

DRIVING PROGRESS WITH SUSTAINABILITY



Dear Stakeholders,

In 2024, the global situation continued to be defined by considerable socio-economic uncertainties, exacerbated by geopolitical tensions, a lackluster rebound from recession, and increasing inflationary stress. Amid these difficulties, the pressing need to tackle climate change became more urgent, as the world observed yet another year when temperature highs were smashed, driving home the imperative for swift and coordinated international effort.

This underscores the urgent need for greater efforts to curb the acceleration of global temperature rise as reiterated most recently during the 2024 United Nations Climate Change Conference. The increasing global temperature is accelerating climate change, leading to adverse effects on the economy, livelihoods and communities worldwide.

HTL recognises the urgency of climate change and has continued to step up its actions to mitigate impacts, including resilience against climate risk. At Hi Tech Lubricants Limited, our commitment to sustainability reflects a purpose-driven approach that integrates economic, social, and environmental dimensions. This report highlights how our sustainability focus areas align with our company's mission and the ongoing efforts to uphold our commitments in these areas. We provide an in-depth view of our actions and strategies for growth across our key priorities—environmental stewardship, with a focus on climate action; social responsibility, centered on talent, diversity, and inclusion; and economic development, with a focus on empowering communities. Each focus area is guided by clear objectives aimed at embedding sustainable practices into our business through strong leadership, ultimately driving long-term value creation.

This report follows the framework of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) Standards. We recognize that companies able to proactively address Environmental, Social, and Governance (ESG) risks and opportunities within their broader business strategies are best positioned for success, sustainability, and future growth. Hi Tech Lubricants Limited remains dedicated to continually improving our ESG disclosures and advancing our mission to provide innovative, sustainable solutions that help our customers maximize the value of essential resources.

OUR REPORTING BOUNDARY

This report covers the core operations and corporate functions of Hi Tech Lubricants Limited. The economic and social data encompasses activities at the company's production facilities and head office, while environmental data includes the environmental impacts of energy consumption, such as fuel and electricity at Hi Tech Blending Plant.

OUT REPORTING PERIOD

This report is issued annually, with the 2024 edition covering the period from July 1, 2023, to June 30, 2024. Where relevant, prior-year data is included to provide a comprehensive view of our progress to date. This is the first sustainability report of HTL.

REPORT METHODOLOGY

Data presented in this report is based on scientifically grounded measurement methods and mathematical calculations. Where direct data was unavailable, logical estimation methodologies have been applied. This report has been compiled in accordance with stakeholder engagement results, the IIRC Framework, and GRI Standards, IFRS S-1 and S-2 initial selective disclosures, UN SDG's and CSR Volunatry Guidelines issued by SECP. All material topics, including those reflecting the significant economic, environmental, social and governance impacts of our activities, are comprehensively addressed.

MATERIAL TOPICS BOUNDARIES

Topic boundaries have been defined based on the location of impact for each material topic and the extent of the company's involvement in those impacts.

EXTERNAL ASSURANCE

An independent review of this report has been conducted by Muhammad Salman Naseem & Co., Chartered Accountants. The assurance process was carried out in line with GRI Standards requirements, ensuring principles of inclusivity, materiality, and responsiveness. A statement from the independent external reviewer, which includes the scope of the assurance, key activities, and opinions, is provided at the conclusion of this report.

Best regards,

Faraz Zaidi

Chairman Of Risk and Sustainability Committee

SUSTAINABILITY STRATEGY

At Hi-Tech Lubricants, sustainability is fueled into the engine of our business strategy, powering our commitment to integrate Economic, Environmental, Social, and Governance (EESG) principles into every facet of our operations.

We acknowledge that sustainable business practices extend beyond mere responsibility; they represent a critical impetus for fostering long-term success for our company, stakeholders, and the environment.

The path to implementing our strategy is a better future in keeping with international guiding principles and standards involving sustainability.

AT THE CORE OF OUR PRINCIPLES LIES SUSTAINABILITY

GOVERNANCE		
ECONOMIC	ENVIRONMENTAL	SOCIAL
Business Sustenance & Sustainable Initiatives	Stewardship & Resources Efficiency	Social Responsibility
Marketing Excellence	Product Stewardship	Talent Management & Well-being
Supply Chain Excellence	Environmental Stewardship	Community Engagement
Financial Resilience	Energy Conservation	Health & Safety



At HTL, sustainability is enshrined in our core business strategy, as guided by our Sustainability Principles. We look to address emerging trends, risks, and opportunities while continuing to create stakeholder expectations. As a leading oil and lubricant marketing company, we pledge to provide sustainable energy solutions that create long-term value for our stakeholders and the environment. We have pegged our Sustainability Agenda, anchored in Economic, Environmental, Social, and Governance Pillars, on the key areas to have great impact with, and we align these with the United Nations Sustainable Development Goals.













Our commitment to global best practices is realized by the progress we have made towards a better working world. We are also working towards alignment with IFRS S1 and S2 to be more transparent in managing sustainability and climate-related risks.

RISK AND SUSTAINABILITY COMMITTEE

HTL Board has formed a committee for sustainability matters, the formation is mentioned below:

NAMES OF DIRECTORS/MEMBERS	POSITION AT COMMITTEE	POSITION AT HTL
Mr. Faraz Akhtar Zaidi	Chairman / Member	Non-Executive Director
Miss Mavira Tahir	Member	Non-Executive Director
Mr. Shafiq ur Rehman	Member	Non-Executive Independent Director

MEMBERSHIP AND ASSOCIATIONS

Institute / Association	Description
<p>API API (American Petroleum Institute)</p> 	<p>HTL/ SK Enmove has adopted The American Petroleum Institute (API) which is a leading trade association for the oil and natural gas industry in the United States. API develops industry standards, provides data and analysis, and advocates for policies that support energy development while emphasizing safety and environmental stewardship.</p>
<p>ACEA (European Automobile Manufacturers' Association)</p> 	<p>HTL/ SK Enmove has adopted European Automobile Manufacturers' Association (ACEA) which is a trade organization that represents the interests of the European automobile industry. ACEA mission is to promote the industry's interests, address key challenges like sustainability and innovation, and advocate for policies that support mobility and transport. ACEA plays a crucial role in discussions on regulations, environmental standards, and technological advancements, working to ensure a competitive and sustainable automotive sector in Europe.</p>
<p>ILSAC (International Lubricant Specification Advisory Committee)</p> 	<p>HTL/ SK Enmove has adopted International Lubricant Specification Advisory Committee (ILSAC) which is an organization focused on developing and maintaining performance standards for automotive lubricants, particularly engine oils. ILSAC primary goal is to establish specifications that ensure the quality and performance of lubricants, helping to improve engine efficiency, reduce emissions, and enhance vehicle longevity.</p>
<p>ISO (International Organization for Standardization)</p> 	<p>HTL/ SK Enmove has adopted International Organization for Standardization (ISO) which is an independent, non-governmental international organization that develops and publishes standards across various industries. ISO aims to ensure quality, safety, efficiency, and interoperability of products, services, and systems globally.</p>
<p>JAMA (Japan automobile Manufacturers Association)</p> 	<p>HTL/ SK Enmove has adopted Japan Automobile Manufacturers Association (JAMA) which is a trade organization that represents the interests of automobile manufacturers in Japan. The association engages in advocacy, collaborates on industry standards, and addresses issues related to safety, the environment, and technological innovation.</p>
<p>JASO (Japanese Automobile Standard Organization)</p> 	<p>HTL/ SK Enmove has adopted Japanese Automobile Standards Organization (JASO) is dedicated to developing and promoting standards that enhance the sustainability of the automotive industry in Japan. JASO focuses on creating guidelines that improve vehicle safety, performance, and environmental impact.</p>
<p>SAE (Society of Automobile Engineers)</p> 	<p>HTL/ SK Enmove has adopted Japan Society of Automotive Engineers (SAE) which is a professional organization dedicated to advancing the engineering and technical expertise in the automotive and aerospace industries. Its mission includes promoting innovation, safety, and sustainability in transportation. SAE also hosts events and conferences that facilitate networking and knowledge sharing among engineers, researchers, and industry leaders.</p>
<p>AGMA (American Gear Manufacturers Association)</p> 	<p>HTL/ SK Enmove has adopted American Gear Manufacturers Association (AGMA) which is a trade association that represents the gear manufacturing industry in the United States. AGMA also plays a key role in fostering innovation and collaboration within the industry.</p>
<p>Al Khidmat Foundation</p> 	<p>HTL works with Alkhidmat Foundation which is a prominent non-profit organization based in Pakistan, dedicated to social welfare and humanitarian services. It focuses on various sectors, including education, healthcare, disaster relief, and community development. Alkhidmat is known for its commitment to transparency and efficiency, working with local and international partners to maximize its impact on society.</p>
<p>UNGC (UNITED NATION GLOBAL COMPACT)</p> 	<p>The United Nations Global Compact (UNGC) is a voluntary initiative launched in 2000 to encourage businesses worldwide to adopt sustainable and socially responsible policies. It provides a framework for companies to align their operations and strategies with ten universal principles in areas such as human rights, labor, environment, and anti-corruption. By fostering collaboration between businesses, governments, and civil society, the UNGC aims to promote responsible corporate citizenship and contribute to the achievement of the Sustainable Development Goals (SDGs)</p>
<p>Transparent Hands</p> 	<p>Transparent Hands is a non-profit organization based in Pakistan, dedicated to providing medical assistance to underserved communities. It connects patients in need of surgeries and treatments with healthcare providers, enabling donors to directly support specific cases and track the impact of their contributions.</p>
<p>MAP Foundation</p> 	<p>MAP Foundation is a non-profit organization based in Pakistan that focuses on supporting marginalized communities, particularly in the areas of education, health, and social development. Established to address issues like poverty, inequality, and lack of access to basic services, MAP Foundation works through various programs that provide educational opportunities, healthcare services, and vocational training.</p>



