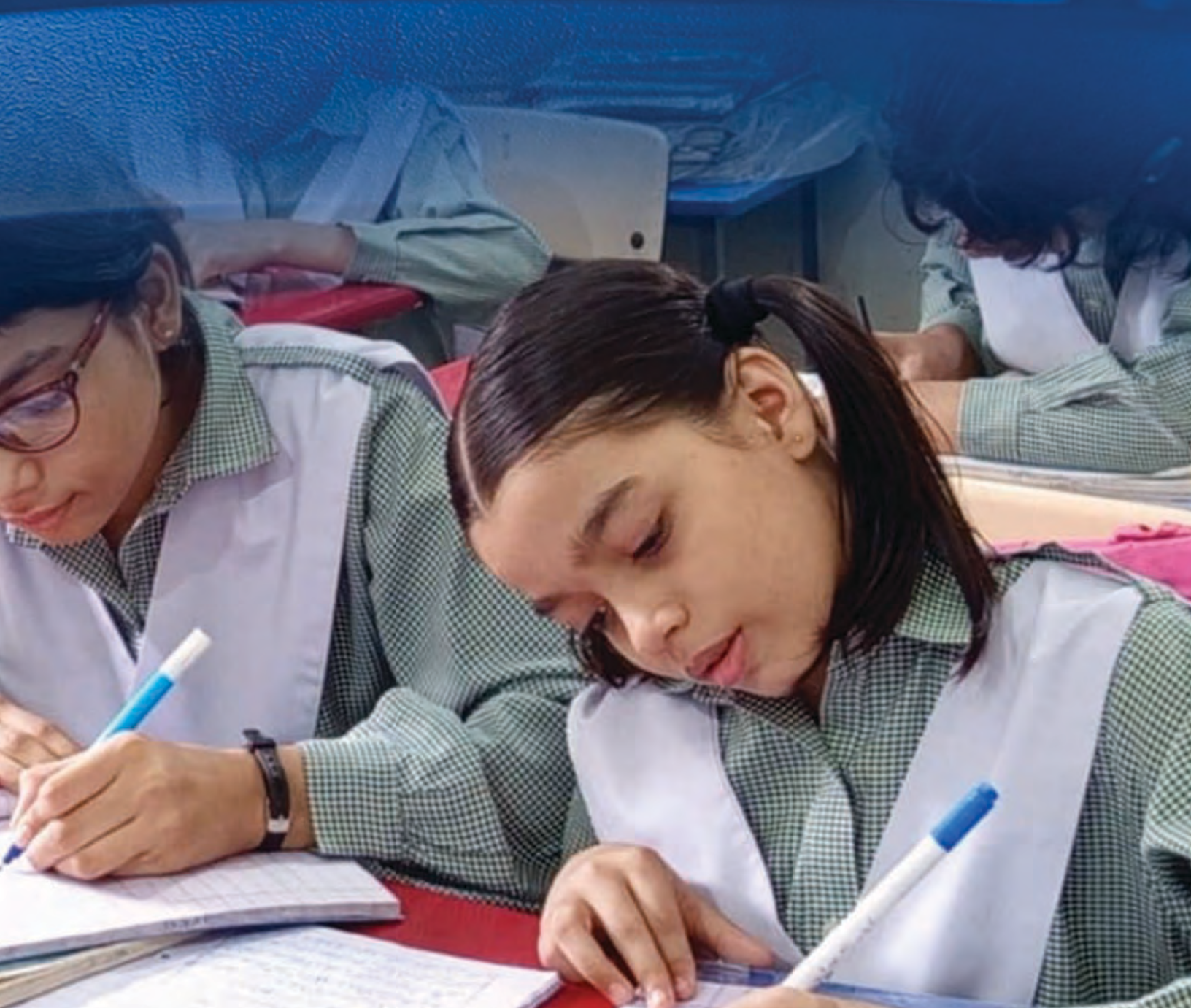


# SUSTAINABILITY **REPORT**

Sustainability is not an option — it is our responsibility to  
people, planet, and progress



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# CHAIRMAN'S MESSAGE



## **Dear Stakeholders,**

The year 2025 has once again highlighted the realities of an evolving global landscape. Economic uncertainty, geopolitical risks, and intensifying climate-related events continue to challenge businesses and communities alike. Record global temperatures and extreme weather conditions serve as a clear reminder of the urgency for collective action on climate change and sustainable growth.

At Hi-Tech Lubricants Limited (HTL), we continue to respond to these challenges in a measured and consistent way. During the year, we advanced initiatives in energy efficiency, responsible resource management, and climate-risk governance, while maintaining our focus on people and communities. Through investment in talent development, inclusion, and social programs, we remain committed to creating long-term value for all stakeholders.

We recognize that credibility is built on transparency. This Sustainability Report reflects our progressive alignment with international standards. While full implementation will take place in phases, we are gradually integrating the principles of the IFRS S1 and S2 standards, the GRI Standards, the IIRC Framework, and the SECP CSR Guidelines into our reporting practices. This approach allows us to strengthen the quality and reliability of our disclosures while preparing for broader compliance in the years ahead.

Our material topics are also mapped against the UN Sustainable Development Goals (SDGs), reinforcing HTL's contribution to global priorities. Embedding these considerations into our governance, risk management, and strategy ensures that sustainability is not separate from business—it is central to how we create value and safeguard the future.

As Chairman of the Risk and Sustainability Committee, I am encouraged by the progress we have achieved but remain mindful of the journey ahead. We will continue to strengthen accountability, foster innovation, and build resilience to ensure that HTL remains a trusted and forward-looking organization.

