages, enhancing overall efficiencies.

Maintaining a strong working relationship with the Government of Pakistan, EFERT actively contributed to discussions on essential gas sector reforms to safeguard food security and industry sustainability. A significant milestone was our agreement, alongside other fertilizer producers, to invest in the (approximately) USD 300 million Pressure Enhancement Facility (PEF) at MEL's delivery node, aimed at mitigating the effects of declining gas pressure from Mari Energies Limited's Habib Rahi Limestone (HRL) Reservoir. We acknowledge the concerted efforts of the GoP, particularly the role of SIFC, in addressing structural economic challenges and unlocking Pakistan's full agricultural potential.

Our commitment to social responsibility remained unwavering. In education, we expanded our footprint by establishing 26 schools, including 14 in the Katcha area of Ghotki and 12 in Daharki town. These schools provide a safe and nurturing learning environment for underprivileged children, opening doors to new possibilities. In healthcare, our Sahara Clinic treated over 7,800 patients, while our specialized facilities provided critical care to over 6,400 snake bite patients. To uplift livelihoods, we facilitated 12 income-generating projects, supported 60 graduates with apprenticeships, and provided over 15 million litres of clean water to 4,000+ families through solar-powered RO plants. Sustainability remained a cornerstone of our efforts, with extensive tree plantation drives across 45 locations, conservation partnerships with WWF Pakistan to protect the endangered Indus River dolphin, and the introduction of women-led aquaculture initiatives for fisher communities.

In 2024, EFERT's excellence was recognized at multiple national and international forums, earning accolades in critical areas such as safety, operational excellence, corporate governance, financial performance, environmental stewardship, gender diversity, and social inclusion. These achievements are a testament to the relentless efforts of our employees and business partners, whose dedication and innovation have been pivotal in navigating industry challenges.

Looking ahead, we recognize the evolving macroeconomic landscape and the challenges that lie ahead. While inflation eased to 4.1% by December, the lowest in over six years, and the State Bank of Pakistan reduced the policy rate from 22% to 13%, broader economic concerns such as climate change, geopolitical tensions, and the need for consistent policy implementation remain. Nevertheless, we remain optimistic about Pakistan's economic outlook, particularly in agriculture, which experienced robust growth in 2023-24. Investing in human capital, ensuring food security, and fostering a competitive business environment will be key to our sustained success.

Our success is built on the dedication and resilience of our employees and business partners, whose commitment drives EFERT forward. Their dedication has fuelled innovation and excellence across EFERT, from the successful execution of the largest-ever EnVen Turnaround strengthening safety and operational resilience to the launch of transformative initiatives like UgAi, Engro Markaz, and farmer connects empowering farmers with direct access to fertilizers, precision agriculture, and sustainable growth opportunities. Together, we continue to shape a stronger, more innovative future.

I extend my deepest gratitude to our Chairman and the Board of Directors for their enduring commitment, steadfast support, and invaluable guidance. Their strategic foresight and insightful counsel have been instrumental in setting new benchmarks of excellence. I truly appreciate their continued trust and confidence in our leadership, which has strengthened our long-term competitive edge and positioned us for sustained success.

As we move forward, EFERT remains steadfast in its mission to navigate challenges, seize opportunities, and drive sustainable growth. With a clear vision, unwavering determination, and a strong foundation, we are well-positioned to continue delivering value to our stakeholders and contributing meaningfully to Pakistan's economic and agricultural development.



Ali Rathore
Chief Executive Officer

principles of governance

governance in relation to sustainable value creation

EFERT continues to improve its governance structure by institutionalizing its core ideals, standards, and values, which have a strong legacy system spanning more than five decades. The guiding pillars of our corporate governance are the internally developed code of conduct, policy statements of ethics and business statement, code of corporate governance, and best available practices.



board structure & governance



director election



director participation



key stakeholder engagement



corporate social responsibility



ethical compliance & whistle blowing system

Extensive information regarding the code of conduct and related matters can be found in the Corporate Annual Report 2024.

board composition

board composition and attendance

The Board of Directors held 5 meetings to cover its completed cycle of activities. The attendance record of the Directors is as follows:

Mr. Ghias Khan***	Non-Executive Director-Chairman	2/2
Mr. Ahsan Zafar Syed****	Non-Executive Director-Chairman	5/5
Mr. Javed Akbar	Non-Executive Director	5/5
Mr. Farooq Barkat Ali*	Non-Executive Director	4/5
Mr. Ahmad Shakoor**	Non-Executive Director	4/4
Mr. Asim Murtaza Khan	Independent Director	5/5
Mr. Asad Said Jafar	Independent Director	5/5
Ms. Danish Zuberi	Independent Director	4/5
Mr. Ali Rathore*****	Chief Executive Officer	3/3

*Mr. Farooq Barkat Ali was appointed as a Non-Executive Director on January 26, 2024.
**Mr. Ahmad Shakoor was appointed as a Non-Executive Director on April 15, 2024.
***Mr. Ghias Khan resigned as Non-Executive Director on April 25, 2024.
****Mr. Ahsan Zafar Syed resigned as the Chief Executive Officer on April 25, 2024, and was appointed as a Non-Executive Director on May 03, 2024.
*****Mr. Ali Rathore was appointed as the Chief Executive Officer on April 26, 2024.

Detailed Board profiles are presented in the Annual Report 2024 which provides information on each board member, such as significant positions and commitments they hold, their competencies with respect to economic, environmental, and social topics, and more.

Engro complies with the requirements of the Listed Companies (Code of Corporate Governance) Regulation, 2019. Our statement of compliance is published in the Annual Report.

board committees

Our governance framework is designed to ensure the company lives up to its core values and principles, institutionalizing EFERT's commitment to enabling excellence in everything we do.

The Board has established the following two committees:

board people committee (BPC)

The Committee met during the year to approve, review and recommend all elements of the Compensation, Organization and Employee Development policies relating to the senior executive's remuneration and to approve all matters related to the remuneration of the executives of the company and members of the management committee. The Chief Executive Officer attends Board People Committee meetings by invitation. The committee met three times during the financial year 2024.

current members:

- Mr. Asim Murtaza Khan – Chairman
- Mr. Javed Akbar
- Mr. Ahsan Zafar Syed

salient features of terms of reference

- To ensure corporate standards / human resource policies and fundamental beliefs are aligned with corporate guidelines.
- To recommend the selection, performance evaluation, compensation, development, and succession plan of the CEO and his direct reports.
- Recommend the salary and bonus programme to the Board.
- Review engagement survey results.

board audit & risk committee (BARC)

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 for 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 and Risk Committee meetings by invitation to present the financial statements. After each meeting, the Chairman of the Committee reports to the Board. The Committee met six times during the financial year 2024.

current members:

- Mr. Asad Said Jafar – Chairman
- Mr. Javed Akbar
- Mr. Asim Murtaza Khan

salient features of terms of reference

- To recommend to the Board the appointment and removal of external auditors.
- To review quarterly, half-yearly and annual financial statements.
- To review the internal control systems and internal audit function.
- To review the enterprise risk management system and assess the adequacy and monitoring of the same by the management.
- To monitor management's compliance with all Company policies including complaints received through the Speak Out – Whistle Blower policy.
- To monitor compliance with statutory requirements.

board of directors

The Board of Directors carries out its duties with a sense of objective judgment and in good faith in the best interests of the Company and its stakeholders. There are eight (8) of Directors on the Board, comprising three (3) Independent Directors, four (4) Non-Executive Directors, and one (1) Chief Executive Officer.

code of conduct

ethics & integrity

are one of the cardinal values of all Engro companies. Our history includes a longstanding commitment to comply with all laws and to conduct our business activities with the highest standards of ethics and integrity. It is not only about complying with all laws but also describing the moral choices that must be made in areas where the law is not clear. A host of policies have been adopted by the Board of Directors of the company in this regard.

empowerment with accountability

Each Engro employee is responsible for his/ her behavior and will be held accountable for it. All employees are bound to submit an ethics compliance certificate. We are responsible for complying with all applicable laws and company policies & procedures.

our commitment to engro's stakeholders

We adhere to the highest ethical standards, foster trust, and always act in the best interest of our shareholders, our customers, our families, our vendors/ suppliers, the communities where we operate, and each other. We want our stakeholders to know they can depend on us.

promoting a positive work environment

To ensure a workplace where employees feel safe, respected, and appreciated. We aim to attract, induct, develop, retain, and motivate high-calibre talent who are qualified, capable, and willing to contribute towards the achievement of company objectives. Engro is committed to being a harassment-free workplace and has strict laws against any form of inappropriate conduct in order to ensure a safe workplace and the protection of the environment.

soliciting customers, suppliers, vendors, and contractors

Employees will not solicit vendors and suppliers, or avail offers for anything of value that could be perceived to create obligations in order to keep, increase, or obtain Engro business. Actions that might involve a conflict of interest or the appearance of one, will be disclosed to senior management.

legal compliance

When making decisions to conduct business, employees must ensure they are aware of their actions and choose not to violate the law. All Engro companies hold information and training sessions to promote legal compliance and have systems in place to monitor and report violations.



protecting the company's assets
We must use the Company's physical assets/ equipment carefully and diligently, and take steps to protect our Company's proprietary and confidential information.



managing business relationships
Employees' dealings with customers, suppliers, contractors, competitors, or any person or organization doing or seeking to do business with the Company (our business interfaces) must be in the best interest of the Company, must exclude any consideration of personal preference or advantage, and must avoid conflicts of interest, apparent or otherwise.

code of ethics

The policy of Engro, as stated by the Board of Directors, is one of strict observance of all laws applicable to its business. Strong ethical practices have been fundamental to Engro's philosophy and operations. Engro embodies corporate integrity; all its employees are expected to abide by our ethical principles embedded in the 'Statement of Ethics and Responsible Business Conduct'.

For these purposes, EFERT has an exclusive department of "Ethics & Compliance" to make sure all dealings and day to day activities are done most ethically. Additionally, the department has launched "The Ethics & Compliance" newsletter to keep the employees abreast of the latest developments at the Compliance front. The company has a robust whistleblower system in place where employees report any misconduct or violations of the code of conduct. The platform is also available externally. All violations reported are independently handled and investigated by the Ethics & Compliance department.

Our Code of Conduct lists ethics as one of our core values, therefore Engro has a zero-tolerance policy towards any form of discrimination and harassment. Similarly, honesty and open communication is also expected on the reporting front.

We believe it is essential for everyone associated with Engro to embrace this culture and live by the highest standards of integrity and accountability.

ethics & compliance

Engro prides itself on 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 Ethics and Compliance (E&C) team to look at all E&C related issues. Engro 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 and Risk Committee (BARC). Our values and commitment to ethical practices are reflected in our statement of Ethics and Business practices:

"Integrity is a vital part of Engro's core values and how we conduct business. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity throughout our organization.

The Company ensures that its business is conducted in compliance with the highest ethical standards of business practice and in compliance with all relevant legal principles. Where the law allows flexibility, we commit to upholding the highest standards of integrity.

These values are ingrained into our identity as a company and guide the way we interact with each other, customers, business partners and other stakeholders. We are committed to fostering a strong ethical culture that upholds these principles in every aspect of our business.

The above statement is in accord with the other stated policies of Engro Corporation Limited."

Ethical conduct is a core part of Engro's culture and its human capital philosophy. The bedrock of this philosophy is Character and Good Manners (CGM), which we believe is the best foundation for any organization's success. Great companies are built on the back of thousands of micro-interactions between teams; when people commit to collaboration and growth through the lens of CGM, it is our conviction that organizations perform better.

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, periodic reviews, and audits of business practices, and our external reporting.

code of conduct

Engro's Code of Conduct outlines the Group's position on an array of topics and highlights the key commitments and principles of our compliance program, and applies to all Engro 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 emanating from the Code of Conduct include, but are not limited to:



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

1. Disclose on actual/perceived conflict of interest
2. Disclose any gift received

These portals are managed by the Ethics & Compliance team.

speak out at engro

At Engro, we have a robust whistleblower mechanism that helps us identify risks and carry out due process for risks assessed, based on which appropriate actions are taken, which are 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, town hall meetings, performance and development discussions, and more. We actively promote discourse and the sharing of feedback to ensure critical concerns and complaints can be raised and addressed.

The Company expects employees, suppliers, and contractors at Engro and its group companies to abide by our 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 E&C team, which is an independent reporting to the Board Audit and Risk Committee. The Speak Out email details are publicly available on our website.

Besides employees, our external stakeholders, such as business partners, our suppliers, contractors, vendors, customers, and local community members, can also utilize the Speak Out platform. To specifically manage Investor relations, the Company's contact details are disclosed in the "Company Information" section of the annual report and on its website under the "Investor Relations" section to facilitate shareholders /other investors' timely resolution of their complaints, if any.

To seek advice on internal ethical and lawful practices or address any queries and concerns pertaining to ethics and compliance, individuals can contact the E&C team.

Open and candid communication is an important part of our culture, and all stakeholders are provided with channels to freely share their concerns, complaints, grievances etc.

We believe that dialogue and discussion are essential to building and preserving good relations amongst employees. Employees are encouraged to share any work-related concerns with their immediate supervisors. However, if they are unable to do so, they can utilize the Speak Out email. The E&C team is committed to ensuring that any form of retaliation against individuals who report concerns is not tolerated under any circumstances.

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 E&C department, where independent people/teams are appointed to investigate the case confidentially.

Engro believes in nurturing a safe work environment that is free from any form of harassment. A dedicated Harassment Committee exists solely for dealing with all harassment related cases at the workplace. The Committee maintains the highest standards of confidentiality when investigating harassment-related complaints, whether received through the Speak Out platform or directly by the Harassment Committee.

The investigations of proven cases result 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 & Risk Committee, on a quarterly basis, along with actions taken.

In 2024, one (01) case pertaining to corruption & bribery (substantiated) was reported at Engro Fertilizers, while in 2023 the number was also one (01).

Relevant and appropriate action is taken to deal with all confirmed and substantiated cases to remediate negative impacts in a timely manner and prevent future occurrence where possible.

Engro's commitment to contributing towards improving the broader work environment was characterized through our partnership with ACCA Global on the celebration of the Global Ethics Day 2024 in Pakistan. The theme of the Global Ethics Day 2024 was to explore how ethics shapes culture and the vital need for ethical leadership in addressing the challenges faced in today's rapidly changing world.

Our commitment letter to UNGC is a further testament to our continuous dedication to promoting ethical and anti-corruption practices.

trainings & awareness

Given the importance of the subject, E&C conducts in-person Awareness Roadshows covering code of conduct, anti-corruption policy, speak out platform, workplace harassment, and conflict of interest policy for all Engro companies. The E&C Awareness roadshows are open to the entire Engro workforce, wherein these sessions impart key learnings from sanitized cases to promote a forward-looking approach for continuous improvement. Additionally, two group-wide employee engagement activities and several awareness communications were shared during 2024.

	2024	2023
Training Hours	2,233	2,346
Number of Attendees	893	782
Training Sessions	14	20

In addition to the above, in 2024, 556 regular employees from all Engro companies attempted E&C's online learning module designed to impart critical learnings from the code of conduct and applicable policies.

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. In case of any ambiguity, employees can reach out to the E&C team for clarity.

Furthermore, as per the statement of compliance with listed companies (Code of Corporate Governance) regulations, 2019, given in our Annual Report 2024, all Directors have either duly obtained training under the Directors' Training Program or are exempted from the Directors' Training Program.



stakeholder engagement

The Company regards stakeholder engagement as an important element of corporate responsibility. It believes that adherence to the highest ethical standards fosters trust. We recognize that stakeholder engagement can contribute to value co-creation both for the Company and along the value chain.

Our stakeholder engagement approach focuses on the identification of relevant and important stakeholders by taking into account those groups or individuals who can be significantly affected by our business activities, outputs, or outcomes, or whose actions can be expected to significantly affect our ability to create value over time. These are profiled, mapped and prioritized for consultation based on influence, responsibility, proximity, dependency, willingness to engage and representation. We consult with our stakeholders continuously through relevant departments.

Consulting stakeholders on economic, social, and environmental topics, EFERT engages with key stakeholders and consults with them on all material topics in relation to its long-term strategy of ensuring sustainable operations. The purpose of these engagements is to:

- Build knowledge and develop relations
- Align understanding of their needs and expectations
- Identify and track perceptions and feedback on outcomes; and
- Provide feedback on the specified planned developments

The Company mainly engages with its stakeholders through periodic discussions/meetings. All aspects of engagement are covered in these discussions. Minutes of these discussions are maintained with the respective Division Heads, with summaries shared by them in the Management Committee meetings, chaired by the Company's CEO. Apart from the Management Committee, there are separate sub-committees, including the Plant's HSE Committee, Corporate HSE Committee, and Engro Foundation for CSR oversight, responsible for monitoring performance around social and environmental topics and stewarding results of engagements with various stakeholders.

The Company's performance is periodically reviewed centrally by the Management Committee through its meetings and key developments arising from these meetings, which are periodically reported to the Board by the CEO through quarterly updates. Moreover, as part of its corporate plan review process, significant developments and performance against the sustainability goals are monitored by the Board of Directors. The Company also has a group reporting framework that requires reporting of significant developments on financial and non-financial matters to its parent company, Engro Corporation, including significant developments arising from its discussions and engagements with stakeholders.



The consultation and engagement strategy with each stakeholder is covered in more detail on the pages that follow.

EFERT is represented at various global and local forums and partnerships and maintains active membership in industry associations and other relevant organizations. Please refer to our Corporate Annual Report 2024 for corporate affiliations and memberships.

platforms to invite open feedback and recommendations from our stakeholders

The corporate website (www.engrofertilizers.com) provides the contact details of our head office, plant sites, and marketing offices to encourage stakeholders to share their feedback.

The Company openly allows stakeholders to provide their feedback/recommendations and has various forums to facilitate them. Our investor relations department manages all concerns received from shareholders via letters or emails. Similarly, the customer and supplier helplines encourage feedback from suppliers or customers to be appropriately captured. There is an independent whistleblower hotline that ensures complete transparency over any concerns reported through this platform, including its review and reporting to the Company's Board of Directors. The concerned officials regularly evaluate the feedback, and appropriate actions are taken as required.

stakeholder engagement strategy

The Company has defined a stakeholder engagement strategy for various stakeholder groups, which is stewarded along with the results of engagement on a quarterly basis by the Company's Management Committee. A summary of key developments is shared with the Board of Directors. The Company's engagement strategy and the processes and measures taken against the strategy are reported below.

Stakeholders	Frequency of engagement
Customers and suppliers	Regularly
Shareholders	Regularly
Employees	Regularly
Bank/ Lenders	Regularly
Investment community / analysts	Quarterly
Regulators	Regularly
Local communities	Regularly
Media	Occasionally

Customers and Suppliers

engagement process
Periodic formal and informal meetings, conferences, and business support services, including visits, regular meetings, emails, telephone calls, and assistance/advice on technical areas, such as taxation and treasury.

effect and value
Our continuous engagement enables us to understand our customers' and suppliers' needs, helping us develop the right products for them.

actions taken
We continue to focus on various customer and supplier engagement initiatives, including regular meetings, visits, and providing technical assistance, etc.
In the case of suppliers, the Company recognizes its relationship with gas suppliers to be critical in maintaining sustainable operations. Therefore, EFERT ensures continuous and proactive engagement with suppliers on all gas regulatory matters, including taxes and levies in relation to gas. Also, it collaborates with the gas supplier on issues of gas availability in the country.
Refer to the customer engagement section in this report for further details with respect to customers.

Shareholders

engagement process
Regular engagements as part of:
- Annual general meeting
- Stock exchange announcement
- Press releases
- Corporate briefings
- Annual and quarterly reports
- Notices to shareholders

Further, the Company also maintains a dedicated section on the corporate website for investor relations to facilitate shareholder queries.

effect and value
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 for maintaining healthy investor relations and responding timely to shareholder queries.

actions taken
Annual general meetings were held to inform and obtain the consent of shareholders. These meetings provide an opportunity to engage with shareholders, address their concerns in a broader forum, and provide updates on the Company's performance and activities. During these meetings, board members and senior management were also available to answer investors' and analysts' questions.

Employees

engagement process
The Company maintains regular and open communication with its employees. Formal and informal meetings and sessions, including:
- Quarterly CEO Townhalls
- Quarterly surveys by Let's Tune In
- Employee engagement sessions
- Performance appraisals
- Feedback sessions, including corporate retreats
- Employee satisfaction surveys
- Intranet platform; and
- Internal magazine and newsletters.

effect and value
Helps in focusing on increased employee satisfaction, implementing diversity and inclusion initiatives, resulting in improved performance.

actions taken
Pulse surveys are conducted to engage employees and to look out for their emotional and physical wellbeing.
EFERT launched "Employee Central," a digital platform for HR policies and employee-related processes to allow employees online access and the opportunity to learn about their benefits and apply for them through the system.
Please refer to the People section in this report for further details.

Bank/Lenders

engagement process
Regular meetings with financial institutions to engage with them regarding financing requirements and apprise them of the Company's financial performance. Regular meetings are held to negotiate and arrange credit limits to meet EFERT's requirements.

effect and value
Access to financial markets to pursue the growth of the Company. Helps in obtaining effective solutions to the banking needs of the Company.

actions taken
The Company utilizes various innovative financing solutions in engagements with its banking partners. These include Electronic Bank Guarantee and Alternate Bank Guarantee. EFERT continues to engage with banks, aiming to further digitize operations to cater to the needs of the agri-supply chain players.

Investment Community/Analysts

engagement process
Analyst briefing sessions, where the CFO presents the quarterly performance of the Company.

effect and value
- Consults on significant quarterly developments in relation to quarterly performance and results.
- Attends to analysts' concerns by responding to various queries and clarifying the Company's position.
- Provides feedback on planned developments and makes suggestions to improve the process going forward.

actions taken
The Company arranged quarterly corporate briefing sessions virtually on the date of the BOD meeting, which were attended, amongst others, by analysts.

Regulators

engagement process
Meetings with officials for submission of data for review and compliance. The Company has a separate Public Affairs and Government division to manage engagements with government and regulatory bodies.

effect and value
Ensure all legal and regulatory requirements are complied with.

Support the continuation of the common objective of the government and the Company to transform the agriculture landscape of Pakistan.

actions taken
EFERT has a Public Relations and Government Affairs department at the Group level to focus on engagement with regulators. Engagements with the government to address and report/comply on various matters impacting business operations, such as Gas Infrastructure Development Cess (GIDC), recovery of fertilizer subsidy, and processing of sales tax refunds. The Company also engages with government ministries on various policy matters.

Local Communities

engagement process
The Company conducts meetings, CSR drives, and one-on-one engagements with the community.

effect and value
Our social investment incorporates the needs and values of people and communities in policy development and planning, decision-making, service delivery, and assessment, which are at the heart of our sustainable goals.

actions taken
Various initiatives were undertaken during the year for our local communities by the Company and its employees.

Please refer to the Social and Relationship Capital section in our 2024 Annual Report.

Media

engagement process
Various communication mediums, such as press releases on an as-required basis, are used to keep the public informed of new developments and activities.

effect and value
Effective awareness is created regarding the Company and the products and services offered, indirectly having a positive impact.

actions taken
EFERT has a Corporate Communications department at the Group level which ensures that all media affairs are appropriately handled.

Please refer to the Social and Relationship Capital section of the 2024 Annual Report.

engagement processes

improving farmers' lives – helping our farmers grow

Farmers are a critical part of our value chain and play an important role in changing the agricultural landscape of Pakistan. We are passionate about developing our farmers and helping them grow to safeguard national food security and deliver value across the value chain. With this in mind, we formulated a sustainable strategy encompassing a range of initiatives, backed by our farmer advisory platform for our farmers' development and growth.









engro rahbar hotline for continuous customer feedback & queries

Rahbar is Engro's call center set up to provide a platform to our end consumers (farmers) and customers (dealers) for voicing their feedback. All dealers and customers have access to the system to reach out for any query, consultation, on-farm advisory matters, provide valuable feedback to the company or register a complaint related to order management and delivery, etc. The details of the hotline are given below.

Toll-free number: 0800-001-10

Rahbar is also now equipped to combat counterfeiting issues through an IVR message that educates farmers to verify the originality of the product through the Bharosa seal initiative on the packaging. Farmers can verify product authenticity by sending the Bharosa seal code to 9934 or by scanning the QR code on the Bharosa seal using the Farmer Dost app for confirmation.

key stats	2024
Complaints	69
Feedback/suggestions	15
Inquiries	658
Requests	192
Total CMS entries	934
Inbound calls offered	979

UgAi's inauguration by minister agriculture department mohammad bux khan mahar

Engro Fertilizers launched UgAi, Pakistan's first integrated agri e-commerce platform, to offer farmers relief by enabling direct purchase of fertilizers at official prices from the company. With the UgAi app, Engro Fertilizers will deliver fertilizers straight from its warehouses to farmers, tailored to their farms' size and specific needs. As a result, farmers will benefit from uninterrupted availability of fertilizers, reliable product quality, and convenient delivery. In addition to its direct purchasing feature, UgAi also integrates advanced drone technology and satellite imagery to monitor crops with precision, reduce input costs, and improve crop yield.

Sardar Mohammad Bux Khan Mahar, Minister for the Agriculture Departvment in Sindh, attended the UgAi launch event on October 8, 2024, as the Chief Guest. The event also featured Rafique Ahmed Buriro, Secretary of the Sindh Agriculture, Supply, and Prices Department, as the Guest of Honor. Additionally, senior members of the farming community and executives from Engro Fertilizers were also in attendance.









Addressing the audience, Engro Fertilizers' CEO, Ali Rathore, reaffirmed the Company's commitment to supporting government initiatives that uplift farmers and enhance Pakistan's food security. He stated that Engro Fertilizers has been at the forefront of launching innovative initiatives that benefit the farming community. UgAi is a key step in the same direction as it will potentially transform agriculture in Pakistan through improved crop management and modernized farming practices. He added that UgAi provides a comprehensive solution for farmers by integrating real-time data on crop health and soil conditions, empowering them to make informed decisions and maximize crop yields.

Engro Fertilizers' Vice President Marketing, Atif Muhammad Ali, stressed the Company's of being at the forefront in introducing innovation and advancements to benefit Pakistan's farmers. The challenges faced by farmers in recent years, fertilizer shortages, fluctuating prices, and counterfeit products, have been a wake-up call for the industry. Engro Fertilizers has always worked for the betterment of the farming community with a firm belief that as an agrarian nation, when our farmers thrive, Pakistan thrives.

massive UgAi farmer awareness drive

The UgAi Team conducted 15 farmer meetings in Sindh to soft-launch UgAi, Pakistan's first integrated agri-e-commerce platform. Initially rolled out in Sindh, these farmer sessions, attended by Shaandar Kissans, aimed to educate them about the registration process and eligibility criteria for accessing the app and to bring process efficiency. These sessions also provided an opportunity to receive valuable feedback from farmers to identify and address any real-time issues before the official launch. The initiative was warmly welcomed by farmers, who expressed optimism that UgAi would help elevate Pakistan's farming practices to international standards.








shandar kissan

The Shandar Kissan initiative comprises a carefully chosen group of progressive farmers who possess medium to large land holdings and have significant influence within their communities. These farmers are selected to participate in trials and provide feedback on our products due to their strong following. Engro Fertilizers actively engages with these farmers through on-farm visits.

In 2024, the program included 3,344 farmers. Through various channels of communication, Engro provided real-time support and guidance, addressing queries, and facilitating discussions on these platforms. Additionally, our team circulated updates on new farming practices and shared testimonials from farmers who have experienced the benefits of our products firsthand, contributing to increased yields.

enhancing customer engagement through digitized agricultural solutions

The digital revolution of a data-driven, app-powered, and hyper-connected world is transforming every aspect of our lives, at home and in business, including the agricultural landscape. With the sustenance of Pakistan's food security at the heart of our operations, EFERT embarked on a digital transformation journey, leveraging an arsenal of technologies to help Pakistani farmers grow, improve farm economics, and ultimately change Pakistani lives for the better.

Please refer to the digitization and innovation section of the report to learn about our digitized agricultural solutions.

bridging the gap between academia and industry with engro learning center

The Engro Learning Center (ELC) was established in November 2021 through a Memorandum of Understanding (MOU) with the University of Agriculture Faisalabad (UoAF) with the objective of undertaking various educational activities to empower farmers, students, and researchers. The scope of work for ELC was defined as below:

- To demonstrate seed-to-harvest solutions using value-added fertilizers/technologies to the farming communities for higher crop productivity.
- To conduct training for students and farmers to improve their knowledge about modern approaches to farm management.
- To collaborate with UoAF in future projects.