SUSTAINABILITY FRAMEWORK

HTL is committed to implement International Financial Reporting Standards (IFRS) on Sustainability reporting. We have initiated the process of adoption of the new standards issued by SASB i.e. IFRS-S1 (General Requirements for Disclosure of Sustainability related financial information) & IFRS-S2.

IFRS-S1

The main objective of IFRS-S1 is to disclose all information about sustainability-related risks and opportunities

IFRS-S2

The IFRS-S2 focuses on specific climate-related information to be disclosed.

We are focusing on below key aspects emanated from these standards:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

GOVERNANCE

HTL's Board is fully committed to lead the sustainability agenda at its core and its unmatched dedication and unwavering commitment for addressing the challenges of sustainability and climate changes can be reflected from the Governance structure and composition of the Board.

Board's Role in Shaping the Sustainability Policy

The Board at HTL assumes a crucial role in defining and directing the company's sustainability policy, thereby ensuring its alignment with long-term success and stakeholder value. It establishes the strategic direction concerning the company's values, ethics, and business practices, approving significant plans related to the sustainability agenda, budgets, and investments while providing guidance for sustainability initiatives that aim to maximize positive impacts and minimize negative effects on the economy, environment, and society.

Our sustainability governance structure

Comprises of the Board, Risk and Sustainability Committee, and dedicated sustainability department to ensure transparent and effective execution of our sustainability agenda. The clear roles and responsibilities enable to meet the sustainability requirements and its implementation.

Our Board of directors sit at the top who provides leadership, guidance and Committees and department assist to the Board for execution of sustainability agenda approved by the Board.



Board

Governance, Strategic Direction, Approval and Oversight

Risk and Sustainability Committee

Assistance to BOD for sustainability
Monitoring and devising progress and policies

Sustainability Department (proposed)

Ensuring implementation of Board Sustainability agenda
Execution of sustainability activities and engagement with departments

Plant, Depots and Stations Sustainability Wing

Corporate Office Wing

Management teams implement the Board's directives, and the Board ensures that performance, risk management, and compliance are accordingly monitored. The Chairman, assisted by the Company Secretary and senior management, ensures that Board members receive all relevant information necessary to fulfill their roles.

We have defined ambitious and measurable sustainability goals that aim to reduce our impact on the environment, enhance social responsibility, and strengthen governance.

The key priorities include:

- **Economic Goals:** Marketing, Operational, supply chain and growth delivery is cornerstone for maintaining the sustainable growth and financial resilience. It acts as safeguard against the challenging economic conditions of Pakistan and its geopolitical instabilities and climate change impacts.
- **Environmental Objectives:** To achieve a significant reduction in carbon emissions, ensure energy efficiency in all operations, and establish effective waste management practices.
- **Social Goals:** Promoting diversity and inclusion at all organizational levels, ensuring the health and safety of our workforce, and contributing positively to the communities in which we operate.
- **Governance Goals:** Upholding transparency, ethical decision-making, and accountability throughout the company

POLICIES, STANDARDS & GUIDELINES

Material Matters	Policies, Standards & Guidelines	Aim of Policies Standards & Guidelines
Climate Change	International Financial Reporting Standards-S2 (Climate Change) Emissions Guidelines/standards of Govt. regulatory bodies	To provide guidance on climate risks management To provide guidance on GHG accounting methodology and standards
Environmental Stewardship	HTL ESG Policy Social And Environmental Responsibility ISO 14001: 2015	To iterate HTL's aspiration and commitments to attain and sustain excellence in environmental matters To strengthen our governance of responsible environmental management To ensure that HTL's business operations and activities will not have adverse effects on the society as well as the environment in which it operates.
Innovation & Product Stewardship	ISO 9001: 2015 Customer Relationship Management (CRM)	Quality Management Customer Portal to pilot customers for trial implementation
Safety & Health	HTL's HSE policy HSE management committee ISO 45001:2018	Setting high standards for Hygiene, Safety & General working conditions To make resources available to achieve the set standards
Supply Chain Management	Code of Conduct HTL's Procurement Standards & Policies Compliance Clauses Ethics and Anti-Bribery, Anti-Money Laundering	To strengthen the implementation of HTL's Human Rights Commitment and practices across the business value chain To secure the best value in the procurement of goods and services while upholding good procurement governance To mitigate legal, financial and reputational risks to HTL, which extend to our supply chain
Community Engagement	Compliance with SDG's requirements Code of Conduct	Setting up of Schools for Underprivileged Setting of Skill Development Learning Initiatives To define the standard procedures and guidelines for donation management To provide guidance for the planning, implementing and executing strategic communications activities.
Talent Management & Well-Being	Hiring Policy Workplace Diversity Policy Professional development programs Whistle blowing HR Benefits Policy	Building and maintaining a diverse workforce with high standards and expectations for excellence. To provide the framework for comprehensive training and development opportunities for all employees within the Company. To create a ready pool of talents that are agile and well-equipped with the necessary skills and experience to thrive in the long term through the right exposure from the early stages of their career.
Corporate Governance	HTL's Anti-Bribery and Corruption Policy & Guidelines Code of Conduct Whistleblowing Policy (WBP) Risk management policy Procurement Standard Board's Conflict of Interest Management Policy	Providing guidance for improper solicitation, bribery and corruption activities and issues that may arise in the course of business. WBP is to encourage employees and professional associates of the Company to formally bring to the notice of any actual or suspected wrongdoing To be a risk resilient organization in achieving business objectives with Risk Management Policy. To inform members of the Board of their principal legal obligations and guidance on what constitutes a Conflict of Interest and how it will be managed and monitored by HTL.
Business Strategy & Financial Resilience	Business strategy Management System	To provide the minimum requirements to manage plant operations safely and efficiently To ensure the effective management of product quality throughout the supply chain
Human Rights	HTL's Human Rights Commitment CoCHR UNGP on Business and Human Rights Standard Labor Laws with Fundamental Principles & Rights at Work	To strengthen the implementation of HTL's Human Rights Commitment and practices across the business value chain To guide business in managing human rights across the value chain
Cybersecurity & digitalization	Information Technology (IT) Governance and Cybersecurity SAFETY OF RECORDS	To ensure the effective input and decision making for achieving the organizational goals Setting out the purpose, commitment, and governance and records management To provide a single consolidated view of the frameworks, standards and guidelines required to govern and manage cybersecurity across the organization, with clear lines of accountability