On behalf of the Committee and the Board, I sincerely thank our employees, customers, partners, and shareholders for their trust and support. Together, we will continue to pursue responsible growth and resilient futures.

Best regards,

**Faraz Zaidi**

**Chairman, Risk and Sustainability Committee**

# SUSTAINABILITY FRAMEWORK

At HTL, sustainability is embedded at the core of our business strategy. In line with our commitment to transparency and accountability, we are progressively adopting the International Financial Reporting Standards (IFRS) on Sustainability Reporting. Our disclosures incorporate key elements of IFRS S1 (General Requirements for Sustainability-Related Financial Disclosures) and IFRS S2 (Climate-Related Disclosures), alongside the Global Reporting Initiative (GRI) Standards, the IIRC Framework, and the SECP CSR Guidelines. While implementation will continue in phases, we have already integrated core components of governance, strategy, risk management, and metrics & targets into our reporting approach.

## GOVERNANCE

### Leadership Commitment

HTL's Board is committed to embedding sustainability into the company's long-term strategy. The Board of Directors, supported by the Risk & Sustainability Committee and a dedicated sustainability function, ensures that sustainability principles are consistently aligned with corporate objectives, risk appetite, and stakeholder priorities.

The Board's Risk and Sustainability Committee (RSC), operating under the authority of the Board, provides dedicated oversight of sustainability risks and opportunities. Current composition of the Board's Risk and Sustainability Committee (RSC) is stated below:

Member Name	Role in Committee	Category
Mr. Faraz Akhtar Zaidi	Chairman	Non-Executive Director
Ms. Mavira Tahir	Member	Non-Executive Director
Mr. Shafiq ur Rehman	Member	Non-Executive Independent Director

The Board defines the sustainability vision, approves strategic priorities and budgets, and oversees implementation. This governance framework ensures accountability, transparency, and effective delivery across the organization.

### Key Priorities

- **Economic Goals:** Enhance resilience through operational efficiency, supply chain sustainability, and sustainable growth strategies.
- **Environmental Goals:** Reduce carbon footprint, improve energy efficiency, and strengthen waste management practices.
- **Social Goals:** Safeguard employee health and safety, promote diversity and inclusion, and strengthen community engagement.
- **Governance Goals:** Maintain transparency, ethical decision-making, and accountability across all operations.

## POLICIES, STANDARDS & GUIDELINES

OUR SUSTAINABILITY APPROACH IS GUIDED BY ROBUST POLICIES AND GLOBALLY RECOGNIZED STANDARDS:

Material Matters	Policies & Standards	Purpose
Climate Change	IFRS-S2, Govt. Emission Guidelines	Framework for managing climate risks & GHG accounting
Environmental Stewardship	HTL ESG Policy, ISO 14001:2015	Ensure responsible environmental management and compliance
Innovation & Product Stewardship	ISO 9001:2015, CRM Systems	Drive quality, innovation, and customer satisfaction
Safety & Health	HTL HSE Policy, ISO 45001:2018	Maintain global standards for workplace safety & health
Supply Chain Management	Code of Conduct, Procurement Standards	Ensure ethical sourcing, compliance, and risk mitigation
Community Engagement	SDG Alignment, Code of Conduct	Promote education, skills development, and community partnerships
Talent Management	Diversity & HR Policies, Training Programs	Foster employee development, inclusivity, and well-being
Corporate Governance	Anti-Bribery & Corruption, Whistleblowing, Risk Policy	Safeguard ethical practices and strengthen oversight
Human Rights	UNGP, Labor Laws	Uphold human rights across the value chain
Cybersecurity & digitalization	IT Governance & Cybersecurity Standards	Protect assets, data, and digital infrastructure

# RISK MANAGEMENT

Sustainability risks are integrated into HTL's enterprise-wide risk management framework, with structured processes for identification, assessment, prioritization, monitoring, and reporting.

## Climate Risks (IFRS S2):

Evaluated under physical (extreme weather events, flooding, heat stress) and transition risks (regulatory changes, consumer shifts). Scenario analysis will be conducted over short (up to 3 years), medium (up to 10 years), and long-term (up to 20 years) horizons, using IPCC and IEA benchmarks.

## Risk Appetite & Response:

High-impact risks are addressed through mitigation measures and controls, ensuring alignment with HTL's strategic objectives and long-term resilience.

## STRATEGY

HTL's sustainability and climate strategy is aligned with IFRS S1/S2 and global best practices, ensuring effective management of risks and opportunities:

### 1.Materiality Review

Identification of industry trends, stakeholder concerns, and regulatory requirements.

### 2.Prioritisation

Mapping material matters against business impact and stakeholder expectations

### 3.Stakeholder Engagement

Incorporating feedback from internal and external stakeholders.

### 4.Validation

Board-level approval of sustainability risks, opportunities, and priorities.

### 5.Implementation

Alignment of policies, capital allocation, and operations with sustainability commitments. Key opportunities include developing eco-friendly lubricants, advancing digital transformation, building resilient supply chains, and strengthening workforce well-being initiatives.





## Metrics and Targets

HTL continues to pursue measurable sustainability objectives for 2025 and beyond, aligned with GRI Standards and consistent with global best practices.