In 2024, ELC demonstrated a strong commitment to fostering innovation, capacity building, and academic-industry collaboration through a diverse range of initiatives. These activities aimed to enhance technical expertise, promote safety, and support academic growth while driving impactful research and development. Below is a summary of key activities:

technical trainings

- A series of technical training sessions was organized, targeting students, professionals, and farmers to improve their understanding of modern agricultural practices.
- Topics included issues and opportunities in water soluble fertilizers, a session on sugarcane production, usage trends of phosphatic fertilizers, wheat campaign, nutrients budgeting, and nutrition management in oilseed crops.
- Practical demonstrations and field visits were conducted to ensure hands-on learning.

health, safety, and environment (HSE) programs

- Regular HSE awareness sessions were held to reinforce safety standards and environmental sustainability in agricultural practices.
- A dedicated workshop on burn injury prevention and management was organized, emphasizing practical safety measures.
- Students and staff were engaged in interactive sessions to instill a culture of safety in research and field activities.

university sponsorships and engagement

- Mega University programs were expanded to maximize engagement with talented graduates, fostering long-term relationships and career development opportunities.
- Multiple students were provided internships at ELC, where they gained exposure to industry practices and research methodologies.
- Collaborative projects with university departments ensured active student involvement in real-world applications.

research and development trials

- EFERT facilitated R&D trials in partnership with university scientists, focusing on innovative solutions for enhanced fertilizer efficiency and crop productivity.
- The nutrient omission plot trial on maize was a notable success, training over 100 students on deficiency symptom analysis for macro and micronutrients.
- Trials on coated fertilizers, biofertilizers, and alternative nutrient sources were executed to optimize crop management practices.

collaborative events and outreach

- EFERT hosted joint events with university departments to promote sustainable agricultural practices, including a training session on sustainable sugarcane production in collaboration with WWF and Shakarganj Sugar Mill.
- Researchers and students were invited to present their work at scientific forums, stimulating knowledge exchange and innovation.

impact

The activities in 2024 resulted in:

- Enhanced technical skills among participants
- Strengthened academia-industry collaboration
- Development of sustainable and efficient agricultural practices
- Improved engagement with students and alumni, fostering future agricultural leaders

collaborations with research institutes

In 2024, EFERT extended efforts and engaged research institutes through Research Agreements, MOUs (Memorandum of Understanding), and outreach research activities to strengthen the Specialty Fertilizers Portfolio. Comprehensive research and benchmarking was conducted on effluent quality standards, aiming to enhance environmental reporting and compliance. Furthermore, as a result of those consultations, an Environmental Management Plan was developed for the management of hazardous materials at the site, and resources were adequately trained.

- Engro Fertilizers signed a Research Agreement with the Nuclear Institute of Biology & Genetic Engineering (NIBGE) related to Biotechnology to address phosphorus use efficiency challenges.
- National Agriculture Research Center was engaged to develop innovative biobased coated Urea Fertilizers for enhanced use efficiencies of nitrogenous (Urea) and micronutrients (Zinc) fertilizers as an alternative to Zabardast Urea.
- Engaged the University of Agriculture Faisalabad (UoAF) through the Engro Learning Center, and established R&D plots (Pot-Study) with micronutrients (Zinc) coated urea utilizing a chemical approach.
- Ayub Agriculture Research Institute was engaged in developing boron-coated urea, an innovative fertilizer to improve crop productivity, concluded and parked as a backup strategic planning in the Specialty Fertilizer Business (SFB).
- Engro Fertilizers conducted comprehensive research and benchmarking on effluent quality standards, aiming to enhance environmental reporting and compliance.
- An Environmental Management Plan was developed for the management of hazardous materials at the site, and resources were adequately trained.

engro markaz

Engro Markaz plays a crucial role in supporting the agricultural community by providing farmers with quality fertilizer products at suggested retail prices. This initiative directly contributes to yield maximization through the promotion of balanced fertilizer use, thereby promoting growth within the agricultural economy.

Engro Markaz is one of the flagship projects of EFERT, offering farmers the facility to directly purchase products from the Company through Engro Markaz's outlets. Our network of Company-operated outlets currently includes four active locations: Sahiwal (350 MT Capacity), Sargodha (900 MT Capacity), Muridke (110 MT Capacity), and Bahawalpur (220 MT Capacity).

Engro Markaz is equipped with dedicated staff available to cater to farmers' queries and to impart product-related information to educate farmers. This initiative will provide farmers with access to EFERT's entire product range all year round, addressing availability issues. Secondly, it enables farmers to purchase products at Company prices, reducing their reliance on middlemen/arthi. Engro Markaz will ultimately offer a platform for farmers to connect directly with the Company by sharing their queries, concerns, and feedback.





buland program

As a responsible organization, EFERT is deeply committed to fostering diversity, equity, and inclusivity (DEI) within the workplace. However, beyond our workplace, the farming communities we engage with face significant DEI challenges. Female farmers in particular remain highly marginalized, grappling with limited decision-making power and minimal access to essential crop management knowledge.

To address these challenges, EFERT launched Buland in 2024, a pioneering initiative aimed at empowering female farmers with critical crop management skills. Buland's primary objective is to enhance the capabilities of smallholder female farmers, enabling them to adopt best practices in crop management.

In collaboration with the Farmer Development Organization (FDO), a microfinance organization dedicated to supporting small farmers through interest-free loans, Buland has mobilized 400 female farmers/laborers from 20 villages in Jhang. These women are trained by female Agri-Resource Persons (ARPs) through an innovative blend of theoretical and practical learning methods.

The program provides comprehensive training across five critical stages of the Wheat crop cycle: Land Preparation, Sowing, Irrigation and Disease Management, Pesticide and Machinery Use, Harvesting and Selling. Each stage includes 20 focused sessions. To evaluate the program's impact, participants undergo assessments before and after each session, enabling us to track measurable improvements in their knowledge and skills.

Through Buland, EFERT is not only driving sustainable agricultural practices but also empowering female farmers to play a more active and informed role in their communities.









baithak dealer convention

Engro Fertilizers hosted successful dealer conventions, known as "Baithak" in three key business hubs: Lahore, Multan, and Hyderabad. The primary focus was on delivering a unified message of "Fair Profit" with the slogan 'Hamari Manzil, Sahi Qeemat, Kissan ki Khushali' (Our destination: Fair Prices & Farmers' Prosperity). Across all 3 locations, there was an impressive turnout of over 125 dealers per event.

The positive response from our dealers was notable, who acknowledged Engro Fertilizers' efforts in fostering a healthy working relationship and instilling accountability throughout the entire process.








grow more cotton seminar

Engro Fertilizers partnered with the Punjab Agriculture Extension Department to host a seminar on April 30, 2024, focusing on cotton crop cultivation. The event was graced by notable figures, Saqib Ali Ateel, Secretary of Agriculture for South Punjab; Malik Iqbal Ahmed Channar, Former Minister & MNA; and Jameel Ghauri, Director of Agriculture Extension for Bahawalpur, accompanied by their respective teams, Engro Shaandar Kissans, and over 500 local growers from the Bahawalpur and Lodhran districts.

Distinguished guests addressed the audience, with Malik Iqbal Channar highlighting government initiatives and developmental projects aimed at supporting the agricultural community, including the Green Punjab Prosperous Farmers Program championed by the Chief Minister of Punjab.






conferences

PAC agri connections conference 2024

EFERT participated as a Platinum sponsor in the Agri-Connections 2024 Conference and Exhibition organized by the Pakistan Agricultural Coalition. The event connected growers, leaders of Pakistan's financial sector, premier industrialists, top-tier government officials, major donors, and international experts to focus on avenues for moving Pakistan's agriculture forward.




8th international horticulture conference and expo (IHCE – 2024)

The Islamia University of Bahawalpur and the Pakistan Society for Horticultural Science (PSHS) jointly organized the 8th International Horticulture Conference and Expo (IHCE – 2024) from February 26-28, 2024. Engro Fertilizers, a proud partner, showcased its diverse product range, with a focus on Engro Zarkhez Khas 15:15:15, which aligned with the theme "Innovations in Sustainable Horticulture".





engro muhafiz

Engro Muhafiz is a first-of-its-kind stakeholder engagement HSE program in Pakistan, in line with the Company's HSE policy to protect and train all communities linked to our operations. The program is designed to train farmers and dealers in safe and environment-friendly practices related to their routine operations, based on comprehensive risk profiling. It also includes carrying out HSE audits of their workplaces and subsequently nudging them to improve their infrastructure and practices through competition and token awards.

In 2024, a total of 800+ activities were conducted under the Engro Muhafiz program, with 27,000+ farmers, dealers, and community members engaged in various initiatives under this program. Major activities initiated under the Engro Muhafiz Program included 141 heatwave relief activities, 108 road safety awareness sessions, 45 tree plantation drives, and 4 medical camps.

khuddian sports event

Research indicates that farmers are most engaged in outdoor activities such as cricket and kabaddi, enjoying wide popularity. One prime annual event, Khuddian Khas Mela, in the Khuddian hometown of the speaker of the Punjab Assembly, Malik Ahmad Khan, was branded and it commenced a 20-day sports festival at the local sports complex. The event featured various sports, including cricket, kabaddi, and volleyball over a period of 20 days.

The inaugural match, attended by around 1000 spectators, was played between the Khalisa cricket team from India and a local team from Khuddian. Distinguished guests included Malik Ahmad Khan, speaker of the Punjab Assembly; Malik Rasheed Ahmad Khan, MNA; and Mr Rasheed Bhatti, DC Kasur. Before the inauguration, Engro Fertilizers hosted a dinner with the chief guests and collaborated in the sports events through Engro Zabardast Urea branding elements.





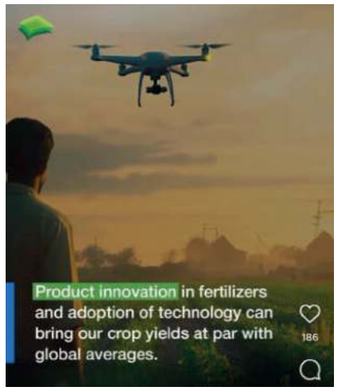
other farmer initiatives

world fertilizer day

EFERT celebrated World Fertilizer Day on October 13, 2024, through an extensive social media campaign on key digital platforms including META, YouTube, and TikTok, through education-based content covering information based on:

- Key message by Ali Rathore, CEO Engro Fertilizers, on awareness of micronutrients NPK for soil fertility and enhancing yield, use of coated fertilizers like Engro Zabardast Urea for balanced nutrition, initiatives undertaken by Engro Fertilizers for introducing innovative product portfolio and providing technological solutions like UgAi, in empowering farmers to boost crop productivity.
- Farmer testimonials, recognizing EFERT's efforts in promoting sustainable agriculture and commitment to providing farmers with innovative solutions, contributing towards strengthening Pakistan's food security.
- Key messages from Mohammad Akram Qazi, Chief Scientist at the Soil Fertility and Research Institute in Punjab, and Dr. Iqrar Ahmed Khan, former Vice Chancellor of the University of Agriculture Faisalabad (UoAF), emphasized the importance of soil health. They highlighted the need for comprehensive soil testing and balanced fertilizer use in improving crop yield and quality.
- Atif Mohammad Ali, VP Marketing, conducted a webinar on "Transforming agriculture for a food-secure Pakistan" to commemorate Global Fertilizer Day. He emphasized the importance of educating farmers on modern agricultural techniques and promoting the balanced use of specialty fertilizers such as Engro Zabardast Urea and Engro Zarkhez, which are specially designed to meet the unique needs of Pakistani soils.

The overall campaign honored the farmers of Pakistan for their continuous efforts and hard work in reshaping the agricultural landscape of Pakistan while reinforcing the Company's commitment to uplifting farmers by providing innovative products and technological solutions for boosting their land productivity and helping them make data-driven decisions to improve their soil health and maximize efficiency, thereby strengthening the country's food security.







engro zabardast urea campaign

Engro Fertilizers executed a 360° campaign during the 2024 Kharif season across Pakistan, aiming to boost the presence of Engro Zabardast Urea. The comprehensive and multi-platform campaign aimed at educating the farmers on the innovative and beneficial results of Engro Zabardast Urea, by engaging farmers and increasing awareness at dealer shops. The advertising activities had a significant impact on farming communities, as listed below:

- Digital campaign: Engro Zabardast Urea's new DVC was launched across all social media platforms, including META, YouTube, and TikTok, to reach farmers and agricultural communities.
- Influencer marketing: Key influencers were engaged to create campaign hype on TikTok through a two-way approach.

- Out Of Home (OOH) branding: This included the installation of billboards in high visibility and key strategic locations in Sindh and KPK, and creative murals on main roads approaching Mandis to create awareness and hype about Engro Zabardast Urea's campaign launch.
- Dealer shop branding and merchandising drive: Engro Fertilizers initiated Engro Zabardast Urea point of sale (POS) merchandising drive across major outlets nationwide, covering South, Central, and North zones during Kharif and Rabi seasons. Dealers were encouraged to merchandise their shops with visibility tools, including posters, banners, buntings, danglers, and inflatable bag displays.
- Engagement through farmer meetings: 10,000 farmers were reached through 150 farmer meetings to educate and build the new category of coated urea and explain the functional benefits of the product.





engro np plus merchandising campaign

Engro NP Plus' merchandising campaign was launched across 42 territories in Pakistan at the end of Q2 2024. The campaign objective was to create brand awareness of Engro NP Plus during its season amongst farmers and dealers. Lifesize inflatable Engro NP Plus bags were installed outside dealer outlets in key Mandis followed by a merchandising drive through effective POS displays at dealer outlets across Pakistan.





dawn news' grow pakistan segment

EFERT partnered with Dawn News for 4 episodes of their agri-based show, "Grow Pakistan", hosted by Ghasharib Shoukat. Ali Rathore, CEO Engro Fertilizers, was invited as a guest speaker, to discuss the emerging role of adopting new technologies in agriculture and the Company's expansion into the agri-tech space with the launch of UgAi.



employee engagement

EFERT recognizes that employee engagement is critical for retaining valuable talent and is an important piece of the overall satisfaction puzzle. EFERT's Board and HR Management take the results of the employee engagement survey very seriously. These results are also stewarded at the Group level by the Group's People division.

Please refer to the People section of this report to read more about Employee Engagement.

materiality assessment

Engro Fertilizers focuses its sustainability efforts in areas deemed to be of utmost value for its business or considered important for or by:



Material topics for sustainability performance for Engro Corporation have been identified based on the criteria below:

stakeholder engagement

To understand the topics that are material for Engro, we engaged with our key stakeholders considering our dependency and their influence on our business decisions and processes to incorporate their views and concerns based on our context.

internal impact assessment

An internal impact assessment is conducted on quantitative and qualitative factors related to the company's business operations that either have an impact on the Company or that are impacted by the Company's business operations within a broader social, economic, and environmental context. These factors are evaluated based on their significance, which is determined by the severity and likelihood of their impacts.

prioritization

Based on stakeholder views and impact assessment, the material topics are prioritized through a materiality threshold influenced by Engro's Enterprise Risk Management Framework for 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 Fertilizers, based on the above criteria have been identified as:

economic, social, and environmental

- ✓ Economic Performance
- ✓ Ethics and Compliance
- ✓ Tax

- ✓ Employee Benefits and wellbeing
- ✓ Hiring & Turnover
- ✓ Occupational Health and Safety
- ✓ Diversity Equity & Inclusion
- ✓ Community investments

- ✓ Energy & Emissions
- ✓ Water
- ✓ Materials (Availability, Procurement & Utilization)
- ✓ Waste


prosperity

economic performance

(Please refer to our Corporate Annual Report 2024 for all updated milestones pertaining to economic performance.)

economic contribution

Domestic urea demand remained resilient at 6,574 KT in 2024, despite a wheat crisis and weak cotton crop impacting market dynamics. Increased production (6,670 KT) met demand, but inventory stocking and oversupply affected the market. DAP demand rose to 1,636 KT, driven by strategic industry responses amid competitive pricing.

The agriculture sector in Pakistan achieved 6.25% growth in 2023-24, with crops growing by 11.03%. Wheat production hit a record high of 31.4 million tons, but farmers faced income challenges due to price distortions. Cotton production declined to 5.4 million bales, while rice production reached 9.5 million tons, though growers faced lower prices. Climate challenges and market dynamics remain concerns for agricultural sustainability in 2025.

The global fertilizer market in 2024 faced price volatility, with urea prices fluctuating between $300-$380 per ton due to supply-demand imbalances and logistical challenges in regions like China and the Middle East. DAP prices dropped early in the year but rebounded to $650 per ton by year-end after market sentiment shifted. Local industry efforts ensured competitive urea prices in Pakistan, with an MRP of PKR 4,649 per bag, benefiting farmers. Approximately 200 KT of imported urea was sold to address supply gaps caused by production disruptions.

The Company has shown strong performance and recorded revenue of PKR 257 billion versus 224 billion in 2023. The business reported the highest-ever Profit After Tax of PKR 28 billion versus PKR 26 billion last year. This increase reflects efficiency through cost optimization despite the lower sales due to the extensive EnVen Plant Turnaround.

The Company recognizes that its operations and activities have an economic impact, at both the local and national level and is committed to sustainable growth and value creation for all stakeholders. The overall responsibility of governing the organization and driving its economic performance lies with the Board of Directors.

- The Company is committed to serving all shareholders and potential investors with consistent, open, and prompt disclosure of relevant information.
- The Company protects its shareholders' interests by timely communicating all new material information to the regulators and publishing it on the website, regardless of whether the news is positive or negative.
- We welcome the initiatives to strengthen the governance by emphasizing the importance of an open dialogue about the generation and allocation of wealth from the country's natural resources.
- We are committed to transparency and accountability and adhere to international agreements and local legislation where we operate.
- Our risk management processes ensure governance within performance management, including business planning, internal performance reviews or stewardships and extensive reviews of strategic and investment projects.
- 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 Board Audit & Risk Committee.

creating value for stakeholders

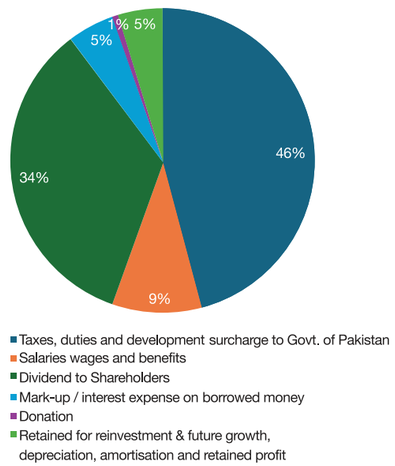
total wealth generated

2024	Rs. 83,748 Mn	2023	Rs. 76,942 Mn

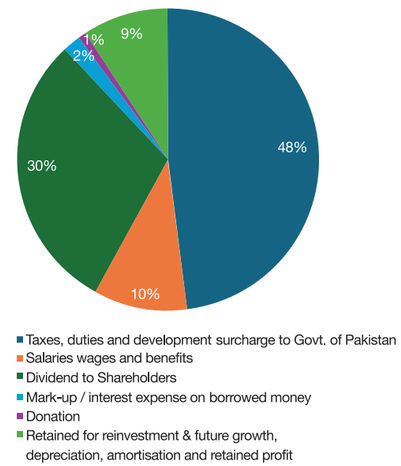
statement of value addition and distribution

Amounts in millions	2024	2023
Wealth generated		
Total revenue inclusive of sales-tax and other income	276,542	237,219
Bought-in-materials and services	(192,794)	(160,277)
	83,748	76,942
Wealth distributed		
Taxes, duties and development surcharge to Govt. of Pakistan	38,446	37,490
Salaries wages and benefits	7,964	7,320
Dividend to Shareholders	28,709	23,368
Mark-up / interest expense on borrowed money	4,156	1,276
Donation	464	578
Retained for reinvestment & future growth, depreciation, amortisation and retained profit	4,010	6,910
	83,748	76,942

Wealth Distributed 2024



Wealth Distributed 2023



net profit after tax

2024	Rs. 28,260 Mn	2023	Rs. 26,191 Mn

economic value added

(Amounts in million)

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes.

	2024	2023
NOPAT	31,186	26,229
Less: cost of capital	(11,713)	(9,483)
Economic value added	19,473	16,746

ROE

2024	59.27%	2023	56.35%

dividend declared/ announced per share

2024	Rs. 21.5	2023	Rs. 20.5

Particulars	Rs in millions
Economic Value Generated	Rs. 83,748
Economic Value Distributed	Rs. 79,738
Economic Value Retained	Rs. 4,010

research and business development

total cost related to research & development

2024	Rs. 29.8 Mn	2023	Rs. 29.1 Mn

outstanding financial performance

The hallmarks of this year included great financial performance despite concerning macro-economic situation, rupee devaluation along with general inflation hike. Annual urea sales stood at 2.02 million MT with efficient production of 2.1 million MT, despite EnVen Plant Turnaround. On the operational front, our management team has once again delivered a record-breaking PAT of Rs 28.3 billion.

The Company continued to drive successes one after another this year, from efficient operations management to optimization of business processes, using the ESSA (Eliminate, Simplify, Standardize, and Automate) model.

defined benefit plan obligations and other retirement plans

The employees of the Company participate in Retirement Funds maintained by Engro Corporation (the Parent Company). The Company contributes to plans that provide post-employment and retirement benefits for its employees. These include DC provident fund, DC gratuity plan and DB gratuity plans. The value of net assets of Provident Fund (as at June 30, 2024) and Gratuity and Pension funds (as at December 31, 2023) based on their respective audited accounts are:

1. Provident Fund: PKR 6,024 million (EFERT's share: ~PKR 2,051 million)
2. DC Pension Fund: PKR 386 million (EFERT's share: ~PKR 195 million
3. DB Pension Fund: PKR 41 million (All EFERT)
4. DC Gratuity Fund: PKR 4,038 million (EFERT's share: ~PKR 1,358 million)
5. DB NMPT Gratuity Fund: PKR 276 million (All EFERT)
6. DB MPT Gratuity Fund: PKR 143 million (EFERT's share: ~PKR 56 million)

financial investment contribution

capital expenditure

Engro Fertilizers invests in businesses to create long-term value whilst generating economic growth and prosperity by expanding its operations. In 2024, EFERT made capital expenditure of Rs. 9.227 billion.

	(Rs In 000)
Total CAPEX:	9,227,357
less: Depreciation:	-4,218,498
Total	5,008,859

steps taken with a focus on creating shareholder value in 2024

Engro Fertilizers, in collaboration with other fertilizer manufacturers, is making progress on the Gas Pressure Enhancement Facilities (PEF) Project. This initiative involves the construction of a compression unit at the Mari Field, aimed at ensuring an appropriate level of delivery pressure, allowing the manufacturing facility to function at optimal levels on indigenous gas for the foreseeable future. The total capital outlay for this project is USD ~ 100 million.

dividend paid

total dividend paid

2024	Rs. 28,709 Mn
2023	Rs. 23,368 Mn

The total dividend attributable/announced for the year is PKR 21.5 per share.

total tax contribution

The Company'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. Details of consolidated tax contribution are tabulated below:

total taxes paid in 2024

millions (PKR)

corporate tax	sales tax / FED	other taxes	total
26,627	16,941	4,597	48,165

total taxes paid in 2023

millions (PKR)

corporate tax	sales tax / FED	other taxes	total
24,772	9,801	2,917	37,490

credit ratings

During 2024, credit rating agencies reaffirmed the credit strength of Engro Fertilizers.

company	rating agency	long-term rating	short-term rating
Engro Fertilizers Limited	PACRA	AA	A1+

financial assistance received from government

In order to boost economic activity, government from time to time may introduce assistance and incentives to encourage private sector investment. Engro with its growth aspirations, in its different verticals, has had major contribution to the economy in terms of taxes paid, imports substitution, direct exports, employment generation, food and energy security, and boosting connectivity. For details, refer to Note 19 (Government Grants) of Consolidated Financial Statements for the year 2024.

integrating risk and opportunity into the business

In ensuring long-term shareholder wealth creation, EFERT is cognizant of the importance of identifying, monitoring, and timely addressing the risks and capitalizing on the opportunities arising out of its macro & micro economic environment. The Company, therefore, performs a comprehensive analysis of internal, external, and industry-specific risks in order to develop effective strategies.

The Company identifies risk as situations or actions with the potential to threaten its ability to deliver on strategic priorities and, ultimately, to create shareholder value.

risk governance: policy and oversight

The overall responsibility for establishing and monitoring an enterprise-wide risk management system lies with the Board of Directors. The Board ensures that the Company has a robust process in place for assessing principal risks, including those that would threaten the business model, future performance, solvency, or liquidity etc.

This is done through a meticulously created risk management framework approved by EFERT's Board, which describes the risk management identification and management process and provides enterprise-wide risk management guidelines that cover key risk areas, including strategic, operational, financial, and compliance risks. Exposure to these risks is managed through the Enterprise Risk Management (ERM) process. The purpose of ERM is to identify potential risks and to define the strategy for managing the impact of these risks, as well as the mechanisms to effectively monitor and evaluate identified strategies. The Company views ERM as integral to the creation, protection, and enhancement of shareholders' value by managing the uncertainties that could influence the achievement of corporate goals and objectives.

enterprise risk management

Engro Fertilizers has implemented an Enterprise Risk Management (ERM) methodology which provides a structured, disciplined, and consistent approach to risk management that facilitates risk-informed decision making throughout the organization. Engro Fertilizers uses a well-defined process to assess its risks and material issues.

Risk is considered to be integral part of the Organization's culture and therefore, appropriate consideration is given to risk management during business planning processes and decision making. In this regard, the Board of Directors ensures that appropriate focus is given to risk management. The top 10 risks, along with the risk register, are presented to the Board Audit & Risk Committee for its review on a half-yearly basis.



formulation of strategy and business objectives

At Engro Fertilizers the focus of ERM is to ensure achievement of the organization short term objectives and long-term sustainable value creation. 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.

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 an organization's overall mission, its strategic objectives and its long-term sustainability and growth. 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:

- **Strategic Risk**
  Strategic risks are mostly external, associated with operating in a particular industry and are mostly beyond Company's control and are also created by the Company's strategic objectives and business strategy decisions that could affect its long-term positioning and performance. The Board of Directors actively oversees the management of these risks and devises mitigating strategies wherever required.

- **Compliance Risk**
  These risks emanate uncertain future events that could impact the legal or regulatory landscape of the Company. Engro Fertilizer closely monitors and ensures absolute compliance with all regulatory matters including but not limited to those pertaining to the Companies Act, Income Tax Ordinance, Sales Tax Act etc.

- **Operational Risk**
  These are risks associated with internal factors, administrative and operational procedures like employee turnover, supply chain disruption, IT system shutdowns or control failures.

- **Financial Risk**
  The Company's activities and external environment expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. 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.

  i. Market risk – currency risk; interest rate risk
  The currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding import payments, and related interest payments. The policy allows the Company to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Company ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options or prepayments, etc. subject to the prevailing foreign exchange regulations.

  The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long-term borrowings and short-term investments. Borrowings are benchmarked to variable rates which expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

ii. Credit risk
Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits, bank guarantees and other receivables. The Company maintains an internal policy to place funds with commercial banks and mutual funds of asset management companies having a minimum short term credit rating of A1 and AM3 respectively. The Company is exposed to a concentration of credit risk on its trade debts by virtue of all its customers being agri-based businesses in Pakistan. However, this risk is mitigated by applying individual credit limits and by securing the majority of trade debts against bank guarantees.The credit risk arising on account of acceptance of these bank guarantees is managed by ensuring that the bank guarantees are issued by banks with reasonably high credit ratings as approved by the Board of Directors.

iii. Liquidity risk
Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Company maintains flexibility in terms of funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

risk assessment
The process involves consideration of the causes and sources of risk, the probability that the risk event will occur, their positive or negative consequences and magnitude, and the probability that those consequences may occur. The Board has approved formal criterion for assessment of the 'probability' 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. Ranking and prioritizing the enterprise-level risks enables management to respond better to the risks in a structured and planned manner. In order to develop ranking, the risks are ranked according to Impact x Probability rating.

implementation of risk responses
The purpose of this step is to select a combination of risk response options that will optimize Engro'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.

monitoring and reporting

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

plans and strategies for mitigating these risks and potential opportunities

The Board Audit & Risk Committee, a sub-committee of the Board, has been entrusted to perform oversight of the ERM. In addition, the Board Compensation Committee focuses on risks relating to Human Capital including assessment of compensation programs and succession planning.

Further, various management 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.

Additionally, the Internal Audit function provides independent and objective evaluations while reporting directly to the Board Audit & Risk Committee on the effectiveness of governance, risk management and control processes.

key sources of uncertainty

International Financial Reporting Standards require judgments, estimates and assumptions while preparing the financial statements which affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and relevant assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

Details of significant accounting estimates and judgments including those related to retirement benefits, estimation of useful life of property, plant and equipment and intangible assets and recoverable amount of goodwill have been disclosed in notes to both separate and consolidated financial statements of the Company.

governance

Governance of risk remains a priority, with the Board Audit and Risk Committee actively monitoring major risks on a regular basis. In addition, the Chief Financial Officer (CFO) has been assigned the role of Chief Risk Officer (CRO) to oversee the company's risk management activities. Risk Champions have been appointed across departments to ensure that risks are proactively identified and managed across the Company.

The company's approach to risk management follows the three lines of defence model:

- The first line (Management) owns and manages risk, applying controls and action plans.
- The second line (Governance, Risk, and Controls function) provides oversight of risk management activities.
- The third line (Internal Audit) offers independent assurance and advisory services, ensuring the effectiveness of the company's risk management processes.