RISK MANAGEMENT

Sustainability Risk Management

We have initiated Sustainability risk management process which will be integrated into our overall risk management, which includes identification, assessment, prioritization and monitoring mechanisms:

1. Identification of risks
2. Assessment of likelihood and impact
3. Prioritization of material matters
4. Monitoring and continuous validation
5. Risk reporting

Our risk assessment will be supported by our risk appetite and determines our risk response. This includes risk management controls and procedures to ensure that our risk is eliminated either through direct controls or mitigating controls. **Sustainability risk is considered high risk due to its impact, criticality and our Board's commitment.**

Climate Risk Management

As climate change is international agenda and it is universal, we have adopted an all-inclusive approach to manage climate-related risks and their interrelations with our strategy. IFRS S-2, categorize it into physical and transition risks, which will be proactively and regularly assessed starting from the FY 2025, by setting out the below mentioned approach:

1. Define Climate Scenarios as required by IFRS S-2
2. Define risk and Opportunity
3. Evaluation of likelihood & Impact
4. Qualitative scenario assessment
5. International and National Benchmarking
6. Risk and Rating Based on impacts and external factors
7. Strategic respond to mitigate risk and seize opportunity
8. Monitoring of risks and continuous validation

STRATEGY

Our sustainability and climate change strategy are determined by the guidelines set out by SASB IFRS S1 and S2 standards, where we assess industry trends, operating challenges and stakeholder expectations. Further, we have started to effectively identify sustainability-related risks and opportunities that could reasonably impact our business model, value chain, strategy, and decision-making processes. Materiality assessments are integral to our sustainability journey, as they enable us to identify and prioritize sustainability trends and topics that are significant to our business and stakeholders. The material matters were aligned against national and global reporting frameworks such as the Global Reporting Initiative (GRI) Standards and the SASB Standards.

Identifying of Sustainability and Climate Risks and Opportunities:

Our business is exposed to sustainability and physical and transitional climate-related risks. Sustainability risk is principal risk and if not managed can affect our business model, supply chain and continuity. Physical risks include changes in weather patterns, such as extreme weather events, which could disrupt our operations and supply chains. Transitional risks, such as regulatory changes and shifts in consumer preferences towards sustainable products, also affect our business. To mitigate these risks, we have committed to halving the greenhouse gas emissions of our products in short to medium time horizons and achieving low and then net zero emissions across our operations in the long run.

Resource Allocation and Financial Impact:

As part of our sustainability strategy, We are committed to allocate budget and other capitals. Our principal supplier and long-term partner, SK Enmove, is increasing capital investments in low-carbon innovations. In FY 2021 SK Enmove changed its name from SK lubricants, with the aim of becoming known as an energy-saving company and allocated significant amount in Clean Future programs, which focuses on reducing the carbon footprint of products. This includes sourcing more focus on renewable or recycled materials in the medium to long term.

Please see below our step-by-step approach for setting out the strategy:

1. Materiality Review

We have started to review the trends, risks and opportunities that affected our strategic direction, which enabled us to identify our most pertinent business issues.



2.Prioritisation

We plotted the identified topics onto a matrix to prioritize the top material matters that impacted business growth and stakeholder decisions.

3.Stakeholder Engagement

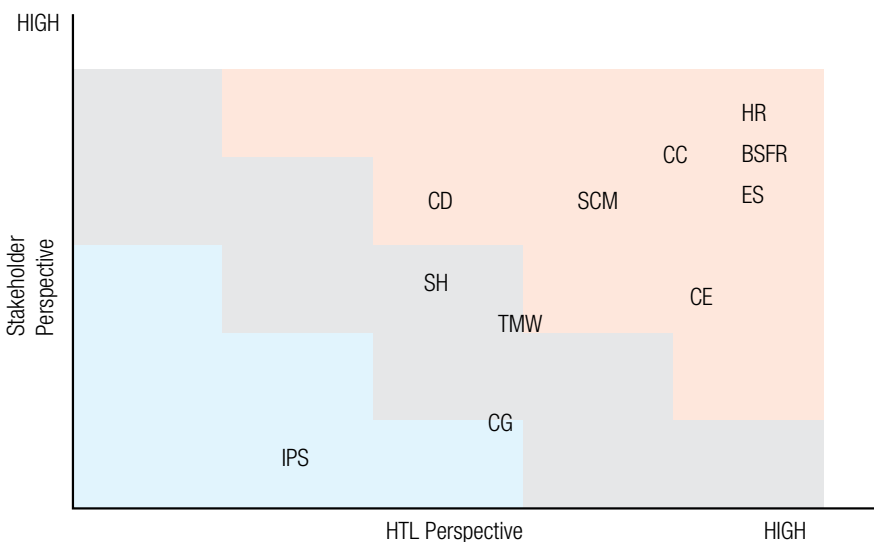
We analyzed feedback received from selective initial internal and external stakeholders via interview and surveys to determine the top stakeholder concerns.

4.Validation

We submitted the identified material matters to our Board Committee and Board for deliberation, validation and approval to manage the sustainability-related risks and opportunities identified. Moving forward, we aim to assess the resilience of our strategy and business model in relation to these risks.

5.Material matter prioritization

Material matters plotted on chart considering the perspective of HTL and Stakeholders Perspective



Sr. No.	Legends	Material Matter
1	IPS	Innovation & Product Stewardship
2	SCM	Supply Chain Management
3	CD	Cybersecurity & Digitalization
4	BSFR	Business Strategy & Financial Resilience
5	CC	Climate Change
6	ES	Environmental Stewardship
7	HR	Human Rights
8	SH	Safety & Health
9	TMW	Talent Management & Well-Being
10	CE	Community Engagement
11	CG	Corporate Governance

SUSTAINABILITY & CLIMATE RISKS AND OPPORTUNITIES

Our risks are categorized into principal and emerging risks. Sustainability risk is a principal risk in FY 2025 and moving forward we will be conducting regular assessment to determine its risk rating. We are aware of the need to proactively manage and alleviate sustainability risk to ensure the resilience and longevity of our business. It may impact our business and operations and business model if not managed properly.

Climate risk include two types of risk, namely, Physical risk and Transition risk. IFRS S-2 require scenario analysis exercise for risk assessment of climate related risk. We are in process of initiating the exercise through our committee and external consultant support. Sustainability department development is also in process of approval from Board. We will initiate by determining the time horizons (Short upto 3 years, medium upto 10 years and long upto 20 years) and scenarios to be used for the scenario analysis will be guided by the standards, data and rules set out by the International Organizations. Physical and transition risks will be identified by this process to review the impact to HTL.



RISK AND OPPORTUNITIES

Material Matters	Risk and Opportunity	Time Horizon
Climate Change	Risk: Regulatory changes could impose stricter emissions standards, affecting product formulation and transportation logistics. Opportunity: Develop and market eco-friendly lubricants to cater to environmentally conscious customers, gaining a competitive edge.	Medium to Long Term
Environmental Stewardship	Risk: Increasing pressure from consumers and stakeholders to adopt sustainable practices could lead to higher operational costs and compliance requirements Opportunity: Implement sustainable sourcing and production processes to enhance brand reputation and attract environmentally conscious investors.	Short Term Long Term
Innovation & Product Stewardship	Risk: Rapid technological advancements may render current products or marketing strategies obsolete, potentially losing market share. Opportunity: Innovate and develop new products with enhanced performance and lower environmental impact, allowing differentiation in the market.	Medium Term Long Term
Safety & Health	Risk: Non-compliance with safety standards can lead to accidents, legal liabilities, and damage to company reputation, affecting operations and profitability Opportunity: Promote a culture of safety and health, reducing accidents and building loyalty among employees, while also appealing to customers who value safety	Short Term
Supply Chain Management	Risk: Disruptions due to geopolitical issues, natural disasters, or supplier instability could lead to product shortages or delays, impacting sales and customer satisfaction. Opportunity: Implement resilient and diversified supply chain strategies, ensuring consistent product availability and reducing dependency on single suppliers	Short Term Medium Term
Community Engagement	Risk: Inadequate engagement with local communities may lead to opposition or resistance, affecting the company's social license to operate. Opportunity: Build strong relationships and partnerships with communities through sustainability initiatives, enhancing brand loyalty and support.	Short Term Long Term
Talent Management & Well-Being	Risk: Difficulty attracting and retaining skilled talent could reduce competitiveness, while poor employee well-being may lead to high turnover and productivity losses. Opportunity: Create employee development and well-being programs to attract top talent, improve retention, and enhance overall productivity.	Medium Term Long Term
Corporate Governance	Risk: Lack of transparency, accountability, or ethical practices can lead to regulatory penalties, legal challenges, and loss of investor and stakeholder confidence. Opportunity: Adopt transparent governance practices and ethical standards, building investor trust and establishing a positive reputation in the industry	Long Term
Business Strategy & Financial Resilience	Risk: Fluctuations in oil prices, rupee depreciation, market demand, or economic downturns can significantly impact profitability and financial stability. Opportunity: Venturing into new diversified sustainable business with the use of cutting edge ecological technologies. Change in the business model including the capital injection to maximise shareholders equity through sustainable means.	Short Term Medium Term Long Term
Human Rights	Risk: Non-compliance with human rights standards could lead to legal challenges, negative publicity, and harm to the company's reputation. Opportunity: Position the company as a leader in ethical practices by ensuring human rights compliance, attracting socially conscious customers, partners, and investors.	Short Term Medium Term Long Term
Cybersecurity & digitalization	Risk: Cyber threats, data breaches, or system failures could disrupt operations, compromise sensitive data, and result in financial losses or reputational damage. Opportunity: Invest in advanced cybersecurity measures and digital technologies to protect assets, optimize marketing and distribution, and gain a competitive advantage	Short Term