Material Matters	2025 and Beyond Targets
Climate Change	Maintain low-emission logistics; invest in renewable technologies to further reduce carbon footprint
Environmental Stewardship	Expand sustainable sourcing across product lines; introduce refillable packaging options
Innovation & Product Stewardship	Launch biodegradable lubricants; increase R&D for sustainable formulations
Safety & Health	Enhance compliance and training; introduce digital monitoring for workplace safety
Supply Chain Management	Expand supplier sustainability program; enforce stricter ESG criteria
Community Engagement	Strengthen partnerships with communities for awareness, education, and recycling initiatives
Talent Management & Well-Being	Advance diversity and inclusion; enhance employee development and well-being programs
Corporate Governance	Strengthen ESG reporting practices; reinforce transparency and ethical compliance
Business Strategy & Financial Resilience	Diversify revenue streams with sustainable products and ecological technologies
Human Rights	Ensure compliance with international standards; implement accessible grievance mechanisms
Cybersecurity & Digitalization	Enhance cybersecurity protocols; expand digital channels for customer interactions

## Climate Strategy & Partnership With Sk Enmove

As HTL's principal supplier and long-term partner, SK Enmove plays a vital role in supporting our sustainability objectives. SK Enmove has invested in low-carbon innovation, renewable materials, and advanced climate risk modelling, which strengthens the resilience of HTL's supply chain.

HTL will continue leveraging this partnership to align with international climate practices while developing its own capabilities in scenario analysis, resilience planning, and stakeholder engagement.



# COMMUNITY ENGAGEMENT



## Alignment with SDGs

HTL's community engagement strategy supports the United Nations Sustainable Development Goals, particularly:

SDG 1 – NO POVERTY  
SDG 3 – GOOD HEALTH & WELL-BEING  
SDG 4 – QUALITY EDUCATION  
SDG 8 – DECENT WORK & ECONOMIC GROWTH  
SDG 17 – PARTNERSHIPS FOR THE GOALS

## How it matters

HTL delivers its community initiatives primarily through the Sabra Hamida Trust (SHT), which operates the Iimgah School System and associated welfare programs. These initiatives are designed to uplift underserved communities, expand access to quality education and healthcare, and promote environmental stewardship. By investing in social development, HTL strengthens trust with society and ensures its business growth creates long-lasting positive impact.

## Key Achievements in 2025

- PKR 18 million contributed in 2025, consistent with the contribution in 2024.
- Over the last six years, HTL's cumulative contribution through SHT has reached PKR 190.7 million, enabling sustained education, healthcare, and welfare initiatives.



## Education – Iimgah School System

### (Run by SHT)

More than 550 students are currently studying, and since inception in 2011, over 1,500 students have successfully completed their schooling, maintaining a 100% pass rate.

### Teacher Development:

- Training programs on English language, academic excellence, and motivational methods strengthened faculty capabilities.



### Student Enrichment

- Debates, speech contests, annual prize distributions, and sports events broadened student learning and confidence.



### Vocational & IT Training:

- Nine batches of computer training programs successfully completed, covering fundamentals of IT, Microsoft Office, internet navigation, C++, and graphic design. More than 100 individuals have been trained to date, including 77 students in 2024, equipping participants with practical and employable skills.



### Faculty Exposure:

- Cultural and educational trips for Iimgah staff enhanced professional development and community engagement.





## Healthcare & Well-being

### Medical Camps:

Free medical camps conducted in underserved communities in partnership with Transparent Hands, focusing on women's and general health.



### Pink October Campaign:

Breast cancer awareness sessions with Shaukat Khanum emphasized early detection and preventive care.



### Blood Donation Drives:

Partnership with Sundas Foundation enabled regular blood donations by HTL employees to support patients in need.

### Medical Check-ups:

Preventive health screenings organized for both IImgah faculty and HTL employees.





## Community Development & Environmental Stewardship

### Tree Plantation with PHA:

Over 5,000 trees planted in 2024, with ongoing plantation drives in 2025, promoting ecological sustainability.



### Green Food Initiative:

Establishment of vegetable gardens at IIMGah Schools and HTL's Blending Plant, encouraging sustainable practices among students and employees.



### Gender Equity Campaign:

"Strength Behind the Strength" campaign recognized the contributions of women at the workplace and within households.



### Our partners



## Shared Initiatives (HTL + IIMGah)

### Faculty Luncheons:

Joint gatherings of HTL management, employees, and IIMGah faculty fostered collaboration and unity.



### Environmental Programs:

Tree plantation and Green Food initiatives included participation of both HTL employees and IIMGah students, strengthening community and corporate integration.



# HUMAN RIGHTS, TALENT MANAGEMENT AND WELL BEING



## Alignment with SDGs

### HTL's approach contributes to:

SDG GOAL: 8 — GOOD JOBS & ECONOMIC GROWTH

SDG GOAL: 10 — REDUCED INEQUALITIES

## How it matters to HTL and its Stakeholders:

At HTL, we believe that every individual must be treated with dignity, fairness, and respect, regardless of gender, religion, or background. Our commitment to human rights and diversity not only strengthens trust with employees, customers, suppliers, and communities but also serves as the foundation of our license to operate.

We also recognize that a highly skilled and engaged workforce is central to resilience and the execution of strategic priorities. By investing in people, embedding human rights principles, and promoting inclusivity, HTL nurtures a culture that supports innovation, productivity, and long-term growth.

## HTL Management Approach

Our approach integrates both human rights safeguards and proactive talent management:

### • Human Rights:

Risk assessments conducted across operations and supply chains, covering labor conditions, working hours, wages and benefits, and freedom of association. A grievance mechanism is in place to ensure employees can raise concerns without fear of discrimination or reprisal.