These initiatives collectively reinforce the company's commitment to a robust risk management framework, ensuring resilience and safeguarding its operations.

key risks, related opportunities, and mitigation strategies

An in-depth and critical analysis of the principal risks faced by the business has been carried out by the management of the Company, Board Audit & Risk Committee.

- The Enterprise Risk Management (ERM) framework has been implemented, which serves as the foundation for consistent risk management practices across the organization.
- The Risk Appetite Statement has been approved by the Board, defining the level of risk the company is prepared to accept in pursuit of its strategic objectives.
- EFERT has a Business Continuity Plan (BCP) to ensure an effective response in the event of disruptions, supported by an updated Disaster Recovery Plan and Emergency Plan.

Following are the major risks and opportunities which may affect our business operations along with the management assessment of their probability, impact and the mitigating strategies implemented by the Company for these risks:

risk description	risk type	risk term	probability	impact	mitigation plan
Depletion of allocated gas field and reduced supply pressure due to faster draw downs affecting production of Urea and ability of the plant to operate efficiently Associated objective: Providing agri inputs at optimal prices	Strategic / Operational	Medium – Long	Medium	High	Negotiations with gas suppliers to ensure gas availability. The Company is investing ~ USD 100M in Pressure Enhancement Facilities (PEF) on Mari's HRL reservoir, along with a consortium of major fertilizer players, to enhance the production and sustain gas pressures. Continue to invest in additional plant efficiency improvements and compression facilities

risk description	risk type	risk term	probability	impact	mitigation plan
Inconsistent government policies affecting gas pricing and overall competitiveness Associated objective: Providing agri inputs at optimal prices.	Strategic	Short to Medium	Medium	High	The Company is actively monitoring changes occurring in regulatory framework and engages with Government and other stakeholders to explain business dynamics and issues impacting the industry to enable sustainable and progressive policy making.
Adverse movement in foreign exchange / interest rates impacting profitability of the company Associated objective: Achieving operational efficiency	Financial	Short	Medium	Low	The company carefully manages its optimal debt-to-equity ratio to mitigate the risks associated with fluctuation of interest rate. The treasury function continuously monitors market rate movements, foreign exchange trends, and actively manages open positions to minimize exposure to interest rate and foreign exchange volatility.
Oversupply in local Urea Market leading to price competition Associated objective: Achieving operational efficiency / Facilitate the local farmers by providing inputs at cheaper prices	Commercial	Short to Medium	High	High	The Company continues to invest in R&D and diversify its fertilizer portfolio. Expand on B2C channel through digital applications for better services and satisfaction to the farmer. In addition, we continue to invest in brand development and long-term customer relationships.
Reduction in domestic demand for Urea due to agronomical slowdown Associated objective: Achieving operational efficiency / Facilitate the local farmers by providing inputs at cheaper prices.	Commercial	Short to Medium	Medium	High	The Company actively monitors factors affecting demand for Urea and optimizes its production and marketing strategies. The Company will continue to invest in brand development, market development and long-term customer relationships.
Plant shutdown / outage due to equipment failure leading to production loss Associated objective: Optimize on manufacturing excellence / Facilitate the local farmers by providing inputs at cheaper prices.	Operational	Medium	Medium	Low	Preventive maintenance plan in place with specific measures for monitoring and maintenance of Plant vulnerabilities. CAPEX to enhance reliability of it's plants. Inventory of Critical Plant components maintained to ensure timely replacement in case of failure. Business Interruption insurance coverage Replacement parts of critical machinery procured

risk description	risk type	risk term	probability	impact	mitigation plan
Attrition of critical personnel hindering the operations Associated objective: Optimize on manufacturing excellence / Achieving operational efficiency.	Operational	Short to Medium	Low	Medium	The Company has formal succession planning process Formal training and development plans are in place for each critical position. Human Resource policies developed with focus on employee retention and engagement. Employee Engagement surveys conducted annually by independent consultants to assess employee engagement level.
Interruptions to critical business operations due to disruptions or disasters such as fire, floods, earthquakes, explosions, terrorism, tornadoes, extended power interruptions, hazardous chemical spills, and other natural or man-made disasters Associated objective: Achieving operational efficiency.	Operational	Medium to Long	Low	Medium	Formal program in place for Business Continuity and Disaster Recovery Business Interruption insurance coverage obtained. State of the art IT infrastructure in place. Regular system updates, IT audits, vulnerability awareness campaigns, and trainings are conducted to monitor and minimize the risk
Cash flow risk of GIDC on gas and late payment surcharge in case of adverse decision Associated objective: Maintaining business viability	Financial / Compliance	Medium to Long	Medium	High	Continue to pursue legal course challenging the applicability of GIDC on non-concessionary gas based on strong grounds

financial risks and opportunities due to climate change

Engro is cognizant of the fact that climate change presents physical and financial risks and opportunities to its operations, profitability, 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 risks, guided by the TCFD framework. This exercise is cross-cutting across businesses and is aimed at providing insights to broaden our understanding of climate-related risks and opportunities and prepare strategies and action plans to be put in place. Given the exercise is at a nascent stage, the financial implications of the risks or opportunities or the costs of taking these actions are not available but will be worked upon in the 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.

digitization & innovation

digitizing agri solutions to improve engagement with customers

With Pakistan's food security at the heart of our operations, EFERT embarked on a digital transformation journey, leveraging an arsenal of technologies to help Pakistani farmers grow, improve farm economics, and ultimately change Pakistani lives for the better.

UgAi

EFERT launched "UgAi", Pakistan's first integrated agri e-commerce platform, offering farmers relief by enabling direct purchase of fertilizers at official prices from the Company. With the UgAi app, EFERT will deliver fertilizers straight from its warehouses to farmers, tailored to their farms' size and specific needs. As a result, farmers will benefit from uninterrupted availability of fertilizers, reliable product quality, and convenient delivery. In addition to its direct purchasing feature, UgAi also integrates advanced drone technology and satellite imagery to monitor crops with precision, reduce input costs, and incorporate real-time data on crop health and soil conditions, empowering farmers to make informed decisions and maximize crop yields.

This investment reaffirms the Company's commitment to supporting Government initiatives that uplift farmers and enhance Pakistan's food security. EFERT has been at the forefront of launching innovative initiatives that benefit the farming community, and UgAi is a key step in the same direction as it will potentially transform Pakistan's agriculture landscape through improved crop management and modernized farming practices.



mobile soil testing labs

Empowering farmers with advanced agricultural practices, EFERT has two mobile soil testing laboratories that provide free-of-cost soil sampling and diagnostics. This service offers farmers precise and data-backed fertilizer recommendations tailored to their specific soil conditions, enabling them to improve overall soil health and achieve optimal crop yields. In 2024, our mobile soil testing labs reached ~5000 farmers, with 55,000 samples collected across roughly 82 villages.

engro markaz application

EFERT launched four independently managed physical outlets across four districts in Punjab, to support farmers with landholdings of up to 50 acres. These outlets use an integrated Markaz application connected to SAP, allowing staff to register farmers, verify documentation, and open customer accounts. Registered farmers receive product quotations based on their farmland requirements and can make payments through designated channels. Upon payment confirmation, orders are processed after verifying product availability, customer funds, and product quotas, with invoices issued and products delivered accordingly.

humsafar app upgrade

EFERT continues to innovate and improve on the Humsafar platform. Extensive planning was done on the app's revamp scheduled for next year. The change will mark our move to a new architecture, which will enhance system uptime, scalability, security and support modern technologies while also reducing downtime by up to 50%. Additionally, it will allow for better cross-platform support and improve future adaptability. The change has been meticulously planned to ensure that the transition does not impact our partners. It is a testament to the pioneering spirit of EFERT's digital initiatives that total Humsafar sales on the platform have now exceeded PKR 740 billion.

shipment confirmation via humsafar application

The project provides functionality to the dealer to confirm and complete delivery via company transport at dealer premises through Humsafar application. The functionality provides control and visibility to the officers of waiting times, eliminating the long cycle of follow-up and confirmation via phone calls and emails. In addition, the automated system also eliminates the need for an SMS-based confirmation which previously used, saving additional costs. The integration with SAP also enables efficiency in Engro's payment processing to the truckers.

humsafar in-application banking integration

Three additional banks—HBL, Bank Alfalah, and UBL—were integrated alongside the existing Meezan Bank to enable Engro dealers to make payments directly to Engro without switching to external banking applications. This enhancement streamlined the payment process, allowing dealers to transfer funds conveniently through simple steps within the Humsafar application. In 2024, the Engro Humsafar app crossed the milestone of PKR 500 billion in digital payments.

leading industry through innovation

EFERT has always been quick to adapt to changing dynamics and led the industry toward holistic digitization from customer and vendor support to digital payment solutions, including online payments and collections, and to virtual operations.

field force management system update

The development and implementation of the new Field Force Management System (FFMS), in collaboration with Smollan, is a new system designed to streamline and enhance the management of dealer and farmer-related activities. It provides real-time insights and improves operational efficiency for the teams involved.

The FFM application will be utilized by Territory Sales Managers (TSM), Regional Sales Managers (RSM), and Zonal Sales Managers (ZSM) of both Base and Specialized Fertilizer Business, along with Research Officers and Lab In-charges. The system will serve as a comprehensive tool to track and manage activities related to dealers and farmers, from sales and distribution to field research and data collection.

Key features of the application include:

- Dealer and farmer activity tracking to capture and monitor all dealer and farmer interactions, providing detailed insights into sales performance, product distribution, and overall activity status in real-time.
- Field team coordination for seamless collaboration among TSMs, RSMs, ZSMs, research officers, and lab in-charges, ensuring everyone has access to up-to-date information.
- Data-driven insights for management, enabling more informed strategic decisions by analyzing performance trends, identifying gaps, and optimizing field operations.
- Automated reporting features for tracking progress against goals, ensuring better alignment with business objectives, and timely interventions when needed.

centralized historian

EFERT successfully implemented the Centralized Data Historian, a transformative initiative to centralize, secure, and enhance the manufacturing plant data ecosystem digitalization to drive operational efficiency and enhance data-driven decision-making. This achievement marks the completion of one of the largest cyber-secure OT-IT integrations of Pakistan. After an extensive evaluation of 11 global vendors, we selected a solution that addressed comprehensive data, network, cybersecurity, and user requirements.

The project delivers substantial impact:

- Over 20,000 data signals now enable streamlined data collection and analysis.
- 15 dynamic performance dashboards provide real-time insights for better decision-making.
- Integration of 600 HMIs and advanced asset analytics ensures proactive equipment health monitoring.
- Seamless integration with SAP and Aspen Engineering optimizes operational workflows.

OneSAP upgrade

Serving as the backbone of Engro's daily operations, SAP is vital for driving efficiency, standardizing processes, and enabling real-time decision-making across all subsidiaries. In 2018, Engro Corp laid the groundwork for operational excellence by implementing a central S/4HANA system through the OneSAP initiative. In 2024, Project Elevate advanced this foundation by upgrading the system to the latest version of S/4HANA.

The upgrade delivers enhanced operational capabilities, including advanced features, strengthened security, compatibility with AI and RPA technologies, and an improved user experience, ensuring Engro remains a leader in innovation in an ever-evolving digital landscape.

digital operator rounds

Efficient plant operations depend on accurate data collection and analysis. Traditionally, paper-based checklists used during process disruptions and incident investigations often went unanalysed, leaving critical insights untapped. To address this, EFERT piloted a digital solution for operator rounds using tablets in selected plant sections. The implementation of this solution has led to:

- Focus on analysis and troubleshooting instead of time spent on manual data entry.
- Instant field-to-control room data transfer for same-day issue resolution.
- Automated consistency checks for complete and precise data collection.
- Real-time anomaly alerts enable operators to focus on resolving critical issues.

electronic document management system

Effective data management is essential for maintaining operational discipline and a seamless ecosystem at our operating sites. To boost efficiency and foster innovation, EFERT implemented a cutting-edge Electronic Document Management System (DMS) at the Daharki Manufacturing Plant. This centralized repository enables secure, efficient storage, rapid document retrieval, and version control, ensuring teams always work with the most up-to-date information. It also enhances collaboration by allowing real-time document access and sharing while maintaining detailed audit trails for accountability. The implementation of DMS has resulted in:

- Over 2 million digitized documents, streamlining storage and retrieval processes.
- Improved security and disaster recovery with robust access controls and reduced paper dependency.
- Enhanced collaboration through real-time document access and version control.

TA safety audit application

At EFERT, safety is central to our operations, and ensuring safe turnarounds and shutdowns is critical. To support this, the TA Safety Audit Application was developed and designed to streamline and enhance key safety functions.

The Turnaround Safety Audit app digitizes critical tasks such as toolbox talks and Safety Audit logging, transforming safety audits during turnaround. By saving time and boosting productivity, the app provides a real-time dashboard with leading and lagging indicators, highlighting key focus areas. The addition of pictorial audits enables in-depth root cause analysis, ensuring swift corrective action. This app represents a significant leap forward in our digital transformation with:

- 1000+ potential observations reported, contributing to timely rectifications.
- Real-time data and pictorial insights that enhance safety analysis and action.

pipe thickness application

Timely and effective inspection of plant assets is vital for ensuring reliability, safety, and efficiency while meeting production and profitability goals. Recognizing the need for a streamlined inspection system, EFERT developed the Thickness Monitoring Application.

This digital tool addresses the challenges of managing vast amounts of inspection data by integrating tools to calculate risk, predict asset lifetimes, and optimize inspection strategies. The app enhances mechanical integrity, streamlines auditability, and ensures compliance with regulatory requirements—all while supporting plant uptime and operational excellence.

turnaround management application

At EFERT, ensuring smooth and efficient turnaround operations is essential for maintaining productivity and minimizing downtime. To support this, the Turnaround Management Application was developed to streamline and optimize key activities, including manpower handling, job scheduling, critical timeline management, and meal coordination.

This digital solution enhances operational coordination, improves resource allocation, and ensures that all turnaround activities are completed on schedule, fostering a more efficient and productive turnaround process.

maintenance KPIs application

To ensure optimal plant maintenance and enhance operational efficiency, EFERT developed the Maintenance KPIs Application. This app centralizes the monitoring and tracking of key performance indicators (KPIs) for the maintenance team, providing real-time insights into their performance.

With features like monthly KPI summaries, maintenance planning tools, and reliability tracking, the app enables data-driven decision-making and promotes accountability. By digitizing the process, the application supports a proactive approach to plant maintenance, ensuring continuous improvement and operational excellence.

PSV overhauling application

Unplanned downtime and inconsistent maintenance processes pose significant risks to plant reliability, safety, and cost efficiency. To address these challenges, EFERT transitioned the paper-based Pressure Safety Valve (PSV) overhaul process to digital.

This transformation standardized overhaul procedures, digitizing over 100 critical observations, and introduced real-time dashboards to support data-driven decision-making. The implementation of this App ensures:

- Enhanced plant safety and reliability
- Improved asset integrity through proactive maintenance
- Increased workforce efficiency and productivity

qlik dashboards

Engro remains committed to equipping its field teams with timely access to data to enhance operational efficiency, elevate customer service quality, and support informed decision-making. In 2024, the following dashboards were developed and deployed to empower business teams with improved analysis and insights:

- Specialty Fertilizers Business Reporting Dashboard
- Humsafar Track Shipment Dashboard
- Commercial Price Audit Dashboard
- VP Marketing Dashboard
- CAPEX Stewardship Dashboard
- Plant Asset Thickness Monitoring Dashboard
- PSV Overhaul Dashboard
- Weighbridge Analysis Dashboard

freightage monitoring system

A smart, automated solution was developed to digitize freight management processes, enabling systematic tracking of vehicles, materials, and drivers from port to plant and warehouses. Utilizing QR, barcode, and UHF technologies, the system streamlines approvals for vehicle entry/exit, assigns unique UHF cards for plant access, and allows officers to request vehicles for loading after system induction. Integrated with SAP, the Freightage Monitoring System automates operations, tracks material quantities through weight differential reports, and provides users with a user-friendly interface for monitoring activities across multiple checkpoints, ensuring efficient bag/bulk loading and unloading processes at the port and Zarkhez Plant.

truck management system axle load

The Axle Load Control Regime (ALCR), established by the National Highway Motorway Police and government authorities under the National Highway and Safety Ordinance 2000, aims to prevent vehicles from exceeding authorized weight limits, enforcing compliance through fines and penalties. Improvements were made to the Truck Management System application to strengthen regulatory controls in alignment with government policies, including E-Bilty forms and weighbridge validations, enabling transporters to generate automated Bill-T while ensuring adherence to gross vehicle weight limits.



our contributions to united nations sustainable development goals (UNSDGs)

With the introduction of the 2030 Sustainable Development Goals, the UN set out to create a more sustainable, just, and equitable world. The 17 SDGs provide a framework for development across People, Planet, Prosperity, and Peace. Pakistan has embraced these goals with dedication since 2016, embedding them into national and corporate initiatives. At EFERT, sustainability is an operational imperative – we integrate world-class sustainability practices into our core business strategy while addressing prevailing environmental and economic challenges. As an active member of the UN Global Compact, we embed its ten principles into our culture, strategy, and daily operations, ensuring long-term value creation for our stakeholders.

no poverty, quality education, decent work and economic growth, reduced inequalities

We believe quality education is the key to breaking the poverty cycle. In line with this mission, Sahara Community School continues to provide quality education near the Daharki manufacturing site, where we currently have 543 students enrolled. The Company has also established a blended learning model for providing quality education to underprivileged communities while consistently improving quality and learning outcomes at these institutions. As of 2024, our Katcha schools network currently comprises 26 schools, out of which 14 are located in the Katcha area and 12 in Daharki. The enrolment at our adopted government schools stands at 2,977 students currently, whereas our Katcha school network continues to operate as per plan with 1,545 students.

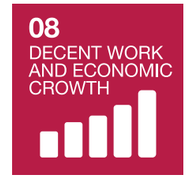


Engro Foundation has now partnered with Sindh Education Foundation (SEF) on two new interventions. One Foundation Assisted School is entirely supported by SEF and operates within the Katcha Area as a formal school with 165 students (38% girls and 62% boys) enrolled. Additionally, there are three non-formal centers under Adolescent and Adult Learning and Training Program (AALTP) that provide accelerated formal primary education to vulnerable adolescents and basic functional literacy to adults who could not benefit from formal education in early years, enabling them with opportunities of professional and personal growth through literacy, skills development, and vocational courses. The current enrolment stands at 210 students (44% girls and 56% boys).



Engro places a special focus on skill development for the youth, with its skills training programs like the Technical Training College (TTC) at Daharki. which offers a 3-year Diploma in Associated Engineering (DAE) in Chemical, Electrical, and Mechanical technologies, as well as short-term vocational training programs for the youth living in the district. The college has over 3,500+ alumni, and the current enrolment stands at 618, including 23 girls. These graduates also regularly attain top positions in the Sindh Technical Board exams. 60 graduates who completed their education in December 2023 as Trade Apprentices at National Refinery Limited, Karachi, have been placed at Engro Fertilizers in a variety of roles. Through this program, our Technical Training Institute initiative has helped bolster the careers of many individuals and helped them earn a decent livelihood for themselves and their families.

To empower differently abled individuals and those in need of a means to gain income, EFERT has provided PKR 10M in financial grants to help individuals set up sustainable small businesses. Through these grants, 12 livelihood projects were set up, such as goat farming, grocery stores, and vegetable carts, creating sustainable and independent earning opportunities for widows and people with disabilities.



Similarly, to help integrate differently abled individuals into the workforce, we inducted our second batch of interns in 2024 through our Internship Program for Down Syndrome individuals, in collaboration with the Karachi Down Syndrome Program. As of 2024, our employee % of People with Disabilities stands at 1%, and we aim to increase this number by 2.5x by 2025. We aim to hire 05 more differently-abled employees in the year 2025 under Engro's Groupwide Khudi Program. The Khudi Training Program is a one-of-a-kind traineeship for persons with disabilities in various open roles in Engro. People with all forms of disabilities are eligible to apply. As an inclusive employer, Engro prioritizes diversity, equity, and belonging, nurturing an environment where the unique strengths and perspectives of every individual are not just welcomed but celebrated.

EFERT has also established one of its first kind initiative, Engro Muhafiz, related to stakeholder engagement and HSE in 2021. The program is in line with the Company's HSE policy to protect and train all communities linked to our operations. The program is designed to train farmers and dealers in safe and environmentally friendly practices related to their routine operations, based on comprehensive risk profiling. It also includes carrying out HSE audits of their workplaces, encouraging consistent improvement in working conditions. In 2024, a total of 917 activities were conducted across Punjab and Sindh with the support of EFERT Marketing Division's dealer network and Shaandar Kissan Program, resulting in participation from over 28,000 individuals in the communities where we operate. Major activities initiated under the Engro Muhafiz Program included 141 heatwave relief activities, 108 road safety awareness sessions, 45 tree plantation drives, and 4 medical camps.



Recognizing that smallholder female farmers remain highly marginalized, grappling with limited decision-making power and minimal access to essential crop management knowledge, EFERT launched the Buland Program in 2024. A pioneering initiative aimed at empowering female farmers with critical crop management skills, Buland's primary objective is to enhance the capabilities of smallholder female farmers, enabling them to adopt best practices in crop management, thereby leading to economic empowerment. In collaboration with the Farmer Development Organization (FDO), a microfinance organization dedicated to supporting small farmers through interest-free loans, Buland has mobilized 400 female farmers/laborers from 20 villages in Jhang. These women are trained by female Agri-Resource Persons (ARPs) through an innovative blend of theoretical and practical learning methods.

The program provides comprehensive training across five critical stages of the Wheat crop cycle: Land Preparation, Sowing, Irrigation and Disease Management, Pesticide and Machinery Use, and Harvesting and Selling. Each stage includes 20 focused sessions. To evaluate the program's impact, participants undergo assessments before and after each session, enabling us to track measurable improvements in their knowledge and skills.

gender equality

With a great portion of the nation's population held back by a lack of access to resources, EFERT prioritizes providing equal opportunity for employment and growth and has taken steps to reduce gender inequality and the pay scale gap between men and women. To ensure equity and diversity across all levels of the Company, the Board has defined measurable KPIs which it uses to monitor the Company's performance and updates under this UNSDG. To help make the workplace more diverse and encouraging for female employees, a 3-point framework for gender diversity and various gender sensitization sessions have been conducted.

EFERT has long been a leader in the industry when it comes to promoting gender diversity. The company has actively created opportunities for women from various socio-economic backgrounds to work in unconventional roles such as Trade Apprentices, Graduate Trainee Engineers (GTEs), Workshop Supervisors, Warehouse In-Charges, and other field-oriented positions. Among the 76 Trade Apprentices hired, 9 were women.

In 2024, EFERT increased its recruitment of women, with 37% of entry-level positions filled by female candidates. Among the 24 Graduate Trainee Engineers recruited, 13 were women, indicating a significant 54% gender diversity within this year's cohort. 2024 also marked the relaunch of the Management Trainee Enablers Program after a seven-year hiatus, with 4 out of 9 management trainees hired being women, achieving a 44% gender diversity score in the initial batch.



Additionally, this year saw a growth in women occupying leadership roles, with 12 women now in such positions, representing a 25% increase from the previous year. Overall, our gender diversity ratio now stands at 7.9%.

In an effort to further enhance gender diversity, EFERT rebranded its Parwaaz recruitment campaign to "Unstoppable" aimed at breaking down gender barriers in traditionally male-dominated roles within field marketing and supply chain. Through this initiative, 50% of the new permanent hires for field positions in the supply chain division were women, resulting in an overall departmental gender diversity score of 10%.

EFERT actively sponsors the United Nations Sustainable Development Goal (SDG) 5: Reduced Inequality, through a strategic partnership with the Center of Excellence in Responsible Business (CERB) - an initiative of the Pakistan Business Council (PBC) that works across various industries to promote responsible business practices that prioritize economic, social, and environmental value creation.

By partnering with CERB, EFERT contributes to shaping policies that encourage businesses to engage in sustainable, inclusive growth. The collaboration is focused on transforming businesses in Pakistan by leveraging private sector growth for inclusive development, poverty reduction, and gender equality. EFERT's sponsorship underscores its role in supporting the larger national agenda for reduced inequality and improved social equity, aligning with its broader DEI and corporate social responsibility objectives. In 2024, EFERT hosted a two-day workshop, 'Building Blocks for Successful Gender Strategies', equipping participating organizations with the tools to promote gender balance at all levels by sharing best practices from leading organizations.

To foster supplier diversity and promote certified women-owned and led businesses, EFERT partnered with P&G for its 4th Edition of Supplier Diversity Academy. The program, spread over three days, delved into critical topics facilitated by internal and external trainers and speakers in the industry. To enhance the learning experience of the participants, access was provided to subject matter experts from prestigious organizations, including PwC, Tangent, Entravision, Starcom, acclaimed comedian Faiza Saleem, as well as government bodies such as SECP and the State Bank of Pakistan.

The session concluded with a Vendor Quest pitch competition, allowing participants to present their innovative ideas and entrepreneurial drive to a panel of judges. The panel included leaders from P&G and Engro Fertilizers, as well as C-suite executives from TCS and Katalyst Labs. Additionally, select women-owned businesses were added to our list of vendors.

zero hunger

EFERT is dedicated to enhancing food security in Pakistan by serving farmers with its range of indigenous fertilizer products, accounting for a 31% share of the country's fertilizer market. With the nation’s ever-increasing population entirely dependent on local crops for sustenance, the Company continues to play a crucial role in ensuring a supply of fertilizers at the right price to the farmer. With a diverse fertilizer portfolio, the Company continues to work on replenishing nutrient-deficient soil, resulting in a larger harvest and promoting sustainable farming practices.



Our products are designed to help boost crop yield and address malnutrition and related health issues. Our innovative product Zabardast Urea (Bioactive Zinc-coated Urea) is helping farmers to grow more by improving crop yields by 10% while enriching food with Zinc. Empowering farmers with advanced agricultural practices, EFERT has two mobile soil testing laboratories that provide free-of-cost soil sampling and diagnostics. This service offers farmers precise and data-backed fertilizer recommendations tailored to their specific soil conditions, enabling them to improve overall soil health and achieve optimal crop yields. In 2024, our mobile soil testing labs reached ~5000 farmers, with 55,000 samples collected across roughly 82 villages.

Supporting the Government’s efforts to uplift the agricultural sector, EFERT launched Engro Markaz – a flagship project offering farmers quality fertilizer products at suggested retail prices through company-operated outlets. This initiative directly contributes to yield maximization through the promotion of balanced fertilizer use, thereby fostering growth within the agricultural economy.

The Engro Markaz network currently has company-operated outlets at four active locations: Sahiwal (350 MT Capacity), Sargodha (900 MT Capacity), Muridke (110 MT Capacity), and Bahawalpur (220 MT Capacity) offers farmers direct access to high-quality fertilizers at company-controlled prices, addressing availability issues and reducing their dependency on middlemen/arthi. The Engro Markaz outlets are also equipped with dedicated staff available to cater to farmers’ queries and to impart product-related information to educate farmers.

Moreover, various initiatives have been launched over the years, like the Shandaar Kissan Program, aimed at the development and growth of farmers through training, and advisory support based on soil and water testing, aimed at balanced use of fertilizers and improved nutrient use efficiency.

EFERT also trains and educates farmers in agricultural sciences and runs several farmer advisory platforms. With the Agri Services Program arranging seminars, farmer meetings, group discussions, agri-workshops, and educational farm visits for advisory assistance in crop management, soil/water testing services through established labs, and 4R nutrient stewardship, EFERT provides extensive support to the farming community.

good health and well-being

Ensuring the safety, well-being, and health of our employees, communities, and value chain is a top priority for EFERT. A safety-first mindset is an integral part of our operations, accomplished through extensive training and diligent monitoring of compliance with protocols.



In the realm of Healthcare, Engro Fertilizers provides free-of-cost essential services to the communities through clinics, hearing aid camps, and crucial time-sensitive treatments for snake bite and dog bite patients. Our initiatives on the healthcare front include the Sahara Clinic, which treated a total of 7,846 patients this year, while a singular snake-bite treatment facility treated a total of 6,411 snake-bite patients.

In 2022, the region’s first free-of-cost prosthetic limbs facility was established and has since then treated 1331 patients, with 416 patients treated in 2024. We also developed a dog bite facility that treated 2,267 patients this year. Under the ambit of the Engro Volunteer program, a three-day camp was set up by Sahara Foundation for free consultation, treatment, and medication. Aside from patients from Daharki, individuals traveled from neighboring cities—Mirpur Mathelo, Murid Shah, Kandhkot—and even from distant places like Rahimyar Khan, Sadiqabad, and Kashmore to avail consultation and treatment at the camp and a total of 625 individuals were treated. Sahara Eye Clinic also provided consultations and treatment to 152 patients in 2024.