*Each material matter is falling under Our Operations in Value Chain.

Climate Strategy

IFRS S-2 requires scenario analysis exercise for risk assessment and to determine the risk and opportunities related to climate change. Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) also issued guidelines and data for such assessments. We are in process of initiating the climate change risk assessment exercise to not only identify material climate-related risks and opportunities but also to develop response measures for managing the identified risks and opportunities.

Assessment by SK Enmove

HTL, major lubricant product and brand ZIC Lubricant Oil is supplied by our principal supplier and long term business partner "SK Enmove". Our business is dependent on the product delivered by SK Enmove. Major business and product sustainability risk relates to the SK Enmove business model, operations and un-interrupted supply chain. SK Enmove have made significant advancement in ESG, Sustainability and combating with climate risks. Please see below the climate risks assessment and strategy adopted by our principal supplier and business partner:

Loss Risks due to increasing Physical Climate Risks

SK Enmove used S&P Global's Climonomics® hazard modelling to get quantifiable estimates on financial impacts of physical risk factors associated with acute and chronic environmental changes and hence readily prepared for potential risks among the risk and opportunity factors

Scope of Target I They applied 4 IPCC RCP scenarios to a total of major domestic and overseas business sites and physical assets of their 6 subsidiaries and analyzed physical risks forecast. Primary focus was on RCP 8.5 which entails the most serious physical risks as the global temperature is assumed to rise by more than 4° C due to failed control; greenhouse gas reduction and also on RCP 4.5 forecasting the global temperature will go up by 1.7~3.2° C.

Analysis Method I Based on risks associated with climate change, socio-economic data, and econometric models, they estimated asset value lost to seven major climate risks (temperature rise coastal flooding, drought, wildfire, tropical cyclone, water stress, and river flooding) and the loss rate by a 10-year period.

Risk Category	Risk Rating (Modeled Avg. Annual Loss (MAAL))	
	IPCC RCP 4.5	IPCC RCP 8.5
Climate Risks		
Extreme Temperature	0~3%	0~3%
Sea level rise	0~3%	0~3%
Drought	0~3%	0~3%
Wildfire	0~3%	0~3%
Typhoon	n/a	n/a
Water scarcity	n/a	n/a
River flooding	0~3%	0~3%

*Modeled avg. annual loss (MAAL): Ratio of loss to the current asset value

*N/A: There are no resources of the concerned risk factor. Or, the business site are located in coastal areas or are not reflected on the analysis model due to limited data.

Risk score	Higher than 16%	~16%	~10%	~6%	0~3%	n/a
Risk Category	*Very High	*High	*Moderate	*Low	*Limited	No risk

Under both RCP 4.5 (The global temperature rises 1.5° C or above between 2022-2029) & RCP 8.5 (the global temperature rises 4°C or above), the asset loss rates of the business sites(Korea, Japan, Indonesia, US, Europe) of SK Innovation's subsidiaries are estimated to be lower than the material risk levels

Material risk levels: The asset loss rate is 16% or higher on the annual average (S&P Global rating "Red")

In the case SK Innovation's business sites, the asset loss rates caused by the seven risk factors are estimated to be less than 1% until 2030, meaning that increasing physical risks associated with climate change will have an insignificant impact on the company

River flooding (0.8%) and abnormal temperature (0.7%) are expected to have the most Impacts across the SK Innovation's subsidiaries business sites and production plants, while tropical cyclones will have the least influence. Therefore, those subsidiaries whose major oil refineries are situated close to the coast may come under relatively more impacts by river flooding, sea level rise, and abnormal temperatures, but the absolute level of risk is not likely to be significant until 2030

At HTL Pakistan, our Board is committed to shaping its climate risk strategy and process for engaging the stakeholders and environment and ESG experts.

Summary of Average Transition Risk/Opportunities framework to be executed

Transition Driver	Type	Time Horizons
Mandatory carbon pricing	Risk	*
Carbon border adjustment mechanism (CBAM) and climate-related trade Barriers	Risk	*
Increase in demand for bio-based and more efficient products	Opportunity	*
Near zero emission technologies for blending	Risk	*
Energy efficiency and electrification	Opportunity	*
Tightened access to capital for carbon intensive activities	Risk	*
Increasing stakeholder scrutiny over climate disclosures	Risk	*

Metrics and Targets

Metrics and targets at HTL are set out with careful analysis and due consideration to Global Reporting Initiative (GRI) Topic Standards. These metrics also guide our climate mitigation and management strategies.

These standards are set out against the supply chain, resource efficiency, product stewardship, innovation, cybersecurity, community engagement, energy, emissions, human resource, talent management, safety and health, climate change and governance. Our approach, how it matters to HTL, progress and impact and achievements against such metrics and targets are set out in below chapters.

Material Matters	Sustainability Targets
Climate Change	Continue to maintain low-emission operations in distribution and logistics. Explore innovative technologies to further minimize carbon footprint.
Environmental Stewardship	Continue Source packaging materials from recycled or sustainable sources. Expand sustainable sourcing to cover additional product lines and packaging materials. Introduce refillable packaging options to reduce waste in the supply chain.
Innovation & Product Stewardship	Introduce eco-friendly lubricant products with biodegradable properties. Invest in R&D to develop sustainable product formulations, reducing environmental impact.
Safety & Health	Safety compliance and training standards external. Introduce advanced safety technologies and programs to further reduce workplace risks.
Supply Chain Management	Continue working with suppliers who meet sustainability criteria. Expand the supplier sustainability program to include more stringent environmental and social requirements.
Community Engagement	Maintain community investment and engagement programs. Develop partnerships with more communities to promote environmental awareness and recycling practices.
Talent Management & Well-Being	Sustain employee well-being and development programs. Introduce new initiatives to enhance workforce diversity, inclusivity, and skill development.
Corporate Governance	Continue adhering to ESG reporting standards. Strengthen governance practices with additional transparency and ethical guidelines.
Business Strategy & Financial Resilience	Diversify revenue streams by introducing new product lines focused on sustainable solutions. Maintain sustainable growth with a notable share of revenue from sustainable products.
Human Rights	Continue ensuring compliance with human rights standards. Establish a grievance mechanism accessible to all stakeholders.
Cybersecurity & Digitalization	Implement robust cybersecurity protocols to prevent data breaches. Transition a majority of customer interactions to digital platforms to improve efficiency and reduce paper usage.