### • Talent Development:

Employee skills are strengthened through structured training, leadership development, and capacity-building programs.

### • Employee Well-being:

Policies on flexible working, leave, health insurance, and workplace inclusivity are reinforced by wellness initiatives and performance-linked recognition.

## The Code of Conduct on Human Rights (CoCHR) emphasizes:

- Freedom of Labour
- Prevention of Child Labour
- Wages and Benefits

- Working Hours
- Grievance Mechanism
- Non-Discrimination
- Freedom of Association
- Humane Treatment
- Foreign & Migrant Workers

## PROGRESS AND IMPACT

### Training & Development

Training remains a cornerstone of our strategy to enhance employee capabilities and agility.

### Training Highlights (FY2024–25):

- **Programs Conducted: 16**
- **Employees Trained: 218**
- **Total Training Hours: 830**

### Key Training areas

- Workshop on Updated PPRA Rules Planning & Bidding Process Supplier & Bidder Registration through E - Procurement Fundamentals of Data Analytics
- Director Training Program
- Essence of Leadership
- Fundamentals of Data Analytics - Knowledge Sharing Session
- Workshop on Updated PPRA Rules Planning & Bidding Process Supplier & Bidder Registration through E - Procurement Fundamentals of Data Analytics - Knowledge Sharing Session
- Awareness Session on Najas, Halal Haram & Personal Hygiene
- Machine Safety & Safe Work Practices
- ISO 14001:2015 EMS Lead Auditor Training Course
- Business Analytics with MS Excel & Power BI (Level-1-4)
- Implementation & Awareness Session on FSSC 22000 V6.0
- ESG Fundamentals & GRI Reporting Framework (2 Time)
- Sampling Operations
- Performance Management
- Defensive Driving Training
- Machine Calibration Training



Halal Haram & Personal Hygiene



Machine Safety & Safe Work Practices



Defensive Driving Training



## Management Trainee & Internship Programs:

- **Management Trainees:** 4 recruited
- **Interns:** 19 recruited
- Designed to provide graduates with rotational exposure across departments, ensuring a pipeline of future leaders.

## Compensation & Benefits

Category	2025 (PKR)	2024 (PKR)	Change
Total Remuneration	1,313,591,048	1,140,000,000	↑ 15%
Provident Fund	41,366,101	37,041,931	↑ 12%
Long Service Benefits	As per policy	As per policy	Ongoing
Performance Incentives	As per policy	As per policy	Ongoing

HTL maintains performance-based incentives, provident fund contributions, and long-service benefits, demonstrating its recognition and retention culture while ensuring financial security for employees.

## Gender Pay Equity (2025)

Category	Male (PKR/hour)	Female (PKR/hour)	Gender Pay Gap
Mean	885	1,443	-63% (Females earn more)
Median	498	824	-65% (Females earn more)

HTL's 2025 Gender Pay Gap analysis shows a negative pay gap, meaning that female employees earn more than male employees in comparable roles. Females earn 63% more on average pay and 65% more on median pay, reflecting HTL's strong commitment to equitable compensation and its Diversity & Inclusion (D&I) policy.

## Employee Turnover And Reportable Injuries

Employee turnover remained low at 2.7% in 2025, reflecting high engagement and retention.

Zero reportable injuries or occupational diseases recorded, underscoring HTL's focus on health and safety.

## Employee Well-being & Engagement

- **Work-life Balance:** Flexible working hours, supportive leave policies, and casual attire.
- **Health & Insurance:** Comprehensive health coverage, including family medical support.
- **Wellness:** Cricket matches, nutritious lunches, and recreational trips.
- **Recognition:** Performance-based awards integrated into appraisal systems.
- **Sustainability Link:** Employee evaluations incorporate sustainability objectives, embedding accountability across the workforce.



# BUSINESS STRATEGY AND FINANCIAL RESILIENCE

## Alignment with SDGs

### HTL's strategy supports:

SDG GOAL: 8 — Decent Work and Economic Growth  
SDG GOAL: 11 — Sustainable cities and Communities

## How it matters to HTL and Its Stakeholders

A resilient business strategy is the cornerstone of sustainable growth. It enables HTL to withstand challenging economic conditions, navigate geopolitical uncertainties, and address climate-related risks.

HTL has initiated the phased adoption of the Sustainability Accounting Standards Board (SASB) inaugural standards — IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures). While full implementation is ongoing, our disclosures incorporate selected elements of these frameworks, demonstrating our commitment to transparency, accountability, and gradual alignment with global best practices.

## HTL Management Approach

Our strategy is shaped by marketing, supply chain, and commercial excellence, supported by the integration of EESG (Economic, Environmental, Social, and Governance) principles across the value chain.

Key features of our management approach include:

- Continuous optimization of HTBL plant operations for efficiency and sustainability.
- Integration of digitalization and sustainability into business processes to build long-term resilience.
- Strategic capital allocation discipline, prioritizing projects aligned with sustainability priorities.
- Long-term focus on climate-friendly initiatives and renewable energy investments.

## PROGRESS & IMPACT IN 2025

### Operational Strengthening

- The solar energy system installed at the HTBL plant in 2023 is now fully operational, delivering measurable reductions in energy consumption and emissions.
- In 2025, HTL extended this initiative by installing a solar energy system at the Head Office, further reducing reliance on conventional energy sources and supporting long-term climate goals.
- HTL also advanced its sustainability agenda by initiating the process of establishing a dedicated sustainability department, aimed at enhancing oversight and integration of sustainability initiatives across the organization.