Under the Engro Muhafiz Program, our divisional teams led various health initiatives, with the support of Engro’s dealer network and Shandar Kissan to support the communities they work with:

- The Agronomy team organized a free eye testing camp, in partnership with King Edward Medical College (KEMU), Lahore. The primary goal of the activity was early detection and treatment, distribution of free medicines and glasses, and community awareness, through which more than 100 women and 90 men were facilitated.
- The Field Warehousing team successfully organized a polio vaccination campaign in collaboration with the Health Department of Chiniot City, benefitting 100+ individuals in high-risk areas.

- The agronomy team, in collaboration with NFC Faisalabad, conducted a heat stroke awareness session and walk, which was attended by more than 200 students and faculty members. The Field Warehousing North Zone team arranged a heat stroke relief camp in collaboration with Rescue 1122. The session was attended by around 100 mandi workers and community members. The session aimed at creating awareness of the causes of heat stroke and the preventive measures.

EFERT prioritizes employee wellness by extending the Groupwide Wellness@Work Program to its employees, be it permanent or temporary. This includes access to our in-house Integrative Nutrition Health Coach, who provides free consultations to employees on diet and overall health, along with regular sessions focusing on holistic wellness, nutrition, and the importance of maintaining a balanced lifestyle. Through a partnership with Saaya Health, employees and their immediate family members are offered free-of-cost one-on-one consultations with licensed mental health professionals. To promote fitness, EFERT encourages employees' participation in yoga and high-intensity workout sessions arranged at the Group level thrice a week. Engro also motivates employees with the Groupwide 41-Day Fitness Challenge, an employee engagement initiative in which 60 + teams from all subsidiaries, including EFERT, participate in multiple fitness challenges over 5 weeks to win the coveted prize of PKR 50,000 per person.

Our occupational health program encompasses industrial hygiene and occupational health. All food areas, clubs, and canteens at EFERT plant facilities are HACCP certified, ensuring rigorous monitoring and adherence to food safety standards.

clean water and sanitation

EFERT is committed to water stewardship by ensuring responsible use, conservation, and sustainable management of water resources.



Water is essential in the urea manufacturing process, primarily for cooling and steam production. The company sources water from canals and tube wells, ensuring that it meets the necessary quality standards through pre-treatment processes before being used in plant operations. As part of its sustainability strategy to improve water conservation, the Company has successfully completed the geo-membrane lining of its 16 evaporation ponds. Furthermore, EFERT has integrated efficient water conservation mechanisms into its operations to maximize reuse. The cooling water system is designed to chemically treat and recycle water, allowing it to be reused in manufacturing processes. This not only minimizes incremental water consumption but also reduces the strain on freshwater resources.

Several water efficiency projects and reliability upgrades were implemented during the 55-day Long-term Reliability Turnaround (LTR) of the EnVen Plan in 2024:

- Cleaning of heat exchangers to optimize thermal performance and reduce water waste.
- Replacement of waste heat boiler to improve the overall efficiency of the Plant by minimizing the water/steam losses.
- Detailed inspection of cooling towers and their associated utilities network.

EFERT's continued commitment to sustainable water management, community engagement, and ecosystem protection is exemplified in our obtaining the Alliance for Water Stewardship (AWS) Core Certification, a globally recognized standard for responsible water stewardship, through a stringent certification process that involved:

- Identifying and addressing shared water challenges in collaboration with key stakeholders, including local communities, regulatory bodies, and industry peers.
- Implementing water conservation initiatives to optimize consumption, improve wastewater management, and enhance water recycling efforts.
- Ensuring transparent water governance by monitoring, reporting, and disclosing water-related risks and performance metrics.
- Engaging with local communities to promote sustainable water use and build climate resilience.

EFERT prioritizes responsible effluent waste management by operating an effluent treatment plant that processes residential colony wastewater, ensuring it is treated and cleaned before safe discharge into the canal. To reduce dependency on freshwater resources, treated wastewater is also repurposed for irrigation at plant sites. EFERT maintains rigorous control over discharged water quality by regularly testing for pH, conductivity, ammonia, urea, COD, BOD, and SS. The Company strictly adheres to Sindh Environmental Quality Standards (SEQS), ensuring discharged water meets regulatory compliance.

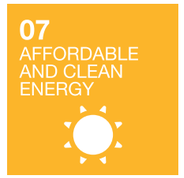
To ensure the uninterrupted supply of clean water to EFERT's CAER (Community Awareness and Emergency Response) villages in Daharki City and Ghotki Railway Station, a total of 12 RO plants have been installed by the Company, mostly running over renewable solar energy, and providing approximately 15 million liters of water across 4000+ households and to all the daily train passengers this year.

Recognizing the importance of long-term water security, EFERT has developed a detailed five-year water conservation roadmap that outlines strategic initiatives to reduce water withdrawal, improve efficiency, and enhance wastewater reuse. This roadmap addresses physical, regulatory, and reputational water risks, ensuring the Company's sustainability objectives align with evolving environmental challenges.

Under the Engro Muhafiz Program, the South Zone Field Warehousing team installed a water hand pump for a local village where 100+ households faced a lack of access to clean water due to poor underground water quality. This involved an initiative to bore a new water source located around 70 feet away from the village and connecting water lines to the area, making fresh water easily accessible to everyone.

affordable and clean energy

To ensure sustainable operations with a strong emphasis on energy efficiency, EFERT continuously assesses its energy-sourcing strategies and monitors operational performance to optimize consumption.



The Company primarily relies on natural gas, steam, and electricity to meet its energy needs. Natural gas serves as the primary source for generating heat, steam, and electricity and as a feedstock for urea production. EFERT's Daharki plant operates as a self-sufficient facility, producing all its required electricity on-site.

In 2024, several key projects were implemented during the 55-day Long-term Reliability Turnaround (LTR) of the EnVen Plant to improve energy efficiency:

- The installation and inspection of Super Cup Trays in Urea Reactor (R-01) to improve process efficiency and optimize energy utilization.
- A comprehensive internal inspection and repair of the Furnace (F-201) was conducted to improve furnace efficiency, reduce energy wastage, and enhance operational reliability.
- A comprehensive overhaul of turbo machinery was conducted, including key upgrades and replacements to improve equipment reliability, thereby reducing energy losses and improving overall plant efficiency.
- Commissioning of a new CO_2 integration line, connecting all three urea units to minimize CO_2 venting and optimize utilization.
- Replacement of primary reformer burners along with the turbine exhaust gas duct of the base plant primary reformer resulted in better combustion efficiency. Since its implementation during the Long-Term Reliability (LTR) Turnaround of 2022, this project has continued to deliver sustainable improvements in plant efficiency.
- Reduction of false air ingress in primary reformers of the base plant and EnVen plant, resulted in better heat efficiency.
- Steam optimization on the EnVen plant resulted in improved fuel efficiency.

Furthermore, EFERT harnesses the power of solar energy to power its 86 field warehouses, setting a new benchmark in the industry.

responsible consumption and production, and industry, innovation, and infrastructure



EFERT believes environmental consideration is critical in upholding responsible business operations. The Company strives to manage and utilize its resources and operations in a way that ensures the safety and health of its people, neighbours, customers, and visitors. We believe our HSE responsibilities extend beyond the protection and enhancement of our own facilities. The Company aims for the highest environmental standards and the best available technologies and strives to be a leader in developing and advocating sustainable approaches. We follow DuPont's world-class environment management systems, which are audited and certified by world-renowned environmental experts regularly. The Company's strategic plan for sustainable value creation includes due regard for environmental challenges and plans to minimize its environmental footprint.

EFERT has also set up the Environment Sustainability and Stakeholders Engagement Steering Committee. The main objective of this committee is to ensure social and economic progress in the communities within a two-mile radius of our plant and to train them in emergency response procedures in line with HSE standards. The following are the elements of the environment management system ingrained in the Company's culture and governance, ensuring environmental and sustainability excellence:

Culture, Leadership & Governance
- Management commitment
- Policies and principles
- Goals, objectives, and plans
- Integrated organizational structure
- Line management accountability

Recognizing Risks
- Environmental aspects
- Legal requirements

Manage Operations
- Procedures and performance standards
- Environmental management system
- Environmental information and documentation

Manage People
- Competency, awareness, and development of supportive environmental personnel

Manage Incidents & Emergencies
- Incident investigation, emergency response, and preparedness

Manage Continuous Improvement
- Effective communication, motivation, and awareness
- Stakeholder engagement

The Company uses the Lean Enterprise Risk Management framework for assessing and managing risk. It is our policy to view risk management as integral to the creation, protection, and enhancement of shareholder value by managing the significant uncertainties and risks that could possibly influence the achievement of corporate goals and objectives. The Company operates in a complex business environment, and it requires assessment of strategy and the quantum of risk that the business is willing to accept by adequately assigning responsibilities throughout the organization. The Company assesses the probability and impact of risks that it is exposed to, and assigns responsibilities to manage those risks on an ongoing basis. Risks are identified across functions and ranked based on their impact and probability. A strategy is then devised to mitigate the impact of identified risks, which is monitored by the Management Committee and the Board.

As environmental challenges become more complex and demanding, EFERT ensures that appropriate processes and controls are in place to ascertain, measure, and manage the risks involved. We use a precautionary approach to identify risks, take preventive measures to mitigate potential harm to the people and the environment, and continuously monitor resource optimization opportunities.

EFERT has a well-established environmental management system, including detailed technical standards and an extensive audit and inspection program. The systematic monitoring of environmental performance and process safety measures is in place, including tools such as Hazard and Operability Studies (HAZOP), Layer of Protection Analysis (LOPA), qualitative risk assessment studies, aspect impact risk assessments, dispersion modelling, and real-time monitoring of emissions and discharges.

Major environmental risks are included in the Enterprise Risk Management process and are managed and stewarded on a regular basis. Environmental performance is monitored and reported regularly, internally on a periodic basis, and externally as part of our Sustainability Reporting on an annual basis. EFERT's operations are governed by local environmental permits, with its manufacturing systems meeting the highest industry standards, including ISO 9001 for Quality Management, ISO 14001 for Environmental Management, and ISO 45001 for Occupational Health & Safety. Furthermore, the Company actively tracks leading and lagging environmental indicators to ensure compliance with Sindh Environmental Quality Standards (SEQS), industry benchmarks, and our corporate sustainability goals.

EFERT remains committed to managing and reducing its carbon footprint. The Company strictly monitors its CO2 emissions at its plant sites, ensuring compliance with Sindh Environmental Protection Agency (SEPA) limits. In 2024, a new CO2 integration line was commissioned during the 55-day Long-Term Reliability Turnaround of the EnVen Plant, connecting all three urea units to minimize CO2 venting and optimize utilization. Furthermore, the HSE division ensures that all locations undergo regular energy audits to identify inefficiencies that may contribute to increased CO2 emissions. These audits facilitate the development of corrective action plans, which are closely monitored to ensure continuous improvement.

A step in the same direction is EFERT's Zarkhez Division earning the prestigious Green Office Certification for its commitment to sustainable office practices and environmental responsibility.

Health, Safety, and Environment (HSE) is a core value at EFERT, which has played a crucial role in inculcating a safety-first mindset across all our facilities. the Zarkhez Plant achieved a significant milestone by completing 7 million man-hours since last LWI (lost time injury) and completing the year 2024 with a Total Recordable Incident Rate (TRIR) of ZERO. The EFERT Daharki site clocked in 57 million safe manhours since the last LWI (Lost Workday Injury) and completed the year 2024 with a TRIR of 0.05, including 55 days' turnaround. Our Marketing HSE Division completed 26.9 million safe manhours since the last recordable injury with ZERO TRIR for the 8th consecutive year.

Overall, EFERT completed 70 million manhours since the last LWI (Lost Workday Injury) with a TRIR of 0.04 in the year 2024.

In 2024, EFERT participated in the 21st edition of the International Fertilizer Association (IFA) Global Annual Safety Performance Benchmark. The Company was recognized for its standout health, safety, and environmental (HSE) performance. Engro Fertilizers ranked among the top performers in Lost Time Injury Rate (LTIR) performance and ranked 11th out of 63 industrial sites worldwide for Total Recordable Incident Rate (TRIR) performance, placing it within the top 20% of best-in-class companies.

Engro Fertilizers achieved outstanding HSE performance, receiving international recognition by winning first prize at the International Fertilizer Association's (IFA) Green Leaf Awards 2024. Additionally, it secured the first prize in the Nitrogen Category for its innovative environmental project and risk-based approach.

The year 2024 saw EFERT's efforts to transform Pakistan's agricultural landscape come to fruition with the launch of UgAi. The first-of-its-kind B2C app provides farmers with direct access to high-quality fertilizers delivered right to their doorstep at fair prices, reducing dependence on traditional dealer-centric models that the industry had heavily relied on for years. Beyond its direct purchasing capabilities, UgAi integrates global AgTech (Agricultural Technology) standards, including drone and satellite analytics to revolutionize traditional farming practices. By digitizing farmland through geofencing, UgAi provides farmers with precision agriculture services, including high-resolution farm imagery, land diagnostics, and crop health monitoring, empowering them with real-time data-backed insights to help reduce input costs, maximize yields, and drive efficiency. In less than three months since its launch, over 200 verified farmers managing more than 96,000 acres of farmland have registered on the platform, showcasing its rapid adoption and scalability.



The EnVen Plant Turnaround 2024, the largest in EFERT's history, was a testament to our unwavering commitment to safety and operational excellence. Over 5,500 jobs were meticulously executed by 6,000 personnel under challenging conditions and successfully concluded the mega scope with outstanding safety performance. Key safety enhancements included Health Assurance of over 600 Safety Critical Equipment/Safeguards, Integrity Assurance of around 200 ESD protection loops/control barriers, and implementation of over 100 HSE/RBA recommendations. These efforts significantly strengthened controls around Major Accident Hazard Scenarios (MAHs), advancing our HSE risk management framework. Moreover, innovative initiatives like the custom-designed HSE TA App, safety booths, and impactful safety campaigns were instrumental in achieving a safe and successful turnaround, supported by regular audits (including round-the-clock field audits by the doctors to proactively detect health concerns) and on-site inspections.

EFERT has also strengthened its processes to be more agile via digitalization and automation, with the following applications:

- Markaz application
- Humsafar application upgrade
- Shipment confirmation via Humsafar application
- Humsafar in-application banking integration
- Field force management system update
- Centralized historian
- OneSAP upgrade
- Digital operator rounds
- Electronic document management system
- TA safety audit application
- Pipe thickness application
- Turnaround management application
- Maintenance KPIs application
- PSV overhauling application
- Qlik dashboards
- Freightage monitoring system
- Truck management system axle load

Please refer to the Digitization & Innovation section of the Report for more details on the abovementioned applications.

In 2021, EFERT established the Engro Learning Center (ELC) in collaboration with the University of Agriculture Faisalabad (UoAF). The center aims to conduct various technical trainings and research and development projects by engaging with farmers, students, and researchers. Key projects initiated by ELC in 2024 include:

- A series of technical training sessions focused on issues and opportunities related to water-soluble fertilizers, sugarcane production, trends in phosphatic fertilizers, the wheat campaign, nutrient budgeting, and nutrition management in oilseed crops. These sessions aimed to enhance the understanding of modern agricultural practices among students, farmers, and researchers. A total of 24 training sessions were conducted, benefiting 1,672 participants.
- R&D trials in partnership with university scientists, focusing on innovative solutions for enhanced fertilizer efficiency and crop productivity. The nutrient omission plot trial on maize was a notable success, training over 100 students on deficiency symptom analysis for macro and micronutrients. Trials on coated fertilizers, biofertilizers, and alternative nutrient sources were executed to optimize crop management practices.

In 2024, Engro Fertilizers also expanded its outreach efforts by partnering with several reputable research institutes for research and development projects to strengthen its Specialty Fertilizer Portfolio. Notable projects include:

- A research agreement was signed with the Nuclear Institute of Biology & Genetic Engineering (NIBGE) to address Phosphorous Use Efficiency Challenges.

- National Agriculture Research Center was engaged to develop innovative biobased coated Urea Fertilizers for enhanced use efficiencies of nitrogenous (Urea) and micronutrient (Zinc) fertilizers as an alternative to Zabardast Urea.
- Engaged University of Agriculture Faisalabad (UoAF) using the platform of Engro Learning Center and established R&D plots (Pot-Study) with micronutrients (Zinc) coated urea utilizing a chemical approach.
- Ayub Agriculture Research Institute was engaged in developing Boron-coated urea, an innovative fertilizer to improve crop productivity, concluded and parked as backup strategic planning in Specialty Fertilizer Business (SFB).

climate action & life on land



Engro is cognizant of the fact that climate change presents physical and financial risks and opportunities to its operations, profitability, future growth, and overall enterprise value. To better capture these, we have conducted a baseline assessment of climate-related risks and opportunities, and classified them as physical or transition risks, guided by the Task Force on Climate-related Financial Disclosures (TCFD) framework. This exercise crosscuts across businesses and aims to broaden our understanding of the climate-related risks and opportunities we are facing and prepare strategies and actions for mitigation and adaptation. Extensive data with respect to financial implications based on scenario planning and the cost of actions needed to mitigate the risk or benefit from the opportunity will be prepared as a corollary to the preliminary exercise which will help us align our methodology and reporting with the TCFD framework requirements, which we intend to implement in the future.

Like any fertilizer manufacturing facility, EFERT's urea production process generates greenhouse gas (GHG) emissions, primarily carbon dioxide (CO_2). These emissions are an unavoidable consequence of using natural gas as both a feedstock and a fuel source. Despite implementing rigorous environmental protection measures, these emissions cannot be eliminated completely. EFERT's products are vital for enhancing agricultural productivity by supplying essential nutrients for crop growth, which, in turn, contribute to national food security. The main environmental impacts associated with these products include GHG emissions from transportation and the release of nitrous oxide (N_2O) into the soil during the application of fertilizers.

To help reduce GHG emissions related to fertilizer use, EFERT advocates for the adoption of improved farming techniques and promotes 4R nutrient management (Right Source, Right Rate, Right Time, Right Place) through its various farmer advisory and outreach programs. This approach aims to optimize fertilizer efficiency while minimizing environmental impact.

EFERT's urea manufacturing site at Plant-II is equipped with flare systems, which ensure controlled and environmentally responsible flaring during startup and shutdown, significantly reducing the site's overall greenhouse gas emissions. The Company strictly monitors its CO_2 emissions at its plant sites, ensuring compliance with Sindh Environmental Protection Agency (SEPA) limits. The Company does not yet measure emissions across its full value chain (upstream and downstream operations). However, EFERT is actively exploring feasible mechanisms for capturing these emissions, considering their impact on the supply chain. EFERT assesses the environmental impact of emissions based on the principles outlined in ISO 14040 Life Cycle Assessment Standards and the United Nations Framework Convention on Climate Change (UNFCCC) guidelines.



In 2024, EFERT's Zarkhez Plant reaffirmed its commitment to environmental stewardship with a Plantation Drive, transforming the facility into a thriving green space. Additionally, a fruit orchard was established, featuring a variety of fruit-bearing plants. The planting initiative was carried out on-site and along the entire perimeter of the manufacturing facility to create a cleaner and healthier environment by increasing green spaces, which in turn, improves air quality. By introducing a diverse range of native plant species, the initiative also promotes biodiversity, supporting various ecosystems. In September 2024, a similar plantation drive was conducted in Daharki city, EFERT's CAER (Community Awareness and Emergency Response) villages, and nearby schools, where thousands of fruit trees and seasonal trees were planted.

As part of the Engro Muhafiz Program, the Specialty Fertilizers Business and distribution teams successfully organized a plantation drive in collaboration with Larkana Commerce College. 100+ trees were planted during the drive to enhance the green cover in the area, contributing to local biodiversity, while engaging college students in hands-on environmental stewardship.

In 2024, EFERT continued to implement its Net Zero Waste Project, which focuses on converting organic waste—including food scraps and garden waste—into high-quality compost, which enhances soil health, moisture retention, and carbon sequestration. By repurposing waste into a valuable resource, EFERT is actively adopting circular economy practices to contribute to long-term environmental sustainability.

life below water



EFERT, along with Engro Foundation partnered with WWF-Pakistan for the conservation of Indus River Dolphins for a five-year period. As part of the project, Engro Foundation works towards protecting, conserving, and managing the viable population of the Indus River Dolphin and its habitat, using internationally developed and tested tools and technological advancements.

Although the last Indus Dolphin population assessment survey conducted in 2017 indicates an increasing trend, the current population is still under 2000, which is an extremely low number for long-term sustainability, especially when the range is restricted and risks are high. Therefore, it requires intensive conservation and management for its viability, incorporating advanced techniques along with conventional conservation approaches.

River dolphin conservation is challenging because of the enormous pressures on its habitat including threats like construction of water infrastructure, diversion of freshwater for agriculture, pollution, stranding in irrigation canals and seasonal lakes, unsustainable fishing practices: net entanglement and illegal fishing (overnight netting, overfishing, poisoning, electro-fishing), inadequate protected area management, etc. and hence the viability of the species needs to be ensured through collective actions.

Some of the key highlights for 2024 include:

- Conservation Assured| River Dolphin Standards (CA | RDS) is a unified tool developed by WWF's River Dolphin Initiative to measure and improve the effectiveness of river dolphin conservation efforts across 15 range countries in Asia and South America. A workshop was hosted for Sindh Wildlife and Fisheries Department and WWF-Pakistan to take forward the (CA|RDS) assessment and monitoring in Sindh, focusing on the Indus River Dolphin Game Reserve.
- Spatial Monitoring and Reporting Tool (SMART) is a desktop-based application linked with a mobile application that supports field staff in collecting data and providing reports and analysis to improve conservation efforts. River guards and wildlife watchers were trained to use this application.
    - Total of 50 patrols were conducted across the Indus Dolphin Reserve and adjoining seasonal lakes and irrigation canals to gather actionable insights.
    - There were 184 dolphin sightings within the river and 19 sightings in the irrigation canals highlighting the significance of these habitats for the species and enhancing conservation efforts.
- Pinger trials to deter the dolphins from coming closer to fishing gear were conducted during the year. The findings from the trials indicate that pingers are useful in the conservation of the Indus River Dolphin and do not indicate any long-term negative behavioral impacts on the Dolphins. Consultative sessions were held to explore integrating pinger technology into fisheries policy, to strengthen sustainable fisheries management and conservation of the Indus River Dolphin.
- Conferences and workshops:
    - A consultative workshop on the Indus River Health Assessment Report Card was organised with the University of Maryland, the workshop included representatives from government departments, Sindh Environmental Protection Agency (SEPA), Sindh Wildlife Department, Academia, and local communities.
    - 2 Webinars were held to share pingers experiment results. In the first webinar Pakistan, India and Indonesia showcased the results of their respective countries. The second webinar was held on tracking River Dolphin Acoustics using F-PODs across rivers in Asia and South America where Pakistan, India, Nepal, and Brazil shared the River Dolphin acoustic results. The webinar engaged global experts and River Dolphin ranger countries on similar experiments.
- A total of 20 eco-clubs have been established in schools across Districts Ghotki and Kashmore in Sindh, as well as in Muzaffargarh, and DG Khan in Punjab to foster environmental awareness and promote sustainable practices amongst schoolchildren.
- WWF-Pakistan initiated a community-based eco-tourism activity to create alternative livelihood opportunities for the local fisher community. This year they identified 1 site for eco-tourism in Sukkur and formed 2 eco-tour groups. These groups were trained as eco-tour guides and were provided eco-tour and safety kits. 2 fishing boats were converted into eco-tour boats.
- A total of 22 outdoor protected area signages were designed and installed around the Indus River Dolphin Game Reserve, Sukkur, and Taunsa Barrage Wildlife Sanctuary, in collaboration with Sindh and Punjab Wildlife Department.
- The Dolphin Rescue Ambulance, was used for community outreach awareness sessions with fisher communities and schools to highlight the importance of the Indus River Dolphin and its conservation.
- Child-focused education toolkit - An educational toolkit was designed for primary-level students containing interactive materials on the importance of the Indus River Dolphin and its habitat.

peace, justice, and strong institutions

Engro has strong governance structures and internal control systems that ensure our businesses are run in an effective and robust manner (please refer to our section on “Governance”). Engro upholds a strong culture of ethics and integrity, underpinned by a stringent code of conduct and governance framework. Our commitment to integrity is reinforced through regular reviews, ongoing accountability, and unwavering adherence to regulatory standards. A dedicated Ethics & Compliance team investigates all E&C-related issues. At Engro, we have a robust whistleblower mechanism that helps us identify risk, and carry out due processes for risks assessed, based on which appropriate actions are taken, which is available for both internal and external stakeholders.



partnerships for the goals

Partnerships and associations can be a major source of strength to help drive the SDGs agenda. With partnerships, resources can be mobilized, capacity building and knowledge-sharing can be attained, and institutional strengths can be leveraged for policy advocacy, awareness-building, and effective implementation of programs geared towards meeting the SDGs.



Engro Fertilizers is part of various industry associations and forums, reflective of our commitment to long-term sustainable value creation and global cooperation. We are members or signatories to the following:

- United Nations Women's Empowerment Principles (UNWEPs)
- World Economic Forum (WEF)
- Worldwide Fund for Nature (WWF)
- Management Association of Pakistan (MAP)
- Pakistan Business Council (PBC)
- International Fertilizer Association (IFA)
- Pakistan Agricultural Coalition (PAC)
- University of Agriculture Faisalabad
- Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC)
- Karachi Down Syndrome Program (KDSP)
- Centre of Excellence in Responsible Business (CERB)
- United Nations Global Compact (UNGC)
- NOWPDP (Network of Organizations Working for People with Disabilities
- Pakistan)
- Pakistan Society for Training & Development (PSTD)




ACE
Achieve
Champion
Elevate
ACE
Achieve
Champion
Elevate

people

The development of our people remains at the heart of our endeavors as we enable growth for Engro Fertilizers. Upholding the values of Diversity, Equity, and Inclusion (DE&I), we foster a culture that allows everyone to feel welcome, included, and represented, where their efforts receive due recognition, and their development and experience are of utmost importance as they foster success for EFERT. Employee centricity, maintaining the highest standards of business ethics and integrity, and world-class standards for the workplace are the Engro way.

key employee categories

on headcount basis	2024	2023
Permanent management employees	707	734
Non management permanent employees	462	480
Contractual / temporary employees	281	312
Total employees	**1,450**	**1,526**

diversity by gender for key employee categories

	Female		Male		Total	
on headcount basis	2024	2023	2024	2023	2024	2023
Permanent employees	88	69	619	665	707	734
Non management permanent employees	6	7	456	473	462	480
Contractual employees	67	52	214	260	281	312
Total employees	**161**	**128**	**1,289**	**1,398**	**1,450**	**1,526**

	Female		Male	
on headcount basis	2024	2023	2024	2023
Permanent employees	12%	9%	88%	91%
Non Management permanent employees	1%	1%	99%	99%
Contractual employees	24%	17%	76%	83%

diversity by age group for key employee categories

	30 and Under		31-50 years		Over 50 years		Total	
on headcount basis	2024	2023	2024	2023	2024	2023	2024	2023
Permanent employees	200	172	426	473	81	89	707	734
Non management permanent employees	105	108	290	302	67	70	462	480
Contractual employees	229	255	46	51	6	6	281	312
Total employees	**534**	**535**	**762**	**826**	**154**	**165**	**1,450**	**1,526**

	30 and Under		31-50 years		Over 50 years	
on headcount basis	2024	2023	2024	2023	2024	2023
Permanent employees	28%	23%	60%	64%	11%	12%
Non management permanent employees	23%	23%	63%	63%	15%	15%
Contractual employees	81%	82%	16%	16%	2%	2%
Total employees	**37%**	**35%**	**53%**	**54%**	**11%**	**11%**

hiring

During 2024, a total of 91 employees were hired (compared to 74 in 2023), resulting in a hiring rate of 13% (compared to 10% in 2023).

hiring by gender	2024	2023
Male	61	51
Female	30	23
Total	**91**	**74**

hiring by age group	2024	2023
30 and Under	71	55
31-50 years	20	19
Over 50 years	-	-
Total	**91**	**74**

turnover

During 2024, 110 (2023: 103) employees left the organization. This translates into a turnover rate of 16% in 2024 (2023: 14%).

turnover age-wise	2024	2023
Male	98	90
Female	12	13
Total	110	103

turnover gender-wise	2024	2023
30 and Under	39	31
31-50 years	68	65
Over 50 years	3	7
Total	**110**	**103**

our people – our growth imperative

Human Capital remains a strategic priority at Engro as we aspire to attract the best-in-class talent to help create value and drive impact in challenging and changing times. Engro 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.

We know that we can only deliver on our aspirations if we have the best talent pool on board that is also rich in diversity. At Engro Fertilizers, we have developed a comprehensive framework to ensure Diversity, Equity, and Inclusion (DEI) remain integral to our organizational strategy. We hope that under this newly inducted strategic framework of diversity ambition, we will be able to show further progress in the years to come. This includes increasing our gender diversity footprint at both the senior leadership as well as fresh induction levels, Additionally, we are actively addressing other forms of diversity, including individuals with disabilities and generational diversity. We also endeavor to give equal opportunities to all candidates during the recruitment process, irrespective of their gender, religion, or background. Engro, therefore, brings together individuals from different backgrounds, thinking styles, talents, perspectives, and uniquely endowed skills to create value for a broad category of stakeholders.