COMMUNITY ENGAGEMENT



SDGs

- SDG GOAL: 1 – NO POVERTY
- SDG GOAL: 3 – GOOD HEALTH & WELLBEING
- SDG GOAL: 4 – QUALITY EDUCATION
- SDG GOAL: 8 – GOOD JOBS & ECONOMIC GROWTH
- SDG GOAL: 17 – PARTNERSHIPS FOR THE GOALS

How it matters to HTL and its Community

At HTL, our steadfast dedication to making a positive impact on the communities we serve is reflected in HTL Community Engagement and Social Impact Programs. Fostering trust and empowering communities through impactful initiatives allow us to generate long-lasting effects on the well-being of the local communities where we operate. It is our corporate duty to contribute to society, nurturing trust and promoting community well-being even in challenging circumstances.

HTL Management Approach

Our community engagement initiatives are centered around three key pillars of the HTL Social Impact Strategy: Environmental Stewardship, Educational Support, and Community Development and Well-being. To deepen our integration within these communities, we collaborate with non-governmental organizations (NGOs) and local government agencies, ensuring that our programs are tailored to meet the unique needs of each community. Additionally, we encourage our employees to participate in volunteer activities, fostering a workforce committed to making meaningful contributions and enhancing the quality of life for those we serve.

Amount Contributed (5 Years)

Rs. 101.7 Million

Amount Contributed (2024)

Rs. 18 Million

2023: Rs.18 Million

Iimgah Schools

Our Progress and Impact Imparting Education through our schools

“ILMGAH SCHOOL SYSTEM”

Our mission is to provide quality education and empower young minds with the tools they need for the success. Currently, we are proud to have a growing community of 550+ students enrolled, all benefiting from our comprehensive curriculum and dedicated teaching staff of 30. Total of more than 1,500 students have been passed out with 100% pass result since school establishment in 2011. We look forward to shaping the future of our students as they embark on their educational journey with us.



ACTIVITIES CONDUCTED AT ILMGAH SCHOOL:

Vocational Computer And Teacher Training:

We are conducting vocational computer trainings at Ilmgah Schools where underprivileged communities with limited access to quality computer education and get trained with the fundamentals of computers, operating systems, Microsoft Office Suite, internet navigation, C++, and graphic design.

Project Outcome: Successfully completed 9 batches, training over 100 individuals, with 77 students trained in 2024 alone, empowering them with essential digital skills for future opportunities.



TEACHERS TRAINING	Facilitator	2023	2024
Academic Excellence	External	5	1
Motivational Sessions	External	1	1

Annual Prize Distribution and Sporting Event



Strengthening Green Spaces with PHA Collaboration

We are dedicated to supporting environmental sustainability through our partnership with the Parks and Horticulture Authority (PHA). We contribute financial resources to PHA's plantation initiatives, aiming to enhance green spaces and promote ecological balance. This collaboration underscores our commitment to environmental stewardship and contributes to the creation of healthier, more vibrant communities. By investing in these planting efforts, we help foster a greener environment and support long-term sustainability goals. We planted 5,000 trees with the collaboration of PHA in 2024.



HEALTH AND WELLBEING OF COMMUNITY



Green Food

We are committed to fostering sustainability by establishing dedicated vegetable gardening areas within both our school and the Hi-Tech Blending plant. These initiatives provide practical learning opportunities, promoting ecological awareness and sustainable practices among students and employees alike.



HUMAN RIGHTS, TALENT MANAGEMENT AND WELL BEING

SDGs

SDG GOAL: 8 – GOOD JOBS & ECONOMIC GROWTH
SDG GOAL: 10 – REDUCED INEQUALITIES

How it matters to HTL and its Stakeholders:

We believe that every individual must be accorded with dignity, fairness, respect and equality, regardless of their gender, religion or race. We proudly champion an inclusive culture where disabled persons are not just provided opportunities but are empowered to thrive, contributing their unique strengths to drive our collective success. Respecting human rights allows us to build trust with our employees, consumers, suppliers and communities, and provides us our license to operate.

We also recognize the critical role of building a highly skilled and productive workforce in fostering resilience and enabling the execution of our strategic priorities. Engaged employees are key to driving innovation. By aligning individual development goals with organizational objectives, we create a performance-driven culture that enhances productivity and supports the overall efficiency of our operations.

HTL Management Approach

Proper risk assessment has been conducted to manage potential social risks in business activities through relationships with partners and contractors, aiming to minimize and mitigate any risks that may arise from operations. Four main elements were assessed: labour and working conditions, responsible security, community impact, and supply chain management. Workers and employees have the right to raise their complaints freely without fear of discrimination, harassment or abuse.

We also strive to empower our employees through our training programs, assessments and learning platforms to expand their skillsets, knowledge and capabilities to enhance agility while facing current challenging and evolving demands of work. Our proactive measures for talent management includes:

- Flexible work arrangements
- Generous leave policies
- A wide array of employee benefits aimed at promoting work-life balance and well-being
- Diversity and Inclusion (D&I) policy

Our Key Principles (Code of Conduct on Human Rights) CoCHR

- Freedom of Labour
- Prevention of Child Labour
- Wages and Benefits
- Working Hours
- Establish Grievance Mechanism
- Non-discrimination
- Freedom of Association
- Human Treatment
- Foreign and Migrant Workers

PROGRESS AND IMPACT

Facilities Provided to the Employees

Bonuses and incentives

HTL has the policy to provide bonuses and incentives to its employees to ensure employees are appreciated and encouraged. Total bonuses and incentives of 71 million paid in 2024.

Provident Fund

HTL also has the policy to provide long term benefits to its employees and paid 30 million pkr in 2024 in shape of Provident Fund.

	2024	2023
Bonuses and Incentives	71,375,930	76,644,082
Facilities provided to the Employee (PF)	30,574,917	25,427,845



Total Employee Remuneration (5 years)

Rs. 4.88 Billion

Total Employee Remuneration (2024)

Rs. 1.14 Billion
2023: Rs.1.19 Billion

Long term service benefits

HTL Employee who reaches 60 years age or serves 30 years will be entitled to long term service benefit ranging from 5 gross salaries to 15 gross salaries or even more with the Director approvals. During the year 2024, 3 employees were awarded with long term service benefits by HTL.

Work Flexibility

Implementation of flexibility at work to nurture work-life balance such as Flexible Working Hours (FWH), connectivity assistant and flexible attire at work.

Special Needs

Financial assistance through insurance is offered to employees to cover the treatment expenses related to their immediate family medical needs.

Sustainability factors are linked to employees' performances.

HTL by aligning individual goals with the company's sustainability objectives. Employees are encouraged to incorporate sustainable practices into their daily tasks, with performance evaluations considering their contributions to environmental and social initiatives.

Employee Appreciation

We provide performance-based incentives to employees through a structured evaluation process conducted by the respective department heads. Additionally, the company recognizes employee contributions with recreational trips and awards, fostering motivation and engagement across the organization.

Transition Assistance Programs

We promote the physical health of our employees by organizing cricket matches every alternate Friday and providing hygienic, nutritious lunches daily, ensuring a healthy and active work environment that supports overall well-being.

Employee trainings

At HTL, employee training is a cornerstone of our commitment to excellence and continuous improvement. We invest in comprehensive training programs to enhance our team's skills, ensuring they stay at the forefront of industry advancements.

Avg Training Hours Per Person	15.51
Total Training Hours for the Year 2024	3,179
Total Participants for the Year 2024	205
Total Training Investment	3,769,153
Training Investment per Employee	18,386

Training and Education	
Total Training Hours	1,300
Total Internal Hours	116
Hours per employee	3
Total External Hours	1,184
Hours per employee	11

Gender Pay Gap	
Particulars	Mean Hourly Rate of Pay
Male Employees - A	7,459
Female Employees - B	7,593
Gender Pay Gap (A - B)	-134
Mean Gender Pay Gap ((A-B) / A * 100)	-1.80%
Particulars	Mean Hourly Rate of Pay
Male Employees - C	3919
Female Employees - D	3920
Gender Pay Gap (C - D)	-1
Mean Gender Pay Gap ((C-D) / C * 100)	-0.03%