## Financial Resilience

- Resources were strategically directed toward projects that strengthen operational resilience and align with sustainability priorities.
- Monitoring and evaluation of sustainability-related initiatives were further improved in 2025, ensuring both financial and non-financial outcomes are systematically assessed.
- Investment decisions increasingly integrate environmental and social considerations, reinforcing HTL's commitment to long-term value creation.





# SAFETY & HEALTH

## Alignment with the UN Sustainable Development Goals (SDGs)

SDG GOAL: 3 – GOOD HEALTH AND WELL BEING

SDG GOAL: 6 – CLEAN WATER AND SANITATION

## Our Commitment

At HTL, safeguarding the health and safety of our employees, and surrounding communities is a top priority. We are committed to providing safe working environments, ensuring compliance with international standards, and continuously improving occupational health practices. Access to clean water, sanitation facilities, and safe operations forms the backbone of our sustainability agenda in line with SDG 3 and SDG 6.

## Management Approach

Our Health & Safety Strategy focuses on:

1. Proactive Risk Management – Conducting regular hazard identification, risk assessments, and safety audits.
2. Safe Work Environment – Implementing state-of-the-art safety equipment, emergency preparedness drills, and training sessions.
3. Employee Well-being – Providing medical facilities, wellness programs, and health awareness sessions.
4. Sustainable Water & Sanitation Practices – Ensuring safe drinking water and sanitation facilities across all operations.

We encourage a “safety-first culture” by engaging all employees through training, toolbox talks, and active participation in hazard reporting and safety improvements.

## HEALTH & SAFETY GOVERNANCE

To ensure strong oversight, a Health & Safety Committee has been established at the HTBL Plant site.

Key members include:

Name	Designation in HTBL
Mr. Muhammad Ali Hassan	Chief Executive Officer
Mr. Yaqub Aziz	Chief Operating Officer
Mr. Syed Ahmad Mujtaba	QHSE Coordinator

The committee is responsible for:

- Monitoring compliance with HSE policies and ISO 45001:2018 requirements.
- Reviewing incident reports, near misses, and corrective actions.
- Coordinating risk assessments and updating the Risk Register.
- Promoting employee awareness and participation in safety initiatives.
- Recommending continuous improvement measures to management.

The Committee serves as a platform for collaboration between management, employees, and health & safety representatives, ensuring that safety considerations remain central to daily operations.



## Health And Safety Excellence

Indicator	2025	2024	2023
ISO 45001:2018 certified facilities	✓	✓	✓
Number of Fatalities recorded	Nil	Nil	Nil
Incidents of Major Fire	Nil	Nil	Nil
Incidents of Major Injuries	Nil	Nil	Nil
Total Recordable Occupational Illness Frequency	19	21	48
HSE incidents affecting communities	Nil	Nil	Nil
Summons from authorities/regulatory bodies	Nil	Nil	Nil
Lost Time Injury Frequency (LTIFR – per million man-hours)	Nil	Nil	Nil
Lost Time Injury (Number of Cases)	Nil	Nil	Nil
Total Recordable Case Frequency (TRCF – per million man-hours)	Nil	Nil	Nil
Total Recordable Court Cases	Nil	Nil	Nil

## Light/ Luminous Monitoring

Sr no	Monitoring location	IES recommended values	Average lux 2025		Average lux 2024		Average lux 2023	
1	LT Room	200-500	340	338	490	497	422	417
2	EBM Production Hall 1	200-500	314	324	467	474	527	388
3	EBM Production Hall 2	200-500	372	364	438	445	440	274
4	Filling Hall	200-500	379	380	457	466	489	372
5	Kettle Area	200-500	440	453	481	488	497	414
6	Empty package Hall	200-500	380	364	496	490	611	607
7	Control Room	250-500	380	341	468	472	340	597
8	Admin Block	250-500	400	451	496	483	713	614
9	QCD Lab	250-500	300	318	491	494	548	586





# PRODUCT STEWARDSHIP & CUSTOMER RELATIONSHIP MANAGEMENT

## Alignment with SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

HTL advances sustainability by distributing energy-efficient lubricants and supporting the introduction of innovative solutions from its global partner, SK Enmove Co., Ltd. Through this partnership, HTL contributes to responsible consumption practices while strengthening its role as a key enabler of sustainable products in Pakistan

## Importance to HTL and Stakeholders

Partnership with SK Enmove Co., Ltd., a pioneer in energy-efficient lubricants and Liquid Immersion Cooling (LIC) technology, reinforces HTL's positioning as a channel for global innovations. Anticipated growth in EV-specific lubricants offers opportunities for HTL to serve the domestic and regional markets with sustainable solutions.

## Progress and Market Outlook

- SK Enmove Co., Ltd. has produced EV lubricants since 2013 and rebranded in 2021 to emphasize energy efficiency.
- The global e-fluid market is projected to reach USD 9 billion by 2040, offering HTL significant expansion opportunities.
- Introduction of ZIC e-FLO reflects HTL's commitment to bringing world-class innovations that improve efficiency and sustainability.
- By leveraging global R&D capabilities, HTL is well positioned to capture opportunities in evolving automotive and industrial sectors.

## Customer Relationship Management

HTL maintains a responsible approach to product stewardship, ensuring high-quality service and customer trust.

Focus Area	HTL's Approach
Customer Service	Maintains strong order fulfillment ratio (95%), with a target to sustain or improve.
Engagement Platforms	Auto Ready Mobile App and Help Desk Centre for seamless communication.
Complaint Resolution	Structured escalation process through Distributors, Sales, and Business Intelligence teams.
Technical Support	Regular engagement and guidance for distributors and customers.
Knowledge Sharing	Training sessions and technical briefings to maximize product efficiency and usage.