Our approach includes conducting annual employee experience surveys and half-yearly pulse surveys, allowing us to assess DEI across different departments and identify areas for improvement.

These assessments provide valuable insights that guide our DEI strategies and drive organizational change. As part of our commitment to continuous feedback and improvement, we introduced the 'Let's Tune In' initiative, a pioneering program that encourages employees to share real-time feedback at the office using a dedicated iPad. This initiative serves as a continuous listening mechanism, ensuring that leadership is aware of and responsive to evolving employee needs and concerns.

We celebrate apprenticeship and continuous learning, in which people development is a critical responsibility for 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, and evidence-based decision-making whilst keeping “People-First” at its core.

To strengthen the focus on health and wellness of its employees, Engro has implemented various initiatives through a structured Wellness Program. 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.

Engro 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, 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. We launched our Management Trainee Program after a break of 7 years. It was very well received, and we hired 9 MTs for EFERT, with 44% gender diversity.





The HR department has robust processes and a wide range of policies governed by its Code of Conduct, People strategy, and the Leadership Competency Model. To ensure a workplace where employees feel safe, respected, and appreciated, Engro 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 opportunities for 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 clarification with line managers. We launched a program by the name of Morning Brew for the CEO to connect on a regular frequency with the employees.

Similarly, the site has launched, ‘Connect Corner’ whereby the site employees meet with the Site leadership regularly. We also have a whistleblower platform, Speak Out, that allows employees to speak about any concerns they may have regarding business ethics and compliance, safety, environmental performance, harassment, and other employment-related matters.

Each subsidiary also has its own Anti-Harassment Committee to make decisions on harassment-related complaints. These matters are investigated independently and discreetly, 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 evaluations, focusing on the current year’s performance and future development needs. Further to this, the entire talent of the subsidiary is reviewed regularly with the leadership on forums like Talent Review Sessions, Development Forums, and on the group level we have established a Technical Training Forum to ensure cross-subsidiary talent visibility to ensure effective rotations for employee development. The effectiveness of our systems, HR-driven initiatives, organizational culture, and company policies are gauged through a third-party managed 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. Moreover, we conduct an internal pulse survey as well in the middle of the year to assess the effectiveness of our action plans and then tailor them accordingly.





We continually enhance the employee experience by providing exceptional operational services. Utilizing advanced technology, we ensure Engro maintains strong people-related operational controls, administrative processes, reporting systems, and robust HR platforms. Our internal SuccessFactors portal simplifies various processes, including benefit claims, reimbursements, performance evaluations, succession planning, learning and training, recruitment, and onboarding. Additionally, our operational system supports backend operations and record management. Through the Workplace by Meta intranet platform and regular newsletters, we promote efficient operations with quick turnarounds, fostering a connected, learning-focused culture.

At the management level, the most senior HR position is the Chief People Officer (CPO) at the parent company and the Head of HR at the subsidiary or associate company. These roles report directly to their respective CEOs and Boards through the Board People Committee (BPC). Subsidiary HR heads also collaborate closely with the CPO. To maintain a dedicated focus on HR matters, the Board has established the BPC, a sub-committee responsible for overseeing HR policies and systems, as well as reviewing performance evaluations, development, and succession planning for employees.

HR governance process

EFERT recognizes its people as its most valuable asset; therefore, People development has always been our priority. We understand that satisfied and highly motivated employees personify the Company's values, ensuring that continued excellence is the foundation for a sustainable and growing company. We recognize the importance of human capital and its critical role in creating value creation potential for our businesses and a successful corporate ecosystem.

Therefore, EFERT's Board places great importance on people development and related policies and processes which are at the heart of our core values and our People leadership competencies model. To ensure dedicated focus on HR matters, the Board has established the Board People Committee (BPC) that exercises oversight over HR policies and systems and is responsible for the review of performance evaluation, development and succession plans of its People. BPC is also responsible to independently review and steward all HR-related matters including compensation, organization training and development of people.

The Company has a clearly documented Human Resource management policy which aims to attract, induct, develop, retain, and motivate high calibre talent who are qualified, capable, and willing to contribute their best towards accomplishing company objectives. This is available for easy access on the internal SuccessFactors portal. Any changes to the same are regularly shared with employees through regular internal communications. To complement this policy, several other policies have been developed for recruitment, compensation, and organizational development.





talent & culture

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 values and a robust and comprehensive people strategy helps us to successfully navigate through the changing business landscape, and ensure that we continue to attract, retain, and develop talent.



hiring

Values serve as a filter during recruitment, ensuring that new hires align with our priorities



onboarding

Employees who share similar values with us will adapt more quickly to our norms



engagement

Shared values will enhance the collaboration among team members, as they have a common ground to work from



development

Values will influence our behaviors translating into performance measurement and learning needs



growth

Adherence and advocacy of values will play a role in identifying potential leaders



separation

Engronians will always carry the badge of principle belief wherever they go

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. By hiring the right talent with the right skills, we ensure achievement of strategic goals, improved team productivity, and a positive work environment that is conducive to fresh ideas and growth.

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

Academic Collaborations and Job Fairs: Strategically, we engaged in signing Memorandums of Understanding (MoUs) with three universities, including GIKI, NUST, and COMSATS Islamabad & Lahore to improve employer brand visibility and strengthen industry-academia linkages with top institutions.

Graduate Trainee Enablers: Engro's flagship recruitment program for engineering talent.

- This year, we engaged with top 10 universities of Pakistan through campus drives, spotlighting Engro's rich legacy. Annual inclusive campus drives solidified our program's prominence in the market, resulting in extensive reach across social media platforms.

Management Trainee Enablers: To develop our pipeline of talent in the commercial and support functions of the organization, we relaunched the Management Trainee Enablers Program after a hiatus of 7 years, through which we onboarded 9 MTs from across the country with a gender diversity score of 44%.

Suleman Dawood Internship: Our flagship internship program has undergone centralization across the 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 across the Group, followed by thorough awareness/training sessions to all line managers in conjunction with a rigorous promotional campaign to introduce the IJP process and framework. This shows the Company's commitment to the development of the talent available internally.

Sourcing Channels: Consolidating sourcing channels like LinkedIn, our website, 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.

Break Ke Baad: This initiative is designed to support women who have taken a career break for various personal or professional reasons and are now seeking to re-enter the workforce. This program aims to provide these women with a smooth and supportive transition back into the corporate environment, recognizing the unique challenges they may face after an extended absence.

Through this program, we aim to not only empower women by giving them a renewed opportunity to thrive in their careers but also to enhance diversity and inclusion within the corporate world, benefiting both the individuals and the organization.

Unstoppable for women in non-traditional roles: Engro Fertilizers (EFERT) has established a strong reputation for advancing gender diversity, particularly in traditionally male-dominated fields. As part of our ongoing commitment to challenging societal norms and fostering inclusion, we've opened doors for women from diverse socio-economic backgrounds to participate in technical roles that were once considered unconventional for women. A key initiative in this effort is the Parwaaz Program, launched in 2023 (rebranded as Unstoppable in 2024), which focuses on increasing women's representation in field marketing roles.

Partnership with KDSP: Additionally, EFERT is committed to improving the representation of underserved groups in the workplace. A notable example is our partnership with the Karachi Down Syndrome Program (KDSP), which has now entered its second year. Through this collaboration, we provide internships to individuals with Down Syndrome, helping them gain valuable work experience and adapt to professional environments. This initiative reflects our broader dedication to supporting the inclusion and advancement of diverse talent, reinforcing EFERT's reputation as a leader in quality DEI initiatives that enhance employee retention and advancement.

Senior Citizens Internship Program: In 2024, EFERT launched the Senior Citizens Internship Program designed to offer meaningful opportunities for senior citizens to engage with the corporate world. It aims to leverage their wealth of experience and knowledge, allowing them to contribute to various projects while staying active and connected. This initiative promotes intergenerational collaboration and provides a platform for senior citizens to share their insights, mentor younger employees, and continue their professional journey in a supportive environment. The finalized incumbents will join us in 2025.

Khudi Program: Launched at the Group level in 2024, the Khudi Program is a one-of-a-kind traineeship for persons with disabilities in various open roles in Engro. People with all forms of disabilities are eligible to apply. As an inclusive employer, Engro prioritizes diversity, equity, and belonging, nurturing an environment where the unique strengths and perspectives of every individual are not just welcomed but celebrated.

onboarding

To ensure standardized onboarding across all locations, Engro launched the SuccessFactors module of onboarding whereby end-to-end onboarding of new joiners from manager's messages, to buddy alignment, to meetings with relevant stakeholders, and getting necessary data is all managed through the onboarding module. This is an end-to-end service to ensure that, regardless of location, the employee experience remains the same.

The significance of a smooth onboarding process is recognized under LEAP (details under capability development), with a structured 100-day program introducing new employees to the organization's culture, values, processes, and objectives. This comprehensive plan consists of 11 modules covering essential aspects from recruitment to ethics, setting the tone for engagement and productivity.

1. SF- Recruiting Module
2. Foundation Overview
3. Rewards Orientation
4. Information Technology Overview
5. Social Media Responsibility
6. Performance Management Module
7. Anti- Harassment Module
8. Code of Conduct
9. Ethics and Compliance
10. Leadership Competency Model
11. Health, Safety & Environment Module

EFERT's HR policies encompass these 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 talent.

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.

compensation and benefits

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

diversity and non-discrimination

- Provide an environment free from all forms of discrimination and harassment at the workplace.
- Foster gender diversity at all levels within the Company.
- Policies aimed at creating flexible and conducive working arrangements.

performance management

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

EFERT's HR policies are approved by the BPC and the Board and are stewarded by the Management Committee and Board periodically. The most senior management position that is responsible for HR matters is the Head of Human Resources at the company level, who directly reports to the Company's CEO and indirectly reports to the Chief People Officer (CPO). Certain People-level policies are also managed at the Group level by Engro's People division based at the holding company.

Furthermore, industrial relations at plant sites are managed by the respective Admin Department at the plant.

The HR function was recently re-modelled to improve HR functional services by inducting HR Business Partners in 3 major divisions to enable the HR function to better serve and become 'Fit for Purpose' in line with its shared vision.

de-centralization

In 2024, the HR function underwent another remodeling with de-centralized teams for Culture & Engagement, Learning & Development, Talent Acquisition, and Rewards - i.e., the Centres of Excellence (COEs) - were re-established in the subsidiaries, while their nodes still being in the centre to ensure strategic alignment while catering to the nuanced needs of the individual subsidiaries.

employee remuneration policies and processes

The Company's HR policies ensure competitive and appropriate compensation and remuneration for its employees based on their roles, experience, and performance. Employee remuneration for management employees is determined by regular market surveys and comparison with the relevant competitive markets, and guided by Company policies.

The Company strives to maintain a well-balanced program of employee benefits. Various programs mentioned below are currently in place for our employees.

- Defined benefit gratuity fund
- Contributory provident fund
- EFERT pension fund
- Service incentive plans

Details of retirals and long-term benefits are as follows:

The Company maintains separate funded pension and gratuity schemes for its employees. Employees are eligible for these schemes based on completion of the vesting period. Trustees of the Fund are responsible for administering these funds. The annual contributions to gratuity and management staff funds are based on actuarial valuation. The benefits are provided to full-time employees, including management and staff. These benefits are not offered to contractual employees. The Company contributes to the defined contribution provident fund for its permanent employees. Monthly contributions are made both by the Company and employees to the fund at the rate of 10% of the basic salary. Additionally, a service incentive plan is also maintained for certain categories of employees to reward them for their service of at least 3 years with the company.

Other benefits to permanent employees include:

- Health Insurance
- Life Insurance
- Part-time work policy
- Compensation cars
- Travel and transport benefits
- Hajj policy
- Annual incentive bonus and performance bonus
- Paternity/ maternity leaves and sabbatical leaves
- Medical and dental benefits
- Long service awards
- Loans and advances
- Home ownership assistance policy
- Club memberships
- Beach Huts and lodges
- Day Care
- Location-specific benefits

job evaluation

All our positions are job description-based. Engro has initiated a group-wide job evaluation exercise utilizing the Korn Ferry Hay Method to measure the relative size of its roles, relying on the world's leading method to determine the fair and objective relative value of each role in the organization.

benefits for female staff

transport

Engro has partnered with Careem to provide safe and hassle-free mobility solutions for female employees. This collaboration eases the commute to and from work for women at Engro as part of the Company's diversity, equity, and inclusion initiatives. This travel policy complements other initiatives introduced by Engro to create a gender-diverse workforce.

daycare

To facilitate women employees in the organization, Engro provides a special daycare reimbursement, enabling them to manage childcare responsibilities as they transition back into the workforce.

maternity leave

Engro offers women employees 6 months of paid maternity leave.

female hygiene products

Engro also provides women with access to female hygiene products free of cost at the workplace.
long service benefits

At Engro we use long service awards as a way to recognize and celebrate employees' dedication, loyalty, and sustained contributions over an extended period. These awards acknowledge the value of long-term commitment, fostering a sense of appreciation and belonging, while also reinforcing the organization's culture of recognizing and rewarding consistency and perseverance. They serve as a motivational tool, promoting employee engagement and retention by highlighting the importance of long-term service to the company's success. Employees receive gold coins at the completion of 5, 10, 20, 25, and 30 years of service.

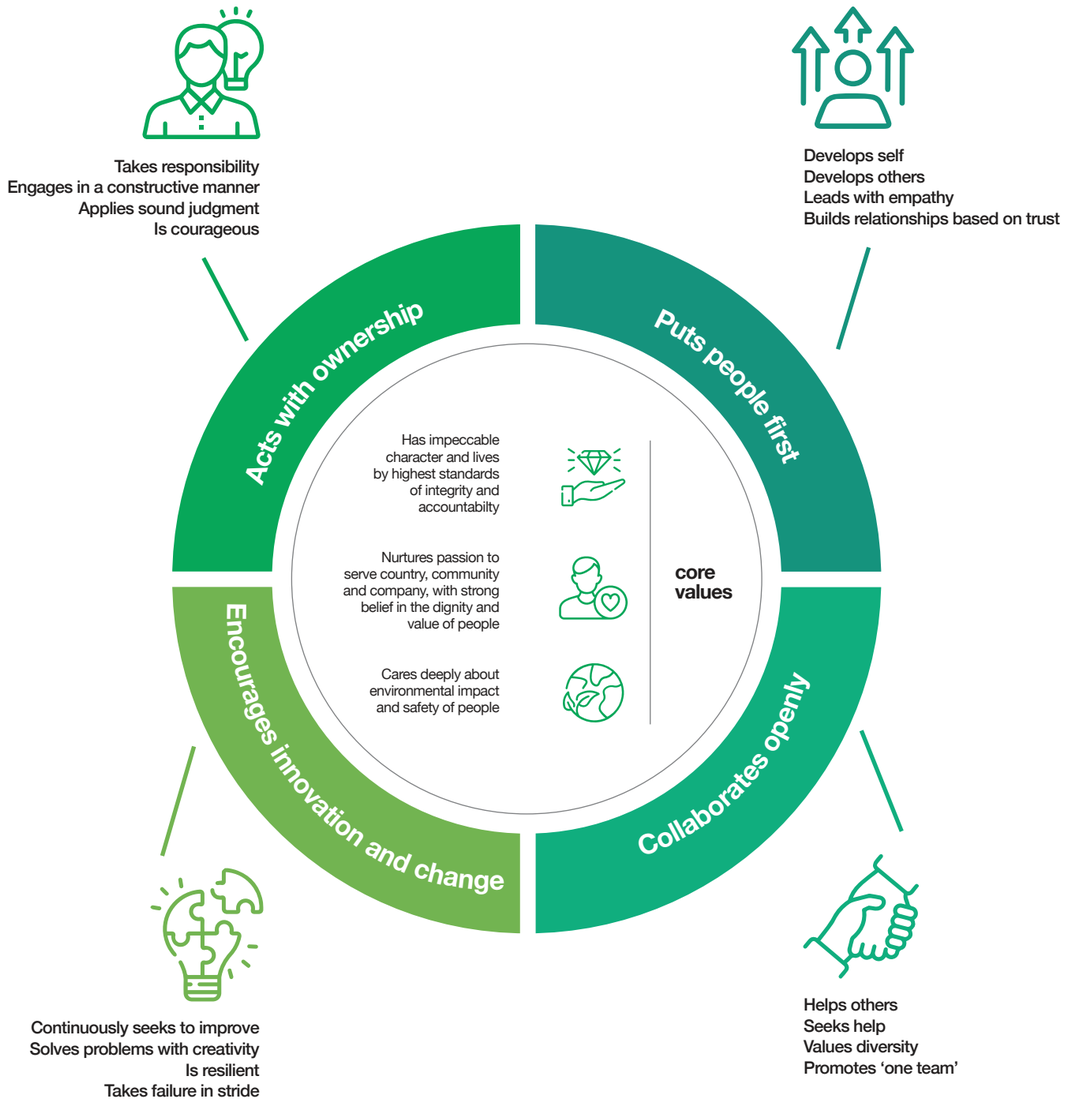
policy roadshows

To continue creating awareness about HR policies, the Rewards team regularly conducts road shows to improve the understanding of the updated and reviewed policies. These awareness sessions not only enable employees to be cognizant of HR policies but also provide a platform where they can voice their opinions and provide feedback.

growth: talent management

Engro 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.



We have launched Character and Good Manners to ensure that employees not just become operationally efficient, rather they have become effective corporate citizens. The CGM framework will be embedded in the PMGM system and our LCM competencies.

performance management system

At Engro, 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 balanced 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

EFERT's commitment to ensuring seamless business continuity is evident through its robust succession planning strategy. By creating a talent pipeline for future leadership positions, EFERT aims to guarantee uninterrupted operations even in times of transition. Central to this approach is the emphasis on skill enhancement tailored to meet current and future business demands, ensuring readiness to navigate dynamic environments. Throughout this process, people development remains at the forefront, with EFERT acknowledging the inevitability of change and prioritizing the growth and development of its workforce. To facilitate career progression and talent development, EFERT has meticulously charted employees' career paths, taking into account factors such as potential, experience, and demonstration of Engro competencies. Each employee is provided with ample opportunities for training and development, alongside the necessary resources and equipment to excel in their respective roles. This holistic approach not only ensures the individual growth and satisfaction of employees but also strengthens EFERT's overall organizational capabilities, positioning it for sustained success in the long run.

talent development program

In addition to succession planning, Engro also launched the first Talent Development Program (TDP), which is a documented and structured framework of talent development to identify future leaders amongst the talent in the organization. This program provided an opportunity to develop talent who demonstrated consistent significant performance over a certain period, as per a defined eligibility criterion.

The development of these individuals is actively managed through tailored Individual Development Plans (IDPs), to prepare them for “Key Roles” aligned with future strategy, thereby enhancing the leadership pipeline. Thus, this program serves as a ‘leader feeder’ of ready talent for succession planning which safeguards engagement of talent within the organization and uninterrupted continuity of business.

Built on the foundational principles of truth, trust, and transparency, this program exemplifies the organization's unwavering dedication to creating an environment that nurtures both personal and professional growth.

E.D.G.E: (empowering development, growth & excellence)

EFERT is proud to introduce EDGE—a pioneering program designed to identify and cultivate the potential future leaders among high-performing individuals within the company. This initiative particularly has four key pillars: developing women in leadership programs, developing our high-performing/high-potential employees, mentoring for senior leaders, and developing plans for our AM and DM level employees.

Through EDGE, EFERT aims to provide targeted support and resources to these promising talents, equipping them with the tools, skills, and opportunities needed to accelerate their career growth and assume leadership roles within the organization. By fostering diversity, inclusivity, and talent development at all levels, EFERT reaffirms its commitment to unlocking the full potential of its workforce and driving sustainable organizational success.

In 2024 we have launched the first leg of this program, i.e., developing high-potential employees. Employees were identified through pre-agreed criteria and their development plans have been put in place to be executed in the year 2025.

The next three pillars will be launched in 2025.

- Mentoring/coaching for all GMs
- Increasing the number of women in leadership positions
- Individual development plans for all M-stream employees

DEI programs

break ke baad (BKB)

One of our trailblazer initiatives is a 12-month returnship program designed to increase the employability of women looking to resume work after mid-career breaks. The program has a flexible working model that 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. In 2024, 300 applications were received, and 8 BKB Associates were hired across Engro, with 3 being placed at Engro Fertilizers.

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.

Engro's DE&I Leaders Program has been designed on a sustainable model that features in-house volunteer trainers (DE&I Ambassadors) to ensure Engro employees undergo comprehensive and customized sensitization training. This Program includes four modules: Awareness, Acceptance, Advocacy & Anti-Harassment Committee. As a testament to our commitment to accessibility, all four modules are being digitized and will be accessible to all employees on the learning management system. This digital transformation allows individuals to learn at their own pace and convenience, further promoting continuous education and awareness throughout our organization. Engro's DE&I Leaders Program not only shapes our present but also paves the way for a more enlightened and inclusive future for all.

compensation and rewards

As a commitment to diversity, equity, and inclusion, Engro 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 Engro, 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 is built on fairness, transparency, and meritocracy, ensuring that pay is determined by an individual's competence, years of experience, and performance. To uphold our commitment to fairness, we regularly review our compensation structures to ensure alignment with industry standards and internal equity.

To report gender parity, we have used the following calculation assumptions to determine the Male-to-Female pay ratio.

- Band wise breakup based on simple averages
- Age-wise brackets
- Overall average based on weighted average

Grade	Mean	Median
P1	0.98	0.99
P2	1.02	0.96
P4	1.08	1.03
M1	1.03	0.87
M2	0.76	0.72
M3	0.98	1.08
M4	0.80	0.73

Overall Mean & Median (weighted average):

The gender parity for Engro Fertilizers stands at 1:1.20 for Mean and 1:1.13 for Median. This overall mean/median number has been calculated using weighted average that reflects number of employees in each band..

As a responsible organization, we remain dedicated to continuously monitoring and improving pay equity, ensuring that all employees—regardless of gender—are recognized and rewarded equitably for their contributions.

wage level

Our Entry level is through Engro Enablers Talent Programs and the ratio for entry level wage to minimum wage is 3.1x; the pay doesn't vary by gender.

Additionally, we have other entry programs focused on training, such as the Trade Apprentices at plant sites. However, these programs are not subject to minimum wage laws and are governed by relevant laws of Pakistan (The Apprenticeship Ordinance, 1962).

risk for incidents of child, forced and compulsory labor

At Engro, we are compliant with Pakistan labour laws and therefore have no incidents of child, forced or compulsory labour within our organization. To further mitigate these risks in our supply chain we conduct a pre-qualification process for our vendors and suppliers, requiring their compliance with Pakistan's labour laws.

training & education

Leadership development is closely linked to the Leadership Competency Model (LCM), promoting leadership and management skills at all levels. The training series conducted in 2024 focused on areas such as the Art of Negotiation, Strategic Thinking, and ACE (Achieve, Elevate & Champion). Throughout the year, our learning initiatives totaled an impressive 24,824 hours, with SkillSoft contributing 5,526 hours, reflecting a strong 70% utilization rate. Top picks for SkillSoft included Digital Transformation, Management Skills, Professional Development, and Business Operations.

Sum of No. of Hours

Male	Female	Total
22,050	2,774	24,824

Average learning hours per employee

Male	Female
36	32

ACE (achieve, champion, elevate):

In 2024, EFERT proudly launched the ACE (Achieve, Champion, Elevate) program, an initiative where innovation meets inspiration. This program brings together industry experts, startup pioneers, and emerging leaders to ignite meaningful discussions, drive critical conversations, and foster professional growth. ACE is designed to push boundaries and stimulate innovative thinking, positioning participants for success in a rapidly evolving industry. The inaugural session features a renowned expert delivering invaluable insights, setting the stage for a series of impactful engagements. Further details on upcoming sessions will be shared soon, marking this as a key step in EFERT's commitment to talent development and sustainability.



During the year, four insightful sessions were held featuring:

- Abrar Hasan, Global CEO of National Foods, who spoke about Exploring Growth Strategies in a Challenging Economy
- Mujtaba Khan, CEO of Reon Energy, who shared valuable insights on Climate Mitigation and the Future of Energy
- Mohammad Shamoon Chaudry, CEO of Dawood Hercules, delved into the rich legacy of Dawood Hercules Corporation and Engro
- Umar Ahsan Khan, Managing Director and CEO of Dawlance, shared his insights on Workplace Burnout and the Gen Z Mindset

1-on-1 feedback conversations

This training module is tailored to cultivate effective feedback communication skills in our Team and Division leads, enabling collaborative growth and transparency in our appraisal and feedback mechanism. These trainings were conducted in our Head Office and in Daharki covering a total population of 19 General Managers across the Company.

In 2024, we conducted online open house sessions for all employees who wanted to join, which reiterated the importance of feedback for all employees and also focused on the link between PMGM rating and Increments, focusing on the compa-ratio and performance-driven model of Engro.

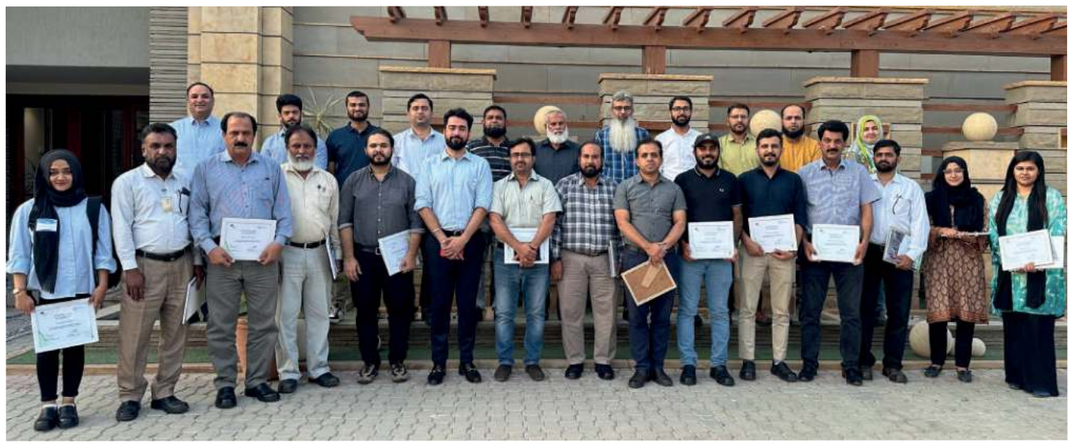
art of negotiation

Employees took part in an interactive training on the Art of Negotiation in which they explored scenarios where negotiation is crucial, learning ways for creating win-win outcomes with emphasis on effective emotion management.



strategic thinking

The learning intervention offered a toolkit for creating strategies from beginner to advanced level that included inspiring and motivating teams to execute strategic plans, focusing on the larger mission, and understanding the importance of effectively evaluating the organizational impact of these strategies.



leadership launchpad

A 10-day intensive management development program for mid-level executives involved in shaping the growth and future of the organization. This tailor-made program is designed to equip our future leaders to navigate the challenges associated with steering the future of our business and adapting to an evolving workforce.

character & good manners

A Character and Good Manners (CGM) training was conducted for CGM ambassadors (Managers & above) to inculcate the principles of character-based leadership i.e., TTHIS: Truthfulness, Trustworthiness, Humility, Integrity, and Striving in times of hardship. The session emphasized on self-reflection and how these values of character-based leadership can help foster credibility, teamwork, and resilience.



campus to corporate

This workshop equipped Graduate Trainee Engineers with essential skills and insights necessary for a successful transition into the corporate environment. From understanding workplace dynamics to honing professional communication, our experienced internal facilitators offered valuable advice and practical strategies to ensure smooth adoption.

management development program

In 2024, Marketing Division, through the Capability function, kicked off its first MDP Program for M2s and M3s at KSBL. The program was centered around key technical skills such as Finance, Marketing, Supply Chain and Strategy, providing the participants a well-rounded experience for better decision-making and development.



training cost 2024 (overall)

2024	2023	Average Spend per Permanent Employee
Rs. 72.8 million	Rs. 89.58 million	PKR 102,972

trainings conducted in 2024

Functional Trainings	Audience
Art of Negotiation	M stream: 87 employees P stream: 315 employees
Strategic Thinking	M stream: 107 employees P stream employees: 27
Make Your Data Work for You	M stream: 22 employees P stream:4 employees

Functional Trainings	Audience
Leadership Launchpad – Phase I	M stream: 27 employees
Excel Made Easy	M stream: 14 employees P stream:15 employees
Supply Chain Optimization	M stream: 17 employees P stream:4 employees
Customer Service TTT	M stream: 12 employees P stream: 4 employees
Impactful Presence & Selling Skills	M stream: 4 employees P stream: 34 employees
Psychological Safety	M stream: 8 employees
CONNEX	M stream: 7 employees P stream: 1 employee
Citrus Training Workshop	M stream: 4 employees P stream: 10 employees
Crop-specific Mango Training Session	M stream: 3 employees P stream: 9 employees
Crop-specific Sugarcane Training Session	M stream: 4 employees P stream: 13 employees
Crop-specific Banana Training Session	M stream: 3 employees P stream: 17 employees

Talent Development Program	Audience
Person of Influence	M stream: 6 employees
INSEAD Training	M stream: 1 employee
LUMS – Leadership Excellence	M stream: 3 employees
LUMS – Strategic Financial Management	M stream: 5 employees
Simon Sinek	M stream: 11 employees

employee engagement 2024

We believe our employees remain our enduring advantage and whilst we believe that our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence is what drives our success, after a thorough analysis we identified critical aspects around human capital management that can enhance our people competitiveness.