Details of Trainings Exercises	
1	AI Enabled Data Analytics for Accountants & Auditors
2	Angular Dot Net Core
3	ChatGPT for Professionals
4	Effective Letters, Reports and Presentations
5	Fundamentals of Data Analytics
6	Introduction to Digital Marketing
7	Inventory Management & Warehousing
8	Leading Diversity/Effective Leadership
9	Managing Multiple Projects Effectively
10	Managing the Learning and Development Function from TNA to ROTI
11	Microsoft Power BI
12	Microsoft Power BI Bootcamp
13	OCAC Workshop on Oil & Gas Industry of Pakistan
14	Oracle APEX Day
15	Oracle Application Framework
16	Skills in Goal Setting and Work Planning
17	Team Synergy Fostering Collaboration and Innovation in the Workplace
18	The Power of Persuasive Communication
19	Managing the Learning and Development Function from TNA to ROTI - Knowledge Sharing Session
20	Microsoft Power BI Bootcamp - Knowledge Sharing Session
21	Microsoft Power BI - Knowledge Sharing Session
22	OCAC Workshop on Oil & Gas Industry of Pakistan - Knowledge Sharing Session
23	AI Enabled Data Analytics for Accountants & Auditors - Knowledge Sharing Session

DIVERSITY & INCLUSION (D&I)

Hi-Tech Lubricants Limited (HTL)				
Employees		Male	Female	Total
Type	Full Time	363	18	381
	Part Time	0	0	0
Category	Management	4	1	5
	Staff	359	17	376
Contract	Permanent	356	18	374
	Temporary/Contract	7	0	7
Region	Lahore	261	16	277
	Other	102	2	104
Hiring	Below 30	107	5	112
	30 to 50	238	13	251
	Above 50	18	0	18
Attrition	Below 30	22	8	30
	30 to 50	30	2	32
	Above 50	10	0	10
Organization	Rate of Injury	0	0	0
	Occupation Disease rate	0	0	0
	Lost Days rate	0	0	0
Contractor	Full Time	103	4	107

Workforce Diversity (Religion/Age)			
Cadre	Muslim	Non-Muslim	
Management	5	0	
Staff	369	7	
Total	374	7	
Cadre	<30	30-50	>50
Management	0	4	1
Staff	112	247	17
Total	112	251	18

Board Of Director (Religion/Age)			
Cadre	Muslim	Non-Muslim	
Male	7	1	
Female	2	0	
Cadre	<30	30-50	>50
Male	0	3	1
Female		1	

BUSINESS STRATEGY AND FINANCIAL RESILIENCE

SDGs

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

How it matters to HTL and Its Stakeholders

Strategy is foundation in maintaining the sustainable growth and financial resilience. It acts as safeguard against the challenging economic conditions of Pakistan and its geopolitical instabilities and climate change impacts.

Our road towards implementation of the Sustainability Accounting Standards Board (SASB) inaugural standards - International Financial Reporting Standards (IFRS) S1 and S2, foster transparency and accountability. Our strategy is the core to enable stakeholders to have a clear view on how sustainability and climate-related risks and opportunities are addressed.

HTL Management Approach

Our business strategy and business model are guided by input of capitals grind by our strategic thrusts such as marketing excellence, supply chain excellence and commercial excellence. Our sustainability is governed by the EESG elements throughout the supply chain to ensure maximum value for our stakeholders and by ensuring that we remain sustainable to our society and environment.

To further strengthen, we continuously improve our HTBL plant operations to remain sustainable. We will strive to accelerate the integration of sustainability and digitalization into our operations and enhance project delivery to improve growth outcomes.

PROGRESS AND IMPACT

Enhanced operational measures

Investment into solar energy system of Pkr 73 million to be environment friendly in using energy.

Budget allocation to sustainability agenda achievement including sustainability department formation.

Financial Resilience

Strategically allocated financial resources to support identified sustainability initiatives, for example by directing capital towards projects aligned with sustainability goals.

Strengthened our internal monitoring and tracking mechanisms for investments and expenditures related to sustainability activities.

Our investment decisions are also taking consideration of environment friendly initiatives.

Economic value generated and retained

	Particulars	GROUP	
		2024	2023
Economic Value Generated	Revenue (Net)	24,317,223,350	15,610,395,350
	Other Income	357,580,703	178,456,916
Economic Value Distributed	Purchase of goods and services	17,428,323,905	10,693,538,459
	Dividends Paid	-	278,409,600
	Employee benefit expenses	1,149,271,884	1,192,203,402
	Income Tax Expenses	128,674,168	73,357,435
Economic Value Retained	Profit / (Loss) after Taxation	(137,376,595)	(246,982,360)

SAFETY & HEALTH

SDGs

SDG GOAL: 3 – GOOD HEALTH AND WELL BEING
SDG GOAL: 6 – CLEAN WATER AND SANITATION

Importance of Health and Safety at HTL

At HTL, we are committed to ensuring a healthy and safe work environment for all employees and workers, recognizing that their physical, emotional, and mental well-being is directly linked to the overall success of our operations.

Health, Safety, and Environment (HSE) considerations are embedded in every decision and action we take. This not only enhances investor confidence but also reinforces the trust of our stakeholders, reflecting our commitment to sustainability and corporate responsibility.

By fostering a culture of protection and safety, we improve the overall well-being and morale of our workforce, resulting in higher job satisfaction, increased productivity, and a continuous drive toward operational excellence.

Furthermore, our employees are encouraged to voice concerns about potential risks or hazards, fostering a proactive approach to risk management. This empowerment ensures collaborative efforts towards effective, long-term solutions that not only protect our workforce but also safeguard the surrounding communities and environment.

HTL Approach

HTL's HSE Policy describes the process for the reporting and investigation of all types of incidents and near misses within HTBL Plant and the duties of all employees in this regard. To recognize HTBL obligation to ensure that all accidents and incidents are reported, recorded and investigated. Accidents and incidents are investigated in consultation with a Health and Safety Representative and/or relevant stakeholders. Agreed preventative and corrective actions are implemented, monitored and reviewed for effectiveness



PROGRESS AND IMPACT HSE Governance

HSE Governance is carried out through committee at HTBL plant, please see below its structure, members and roles:

Committee Member Name	Designation of member	Roles
Mr. Muhammad Ali Hassan	CEO	Oversight, approvals and reporting to BOD
Mr. Yaqub Aziz	Chief Operating Officer	Monitoring and act as bridge between top to bottom hierarchy
Mr. Syed Ahmad Mujtaba	QHSE Coordinator	Execution and reporting

Culture

At HTL policies and procedures are communicated properly to every employee in the organization Culture of encouragement of the reporting the HSE committee and eliminating the issue through proper mechanism.

Compliance & Competency

Our policy applies equally to incidents involving employees, visitors, stakeholders who are affected by the work of the organization. When an incident occurs, and especially if it is of a health and safety nature, the first response is to make the situation safe. All evidence is protected and secured. It is essential that an Incident Report Form is completed for all incidents and near misses. Incidents are managed in accordance with the processes and timescales.

All serious incidents are verbally reported immediately to QHSE Coordinator followed by high priority email containing a full description of the incident. The QHSE Coordinator then determines the appropriate response and action.



Hazard Identification

Maintained risk assessment register for Production, Labs, Stores and Utilities with respect to all departments. Identified hazards and its impacts and assigned risk ratings keeping in view likelihood and severity. Devised preventive / control measures for each risk as mitigating strategy and re-assessing the risk ratings keeping in view likelihood and severity thereof. Made arrangements such as Treatment/ First Aid Box availability for all Hazards identified

Health and Safety Excellence	2024	2023
ISO 45001:2018 Occupational Health and Safety Management Systems certified facilities:		
Number of Fatalities recorded	Nil	Nil
Incidents of Major Fire	Nil	Nil
Incidents of Major Injuries	Nil	Nil
Total Recordable Occupational Illness Frequency	21	48
HSE incidents affecting communities	Nil	Nil
Fines and summons from authorities/Govt. Regulatory bodies	Nil	Nil
Lost Time Injury Frequency (Number of LTIs per Million man-hours)	Nil	Nil
Lost Time Injury (Number of Cases)	Nil	Nil
Total Recordable Case Frequency (Number of TRCs per Million man-hours)	Nil	Nil
Total Recordable Court Cases (Number of cases)	Nil	Nil

Light/ Luminous Monitoring

Categories	IES Recommended Values	Average LUX 2024	Average LUX 2023
Category 1	200-500	477*	412*
Category 2	250-500	483*	599*



INNOVATION & PRODUCT STEWARDSHIP

SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

How it matters to HTL and Its Stakeholders

The lubricant manufacturing unit of SK Enmove, our principal supplier and long term business partner, has been showing a keen interest in liquid immersion cooling (LIC) technology for thermal management of data centers, energy storage systems and EV batteries. .