## Our International Associations and Membership through SK Enmove Co., Ltd.



# ENVIRONMENTAL STEWARDSHIP



## Alignment with SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 15 – LIFE ON EARTH

HTL actively contributes to these goals through sustainable production practices, strict environmental compliance, and initiatives to preserve biodiversity, ensuring long-term ecological sustainability alongside business continuity.

## Importance to HTL and the Environment

- Commitment to environmental compliance strengthens brand reputation and meets increasing consumer demand for sustainable products.
- Minimizing environmental impact reduces operational risks, enhances supply chain resilience, and supports business continuity.
- Adoption of eco-friendly practices creates long-term value and positions HTL as a leader in sustainable innovation.

## Management Approach

- Compliance with all relevant environmental regulations across operations.
- ISO 14001:2015 certification at key facilities, reflecting a robust Environmental Management System.
- Zero environmental non-compliance reported in FY 2025.

## Biodiversity Commitment

- Recognizing the importance of biodiversity in maintaining ecosystem balance, providing food, clean water, medicine, and supporting processes such as pollination and nutrient cycling.
- HTL operations in Pakistan are designed to minimize impacts on biodiversity, adhering to eco-friendly principles.
- Continuous improvement initiatives reinforce the company's commitment to preserving natural habitats.

## PROGRESS AND IMPACT

### WATER AND WASTEWATER MANAGEMENT

Operations are designed to be waterless, eliminating water intake and discharge, and demonstrating efficient resource utilization.

### Waste Management

Waste is processed through EPA-approved Ali Trade Waste Management (ATWM), ensuring environmentally responsible disposal.

### Drinking Water Quality

100% compliance with drinking water standards, providing employees with safe and reliable water.

### Waste & Effluents

Description	Unit	2025	2024	2023
<b>Total waste generated</b>	Kg	936	10,109	9,857

Blending and production processes generate minimal hazardous and non-hazardous waste, reflecting a responsible approach to resource management.





# CLIMATE CHANGE



## Aligned SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 13 – CLIMATE ACTION

HTL recognizes climate change as a critical operational, environmental, and strategic challenge. The company is committed to mitigating climate-related risks, promoting sustainable energy use, and contributing to a low-carbon economy.

## Importance to HTL and the Environment

- **Climate Risks:** Extreme weather events can disrupt supply chains, affecting sourcing, transportation, and product availability.
- **Business Continuity:** Building climate-resilient operations ensures uninterrupted services and operational reliability.
- **Market Demand:** Increasing stakeholder awareness drives the adoption of eco-friendly products and processes.

## Management Approach

- **Climate Monitoring & Reporting:** Systems track emissions, climate risks, and sustainability performance in line with GRI frameworks.
- **Stakeholder Collaboration:** Engaging customers, suppliers, and investors to advance sustainability initiatives and share progress.
- **Climate Risk Assessment:** Identification of risks and opportunities, with mitigation and adaptation strategies implemented to strengthen resilience.

## Progress and Impact

Environmental Management System & Pollution Prevention - ISO 14001-based EMS monitors, evaluates, and improves environmental performance. - Cleaner production methods, eco-friendly materials, and pollution control technologies are applied across operations.



## Stack Emissions Monitoring

We are committed to reducing our GHG emissions, advancing the energy transition, and enabling the global shift to lower carbon industries, infrastructure, and value chains. It is a priority for us to innovate—to offer lower carbon products and services, improve our operational efficiency, and reduce our emissions.

Scope I and II contains CO<sub>2</sub> emissions from direct & indirect sources while Scope III emission contains wastewater treatment-related emissions which are not incorporated in Scope I. Since, it is our first time adoption of sustainability reporting, Scope III Emissions will be reported from next year including intensity ratios and reduction from the last year.

Some of the Greenhouse gases are obtained from 3rd party measurement reports, including SO<sub>x</sub> and NO<sub>x</sub> emissions. Third party is engaged by our company to measure, monitor and assess the emissions. Moreover, the conversion factors are sourced from “UK Government GHG conversion factors for company reporting.”

Sr. No	Parameter	Units	PEQS	2025	2024	Average
1	O <sub>2</sub>	%	NGVS	12.27	7.12	11.76
2	CO <sub>2</sub>	%	NGVS	7.29	10.2	6.95
3	CO	Mg/Nm <sup>3</sup>	800	558.2	315	155.2
4	NO	Mg/Nm <sup>3</sup>	NGVS	374.9	447	222.3
5	NO <sub>2</sub>	Mg/Nm <sup>3</sup>	NGVS	91.2	41	43.2
6	NO <sub>x</sub>	Mg/Nm <sup>3</sup>	600	46.1	488	265.5
7	SO	Mg/Nm <sup>3</sup>	1700	366.4	314	126.2

## Renewable Energy & Energy Efficiency

Site	Description	Units	Total Units (kWh)	Total Cost (Rs.)
HTBL Plant	Energy conserved via solar panels (green energy)	kWh	1,107,406	39,247,361
HTBL Plant	Energy consumed from LESCO	kWh	2,252,000	105,415,831
HTBL Plant	Total energy consumed	kWh	3,359,406	105,415,831
HTBL Plant	Total energy savings	kWh	1,107,406	39,247,361
HO Office	Energy conserved via solar panels	kWh	63,401	4,374,676
HO Office	Energy consumed from LESCO	kWh	135,849	10,093,793
	Total Energy Consumed	kWh	199,250	14,468,469
	Total Saving	kWh	63,401	4,374,676

- Climate Monitoring & Reporting: Systems track emissions, climate risks, and sustainability performance in line with GRI frameworks.