Engro 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 the following dimensions:

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

During 2024, the results of engagement survey for Engro Fertilizers were:

Employee Engagement Score	Response Rate
79%	95%

At Engro, we aim to score above the global average which is close to 67%, as per Qualtrics (2023), Over the last few years, we have managed to remain above the target with variation on a year-to-year basis.

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.

Recognizing the significance of fostering a culture of active listening beyond yearly EES surveys, we have endeavored to establish continuous avenues for employee feedback. In 2023 EFERT introduced its flagship listening program, 'Let's Tune In', designed to empower employees to share feedback through various channels such as vibe checks, idea boxes, and our semi-annual Pulse Survey, aligned with the organization-wide Employee Experience Survey. This program aims to gauge employee sentiments and preferences, enabling us to better cater to their needs. We continued this program with the same zest.

let's tune in

2023 saw the launch of EFERT's flagship listening Program, Let's Tune In, through which we adopted a multi-faceted approach, providing avenues for feedback and dialogue, enhancing employee experience, and providing engagement via fun activities in the workplace. Under the ambit of Let's Tune In, HR introduced several features. Selected members from across the Company were appointed as Fun Catalysts who oversaw arranging away days for their respective departments and ensuring the engagement of their departments and participation in other events. Under this ambit, we introduced our Fun Fridays, which included:

- Snacktastic
- Fruit Fiesta
- Fun Women Connect
- Monthly Birthday Bash
- Indoor Bowling
- Independence Day Karaoke
- Jingle & Mingle Christmas Event
- Karaoke Afternoon
- Mother's Day Hearts & Crafts










ceo townhall

EFERT's 1H 2024 Town Hall was held at the heart of Engro Fertilizers—our Plant Site in Daharki. CEO Ali Rathore then took the stage, delivering powerful insights on our 1H 2024 achievements, growth, sustainability, and the vital importance of HSE. He also emphasized the power of collaboration, consistency, and planning as the cornerstones of a winning attitude.

The audience was engaged through an interactive Menti session, where everyone enjoyed a lighthearted moment guessing which leadership members could be Bollywood stars. Adding to the energy, our talented team prepared and performed an airline-themed skit, humorously depicting everyday office scenarios. Bringing together colleagues from 11 locations across Pakistan, EFERT Live was a true celebration of our shared journey. We wrapped up by recognizing the employees who bring joy to our workplace, and the Daharki team's song adaptation had everyone smiling with their humorous take on office life.





morning brew with ceo ali rathore

This year, we introduced Morning Brew with CEO Ali Rathore, a series of regular sessions for employees to engage in open, unstructured discussions—no agenda, no formalities—just an opportunity for them to connect directly, outside of the usual formal settings, in an environment that encourages candid and constructive conversation.

Each session is an in-person, 2-hour meeting where employees in cohorts of 25 or less, are welcome to share their thoughts, ideas, and perspectives.



connect corner with aneeq ahmed

Similar open, unstructured sessions were also held at Daharki with Aneeq Ahmed, Head of Manufacturing, presenting a valuable opportunity for our managers to voice their perspectives, share best practices, and explore ways to strengthen our organizational culture. The ideas shared on this platform were then turned into actionable steps to drive continuous improvement and strategic alignment.



departmental away days

To strengthen bonds and celebrate key milestones, departmental away days are held regularly. This year, MARCON 2024, a three-day getaway, was held in Bhurban to celebrate the Marketing division's achievements of 2023, and expectation-setting for the upcoming year. Similarly, the Supply Chain Synergy Day was organized at Dream World, 2-day event for the Supply Chain division to celebrate their department achievements and participate in team-building activities.

To celebrate Manufacturing division's exceptional achievements during the largest 55-day Turnaround Event, a 3-day Khoj retreat was held in Murree. Over 250 employees attended across four batches, taking time away from daily routines to relax, recharge, and reconnect. Away days were also held for HR & Finance teams at farmhouses and beach huts to promote team-bonding.









lcm refresher campaign

This campaign depicted real-life scenarios from within our organization to help employees understand what our leadership competencies and associated behaviors mean in action. Each animated comic strip featured our colleagues from various teams, exemplifying the competencies and related behaviors in their roles, and clarifying any ambiguity.

The campaign was launched in parallel with the PMGM cycle during December 2024 to create awareness among new employees, and serve as a refresher for the overall workforce.







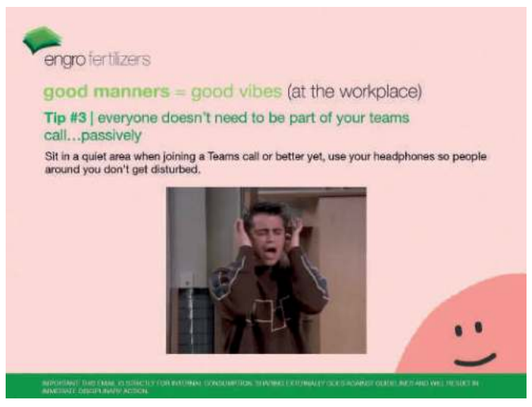


good manners = good vibes

To inculcate the habit of practicing good manners and professional etiquette, the Good Manners, Good Vibes campaign was launched featuring light-hearted, relatable memes with quirky one-liners.













health and safety

Engro Fertilizers is dedicated to achieving the highest standards in HSE. This commitment is clearly stated in our HSE Policy and is one of our core values and key business priorities. We strongly believe that "Safety is our license to operate," highlighting its importance in everything we do.



Safety management includes overseeing key areas such as Health Safety, Personnel Safety, Transport Safety, Process Safety, and Environment Safety, as illustrated in the diagram.

Over the years, Engro has partnered with globally recognized organizations, including various SMEs and many others, to develop and integrate a proactive safety culture across its operations. By aligning with international standards, Engro enables its businesses to achieve best-in-class HSE performance while fostering a strong "safety-first" mindset throughout its workforce.

The safety and well-being of EFERT employees and the communities surrounding its facilities remain a top priority, with a steadfast commitment to ensuring that everyone returns home safe and unharmed each day. This commitment is consistently emphasized by leadership at all levels and reinforced at every opportunity.

Engro operates its businesses in alignment with international standards and best practices, while adhering to all regulatory requirements. Safety performance is continuously monitored and measured to ensure compliance, with proactive measures and structured routines implemented to minimize risks.

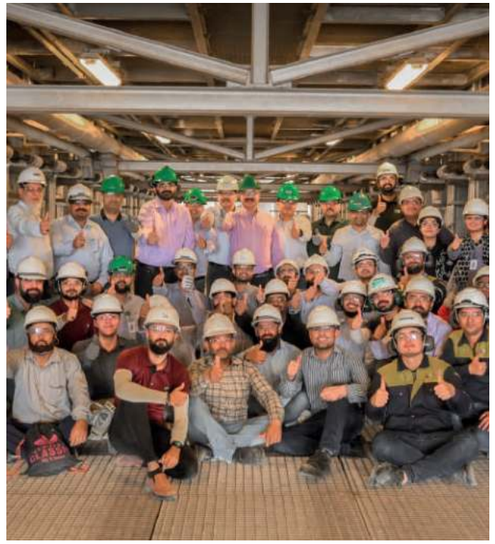
To safeguard personnel, Engro has developed a robust and integrated Operating Discipline Management System which follows ISO 45001, ISO14001 and ISO 9001 standards. This system encompasses policies, standards, processes, best practices, and procedures related to Health, Safety, and Environment (HSE), as well as Quality and Operations, ensuring alignment with both internal and external regulatory requirements. Furthermore, Engro's investment decisions prioritize the inclusion of inherent safety features from the very beginning, reflecting its commitment to embedding safety into every aspect of its operations.

As a result, Engro's safety management has achieved a high level of maturity. Our HSE systems and practices are guided by our HSE Policy, which is readily accessible on our website. Every employee and contractor is expected to understand and operate in full compliance with this policy, ensuring a unified and consistent approach to safety across all operations.

The policy stresses that we are duty-bound to:

- Continually work towards ZERO occurrence of occupational injuries and illnesses, process safety mishaps, and environmental incidents.
- Integrate HSE aspects in business decisions.
- Identify threats that can adversely affect PEAR (People, Environment, Assets, Reputation), and prevent and/or mitigate adverse outcomes through effective barriers and work processes.
- Ensure that the capabilities of our employees remain cutting edge to provide warranted care and attention for barriers and work processes.
- Practice inherent safety in design, continuous HSE performance improvement, and compliance with the regulatory requirements of the Government of Pakistan, the provinces in which we operate, as well as other guiding obligations.
- Use energy and materials efficiently to conserve natural resources.
- Develop awareness and a consultative and participative culture to instil HSE ownership and responsibility in employees and contractors.

To implement effective control measures, work and operational hazards are systematically identified, and risks are comprehensively assessed using proven methodologies, including Process Hazard Analysis (PHA), Hazard and Operability Study (HAZOP), Bowtie Analysis, Incident Action Plans (IAPs), and Layers of Protection Analysis (LOPA). A structured hierarchy of preventive and mitigative barriers is then established to ensure a robust and resilient approach to risk management.



Engro has advanced its HSE Management System from a compliance-based approach to a risk-based framework derived from international standards. This evolution focuses on identifying both process and non-process threats with the potential to cause major accidents and determining the necessary barriers to prevent or mitigate such events.

The multiyear transformation is structured into three key phases:
Reviewing High-Consequence/Risk Scenarios: Urgently identifying and analyzing scenarios with significant HSE consequences to prioritize risk management efforts.

Establishing a Barrier Management Program: Developing and institutionalizing a world-class barrier management program to ensure that preventive and mitigative measures are robust and effective.

Conducting Detailed Risk Assessments: Performing comprehensive risk assessments to deepen understanding and control of potential hazards.

To support these efforts, Engro has developed Performance Standards to guarantee the functionality and reliability of all barriers, ensuring sustained safety and operational excellence across its facilities. This proactive approach reflects Engro's commitment to fostering a resilient and risk-aware safety culture.

Engro is committed to fostering a culture of continuous learning, improvement, and adherence to HSE management systems. To achieve this, all employees and workers are introduced to our comprehensive HSE systems, policies, and SOPs during onboarding programs. These efforts are further reinforced through regular HSE training sessions and roadshows, ensuring clear communication of safety protocols. Additionally, motivational sessions highlight the importance of achieving excellence in HSE performance, empowering individuals to prioritize safety in every aspect of their work.

hse governance & responsibility framework

At Engro, we uphold HSE excellence through a comprehensive HSE Governance & Responsibility Framework. This framework emphasizes clear accountability for line management, well-defined roles, the formation of HSE Committees, and the development of robust HSE standards. Key elements include the implementation of a risk-based HSE management system, effective incident reporting and investigation processes, management of the HSE Management Integrated System (MIS), and regular audits to ensure continuous improvement and compliance.

Engro manages a company-wide system for the reporting and handling of HSE-related incidents, breaches, near-misses, and hazardous conditions. In case of any incident, the investigation is carried out in line with the stipulations of the HSE governance framework based on severity and type of incident, and a narrative report is issued and shared as per the guidelines of the framework. Recommendations are tracked to prevent recurrence, and lessons learned are shared across the group for knowledge institutionalization.

Engro has developed and implemented a comprehensive standard for establishing an integrated organizational structure across its group companies. This structure ensures alignment and drives HSE excellence throughout the organization. The following key components have been instituted:

- **Corporate HSE Committee:** Each group company has a top-level HSE committee, led by the CEO and comprising senior executives. This committee is responsible for owning and maintaining the HSE policy, providing strategic leadership to drive HSE activities, allocating resources to support HSE initiatives, and ensuring alignment with corporate goals.

- **Divisional HSE Committee:** All manufacturing sites and marketing/commercial/service organizations have a divisional HSE committee, headed by the divisional head, with participation from all department heads. This committee oversees and coordinates HSE efforts, stewards safety performance, reviews serious incident investigations, ensures timely resolution of action items, monitors leading indicators, and approves division-specific HSE policies.

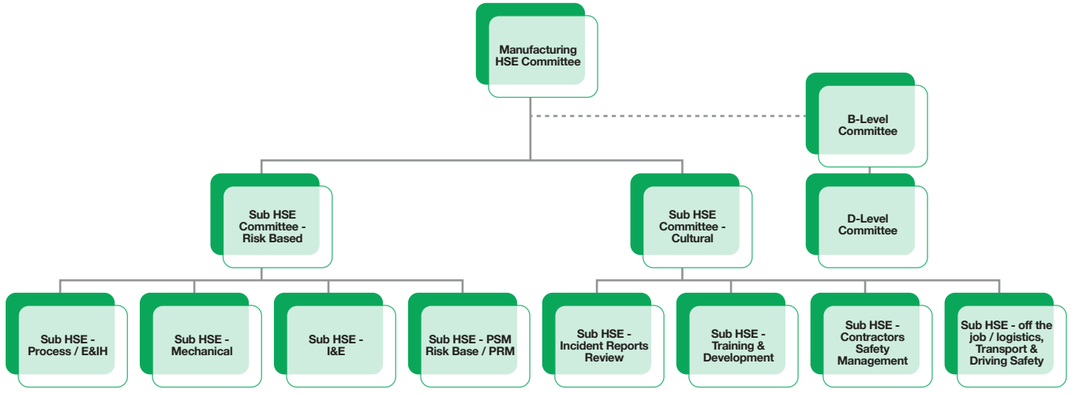
- **Sub-Divisional HSE Committees:** To support divisional committees, businesses establish Sub HSE committees tailored to the specific requirements and nature of each business. These committees, led by department heads and consisting of subject matter experts (SMEs), focus on operational-level HSE matters and have a documented charter outlining membership, roles, and responsibilities.

This robust framework supports Engro's ongoing commitment to HSE governance, ensuring comprehensive oversight and continuous improvement in safety performance throughout the organization.

EFERT's HSE management system

EFERT's HSE management system, accredited by DuPont Systems, reflects the Company's commitment to adopting global best practices to ensure the safety and well-being of its workers. This internationally recognized system is implemented across all locations, including the plant site, head office, and warehouses. At various organizational levels, HSE committees are established to promote excellence in health, safety, and environmental practices.

Safety committees and regular safety meetings play a crucial role in formulating and executing safety policies, sharing safety information, encouraging employee participation, and fostering a culture of sustained safety awareness. These committees are primarily composed of members from the line organization, with support from safety staff and other specialized experts.



B-level committee

B level committees work on departmental level and serve as a link between Manufacturing HSE & D level Committees. The Committees mainly act on all safety matters within the Department, referring to the Manufacturing HSE the problems that they are unable to solve or that have ramifications outside the Department. Following are the main responsibilities of this committee:

- Sustain motivation of employees through participation and develop belief in EFERT's Safety Philosophy that "ALL INJURIES CAN BE PREVENTED".
- Identification/rectification of workplace hazards and continuous improvement of procedures.
- Work on the recommendation sent to this forum from 'D' level committees.
- Develop & implement safety improvement programs.

D-level committee

EFERT recognizes that the commitment and active involvement of management, employees, and other stakeholders are vital for ensuring a safe and healthy workplace. Training and participation in health, safety, and environmental programs are essential components of this commitment. To achieve these standards, a D-Level Committee operates at each site, facilitating the flow of information from top management to the grassroots level. This committee includes all employees and contract workers up to the Group Leader level. The participation and minutes of each meeting, along with action items and recommendations, are logged into the HSE portal's Management Information System (MIS). Each unit or department holds its own D-Level meeting weekly to discuss workplace hazards, occupational health and safety procedures, and to address concerns and feedback from previous meetings. Additionally, mandatory topics such as health, hygiene, first-aid protocols, and personal protective equipment (PPE) are regularly discussed along with the lessons learned from the incidents. To ensure the effectiveness of these meetings, a performance standard is established, and each department and unit committee is evaluated based on this standard. The results of these evaluations are shared across the organization to promote continuous improvement.

DuPont system also emphasis focus on the risk management plans of the company. The system covers all workers, including the workers who are not employees but whose work or workplace is controlled by the Company. Dedicated procedures for process risk management, occupational health and environment are available for workers at the site. In order to implement the DuPont system, the following management systems are implemented at the site:

- Process Safety Management System (PSM)
- Environment Management System (EMS)
- Occupational Health and Industrial Hygiene Management System (OHIH)

EFERT's process safety management (PSM)

The primary objective of Process Safety Management (PSM) at EFERT is to prevent the unintentional release of highly hazardous chemicals or biological agents that could pose risks to employees, contractors, or the public. Process safety is an integrated management system designed to evaluate and mitigate risks associated with processes that have the potential to cause catastrophic incidents, such as fires, explosions, or toxic releases. This program focuses on reducing operational risks across three key areas: technology, facilities/equipment, and personnel.

PSM involves the application of safe practices, systems, and controls to chemical manufacturing processes, ensuring that hazards are identified, understood, and effectively controlled to prevent incidents. The system is based on managing risks through a structured approach, utilizing risk assessment studies such as HAZOP (Hazard and Operability Studies), LOPA (Layers of Protection

Analysis Job Safety Analysis (JSA), Pre-Startup Safety Reviews (PSSR), and HSE Committee meetings. These methods are integrated into the design of new facilities and the modification of existing ones to ensure safety.

EFERT identifies work-related hazards and routinely assesses risks, applying a hierarchy of controls to eliminate or minimize risks. Incident reporting protocols are followed, ensuring that events are reported to the immediate supervisor, manager, and relevant stakeholders. In-depth incident investigations are conducted to prevent recurrence and capture lessons learned.

To strengthen its PSM approach, EFERT has transformed its HSE management systems with a focus on preventing and mitigating Major Accident Hazards (MAHs). In collaboration with DuPont Sustainable Solutions (DSS) and aligned with ISO 17776 guidelines, EFERT has developed a risk-based approach to safety. Extensive competency development workshops, including both in-house training and external sessions led by world-renowned subject matter experts (SMEs), have been conducted to support the adoption of this approach.

EFERT's commitment to both compliance and proactive hazard mitigation has established the company as a leader in safety management. Key mechanisms for hazard assessment and identification include the HSE policy, risk assessments, MSDS diamonds, Management Safety Audits, Job Safety Analysis, and other systematic tools designed to ensure the highest standards of safety and risk management.

The following process safety elements contribute to HSE excellence at EFERT:

Engro Fertilizers has achieved significant advancements in the field of process safety this year, demonstrating its commitment to operational excellence and adherence to global standards. Several major milestones were accomplished at the EFERT Daharki site, including:

- **Baseline and Transient Mode PHA:** For the first time in its history, Engro Fertilizers conducted a Transient Mode Process Hazard Analysis (PHA) for one of its ammonia units. This initiative was executed in collaboration with SMEs, requiring hours of dedicated effort. The comprehensive analysis identified potential risks associated with transient operating modes, resulting in critical updates to Standard Operating Procedures (SOPs). This pioneering work highlights EFERT's proactive approach to ensuring process safety during non-steady-state operations.

- **SIL Study:** Building on the outcomes of the Baseline and Transient Mode PHA, a Safety Integrity Level (SIL) study was carried out for the same ammonia unit. The SIL study evaluated and verified the adequacy of safety instrumented systems (SIS) to meet defined safety targets. By ensuring that the SIL levels align with process safety requirements, EFERT has reinforced its commitment to maintaining the highest standards of operational reliability and risk management.

- **SIMOPS Workshop:** A first-of-its-kind workshop on Simultaneous Operations (SIMOPS) was conducted to enhance safety during overlapping activities. The workshop introduced advanced tools and techniques for managing SIMOPS risks. Participants gained safety protocols to world-class standards. This initiative underscores EFERT's dedication to fostering a safer and more efficient work environment.

- **Performance Standards for SECE:** To enhance the reliability of Safety and Environmentally Critical Elements (SECE), EFERT developed Performance Standards in alignment with industry standards and Recognized and Generally Accepted Good Engineering Practices (RAGAGEP). These standards incorporate national and international best practices, ensuring the consistent functionality, integrity, and availability of critical barriers.

- **Incident Action Plans:** Strengthening its emergency preparedness, EFERT developed detailed Incident Action Plans (IAPs) for fire scenarios, which have been incorporated into the Emergency Response Manual. These plans provide clear guidance to emergency response teams, enabling them to act swiftly and effectively during critical situations.

These achievements highlight Engro Fertilizers' strong commitment to safety through innovation, strict compliance, and the adoption of global best practices. By focusing on areas like advanced hazard analysis, SIL verification, emergency preparedness, and performance standards, EFERT continues to set new standards for safety and risk management in the fertilizer industry.

EFERT's environment management system (EMS)

EFERT places great emphasis on environmental responsibility, integrating it as a core aspect of its operations. The company is committed to managing its resources and activities in a way that ensures the safety and well-being of employees, neighboring communities, customers, and visitors. EFERT's dedication to environmental stewardship goes beyond its facilities, promoting sustainable practices that create a positive impact on the wider community. To achieve the highest environmental standards, EFERT leverages the best available technologies and implements DuPont's world-class environmental management systems. These systems are regularly audited and certified by globally recognized environmental experts. As part of its strategic approach to sustainable value creation, EFERT prioritizes addressing environmental challenges and actively strives to minimize its environmental footprint.

In line with these efforts, EFERT has established the Environmental Sustainability and Stakeholder Engagement Steering Committee. This committee plays a vital role in driving social and economic progress within a two-mile radius of the plant while training local communities in emergency response procedures that meet the highest HSE standards. This ensures that safety and sustainability remain central to EFERT's operations.

EFERT has also developed a comprehensive Environmental Management System (EMS) aligned with the ISO 14001 standard, offering a structured framework to monitor and enhance its environmental performance. This system supports compliance with regulatory requirements and company policies while incorporating processes for identifying and evaluating environmental aspects. These assessments are carried out through self-evaluations, observations, monitoring, and investigations, with risks analyzed using an "Aspect Impact Risk Assessment" worksheet.

Additionally, EFERT ensures environmental responsibility in its development projects by conducting Environmental Impact Assessments (EIA) or Initial Environmental Examinations (IEE) or Environment Management Plan (EMP) before obtaining government approvals. These proactive measures demonstrate EFERT's unwavering commitment to sustainability and its role as a leader in environmentally responsible operations.

In 2024, EFERT made great advancements toward sustainability:
Alliance for Water Stewardship: Engro Fertilizers' Daharki site achieved the Alliance for Water Stewardship (AWS) CORE certification, a globally recognized benchmark for sustainable water management. With this accomplishment, the site became the first subsidiary within the Engro Group to attain this prestigious certification, further solidifying its position as a leader in water sustainability on the global stage.

This achievement was made possible through a series of focused efforts, including active engagement with stakeholders such as local communities, regulatory authorities, and internal teams to address shared water challenges; comprehensive risk assessments to evaluate physical, regulatory, and reputational risks; the implementation of action plans to enhance water efficiency, reduce consumption, and improve governance; and the organization of workshops and training sessions to embed global best practices in water stewardship.

The certification reflects Engro Fertilizers' unwavering commitment to responsible water management, embedding sustainability into its operations and aligning with internationally recognized standards to set a benchmark for excellence in environmental responsibility.

WWF Green Office Certification: WWF conducts a biennial audit to award the Green Office certificate, verifying environmental practices in areas like water, energy, waste, and carbon footprint. Organizations must report data on these areas and eco-friendly initiatives between audits. WWF representatives then assess practices and verify compliance with sustainability criteria, including KPI reduction, communication, training, and recycling.

IFA Grean Leaf Award: Engro Fertilizers Daharki achieved the prestigious 1st position in the International Fertilizers Association (IFA) Green Leaf Award under the Nitrogenous Fertilizers category. This recognition reflects its outstanding performance in Health, Safety, and Environment (HSE). The IFA is globally regarded as the gold standard for fertilizer manufacturers, making this accomplishment a testament to Engro's commitment to excellence.

Net ZERO Waste Project: In 2023, EFERT Manufacturing launched the groundbreaking NET ZERO WASTE Project, showcasing its commitment to sustainability and environmental stewardship. This initiative focuses on minimizing solid waste by transforming it into valuable resources. Organic waste such as food scraps and garden debris are converted into nutrient-rich compost, enhancing soil health and promoting robust plant growth. Additionally, plastic waste is creatively repurposed into lifestyle products like tables, chairs, and wall clocks. The project, which continued through 2024, reflects EFERT's innovative approach to waste reduction and its vision for a sustainable future.

Composting offers numerous advantages for both the environment and agriculture. It enriches soil structure and health by adding organic matter, which improves its ability to retain moisture and essential nutrients. Composting attracts beneficial organisms that enhance soil fertility and reduce the risk of erosion. Additionally, it plays a crucial role in sequestering carbon, contributing to climate change mitigation. By building soil resilience, composting helps agricultural systems adapt to the challenges posed by a changing climate.

EFERT's occupational health & industrial hygiene system (OHIH):

Engro recognizes that the health and well-being of its employees, the community, and society are central to its business philosophy. As part of this commitment, the company places significant emphasis on minimizing workplace accidents. The Occupational Health and Industrial Hygiene (OHIH) Management System reflects Engro Fertilizers' dedication to implementing OHIH programs, procedures, and practices aligned with DuPont's best-in-class standards for OHIH excellence.

Our occupational health and industrial hygiene services are designed to safeguard employee health through comprehensive risk assessments and strict adherence to mitigating controls. At the Daharki plant, the Medical Services and Industrial Hygiene teams oversee the development, implementation, and monitoring of occupational health programs. Regular process monitoring, including technical assessments, ensures safe working conditions. The medical team conducts routine health evaluations of employees and maintains confidential medical records, accessible only to the individual and medical staff.

The medical facility operates 24/7, offering a range of healthcare services and emergency support, including ambulance availability. Health promotion programs are routinely conducted to enhance employee awareness of health-related issues, while individual medical records are carefully maintained to ensure confidentiality.

In 2024, the company launched several "Health Awareness Programs" to equip employees with knowledge about evolving technological advancements and raise awareness of safety and health aspects relevant to their roles. This comprehensive approach to occupational health integrates industrial hygiene practices to maintain a safe and healthy work environment for all.

Engro Fertilizers remains committed to fostering a safe and healthy work environment through various awareness programs and monitoring initiatives.

Key activities include:
Training on Personal Protective Equipment (PPE) Utilization and Hazardous Waste Management: Comprehensive training sessions were conducted for site workers to ensure the effective use of PPE and adherence to best practices in hazardous waste management.

Ergonomic Surveys: Regular ergonomic assessments were carried out to evaluate employees' working postures, aiming to create a safer and more comfortable workplace while promoting a culture of well-being.

Environmental and Workplace Safety Surveys: Various surveys, including air quality monitoring, dust level assessments, lux level monitoring, and other evaluations, were conducted to identify and mitigate potential hazards, ensuring a safe and compliant working environment for all employees.

At EFERT Clinic, promoting the health and well-being of employees and their families remains a core priority. The clinic provides comprehensive health awareness information on common medical conditions, seasonal illnesses, epidemic threats, chronic diseases, and their associated complications. Preventive measures and management strategies are communicated through newsletters, handouts, emails, and targeted health campaigns. Key initiatives include:

Metabolic Syndrome Management: A structured program aimed at preventing and managing metabolic syndrome among employees through education, lifestyle interventions, and regular monitoring.

Weight Management Program: Initiatives designed to encourage healthy weight management practices, focusing on balanced nutrition, physical activity, and personalized guidance.

Breast Cancer Awareness: Comprehensive campaigns and support programs to promote early detection, prevention, and care for breast cancer, ensuring better outcomes for affected individuals. Stress Management Workshops: Resources and interactive workshops to help employees identify, cope with, and reduce stress, fostering a more productive and mentally healthy workforce.

Asthma Awareness and Support: Educational programs to enhance understanding of asthma management and provide support to employees living with the condition.

Typhoid Fever Prevention Campaigns: Awareness sessions and preventive measures, including hygiene education and vaccination, to minimize the spread of typhoid fever within the company and surrounding community.

Smog Awareness and Prevention: Proactive communication campaigns to educate employees about the health risks associated with smog. The clinic shares preventive measures such as the use of masks, reducing outdoor activities during high-smog periods, and promoting the use of air purifiers in indoor spaces.

Periodic Health Assessments at regular intervals are carried out throughout the employment. These assessments are designed to detect chronic illnesses that may impact an employee's fitness for work. Depending on resource availability, the examinations may be conducted in-house or outsourced to external medical facilities.

The primary objectives of the PHA program are:
Fitness Verification and Early Detection: Assessing employees' fitness for duty and identifying early signs of health concerns at the earliest stage.

Monitoring Health Parameters: Tracking critical health indicators such as blood chemistry to ensure comprehensive health monitoring.