HTL Management Approach

We dismiss the view that demand for lubricant oil will falter in the era of electric vehicles (EVs), we anticipate that EVs also need a dedicated lubricant that cools motors and reduces the friction resistance of gears to enhance energy efficiency. We are leading the EV lubricant oil market globally with a competitive edge in raw materials and technologies through SK Enmove, our principal supplier and long term business partner. With the technology, data centers can enhance cooling efficiency by 30 percent, compared with conventional air-cooling methods.

OUR PROGRESS AND IMPACT

SK Enmove has been producing lubricants for EVs since 2013, as the size of the global e-fluid market is expected to grow to \$9 billion by 2040.

Our Principal Supplier, SK Enmove unveiled its goal of becoming a global top-tier company in the energy-efficient lubricant market by 2040 with ZIC e-FLO, its new product named after its signature internal combustion engine oil brand.

In FY 2021, our principal supplier and long term business partner, changed its name from SK lubricants to SK Enmove, with the aim of becoming known as an energy-saving company.

We will be recognized in the global market as a company enhancing electrical efficiency, as well as fuel efficiency.

Due to the explosive increase in data usage, enhancing energy efficiency through thermal management will emerge as a core business sector in the future. Based on SK Enmove's competitiveness in high-quality lubricant manufacturing and its R&D capabilities, we will explore new markets.

Product Stewardship



Customer Relationship Management

Remained responsive to customer feedback, ensuring positive customer experiences - Continued to execute effective customer engagement by improving responsiveness to customer requests, as well as increase our product and application knowledge based on key learnings from the previous Customer Satisfaction Survey (CSS) in business and sales support

Conducted regular technical exchanges with associates and customers to impart knowledge and guidance on our products and applications to maximize customer benefits

Particulars	Status
Order Fulfillment Ratio	95%
Customer complaints received	1,241
Customer complaints resolved	1,203
% of Queries/ Complaints Resolved	97%
Customer portal	Auto Ready Mobile App
Customer relationship management tool and feedback system	Help Desk Centre
Process of resolving the customer complaint	1. Distributors>BI Dept 2. Retailers>Sales>BI Dept 3. Retailers>BI Dept 4. Customers>BI Dept

ENVIRONMENTAL STEWARDSHIP



SDGs

- SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION
- SDG GOAL: 15 – LIFE ON EARTH

How it matters to HTL and the environment

We are dedicated to ensuring compliance with evolving environmental regulations, enhancing its brand reputation by meeting the growing consumer demand for sustainable products. By minimizing environmental impact, the company reduces operational risks while improving supply chain resilience and business continuity. Through the adoption of sustainable practices, HTL creates long-term value and positions itself as a leader in eco-friendly innovation within the industry. These efforts safeguard the company’s future business sustainability and reinforce its commitment to environmental responsibility.

HTL Management Approach

We adhere to all relevant environmental regulations across our locations and are guided by stringent environmental standards. Our commitment to high standards is evidenced by the ISO 14001:2015 certification of the majority of our operations, reinforcing HTL’s credibility and dedication to effective environmental management systems. We have reported zero non-compliance to environmental policies, rule and regulations during the FY 2024.

Bio Diversity

Biodiversity is crucial for maintaining the balance of ecosystems, providing resources like food, clean water, and medicine, and supporting processes like pollination, climate regulation, and nutrient cycling. Activities, such as deforestation, pollution, and climate change, can threaten biodiversity, making its protection essential for environmental health and sustainability.

Our processes in Pakistan are eco-friendly, designed to minimize any significant impact on biodiversity. We are fully committed to protecting and preserving biodiversity through sustainable practices and continuous improvement in our environmental efforts

OUR PROGRESS AND IMPACT

Water and Wastewater Management

We are committed to responsible water management by operating with waterless processes, ensuring that we do not have any water intake. This approach reflects our dedication to sustainability and efficient resource utilization, eliminating water waste from our operations.

Waste Management

We prioritize effective waste management by partnering with EPA (Environmental Protection Agency) approved waste management company Ali Trade Waste Management (ATWM) to handle our waste. Through this collaboration, we ensure that our waste is properly managed and processed, reinforcing our commitment to environmental responsibility and sustainable practices.

Drinking Water Analysis

HTL ensures 100% compliance with drinking water quality standards, as verified through rigorous water testing, providing safe and reliable drinking water with no reported issues.

Waste & Effluents

Effective management of waste and effluents is essential for environmental protection and sustainable development. Efficient waste and effluent management are integral parts of sustainable development.

Our blending process does not generate excessive wastes keeping HTL Eco Friendly. HTL’s operations are designed to be environmentally friendly, generating almost negligible hazardous and non-hazardous waste, ensuring a sustainable and responsible approach to our processes.

Description	UOM	2024	2023
Waste	Kg	10,109	9,857



CLIMATE CHANGE

SDGs

SDG GOAL: 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG GOAL: 13 – CLIMATE ACTION

How it matters to HTL and the Environment

Climate change continues to exert devastating effects on the planet, causing profound disruptions to the global environment, social structures, and economic systems. These impacts are intensifying pressures on both nature and humanity at large.

Extreme weather events pose a significant risk to HTL's supply chain, potentially disrupting the sourcing, transportation, and distribution of lubricants. To mitigate these climate-related risks, building a resilient supply chain is essential for maintaining business continuity. Additionally, growing consumer concern for environmental issues is driving an increasing demand for eco-friendly and sustainable products, making it crucial for HTL to adapt to these evolving market preferences.

HTL Management Approach

Implement a robust system for monitoring and reporting on climate-related risks, emissions, and sustainability performance. Utilize frameworks such as the GRI (Global Reporting Initiative) for transparent and standardized reporting. Collaborate with key stakeholders, including customers, suppliers, and investors, to drive sustainability initiatives. This includes transparent communication on climate-related risks, mitigation efforts, and progress toward sustainability goals. We undertake climate risk assessments to better identify the risk and opportunities that could impact our business to identify and put in place mitigation and adaptation strategies that would improve HTL's climate resilience.

OUR PROGRESS AND IMPACT

HTL recognizes the urgency of climate change and has continued to step up its actions to mitigate impacts, including resilience against climate risk. At Hi Tech Lubricants Limited, our commitment to sustainability reflects a purpose-driven approach that integrates economic, social, and environmental dimensions.

Climate change performance refers to the effectiveness and sustainability for HTL activities, processes, and products in relation to their impact on the environment. It involves assessing, managing, and improving environmental practices to minimize negative effects on ecosystems, natural resources, and human health while maximizing positive contributions to environmental conservation and sustainability.



Environmental management system

Implementing an EMS, such as ISO 14001, to establish Climate/ environmental policies, objectives, and procedures for monitoring, evaluating, and improving environmental performance across all organizational levels.

Pollution prevention

Implementing pollution prevention practices to reduce emissions, discharges, and waste generation. This includes adopting cleaner production techniques, using environmentally friendly materials, and investing in pollution control technologies.

Renewable energy sources

Transitioning to renewable energy sources like solar and implementing energy-efficient technologies to reduce greenhouse gas emissions and mitigate climate change impacts.

Environmental/Climate Compliance

Ensuring compliance with environmental regulations, permits, and standards set by governmental authorities and industry best practices. This includes regular monitoring, reporting, and auditing of environmental performance indicators

Continuous improvement

Establishing a culture of continuous improvement by setting targets, conducting performance reviews, benchmarking against industry peers, and implementing corrective actions to enhance environmental performance over time.

Emissions

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 CO2 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 SOx and NOx 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."

Type of Emissions	UOM	2024	2025 Target
Direct Emissions Scope-I	CO2e (Kg)	130,738	2 % reduction (Minimum)
Indirect Emissions Scope-II	CO2e (Kg)	801,340	
Total (Scope 1 & 2)	CO2e (Kg)	932,078	
NOx	mg/Nm3	410.275	5 % Reduction
SOx	mg/Nm3	209.036	

Energy

We are committed to energy efficiency by implementing energy-saving technologies and practices across its operations, reducing energy consumption and minimizing environmental impact. We have invested Rupees 73 million in Solar Energy.