# SUPPLY CHAIN MANAGEMENT



## Aligned SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 08 – (DECENT WORK & ECONOMIC GROWTH)

## Importance to HTL and Its Stakeholders

HTL recognizes that a sustainable and resilient supply chain is essential for operational excellence and stakeholder trust. By embedding sustainability into procurement and logistics, HTL enhances efficiency, ensures reliability, and generates positive economic, environmental, and social impacts across the value chain. Suppliers, vendors, investors, customers, and communities benefit from responsible practices that foster long-term value creation.

## Management Approach

### • Integrity and Governance:

Procurement processes are conducted under strict ethical standards, ensuring transparency and fairness.

### • Stakeholder Collaboration:

Long-term partnerships with suppliers and vendors, active engagement with trade associations, and capability-building programs through training and audits.

### • Sustainability Criteria:

Contracts incorporate sustainability requirements and encourage adoption of eco-friendly materials and practices.

### • Employee Awareness:

Employees are trained on environmental and social considerations, embedding sustainability across daily operations.

## Progress And Impact

### • Vendor Screening:

Suppliers evaluated HTL's ethical and sustainability standards to strengthen supply chain integrity.

### • Risk Management:

Implementation of a structured framework to proactively identify and mitigate supply chain risks, enhancing operational resilience.

### • Employee Engagement:

Regular awareness programs ensure that sustainability is part of decision-making across the chain.

## Key Supply Chain Metrics

Particulars	Fy 2025 Performance	Target
Order Fulfillment Ratio	94%	≥95%
Accidents During Transportation/Supply Chain	0%	Maintain 0%
Local Procurement	[Insert %]	Increase YoY
Suppliers Screened on Sustainability Criteria	[Insert %]	100% by 2030



# CYBER SECURITY & DIGITALIZATION



## Importance to HTL and Its Stakeholders

HTL prioritizes digital integration and cybersecurity to enhance operational efficiency, protect data, and maintain stakeholder confidence. Advanced digital tools support agility, informed decision-making, and scalable operations, while robust IT governance mitigates risks such as phishing, ransomware, and cyberattacks.

## Management Approach

- IT Governance:**  
Structured frameworks and Board oversight ensure proactive risk management.
- Early Warning & Assessment:**  
Threat detection systems and independent security audits identify vulnerabilities.
- Digital Transformation:**  
Core business processes integrated via Oracle ERP enhance efficiency and oversight.
- Employee Awareness:**  
Mandatory training programs reinforce cybersecurity best practices.
- Business Continuity:**  
Disaster recovery plans ensure uninterrupted operations during disruptions.

## Progress and Impact

- Cybersecurity Assessments:**  
Biannual penetration testing and phishing simulations maintained 0% failure rate.
- Training & Awareness: Employees**  
trained in cloud security, endpoint, and firewall protection.
- Digital Advancements:**  
Deployment of EBS, dashboards, and system integrations improved operational monitoring.
- Monitoring & Response:**  
Smart alerts ensure rapid threat mitigation.

## Key Metrics

Metric	2025	2024
Phishing Test Fail Rate	0%	0%
Cyber Incidents	0%	0%
Business Critical System Downtime	3%	3%





# CORPORATE GOVERNANCE



## How it Matters to HTL and Stakeholders

At HTL, strong corporate governance is the foundation of sustainable growth. It safeguards stakeholder interests, ensures compliance, and builds resilience in an increasingly complex business environment. As a listed company, HTL is committed to integrity, transparency, and accountability, thereby strengthening stakeholder trust and reinforcing our market credibility.

Sound governance also enables HTL to anticipate risks, respond effectively to regulatory changes, and maintain stakeholder confidence through timely and transparent disclosures. By embedding sustainability into governance, HTL positions itself to create long-term value for stakeholders and society alike.

## HTL Management Approach

HTL's governance framework combines regulatory compliance, strategic oversight, and ethical conduct to drive long-term value creation.

- Full compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2024.
- A Statement of Compliance reviewed and certified by external auditors, reinforcing confidence in governance practices.
- Strong internal controls, policies, and Board-approved structures that uphold accountability and ethical conduct.
- Oversight is exercised at both the Board and committee levels, ensuring robust monitoring of financial and non-financial matters.

## Progress & Impact in

- Integration of Sustainability into Governance: HTL continues its phased adoption of IFRS S1 and IFRS S2 standards on sustainability-related disclosures, ensuring progressive alignment with international best practices.
- Risk & Sustainability Committee (Operational): The Committee is now fully functional, providing Board-level oversight of economic, environmental, social, and governance (EESG) matters. It evaluates risks and opportunities, reviews climate-related strategies, and recommends long-term targets to the Board.
- Future Strengthening: The formation of a dedicated Sustainability Department remains under consideration to further institutionalize sustainability within HTL's governance framework.
- Enhanced Risk Oversight: The Board continues to reinforce its risk management framework, ensuring structured monitoring and transparent reporting across the organization.

## Ethical Business Conduct

HTL enforces a zero-tolerance policy toward fraud, deception, bribery, and corruption. These ethical standards extend across our employees, directors, and business partners.

- Codes of Conduct and compliance clauses integrated into contracts.
- Whistleblowing mechanisms in place to enable safe reporting of concerns.
- Director training programs, as reported in the Directors' Report, to ensure effective oversight and regulatory compliance.