Occupational and Non-Occupational Illness Prevention: Identifying and addressing the onset of occupational or non-occupational illnesses in a timely manner.

Promoting Overall Wellness: Encouraging employees to adopt healthier lifestyles through continuous health monitoring and counselling.

Participation in the PHA is mandatory for all employees in accordance with company guidelines. All data collected during these assessments is handled with the utmost confidentiality. Medical records are securely maintained and shared exclusively between the examining doctor and the individual, ensuring privacy and trust.

As part of our commitment to maintaining a safe and healthy work environment, the Occupational Health and Industrial Hygiene (OHIH) program conducts regular surveys and assessments to proactively identify and mitigate potential risks. These comprehensive evaluations include:

Catering and Hygiene Audits: Regular inspections to uphold the highest standards of food safety and sanitation across workplace facilities, safeguarding the health of our employees.

Engro Fertilizers continues to prioritize health and well-being through comprehensive health awareness programs and targeted initiatives. The Medical Team, in collaboration with the HSE section, conducted several impactful sessions during the year, benefiting employees, their families, and the local community. Key highlights include:

1. **Breast Cancer Awareness Month Awareness** sessions were conducted for employees, their families, and senior school and college girls to highlight the importance of early detection and preventive measures.

2. **Health Awareness Sessions for Neighbouring Communities**
   - Villages Covered: Noor Hassan Village, Bhaggo Bhutto, and Jan Muhammad Bughio Village
   - Topics Covered: Women's health and hygiene, breast cancer awareness, antenatal care, and the prevention of malaria, diarrhoea, and dengue.

3. **Better Health, Better Tomorrow Program**
   - Objective: A program launched to manage and support employees with chronic diseases such as diabetes and hypertension.
   - Impact:
   - Achieved a 15% reduction in new diagnoses of chronic diseases.
   - Improved health control among existing chronic disease patients.
   - No new complications were reported among current chronic disease cases.

4. **CAER Seminar (Community Awareness on Emergency Response)**
   - Purpose: Educated nearby industries and local communities on the health hazards associated with ammonia exposure and provided training on first aid measures.
   - Participants: 61 individuals
   - Industries Represented: Mari Gas, Liberty Power, Fauji Fertilizer, Fatima Fertilizer, Foundation Power, and medical professionals from Daharki City

5. **Work-related ill health**

The number of fatalities as a result of work-related ill health	The number of cases of recordable work-related ill health	The main types of work-related ill health
0	0	None

How these hazards have been determined:
Health Risk Assessment (HRA) is conducted as per defined frequency for the identification and evaluation of potential health risk that workers may be exposed to in the workplace. The HRA typically considers a range of factors, including chemical, biological, and physical hazards, as well as ergonomic factors that may impact workers health along with the assessment of control measures available to mitigate the adverse health effects. The exercise is conducted under the lead of Manager who has the necessary expertise and knowledge to conduct HRA effectively.

Which of these hazards have caused or contributed to high-consequence injuries during the reporting period:
During the reporting period ZERO injuries were caused by the work-related illness as mentioned above.

Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls:
Recommendations generated during the HRA exercise are uploaded on HSE MIS for better stewardship. The action items are made as per the hierarchy of control philosophy in order to eliminate or minimize the risk.

All the injuries and illness are properly investigated, and a corrective action plan is developed against them.

In order to determine the illness as occupational / work-related, CMA/MA/OH Advisor/Company designated physicians in locations other than Daharki will initiate the process in consultation with Safety/E&IH/Line management for establishing the nature of illness. Further evaluation will be done by medical personnels based on the nature of the job of the employee, Health risk identification of employee's job based on HRA, Previous HRAs and determination of the magnitude of exposure to health hazard.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

Work-related injuries
EFERT approach to preventing or mitigating significant negative Occupational Health and Safety (OHS) impacts can involve several key elements:

- Risk Assessments such as HRA are conducted to assess the workplace for potential OHS hazards and the risks they pose along with their recommendations.
- Inherent Safety Audit drives are conducted at the site to highlight issues related to OHS and develop a plan for the implementation of controls for effective elimination of identified risks.
- Employee Training: Planned trainings are offered to individuals on OHS policies, procedures, and safe work practices.

- 1st, 2nd & 3rd Party Audits are conducted to identify compliance with OHS, and findings are shared with management for stewardship. Similarly, for any negative OHS concerns, the action items are logged on the portal for better record-keeping and stewardship.

At EFERT, we leveraged technology to develop a digital application for safety equipment inspection as per NFPA standards, with a user-friendly interface and barcode-enabled checklists, which ensures standardized inspections, real-time dashboards, and automated reporting, saving thousands of manhours. Our structured approach to management safety audits, especially in out-of-sight areas, is an integral part of our strong management commitment to proactive hazard identification and risk management.

Road traffic safety remained another focus area where EFERT has developed the road safety helpline supported with emergency response playbook to ensure and facilitate our workforce safety during road travels. These efforts were complemented by providing defensive driving and basic life support trainings, along with driver and vehicle management strategies.

The Zarkhez plant achieved seven million safe manhours with ZERO Total Recordable Incident Rate for the 5th consecutive year. This accomplishment reflects a robust HSE culture and unwavering adherence to HSE policies and principles.

EFERT also collaborated with the National Disaster Management Association (NDMA) and Chemical Weapon Commission (CWC) organized by the Ministry of Foreign Affairs (MOFA) and shared Engro safety practices around hazardous chemical management.

HSE awards & recognition

In 2024, EFERT achieved an outstanding milestone by earning a remarkable total of 11 prestigious national and global recognition, solidifying its position as a leader in Health, Safety and Environment

- **Green Leaf Award by International Fertilizer Association (IFA):** EFERT won the prestigious Green Leaf Award by the International Fertilizer Association (IFA) for environmental sustainability improvements and adopting safety best practices across its operational facility.
- **RoSPA – Industry Sector Award:** EFERT Manufacturing Division won the Silver Award in Industrial Sector from The Royal Society for the Prevention of Accidents (RoSPA) for demonstrating outstanding HSE performance in the year 2024.
- **British Safety Council – International Safety Award:** EFERT Manufacturing Division won the International Safety Award from the British Safety Council for its unwavering commitment to ensuring the safety and well-being of its workforce and surrounding communities.
- **British Safety Council – HSE Transformation Award:** EFERT also secured a finalist position in the HSE transformation award by the British Safety Council for adopting a risk-based safety program.
- **Business UK Award – Corporate Sustainability:** EFERT won the corporate sustainability award by Business Award UK for outstanding efforts in emission reduction and efficiency enhancement.

- **Verdantix – EHS Innovation Award:** EFERT secured a finalist position in the EHS innovation award by Verdantix Europe for implementing strategies and leveraging digital technology in HSE management and sustainability.

- **EFP- 18TH OSH Award:** EFERT Manufacturing Division won the 1st prize at the 18th Occupational Safety & Health Awards by the Employers' Federation of Pakistan for demonstrating a strong commitment to advancing occupational safety, health, and environmental sustainability.

- **EHS Daily Advisor - ESG Champion Award:** EFERT Manufacturing Division has been honored as a finalist in the prestigious ESG Champion Award category by EHS Daily Advisor (USA) for demonstrating exceptional performance in Environmental, Social, and Governance (ESG) programs.

- **ESG Award – Responsible Consumption:** Engro Fertilizers has been honored as a finalist at the ESG Awards for its commitment to advancing UNSDG goals and promoting sustainable practices.

- **National Safety Council- Occupational Excellence Award:** EFERT won the Industry Leader Award from the National Safety Council, USA for its outstanding safety record in managing workplace safety to minimize injury and illness.

- **IFA Safety Benchmark:** EFERT has been recognized for its exceptional HSE performance in the IFA Safety Benchmark Report, ranking among the top performers globally in Lost Time Injury Rate (LTIR). Additionally, EFERT secured the 11th position out of 63 industrial sites worldwide for Total Recordable Incident Rate (TRIR), placing it in the top 20% of best-in-class companies.

By integrating safety into every aspect of our operations and empowering leadership to prioritize HSE, we ensure continuous improvement and alignment with industry best practices. Our HSE excellence is driven by comprehensive training programs, equipping teams with advanced safety tools, and fostering a proactive culture of hazard identification and risk mitigation. This holistic approach underscores our unwavering commitment to a safe and secure workplace.

Our safety performance for the year 2024 is reflected in the statistics below:

Total Recordable Incident Rate (TRIR)	Safe Million Manhours since LWI (Lost Workday Injury)
0.04	70 million manhours and counting

enven turnaround 2024

Engro Fertilizers' Daharki EnVen Plant underwent the largest turnaround in its history
The EnVen Plant Turnaround 2024 marked EFERT's largest and most ambitious planned turnaround to date, spanning 55 days and involving over 5,500 jobs. With a workforce of 6,000 personnel operating daily under extreme conditions, including a 52°C heatwave, the turnaround required meticulous planning and execution.

This turnaround presented significant challenges due to the complexity of the jobs. Key tasks included Syn turbine steam nozzle replacement, elastic rings modification, ammonia storage tank handover, replacement/reconfiguration of the KS coil bank, and the removal and insertion of the waste heat boiler.

Carrying out the EnVen Plant Turnaround 2024 without any major injuries or incidents was a monumental achievement, underscoring EFERT's commitment to safety and operational excellence. The HSE department played a pivotal role in ensuring this success through its proactive measures, dedicated efforts, and innovative strategies. Their involvement went beyond routine support, encompassing key initiatives that prioritized the safety and well-being of every individual involved in the turnaround. Below are the major contributions and initiatives taken by the HSE team:

1. HSE TA App: The HSE department introduced a custom-designed HSE TA App to streamline reporting and enhance communication. This mobile application allowed workers to upload Toolbox Talks (TBTs) and Management Safety Audits (MSAs) in real-time, significantly reducing delays in reporting observations. The app also served as a platform for sharing safety flyers, ensuring that critical safety information reached all relevant personnel promptly. This technological innovation not only improved the turnaround's safety stats but also reflected the department's commitment to leveraging modern tools for better safety management.

2. Safety Booths: Recognizing the need for on-ground support, the HSE team established Safety Booths at strategic locations across the site. These booths provided workers with immediate access to PPE, work instructions, and guidance on safety protocols. The initiative reinforced the organization's motto, "No Assumptions – Always Ask" and "Navigate the Unknown," by encouraging workers to seek assistance whenever in doubt. These booths became a hub for fostering a safety-first culture, ensuring that workers were well-equipped and informed at all times.

3. Safety Campaigns: The HSE department launched several impactful safety campaigns to instil a safety-first mindset among the workforce. Campaigns like "Special MSA" and "Boltay Haath" not only reinforced the importance of safe work practices but also engaged workers at the grassroots level. These campaigns were supplemented with refresher sessions designed to educate and remind workers about critical safety protocols.

Management's commitment to safety was further highlighted through appreciation ceremonies held to recognize individuals who demonstrated exemplary adherence to HSE protocols. These ceremonies celebrated workers' contributions to maintaining a safe environment, boosting morale, and reinforcing the importance of safe practices.

HSE audits and surprise visits

Throughout the turnaround, the HSE team conducted regular audits and surprise site visits to ensure strict compliance with safety standards. These inspections not only identified potential hazards but also served as an opportunity to provide immediate corrective actions and feedback, ensuring continuous improvement.

emergency preparedness and equipment support

The HSE team ensured that workers had access to all necessary safety equipment and provided comprehensive guidance on its proper use. By maintaining a strong presence on-site, the department facilitated seamless coordination in addressing safety concerns and ensuring emergency readiness.

Zarkhez plant has once again accomplished a "ZERO" Total Recordable Incident Rate (TRIR) in a calendar year for the fifth consecutive year. This accomplishment reflects a robust HSE culture and unwavering adherence to HSE policies and principles.

integrated management system (IMS)

EFERT demonstrates its unwavering commitment to excellence and sustainability through its Integrated Management System (IMS), which seamlessly integrates globally recognized standards—ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety). This cohesive framework ensures the alignment of processes to deliver exceptional quality, uphold environmental responsibility, and safeguard workforce health and safety.

By setting clear objectives, implementing robust procedures, and fostering a culture of continuous improvement, the IMS enhances operational efficiency and overall performance. It embodies EFERT's dedication to achieving the highest standards in quality, environmental stewardship, and occupational safety, reaffirming the company's role as a responsible, innovative, and forward-thinking leader in its industry.

management's commitment to cultivating an HSE-first mindset

A strong safety culture is essential to ensure that employees follow safe work practices and that hazards are identified and addressed promptly. This can reduce the risk of accidents, injuries and illnesses and increase the overall efficiency and productivity of the industry. Developing and maintaining a strong safety culture requires ongoing effort, communication, and leadership from all levels of an organization. To improve, sustain, and inculcate the safety culture EFERT took the following initiative in the year 2024.

HSE trainings

Engro Fertilizers Daharki takes pride in its comprehensive training program aimed at enhancing employee skills and fostering a safe and sustainable working environment. In 2024, the following impactful trainings were conducted:

Work Permit Refresher: Reinforcing the principles and practices of the work permit system to ensure safe execution of tasks in hazardous conditions.

Scaffolding Erection Training: Providing employees with hands-on knowledge about safe scaffolding erection techniques to prevent workplace incidents and ensure compliance with safety standards.

Firefighting Training: Equipping personnel with the essential skills to combat fires effectively and mitigate risks during emergency scenarios.

Emergency Squad Training with Civil Aviation Authority: Collaborating with the Civil Aviation Authority to train a specialized emergency squad capable of managing critical situations with precision and efficiency.

LOTO (Lockout/Tagout) Refresher Training: Reinforcing safe energy isolation practices to prevent accidental equipment startups and ensure worker safety during maintenance activities.

Functional Safety Training: Enhancing the understanding of safety instrumented systems to ensure robust risk mitigation strategies and compliance with industry safety standards.

GRI Certification: Empowering employees with Global Reporting Initiative (GRI) certification to improve sustainability reporting and transparency in organizational practices.

Integrated Management Structure: Developing in-house expertise by imparting knowledge to employees regarding ISO standards, ensuring rigorous compliance with quality, environmental, and occupational health and safety systems.

TTM (Sustainability): Educating employees on sustainability principles, including resource optimization and environmental conservation, to align with corporate sustainability goals.

Traffic Safety: Promoting road safety awareness among employees to reduce vehicular incidents and foster safe commuting practices.

TTM (HAZOP/LOPA): Conducting training on Hazard and Operability (HAZOP) and Layer of Protection Analysis (LOPA) to enhance risk assessment capabilities and operational safety.

First Aid Training: Preparing employees to respond effectively to injuries or medical emergencies by providing life-saving first aid techniques.

Moreover, the EFERT HSE also ensures adequate independent oversight of the HSE management system through regular audits and gap analysis including the following:

- Initial gap analysis of the HSE systems
- Action planning
- First-party audit training and checklist development

These initiatives reflect our commitment to maintaining high standards of safety, environmental compliance, and operational excellence across our organization.

safety campaigns

EFERT demonstrates a proactive commitment to safety through a series of impactful campaigns. Initiatives launched in 2024 like "90 days challenge," "MSA of the Month," "Hand Safety", “Incident Reporting”, and “One Behavior, One Resolution” highlight the company's dedication to identifying and mitigating hazards and risks. These campaigns not only create awareness but also foster a culture where safety is paramount. EFERT’s comprehensive approach ensures a secure working environment and reflects its unwavering commitment to the well-being of its employees.

HSE certifications: advancing skills and expertise

Continuing its commitment to professional development, the HSE department once again empowered employees to enhance their skills and expertise in key areas. Several notable certifications were achieved, significantly benefiting both individual competency and site operations:

Functional Safety Certification by TUV Rheinland: A Senior Process Safety Engineer obtained this prestigious certification, strengthening the site's capability in critical safety domains. Leveraging this expertise, the engineer conducted site-wide training sessions on HAZOP, LOPA, and functional safety, elevating the overall competency of the workforce. Furthermore, they successfully led the HAZOP and SIL analysis for the Ammonia Unit, ensuring safety and reliability at the highest level.

GRI Certification: A Senior Environmental Engineer achieved GRI (Global Reporting Initiative) certification, equipping them with a deep understanding of sustainability reporting standards. Following the certification, the engineer facilitated refresher sessions on environmental compliance and GRI principles, enhancing the site's awareness and commitment to sustainability initiatives.

ISO Lead Auditor Certification: A Senior Safety Engineer attained the ISO Lead Auditor certification, gaining advanced expertise in Integrated Management Systems (IMS). This achievement has enabled more effective audits and the seamless integration of ISO requirements into site procedures, ensuring continual improvement in compliance and operational excellence.

engro muhafiz program (marketing)

As per our commitment to social responsibility, EFERT Commercial division took the initiative and launched the Engro Muhafiz Program in 2021. The key objective of the program is to educate and support the community where we operate on Health, Safety, and Environment. A marathon of activities was held with the support of our dealers and Shandar Kissan to educate and help the community improve HSE standards at their homes and workplaces. A total of 917 activities were held across Punjab and Sindh and participated by over 28,000 people in communities where we operate.

Heatwave relief activities	141	Road safety awareness sessions	108
Tree plantation drives	45	Medical camps	4

CSR and HSE Initiatives:

- Field Warehousing Team organized a Road Safety Awareness Seminar in collaboration with National highways and Motorway Police (NHMP). The organizing team briefly discussed and guided students on major road hazards and promoted road safety among students as it is crucial for their protection, both as pedestrians and future drivers. Around 200 individuals attended this session.

- Logistics Daharki team organized a road safety training session for transporters’ drivers and staff, in collaboration with National Highways & Motorway Police. The session was attended by 96 participants including 63 drivers. The session focused on traffic rules, defensive driving, and behavioural safety.

- The agronomy team, in collaboration with NFC Faisalabad, conducted a heat stroke awareness session and walk which was attended by more than 200 students and faculty members.

- Field Warehousing North Zone team arranged a heat stroke relief camp in collaboration with Rescue 1122. The session was attended by around 100 mandi workers and community members. The session aimed at creating awareness of the causes of heat stroke and the preventive measures.

- Agronomy team successfully organized A Free Eye Testing Camp in partnership with KEMU, LHR. The primary goal of the activity was early detection and treatment, distribution of free medicines and glasses, community awareness, and support for the underprivileged. More than 100 women & 90 men were facilitated.

- Field Warehousing team successfully organized a Polio Vaccination Campaign in collaboration with the Health Department of Chiniot City. The team shared awareness with the community about high-risk areas. The health department highly appreciated the effort of Engro. Around 100 individuals attended the session.

- The South Zone Field Warehousing team Installed a water hand pump for a local village where over 100 households faced a lack of access to clean water due to poor underground water quality. This involved an initiative to bore a new water source located around 70 feet away from the village with connection of water lines to the area, making the fresh water easily accessible to everyone.

- The Specialty Fertilizers Business and the distribution teams successfully conducted a tree plantation drive, in collaboration with Larkana Commerce College. Around 100 trees were planted during the event.

transport safety

EFERT's journey management playbook

Engro Fertilizers has a vast road travel footprint spread across the country, with frequent travel across multiple regions. Given this extensive exposure, a structured and proactive approach to elevate road safety is essential. This playbook serves as a comprehensive guide to safeguarding our teams during travel, streamlining emergency response, and defining clear rescue protocols.

The playbook identifies 22 critical routes based on travel frequency and risk assessment of EFERT resources. For each route, safe travel paths have been mapped, along with key emergency contacts, including hospitals, mechanics, and other essential services. Additionally, EFERT zonal officers and designated company representatives are strategically positioned along these routes to provide immediate support when needed—a unique advantage of EFERT's extensive presence, ensuring timely assistance in emergencies.

A cornerstone of this framework is the Emergency Response SOS Framework, offering step-by-step guidance for managing road incidents effectively. This includes clear roles and responsibilities from first responders to rescue teams, ensuring swift and coordinated action. To further enhance safety, the Journey Management Feedback System has been strengthened, enabling continuous monitoring of road conditions, vehicle health, and driver performance. Insights from this system will drive ongoing improvements in travel safety measures.

With this playbook, we reinforce our unwavering commitment to ensuring every journey is safe, secure, and well-managed.

community investments

We aim to go beyond traditional corporate philanthropy and build an inclusive business model in collaboration with the engro foundation that will create positive value for both the company and its communities. We take ownership of the welfare and development of the communities that we engage with and invest in sustainable initiatives that impact the lives of the people around us by inspiring positive change through the social and economic growth of our communities. This commitment is inculcated in all our employees, and we are proud of their direct association with these social initiatives.

corporate social responsibility (CSR) initiatives

Our CSR initiatives span a range of categories from environment, education, and livelihood, to healthcare and infrastructural development. Our CSR initiatives ensure we can allocate our resources to supporting and uplifting the areas we operate in, and we seek to maximize the impact of our investment in these communities.

statement of the charity account

During the year, the Company made donations of

PKR 464 Mn

focused on education, healthcare, environment, infrastructure and general welfare.





planet

our planet

At EFERT, we recognize that environmental responsibility is a cornerstone of sustainable business operations. Our commitment extends beyond compliance, as we actively seek to manage resources and operations in a manner that prioritizes the well-being of our employees, surrounding communities, customers, and visitors. We believe that our HSE obligations go beyond safeguarding our facilities to fostering a positive environmental impact.

Striving for excellence, EFERT adheres to the highest environmental standards and integrates best-in-class technologies to enhance sustainability efforts. We implement DuPont's globally recognized environmental management systems, which undergo regular audits by leading environmental experts. Our strategic roadmap for sustainable value creation is designed to address environmental challenges while minimizing our ecological footprint.

To further our sustainability objectives, EFERT has established the Environmental Sustainability and Stakeholder Engagement Steering Committee. This committee plays a vital role in driving social and economic progress within a two-mile radius of our plant, ensuring community members are well-trained in emergency response protocols aligned with HSE best practices.

As environmental complexities evolve, EFERT remains proactive in identifying, assessing, and managing associated risks. By embedding robust processes and controls, we continuously work towards a more sustainable and resilient future.

At EFERT, we adopt a precautionary approach by proactively identifying risks and implementing preventive measures to mitigate potential impacts on both people and the environment. Our commitment extends to continuously optimizing resource utilization and monitoring sustainability opportunities.

- **Environmental Commitment & Governance**
  Our key environmental principles are deeply embedded in EFERT's sustainability strategy and HSE policy, endorsed by the highest governing authority—the CEO. These principles serve as a guiding framework for all operations, covering both existing projects and future investments.

- **HSE Oversight & Structure**
  The Corporate HSE department plays a pivotal role in overseeing health, safety, and environmental activities across EFERT. Each business unit has its dedicated HSE team, ensuring that operational and site-specific safety and environmental requirements are effectively managed.

- **Regulatory Compliance & Ethical Standards**
  We adhere strictly to local and international laws, industry regulations, and our internal policies, including our Code of Conduct. Ensuring operational excellence and fostering a responsible corporate culture remain at the forefront of our sustainability efforts. Compliance with HSE standards is a fundamental requirement at both the corporate and individual levels.

- **Certifications & Environmental Permits**
  Our operations are governed by local environmental permits, and our manufacturing systems meet the highest industry standards, including ISO 9001 for Quality Management, ISO 14001 for Environmental Management, and ISO 45001 for Occupational Health & Safety.

- **DuPont Environmental Management System**
  EFERT integrates DuPont's globally recognized environmental management systems, ensuring superior environmental performance. Periodic audits by environment specialists validate our adherence to best industrial practices, reinforcing our commitment to sustainability.

- **Comprehensive Environmental Management & Risk Assessment**
  Our robust environmental management system includes stringent technical standards, routine audits, and inspections. Advanced tools such as Hazard and Operability Studies (HAZOP), Layer of Protection Analysis (LOPA), Qualitative risk assessments (QRA), Aspect impact assessments (AIRA), Dispersion modelling, and real-time monitoring of emissions and discharges strengthen our environmental oversight.

- **Alliance for Water Stewardship (AWS) Certification**
  In 2024, EFERT DHK achieved the Core Level Certification under the Alliance for Water Stewardship (AWS) framework, reinforcing its commitment to responsible water management. This globally recognized certification reflects the site's dedication to sustainable water use, ensuring long-term water security for both the facility and surrounding communities.

- **Recognition in IFA's Global Annual Safety Performance Benchmark**
  In 2024, Engro Fertilizers participated in the 21st edition of the International Fertilizer Association (IFA) Global Annual Safety Performance Benchmark and was recognized for its best-in-class HSE performance. This recognition highlights our unwavering commitment to operational excellence, workplace safety, and environmental stewardship. By continuously implementing global best practices, strengthening our safety culture, and adhering to stringent HSE standards, Engro Fertilizers has reinforced its position as an industry leader in health, safety, and environmental performance on an international platform.

- **Global Recognition & Product Stewardship**
  EFERT's holds the prestigious product stewardship certification under the "Protect & Sustain" program by the International Fertilizer Association (IFA). This certification provides a structured framework for implementing product stewardship practices while ensuring continuous improvement.

- **HACCP & Integrated Management System Certifications**
  In 2024, EFERT Daharki successfully completed recertification audits for both the Hazard Analysis Critical Control Point (HACCP) and Integrated Management System (IMS) certifications. This achievement reaffirms the site's commitment to maintaining high standards in food safety, quality, environmental, health, and safety management.

- **Enterprise Risk Management & Environmental Stewardship**
  Major environmental risks are systematically incorporated into EFERT's Enterprise Risk Management (ERM) framework, ensuring regular monitoring and proactive risk mitigation. Environmental performance is consistently assessed, reported internally at defined intervals, and externally through our annual Sustainability Report.

- **Flare System for Emissions Control**
  EFERT urea manufacturing site is equipped with flare systems at Plant-II, which ensures controlled and environmentally responsible flaring during startups and shutdowns, significantly reducing the site's overall greenhouse gas emissions.

- **Geo Membrane lining of Storage Ponds**
  EFERT urea manufacturing site has taken initiative and completed geo membrane lining of all evaporation ponds to protect soil and water from any sort of contamination. Make our operation environmentally friendly and adopt global best practices beyond legal requirements

- **Regulatory Compliance & Performance Indicators**
  We actively track environmental leading and lagging indicators to ensure compliance with Sindh Environmental Quality Standards (SEQS), industry benchmarks, and our corporate sustainability goals.

- **Sustainable Resource Management & Material Reusability**
  EFERT continuously enhances production efficiency by integrating sustainable material management practices. Our biodegradable liners for urea packaging and increased reliance on renewable resources contribute to a more sustainable and circular value chain.

- **Green Office Certification Achievements**
  In 2024, Engro Fertilizers' Zarkhez Division achieved the prestigious Green Office Certification, recognizing its commitment to sustainable office practices and environmental responsibility. This certification reflects the division's ongoing efforts to minimize its environmental impact through efficient resource management and waste reduction. Additionally, the Marketing Division completed its Gap Assessment for Green Office Certification, marking a significant step toward obtaining full certification. The assessment evaluated current practices and identified opportunities for further enhancing sustainability within office operations, reinforcing the division's dedication to adopting eco-friendly practices in the workplace.

energy & emissions

energy

Total Energy Consumption (GJ)	
2024	2023
30,213,145	31,355,426

To ensure sustainable operations with a strong emphasis on energy efficiency, EFERT continuously assesses its energy-sourcing strategies and monitors operational performance to optimize consumption.

The company primarily relies on natural gas, steam, and electricity to meet its energy needs. Natural gas serves as the primary source for generating heat, steam, and electricity, as well as acting as a feedstock for urea production. EFERT's Daharki plant operates as a self-sufficient facility, producing all its required electricity on-site. In contrast, the Zarkhez plant, marketing offices, and head office source their electricity and natural gas from public utilities.

conserving energy by continuously improving & monitoring our processes

As part of its sustainability strategy, EFERT remains committed to reducing energy consumption, particularly its reliance on non-renewable energy sources.

exploring alternative energy solutions

- The company continuously assesses alternative energy sources that are cost-effective, efficient, and environmentally sustainable to align with both business operations and environmental responsibility.

self-sufficiency and renewable energy transition

- EFERT's Daharki plant is fully self-sufficient, generating all its electricity internally.
- To advance its sustainability objectives, the company is actively working to source all externally procured electricity from renewable sources.
- As part of this commitment, EFERT has launched solar energy projects, reinforcing its dedication to environmental conservation.
- A major milestone in this journey was converting 86 warehouses to clean, renewable solar energy, setting a new industry benchmark.

sustainable water management and solar-powered RO plants

- EFERT has installed 11 Reverse Osmosis (RO) plants at various CAER villages and its Daharki site, ensuring the availability of clean water while also enhancing energy efficiency.
- Demonstrating its commitment to renewable energy, 9 out of 11 RO plants have been successfully converted to solar power.

emissions

GHG Emissions - TCO_2e					
2024			2023		
Scope 1	Scope 2	**Total**	Scope 1	Scope 2	**Total**
1,863,844	2,929	**1,866,774**	1,897,534	2,508	**1,900,042**
Other Emissions		-	Other Emissions		-

**Carbon dioxide, methane, and nitrous oxide are included in the calculations given in the tables above*

In the above tables depicting Scope 1 and Scope 2 calculations, three of the GHGs - carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) have been captured out of the seven GHGs - carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), and nitrogen trifluoride (NF3). Furthermore, the sources of emissions include stationary, process, and mobile combustion, as well as employee commute in company-owned vehicles, as applicable in Scope 1 and Scope 2, and in accordance with the nature of the businesses involved. In case of fugitive emissions, CO_2 formed during urea production has been included. The calculations for emissions given in the table, are based on our current data collection systems and in the future, we plan to continue to capture additional data, as and where applicable in our businesses.