## Recognitions and Certifications

Award / Recognition	Category	Year	Host
Business Excellence Award	First Position in Small Business Enterprises	2013–14	UN Global Compact Network Pakistan
Business Excellence Award	Second Position in Large National Category	2015–16	UN Global Compact Network Pakistan
Living the Global Compact Sustainability Award	Multiple First & Second Positions	2017–2021	UN Global Compact Network Pakistan

## United Nations Sustainable Development Goals 2030: Our Roadmap to a Sustainable Society

HTL has embraced the United Nations Sustainable Development Goals (SDGs) 2030 as a foundational framework for sustainability. Our commitment reflects the belief that sustainable development is both a business responsibility and an opportunity to create shared value.

By integrating SDGs into our strategy, HTL seeks to:

- Promote inclusive and sustainable economic growth.
- Address pressing societal challenges.
- Empower communities through business-driven solutions.

Out of the 17 SDGs, HTL has purposefully integrated twelve SDGs into its operations. Detailed action plans ensure that sustainability principles are embedded across our business model, guiding decisions at every level of the organization.

We regard the SDGs as a mutually reinforcing opportunity—advancing global development priorities while positioning HTL as a value-driven and sustainable enterprise for the future.





# INDEPENDENT LIMITED ASSURANCE REPORT TO THE MEMBERS OF HI-TECH LUBRICANTS LIMITED

## LIMITED ASSURANCE REPORT ON SUSTAINABILITY

### INTRODUCTION

We, Z. M. T. & Co., Chartered Accountants, were engaged by the Management of Hi-Tech Lubricants Limited (the “Company”) to provide limited assurance under International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, on the Company’s Sustainability Report for the year ended 30 June 2025.

### APPLICABLE CRITERIA

The criteria used by the Company to prepare the Report is the Global Reporting Initiative (GRI) Standards 2021 (the “criteria”), as disclosed in the Report.

### INHERENT LIMITATIONS

Non-financial information is subject to inherent limitations compared with financial data due to its subjective nature and the varying interpretations involved in determining relevance, materiality, and accuracy. The methods used to gather and assess this data may evolve over time, impacting on the criteria applied and the precision of the information reported.

Furthermore, due to inherent limitations of internal controls, errors or irregularities in the Sustainability Report may occur and may not be detected. Our engagement was not designed to detect all weaknesses in internal controls, as the procedures performed were undertaken on a test basis and not continuous throughout the reporting period.

### MANAGEMENT’S RESPONSIBILITIES

Management is responsible for the preparation and presentation of the Sustainability Report in accordance with the criteria, including, determining the Company’s objectives with respect to sustainable development performance and reporting, identifying stakeholders and material issues, establishing and maintaining appropriate performance management and internal control systems from which reported information is derived, preventing and detecting fraud, ensuring compliance with laws and regulations applicable to its activities, and ensuring staff involved in preparing and presenting the Report are adequately trained and supported by appropriate information systems that reflect all significant business units.

### AUDITOR’S RESPONSIBILITIES

Our responsibility is to carry out a limited assurance engagement on the Company’s Sustainability Report and to draw a conclusion based on the work performed.

We conducted our engagement in accordance with ISAE 3000 (Revised), which requires that we comply with independence and ethical requirements and plan and perform the engagement to obtain limited assurance about whether the Sustainability Report is prepared, in all material respects, in accordance with the criteria.

### INDEPENDENCE, ETHICS, AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards), founded on principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm also applies the International Standard on Quality Management 1 (ISQM 1), which requires the design, implementation, and operation of a system of quality management including policies and procedures to ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory obligations.

### SUMMARY OF WORK PERFORMED

A limited assurance engagement on a sustainability report consists primarily of making inquiries of persons responsible for preparation and applying analytical and other evidence-gathering procedures. Our procedures included:

- interviewing relevant staff responsible for preparing and disclosing the Report,
- gaining an understanding from key personnel of controls and processes for capturing sustainability performance data,
- reviewing adherence to GRI Standards 2021 requirements,
- evaluating whether disclosures are appropriately presented, described, and clearly expressed,
- identifying and reporting any deviations or gaps,
- reading the Report to assess alignment with GRI Standards 2021, and
- obtaining written representations from management on the completeness and authenticity of information, as well as on underlying measurements and calculations.

The procedures performed in a limited assurance engagement are less extensive than for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than would be achieved in a reasonable assurance engagement.

### LIMITATIONS ON SCOPE OF WORK

Our limited assurance engagement excludes:

- data and information outside the defined reporting period (1 July 2024 to 30 June 2025),
- statements of opinion, belief, aspiration, expectation, aim, or future intention, and any national or global socio-economic or environmental aspects, and
- financial and economic performance data, which are derived from the Company’s audited financial statements.

## LIMITED ASSURANCE CONCLUSION

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of Hi-Tech Lubricants Limited for the year ended 30 June 2025 is not prepared, in all material respects, in accordance with the GRI Standards 2021.

## RESTRICTION ON USE

This report has been prepared for the members of Hi-Tech Lubricants Limited in accordance with the terms of our engagement. We do not accept or assume responsibility for reliance on this report by any other party for any purpose. Any reliance placed by such parties shall be at their own risk.

The engagement partner responsible for this independent limited assurance report is Mr. Muhammad Mehran Ur Rashid, ACA.



Z. M. T. & Co.  
Chartered Accountants  
Lahore  
Date: 23 September 2025