Greenhouse Gas (GHG) Emissions and Climate Impact

Like any other fertilizer manufacturing facility, EFERT's urea production process results in Greenhouse Gas (GHG) emissions, primarily carbon dioxide (CO_2). These emissions are an inherent part of the process, resulting from the use of natural gas as both a feedstock and a fuel source. Despite rigorous environmental protection measures, these emissions remain unavoidable.

Balancing Environmental Responsibility with National Food Security

- EFERT's products play a crucial role in enhancing agricultural productivity by providing essential nutrients for crop growth, thereby contributing to national food security.
- The primary environmental impact related to its products includes GHG emissions from transportation and the release of Nitrous Oxide (N_2O) into the soil during fertilizer application.

Innovative Engineering Solutions for Emissions Reduction

- EFERT continues to invest in advanced engineering solutions to optimize operational efficiencies and reduce its environmental footprint.
- Recent modifications during the LTR (Long-Term Reliability) of EnVen plant has improved the plant efficiency, further improving energy utilization and emission management.
- To minimize the environmental impact of its fertilizers, EFERT is collaborating with partners to develop enhanced products with slow-release characteristics and beneficial additives.

CO_2 Emission Monitoring and Compliance

- The company strictly monitors its CO_2 emissions at its plant sites, ensuring compliance with Sindh Environmental Protection Agency (SEPA) limits.
- The company does not yet measure emissions across its full value chain (upstream and downstream operations). However, EFERT is actively exploring feasible mechanisms for capturing these emissions, considering their impact on the supply chain.
- EFERT's assessment of emissions' environmental impact is based on the principles outlined in ISO 14040 Life Cycle Assessment Standards and the United Nations Framework Convention on Climate Change (UNFCCC) guidelines.

As part of its sustainability strategy, EFERT is committed to reducing its carbon footprint few initiatives in this regard which are explained below.

1. As part of EFERT's energy conservation strategy, the installation and inspection of Super Cup Trays in Urea Reactor (R-01) during EnVen LTR has contributed to improved process efficiency and optimized energy utilization.
2. A comprehensive internal inspection and repair of Furnace (F-201) was conducted in EnVen LTR which resulted in improved furnace efficiency, reduced energy wastage, and enhanced operational reliability, reinforcing EFERT's drive towards sustainable energy management and lower carbon footprint.
3. Optimizing Energy Efficiency through Turbo Machines Overhaul during EnVen LTR: a comprehensive overhaul of turbo machinery was conducted. The key upgrades and replacements aimed at enhancing equipment reliability, reducing energy losses, and improving overall plant efficiency.
4. Commissioning of a new CO_2 integration line, connecting all three urea units to minimize CO_2 venting and optimize utilization.
5. Replacement of primary reformer burners along with turbine exhaust gas duct of base plant primary reformer resulted in better combustion efficiency. This project was executed during Base plant LTR in 2022 and since its execution, this project has continued to deliver sustainable improvements in plant efficiency.
6. Reduction of False air ingress in primary reformers of base plant and EnVen plant resulting in better heat efficiency.
7. Steam optimization on the EnVen plant post-LTR has resulted in improved fuel efficiency.

Some more initiatives implemented below:



managing carbon footprint

Engro Fertilizers' Zarkhez Plant has demonstrated a steadfast commitment to environmental sustainability through its successful Plantation Drive in 2024, transforming the facility into a thriving green space. This initiative highlights the team's dedication to creating a cleaner, healthier environment, improving air quality, and supporting biodiversity for a sustainable future.

During the drive, over 680 saplings were planted and flower seedlings. Additionally, a fruit orchard was established, featuring a variety of fruit-bearing plants. The plantation took place on-site and around the entire perimeter of Zarkhez which reflects our proactive approach to enhancing not only its immediate surroundings but also contributing positively to the wider community landscape

EFERT remains committed to minimizing its carbon footprint by implementing strategic initiatives across its operations. The following measures are instrumental in achieving this goal:

1. Energy Audits for Emission Reduction
The HSE division ensures that all locations undergo regular energy audits to identify inefficiencies that may contribute to increased CO_2 emissions. These audits facilitate the development of corrective action plans, which are closely monitored by senior management to ensure continuous improvement.

2. Stakeholder Engagement on HSE Policies
The company actively promotes its HSE policies among employees, transporters, and other value chain participants. By fostering awareness and compliance, EFERT extends its sustainability efforts beyond internal operations.

3. Encouraging Sustainable Farming Practices
To reduce GHG emissions linked to fertilizer use, EFERT promotes the adoption of improved farming techniques. The company advocates for 4R nutrient management (Right Source, Right Rate, Right Time, Right Place) to optimize fertilizer efficiency while mitigating environmental impact.

4. Process Digitization for Resource Conservation
EFERT has significantly reduced paper consumption by digitizing and automating key business processes, including order-to-cash, procure-to-pay, digital payments, and virtual operations. These efforts contribute to resource conservation and operational efficiency.

5. Sustainability through Long-Term Reliability Outage (LTR) Projects
The LTR projects undertaken to enhance equipment efficiency, along with digitization initiatives, are collectively contributing to a lower environmental footprint, reinforcing EFERT's commitment to sustainability and operational excellence.

By integrating these initiatives into its operations, EFERT continues to lead the industry in responsible energy management and environmental stewardship.

reduction of GHG emissions

Please refer to the "Affordable and Clean Energy" heading to know more about the implementation of various initiatives undertaken to reduce CO2 emissions.

biodiversity & land use

At Engro, we recognize biodiversity conservation as an essential element of our approach towards Natural capital management. Though our manufacturing facilities are not adjacent to any officially protected or Key Biodiversity Areas (KBA), we strive to create a positive impact on ecosystem health through our various initiatives related to enriching and conserving biological diversity. Some of our key biodiversity conservation initiatives include the following:

EFERT, along with Engro Foundation partnered with WWF-Pakistan for the conservation of Indus River Dolphins for a five-year period. As part of the project, Engro Foundation works towards protecting, conserving, and managing the viable population of the Indus River Dolphin and its habitat, using internationally developed and tested tools and technological advancements.

Although the last Indus Dolphin population assessment survey conducted in 2017 indicates an increasing trend, the current population is still under 2000, which is an extremely low number for long-term sustainability, especially when the range is restricted and risks are high. Therefore, it requires intensive conservation and management for its viability, incorporating advanced techniques along with conventional conservation approaches.

River dolphin conservation is challenging because of the enormous pressures on its habitat including threats like construction of water infrastructure, diversion of freshwater for agriculture, pollution, stranding in irrigation canals and seasonal lakes, unsustainable fishing practices: net entanglement and illegal fishing (overnight netting, overfishing, poisoning, electro-fishing), inadequate protected area management, etc. and hence the viability of the species needs to be ensured through collective actions.

Some of the key highlights for 2024 include:

- Conservation Assured| River Dolphin Standards (CA | RDS) is a unified tool developed by WWF's River Dolphin Initiative to measure and improve the effectiveness of river dolphin conservation efforts across 15 range countries in Asia and South America. A workshop was hosted for Sindh Wildlife and Fisheries Department and WWF-Pakistan to take forward the (CA|RDS) assessment and monitoring in Sindh, focusing on the Indus River Dolphin Game Reserve.

- Spatial Monitoring and Reporting Tool (SMART) is a desktop-based application linked with a mobile application that supports field staff in collecting data and providing reports and analysis to improve conservation efforts. River guards and wildlife watchers were trained to use this application.
  - Total of 50 patrols were conducted across the Indus Dolphin Reserve and adjoining seasonal lakes and irrigation canals to gather actionable insights.
  - There were 184 dolphin sightings within the river and 19 sightings in the irrigation canals highlighting the significance of these habitats for the species and enhancing conservation efforts.

- Pinger trials to deter the dolphins from coming closer to fishing gear were conducted during the year. The findings from the trials indicate that pingers are useful in the conservation of the Indus River Dolphin and do not indicate any long-term negative behavioral impacts on the Dolphins. Consultative sessions were held to explore integrating pinger technology into fisheries policy, to strengthen sustainable fisheries management and conservation of the Indus River Dolphin.

- Conferences and workshops:
  - A consultative workshop on the Indus River Health Assessment Report Card was organised with the University of Maryland, the workshop included representatives from government departments, Sindh Environmental Protection Agency (SEPA), Sindh Wildlife Department, Academia, and local communities.
  - 2 Webinars were held to share pingers experiment results. In the first webinar Pakistan, India and Indonesia showcased the results of their respective countries. The second webinar was held on tracking River Dolphin Acoustics using F-PODs across rivers in Asia and South America where Pakistan, India, Nepal, and Brazil shared the River Dolphin acoustic results. The webinar engaged global experts and River Dolphin ranger countries on similar experiments.

- A total of 20 eco-clubs have been established in schools across Districts Ghotki and Kashmore in Sindh, as well as in Muzaffargarh, and DG Khan in Punjab to foster environmental awareness and promote sustainable practices amongst schoolchildren.

- WWF-Pakistan initiated a community-based eco-tourism activity to create alternative livelihood opportunities for the local fisher community. This year they identified 1 site for eco-tourism in Sukkur and formed 2 eco-tour groups. These groups were trained as eco-tour guides and were provided eco-tour and safety kits. 2 fishing boats were converted into eco-tour boats.

- A total of 22 outdoor protected area signages were designed and installed around the Indus River Dolphin Game Reserve, Sukkur, and Taunsa Barrage Wildlife Sanctuary, in collaboration with Sindh and Punjab Wildlife Department.

- The Dolphin Rescue Ambulance, was used for community outreach awareness sessions with fisher communities and schools to highlight the importance of the Indus River Dolphin and its conservation.

Child-focused education toolkit - An educational toolkit was designed for primary-level students containing interactive materials on the importance of the Indus River Dolphin and its habitat.

water

Water Management - Mega Litres

Water Withdrawn		Water Consumed		Water Discharged	
2024	2023	2024	2023	2024	2023
16,987	17,494	11,616	12,523	5,371	4,971*

**Note: this figure has been corrected in the current report to address a print error identified in the previous year's (FY2023) report.*

The decrease in water withdrawn for the reporting period is due to a major plant turnaround, resulting in fewer operational days. However, the water discharged increased due to plant start-up and shutdown activities during the reporting period.

Commitment to Water Conservation and Sustainable Management

Recognizing water as a vital natural resource, EFERT remains dedicated to its responsible management to ensure the sustainability of its operations, communities, and ecosystems. With growing challenges such as climate change, deforestation, pollution, and water scarcity, businesses face risks including freshwater shortages, health concerns, and rising operational costs.

Water Usage in Urea Production

Water plays a crucial role in EFERT's urea manufacturing process, primarily used for cooling and steam production. The company sources water from canals and tube wells, ensuring that it meets the required quality standards through pre-treatment processes before use in plant operations.

Enhancing Water Conservation Efforts

EFERT continues to implement measures that optimize water usage and reduce environmental impact. As part of its sustainability strategy, the company successfully completed the geo-membrane lining of evaporation ponds, significantly enhancing water conservation.

Water Reuse and Recycling

EFERT has integrated efficient water conservation mechanisms into its operations to maximize reuse. The cooling water system is designed to chemically treat and recycle water, allowing it to be reused in manufacturing processes. This not only minimizes incremental water consumption but also reduces the strain on freshwater resources.

Through its past and ongoing initiatives, EFERT remains committed to responsible water withdrawals, consumption, and discharge, reinforcing its mission to protect and sustain the environment for future generations.

Lining on Evaporation Ponds Ponds store SEQ and non-NEQS water	Saves contaminations of underground water through reduced seepage
Water Recycling	✓ Dedicated process condensate treatment units ✓ Close circulation cooling towers to minimize water intake vai multiple layers of chemical treatment

Water Management in Water-Stressed Areas
According to the WRI Aqueduct Water Risk Atlas, EFERT's Daharki plant operates in a water-stressed region, making efficient water management a critical priority. The company has implemented key initiatives to enhance water conservation, optimize usage, and minimize environmental impact.

Key Water Conservation Initiatives

- **Alliance for Water Stewardship (AWS) Core Certification** – In 2024, EFERT achieved the AWS Core Certification, a globally recognized standard for responsible water stewardship. This milestone reflects our commitment to sustainable water management, community engagement, and ecosystem protection. The certification process involved:
  - Identifying and addressing shared water challenges in collaboration with key stakeholders, including local communities, regulatory bodies, and industry peers.
  - Implementing water conservation initiatives to optimize consumption, improve wastewater management, and enhance water recycling efforts.
  - Ensuring transparent water governance by monitoring, reporting, and disclosing water-related risks and performance metrics.
  - Engaging with local communities to promote sustainable water use and build climate resilience.
- Development of a Comprehensive Five-Year Water Conservation Roadmap Recognizing the importance of long-term water security, EFERT has developed a detailed five-year water conservation roadmap that outlines strategic initiatives to reduce water withdrawal, improve efficiency, and enhance wastewater reuse. This roadmap addresses physical, regulatory, and reputational water risks, ensuring the company's sustainability objectives align with evolving environmental challenges.
- **Effluent Treatment for Residential Waste**
  EFERT operates an effluent treatment plant that processes residential colony wastewater, ensuring it is treated and cleaned before safe discharge into the canal.
- **Optimized Cooling Towers**
  The use of close-circulation cooling towers significantly reduces freshwater consumption. Multiple layers of chemical treatment have improved the efficiency and performance of water-cooling systems, minimizing water losses.
- **Wastewater Reuse for Horticulture**
  Treated wastewater is repurposed for irrigation at plant sites, reducing dependency on freshwater resources.
- **Lining of Evaporation Ponds with Geo-Membrane**
  Engro Fertilizers has always been at the forefront of implementing sustainable practices, setting industry benchmarks for environmental stewardship. As a pioneer in lining evaporation ponds with geo-membrane, we have taken a significant step toward enhancing water conservation, preventing soil contamination, and ensuring long-term environmental protection. The geo-membrane lining acts as an impermeable barrier, preventing the seepage of industrial wastewater into the groundwater, thereby safeguarding precious water resources. This initiative not only strengthens compliance with environmental regulations but also reinforces our commitment to responsible waste management. By minimizing water loss through seepage, the lining optimizes evaporation efficiency, reducing the environmental footprint of our operations. By leading this initiative, Engro Fertilizers continues to demonstrate its dedication to sustainable industrial practices, ensuring that our operations align with global environmental standards while preserving natural resources for future generations.
- **Water Conservation through Reliability Upgrades**
  During the 2024 Long-Term Reliability (LTR) outage of EnVen plant, EFERT implemented several water efficiency projects, including:
  - Heat exchangers cleaning to optimize thermal performance and reduce water waste.
  - Replacement of waste heat boiler to improve the overall efficiency of the plant by minimizing the water/steam losses.
  - Detailed inspection of cooling towers and their associated utilities network.

  By achieving AWS Core Certification and implementing these initiatives, EFERT reinforces its role as an industry leader in water stewardship, ensuring responsible water use, conservation, and sustainability for future generations.

Water Conservation & Effluent Management at EFERT
EFERT is committed to responsible water stewardship by continuously assessing, monitoring, and optimizing water use at its facility. Senior management plays an active role in ensuring sustainable water use at both plant and community levels to safeguard long-term operational viability.

Key Water Conservation Strategies

- **Facility-Level Water Use Optimization**
  EFERT actively collaborates with supply chain partners and conducts detailed studies to explore options for reducing freshwater withdrawal. The company also maximizes wastewater reuse—such as using treated water for horticulture at plant sites.

- **Strict Effluent Quality Monitoring**
  EFERT maintains rigorous control over discharged water quality by regularly testing for pH, conductivity, ammonia, urea, COD, BOD, and SS. The company strictly adheres to Sindh Environmental Quality Standards (SEQS) and ensures that all discharged water meets regulatory compliance.

waste

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

Total Waste (T)	
2024	2023
915	1,949

Hazardous Waste (T)	
2024	2023
10	257

Non - Hazardous Waste (T)	
2024	2023
905	1,694

In 2024, waste removal began in the second half of the year due to a major turnaround in the first half. This timing shift led to a lower waste volume for the reported period, with the remaining impact to be reflected in 2025.

waste by type and disposal method

EFERT continuously makes efforts to minimizee environmental impacts. The company has implemented effective waste management strategies that involve reduction in waste generation by employing efficient ways for disposal, and treatment and pursuing recycling and recovery options wherever feasible.

Waste generated during the manufacturing of the Urea is related to the material used in the maintenance of plants, packaging bags, and containers containing plant utilities (chemicals, oil, etc.).

EFERT has appropriate procedures and policies to monitor the sources, types, and quantities of all waste produced. The company ensures that as per standard procedures, all waste generated is monitored, recorded, and analyzed. In addition to that stewardship of hazardous waste management is done by the HSE committee and its reuse or disposal plans are developed, keeping in view the most sustainable option for the Company and environment.

EFERT places high importance on recycling or processing waste and only sends waste that cannot be recycled or treated to landfills.

The solid waste generated at the site is handled and managed by SEPA-approved contractors and disposed/recycled in accordance with SEPA guidelines.

To emphasize the value of maintaining a clean environment and reducing waste, the Company has been organizing waste reduction campaigns at the plant and in the nearby community for a number of years. These campaigns include the "Hazardous Waste Segregation" and "WRAP - Waste Reduction Always Pays" programs.

The EFERT addresses waste handling very carefully and there haven't been any instances of improper waste management or disposal having a negative influence on the ecosystems and biodiversity near plant sites.

net zero waste project – ongoing sustainability initiative

In 2024, EFERT continued to implement its Net Zero Waste Project, a sustainability initiative aimed at minimizing solid waste and promoting environmental stewardship. The project focuses on converting organic waste—including food scraps and garden waste—into high-quality compost, which enhances soil health, moisture retention, and carbon sequestration. By repurposing waste into a valuable resource, EFERT reinforces its commitment to circular economy practices and long-term environmental sustainability.

external assurance

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To the Management of Engro Fertilizers Limited

Independent Limited Assurance Report to Engro Fertilizers 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 Limited Assurance under International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" on the Sustainability Report (the Report), aligned with World Economic Forum – Stakeholder Capitalism Pledge [Core] Metrics (WEF Core Metrics), for the year ended 31 December 2024 (the reporting period) of Engro Fertilizers Limited (EFERT, 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) presented in the Company's Sustainability Report for the reporting period.

Applicable Criteria

The Applicable Criteria for Engro Fertilizers Limited are defined as the WEF Core Metrics, provided in EFERT'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. They are 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 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 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.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 professional behavior. KPMG in Pakistan applies relevant standards on quality management, maintaining a comprehensive 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 carry out a Limited Assurance engagement on 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].

Procedures Performed

A Limited Assurance engagement on the Report, aligned with the WEF Core Metrics, consists of making inquiries, primarily of persons responsible for preparing the information presented in the Report and applying analytical and other evidence-gathering procedures, as appropriate. These procedures included:

- Assessment of the suitability of the Applicable Criteria in terms of their relevance, reliability, understandability and their consistent application;
- Interviewed 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;
- Interviewed the relevant staff responsible for providing the information in the Report for WEF Core Metrics;
- Compared 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 Report;
- Reviewed the Company's stakeholder engagement processes to understand how stakeholder feedback is incorporated into its sustainability reporting and performance management practices, and in its finalization of material topics;
- Reviewed the relevant documents and systems for gathering, analyzing, and aggregating sustainability performance data in the reporting period and performed site visits as part of the review procedure; and

- Read the information presented in 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 Limited Assurance engagement vary in nature and timing and are less extensive than those for a reasonable assurance engagement. Consequently, the level of assurance obtained in a Limited Assurance engagement 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 engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, aligned with WEF Core Metrics, as the engagement has not been performed continuously throughout the Reporting Period, and the procedures performed were undertaken on a test 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;
- 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 Sustainability Report, aligned with World Economic Forum – Stakeholder Capitalism Pledge [Core] Metrics, as mentioned in section *Index - World Economic Forum Stakeholder Capitalism Metrics* of the Company's Sustainability Report for the year ended 31 December 2024 is 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 Fertilizers Limited in connection with reporting to Engro Fertilizers Limited and for no other purpose or in any other context.

KPMG Taseer Hadi & Co.

Restriction of Use of Our Report

Our report is released to EFERT on the basis that it shall not be copied, referred to, or disclosed, in whole (save for Engro Fertilizers Limited's internal purposes) 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 EFERT, for any purpose or in any other context. Any party other than EFERT 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 EFERT for our work, for this independent Limited Assurance report, or for the conclusions we have reached.

KPMG Taseer Hadi & Co.

09 JUL 2025

KPMG Taseer Hadi & Co.
Chartered Accountants

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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	5
	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	21-25
	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	31-50
	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	29
			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.	28
			c. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	27-28
		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;	27-28
			b. Reporting concerns about unethical or lawful behaviour and organizational integrity	27-28
	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	59-66

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.	148-152
			a. 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	66
	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).	152-153

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
Planet	Freshwater Availability	Water consumption and withdrawal in water-stressed areas	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. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate	154-157

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)	95-96
		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	110-111
		Wage Level	a. Ratios of standard entry-level wage by gender compared to local minimum wage	111
			b. Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO)	Omitted due to confidentiality.

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	111
	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	132-134
			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	139-141
	Skills for the Future	Training Provided	1. 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)	111-115
			2. Average training and development expenditure per full time employee	114

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	96
			b. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region	96
		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. • Revenue • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment	53-55 (economic contribution) 141-142 (community investment)

Pillar	Themes	Core Metrics	Reporting Requirement	Page Reference
Prosperity	Employment and Wealth Generation	Economic Contribution	b. Financial assistance received from the government - Total monetary value of financial assistance received by the organization from any government during the reporting period	58 Refer to note 19 – Government Grants, of the Annual Consolidated Financial Statements for the year ended December 31, 2024 published in our Annual Report 2024.
	Employment and Wealth Generation	Financial investment contribution	a. Total capital expenditures (CapEx) – Depreciation supported by narrative to describe the company's investment strategy	57
			b. Share buybacks + Dividend payments supported by narrative to describe the company's strategy for returns of capital to shareholders	57
	Innovation of better products and services	Total R&D expenses	a. Total costs related to research and development	56
	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	57-58

UNSDGs

Principle	Statement	Page Number
SDG 1	No Poverty	73
SDG 2	Zero Hunger	77-78
SDG 3	Good Health and Well-being	78-79
SDG 4	Quality Education	73-74
SDG 5	Gender Equality	75-76
SDG 6	Clean water and sanitation	79-80
SDG 7	Affordable and Clean Energy	81
SDG 8	Decent Work and Economic Growth	74
SDG 9	Industry Innovation and Infrastructure	85-87
SDG 10	Reduced Inequalities	74-75
SDG 11	Sustainable Cities and Communities	N/A
SDG 12	Responsible Consumption and Production	82-84
SDG 13	Climate Action	87-88
SDG 14	Life Below Water	88-90
SDG 15	Life on Land	88
SDG 16	Peace, Justice and Strong Institutions	90
SDG 17	Partnerships for the Goals	91

SECP ESG disclosure guidelines

Category	Metric	Measurement Annual, unless specified	Page/Comments
Environment	GHG Emissions	Total amount of Carbon and Green House Gas emissions in metric tons	149-152
		Total amount, in CO2 equivalents, for Scope 1, Scope 2 and Scope 3 (if applicable)	
	Emissions Intensity	Total GHG emissions per output scaling factor (e.g., revenues, sales, units produced)	
		Total non-GHG emissions per output scaling factor	
	Energy Usage	Total amount of energy directly consumed.	148
		Total amount of energy indirectly consumed	
	Energy Intensity	Total direct energy usage per output scaling factor	
	Energy Mix	Percentage: Energy usage by generation type	
		Disclose the energy consumption from renewable sources as a percentage of total energy consumption	
	Water Usage	Total amount of water consumed.	154-157
		Total amount of water reclaimed.	
	Environmental Operations	Does your company follow a formal Environmental Policy? **Yes/No**	157
		Does your company follow specific waste, water, energy, and/or recycling policies? **Yes/No**	
		Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period.	
		Does your company use a recognized energy management system? **Yes/No**	128
	Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? **Yes/No**	124-126
	Sustainable Sourcing	Does your company have a policy and procedures in place for sustainable sourcing? **Yes/No**	111
	Climate Risk Mitigation and adaptation	Climate related transition and physical risks, climate related opportunities, capital deployment, internal carbon prices.	66
Social	CEO Pay Ratio	CEO total compensation to median Full-time Equivalent (FTE) total compensation	Omitted due to confidential data
		Does your company report this metric in regulatory filings? **Yes/No**	110-111

Category	Metric	Measurement Annual, unless specified	Page/Comments
Social	Gender Pay Ratio	Ratio: Median male compensation to median female compensation	110-111
	Employee Turnover	Percentage: Year-over-year change for full-time employees	96
		Percentage: Year-over-year change for part-time employees	
		Percentage: Year-over-year change for contractors and/or consultants	
	Gender Diversity	Percentage: Total enterprise headcount held by men and women	96
		Percentage: Entry- and mid-level positions held by men and women	
		Percentage: Senior- and executive-level positions held by men and women	24-25 of the Annual Report 2024
	Temporary Worker Ratio	Percentage: Total enterprise headcount held by part-time employees	96
		Percentage: Total enterprise headcount held by contractors and/or consultants	
	Non- Discrimination	Does your company have a sexual harassment and/or non-discrimination, diversity, inclusion policy? **Yes/No**	Yes
		Is there a confidential grievance, resolution, reporting and non-retaliation mechanism and procedure to address and respond to incidence of harassment and violence? **Yes/No**	27-28
		Percentage: differently abled Women and men in the workforce	74 under 'Decent Work and Economic Growth
	Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? **Yes/No**	124-133
	Child & Forced Labor	Does your company follow a child and/or forced labour policy? **Yes/No**	111
		If yes, does your child and/or forced labour policy also cover suppliers and vendors? **Yes/No**	
	Corporate Social Responsibility	Please share a list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated to these	139-140 HSE-related CSR initiatives covered under Engro Muhafiz

Category	Metric	Measurement Annual, unless specified	Page/Comments
	Employee training and Succession Planning	Number of training sessions held on the following. Please also mention. the Number of employees and workers trained on these: -Skill Upgradation -Soft Skills - Health and Safety Measures	111-114
		Percentage: Women and men promoted during the year	24-34
	Human Rights	Does your company follow a human rights policy? **Yes/No**	111
		If yes, does your human rights policy also cover suppliers and vendors? **Yes/No**	
	Working Conditions	Number of complaints made by employees regarding working conditions during the reporting period.	132
		Number of complaints regarding working conditions resolved.	
	Injury Rate	Percentage: Frequency of injury events relative to total workforce time Number of safety-related incidents during the reporting year and Number of lost production hours as a result	105
		Disclose the percentage of employees/workers covered with Health and Safety Insurance	105
	Marketing	Do you have responsible gender sensitive marketing communication policy or a commitment embedded in larger corporate policy? **Yes/No**	N/A
Governance	Board Diversity	Percentage: Total board seats occupied by men and women Percentage: Committee chairs occupied by men and women	22-23
	Board Independence	Does company prohibit CEO from serving as board chair? **Yes/No**	
		Percentage: Total board seats occupied by independents	
	Board competence	Percentage of ESG-certified board members.	
	Incentivized Pay	Are executives formally incentivized to perform on sustainability? **Yes/No**	
	Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	

Category	Metric	Measurement Annual, unless specified	Page/Comments
Governance	Supplier Code of Conduct	Are your vendors or suppliers required to follow a Code of Conduct? **Yes/No**	Yes. Our vendor pre-qualification process requires vendors to submit an undertaking to comply with our vendor Code of Conduct
		If yes, what percentage of your suppliers have formally certified their compliance with the code?	
	Ethics & Anti-Corruption	Does your company follow an Ethics and/or Anti-Corruption policy? If yes, what percentage of your workforce has formally certified its compliance with the policy?	29
	Data Privacy	Does your company follow a Data Privacy policy? **Yes/No**	Yes 99-102 Refer to ICT Governance section in our Annual Report 2024.
		Does your company taken steps to comply with general data protection rules/ framework? **Yes/No**	
	Sustainability Reporting	Does your company publish a sustainability report? **Yes/No** Is sustainability data included in your regulatory filings? **Yes/No**	1-2
	Disclosure Practices	Does your company provide sustainability data in line with any sustainability reporting frameworks? **Yes/No**	1-2
		Does your company focus on specific UN Sustainable Development Goals (SDGs)? **Yes/No**	
		Does your company set targets and report progress on the UN SDGs? **Yes/No**	
	External Assurance	Are your sustainability disclosures assured or validated by a third party? **Yes/No**	159-160