Total Energy Savings

In 2024, HTL successfully conserved energy by optimizing our chiller plant operations, significantly reducing energy consumption and enhancing operational efficiency.

Particulars	UOM	2024	2023
Energy Consumed	KWH	2,770,725	2,003,793
Energy Conserved	KWH	1,378,796	999,398

Energy Conservation Source	UOM	2024	2023
Chiller Plant	KWH	169,128	-
Solar Energy	KWH	1,209,668	999,398

SUPPLY CHAIN MANAGEMENT

How it matters to HTL and its Stakeholders

Implementation of sustainable practices promotes trust and confidence, enhancing supply reliability and reputation, which are all evident in our commitment to create value for stakeholders.

Adopting sustainable practices in supply chain management creates positive impacts across the economy, environment, and our communities. It plays a vital role as an integrated ecosystem, connecting suppliers, vendors, investors, and customers, while driving responsible and efficient operations.

HTL Management Approach

We uphold rigorous integrity standards in our procurement processes and activities to promote strong governance throughout our supply chain management.

Strong working relationships and open communication are essential in driving a sustainable supply chain ecosystem. We maintain close relationships within our supply chain environment in advancing sustainability within the industry. This is conducted through collaborative multi-stakeholder efforts and partnerships with industry and trade associations. Among our efforts are supporting vendors capability development, conducting vendor assessments, and engagements, incorporating sustainability criteria in contracts and adopting the Ecofriendly framework.

PROGRESS AND IMPACT

We have started to implement vendor screening to ensure that our suppliers align with our sustainability and ethical standards, enhancing the integrity of our supply chain.

We initiated the development of a comprehensive risk management framework to proactively identify, assess, and mitigate potential risks, ensuring greater operational resilience and sustainability.

We launched sustainability awareness training to educate and engage employees on best practices and principles, fostering a culture of environmental responsibility and sustainable development.

Particulars	OMC Segment	Lube Segment
Order Fulfillment Ratio	95%	94%
Local Purchases	83%	92%
Import	17%	8%
Number of Accidents during transportation/supply chain	0%	0%

This is related to HTL Only



CYBER SECURITY & DIGITALIZATION



How it matters to HTL and its Stakeholders

At our company, we prioritize digital and technology enhancements to improve integration across business operations. This strategic focus allows us to be more agile, flexible, efficient, and productive, ultimately delivering world-class services to our customers and enhancing our competitive edge. Leveraging digital advancements offers us a holistic view of our operations, enabling us to scale, make informed decisions, be ahead of our competitors and pivot new business models.

However, with the increased adoption of digital technologies, there comes an elevated risk of cybersecurity breaches and attacks. Cybercriminals frequently target customers, employees, and partners using methods such as phishing, targeted ransomware, and cyber warfare. Recognizing this threat landscape, we are committed to strengthening our cybersecurity defenses and resilience, providing reassurance to our stakeholders about the protection of our data and digital infrastructure.

HTL Management Approach

Our IT Governance and Cybersecurity Programs provide a structured framework aligned with our corporate strategy, enabling proactive management of cyber risks. The Cybersecurity and Board's Risk Oversight involves active monitoring by our Board, ensuring that cybersecurity risks are consistently evaluated and managed. To further enhance our defense, we have established Company Controls for an Early Warning System to detect and respond to potential threats, ensuring timely intervention.

HTL's policy mandates an Independent Security Assessment of the Technology Environment, conducted by certified cybersecurity service providers, ensuring unbiased evaluation and identification of vulnerabilities. We also maintain a comprehensive Contingency and Disaster Recovery Plan to ensure business continuity in the event of any disruptions.

Our commitment to transparency and governance is evident through the Advancement in Digital Transformation, where we utilize Oracle software to integrate core business processes within a single ERP system, enhancing efficiency and oversight.

We recognize the importance of employee awareness in mitigating cybersecurity risks. Therefore, we conduct Education and Training Programs, including compulsory modules on cybersecurity, social engineering, and scam awareness.

PROGRESS AND IMPACT

In our ongoing commitment to IT governance and cybersecurity, HTL has made significant progress across various initiatives:

Our robust IT governance framework, overseen by our Board through the Risk and Sustainability Committee, is designed to ensure that our digital infrastructure remains secure, aligned with our corporate strategy, and capable of adapting to emerging threats. Our IT governance policy addresses key aspects such as data security, data storage and backup, availability of data for informed decision-making, safety of IT assets and resources, transparency, accountability, and alignment with corporate objectives.

Employee Training & Awareness: In 2024, one employee completed external training on AWS, enhancing our cloud security capabilities. In 2023, two IT administrators received training on Gateway Level, Email Security, and Endpoint Security, bolstering our defenses. Additionally, an external trainer conducted specialized training on NG-Firewall and Endpoint Security for two IT administrators, improving our threat management expertise.

Cybersecurity Assessments & Tests: Phishing test results showed a 0% failure rate for both 2024 and 2023, indicating a high level of employee vigilance against phishing attacks.

Digital Transformation & Operational Excellence: In 2024, significant progress was made in deploying systems such as the EBS on HTBL Polymer and FPMS JD, along with the Payable Dashboard in EBS, and FPMS for HTBL Polymer, PF. Systems like GMS, PMS, and ASM were also integrated. In 2023, we upgraded our EBS from version 12.1.3 to 12.2.10 and Oracle DB, implemented OS OEL 7.9, deployed EBS in HTBL, developed HMS & DMS, and established an employee portal, demonstrating our continued advancement in digital transformation.

Security Monitoring & Protection: Smart Alerts via email have been configured, ensuring that IT administrators are promptly informed about any external system attacks, allowing quick response and mitigation.

Penetration Testing & Security Assessments: Half-yearly internal and external penetration testing was conducted using advanced tools like Nessus, Kali Linux, and NMAP, with the last security assessment completed on December 2, 2023. This rigorous testing regime helps in identifying vulnerabilities and reinforces our cybersecurity posture.

Business Continuity & Disaster Recovery: An SOP and a robust disaster recovery plan are in place to ensure the uninterrupted operation of business-critical applications, with provisions for both on-site and off-site contingencies.

These initiatives reflect our proactive approach to IT governance and cybersecurity, ensuring resilience, preparedness, and the protection of our digital assets and infrastructure.

Information Required	2024	2023
Phishing tests fail results	Zero	Zero
Cyber incidents	Zero	Zero
Business critical system downtime	3%	2%
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero	Zero

CORPORATE GOVERNANCE



How it matters to HTL and the environment

At HTL, strong and effective corporate governance is fundamental to our operations, safeguarding stakeholder interests and ensuring the organization's long-term sustainability. As a publicly listed company, we are dedicated to a robust governance framework that prioritizes integrity, compliance, transparency, and accountability.

In an increasingly competitive and dynamic market, corporate governance is essential for strategic development. By adhering to best governance practices, HTL enhances its credibility with stakeholders, fosters trust, and strengthens risk management capabilities. This commitment not only boosts stakeholder confidence but also facilitates timely and transparent disclosures, reinforcing our reputation in the market.

Our focus on corporate governance is aligned with our mission of long-term value creation, allowing HTL to cultivate meaningful and lasting relationships with stakeholders. Through these efforts, we support our journey toward sustainable success, ensuring that our organizational practices contribute positively to our community and the environment.

HTL Management Approach

At HTL, we understand that responsible governance is essential for our commitment to sustainability and long-term success. Our governance framework is meticulously designed to safeguard stakeholder interests while promoting ethical business practices, accountability, and transparency.

We adhere to the Listed Companies (Code of Corporate Governance) Regulation, 2024, and uphold a Statement of Compliance that has been reviewed and certified by our external auditors. This commitment ensures our governance practices align with industry standards and best practices, thereby enhancing stakeholder trust.

Our governance structure is anchored in strong processes and effective internal controls, supported by a leadership team dedicated to transparency and accountability.

PROGRESS AND IMPACT

At HTL, our commitment to robust corporate governance is integral to our sustainability framework and operational integrity. As a listed company, we understand that strong governance not only safeguards stakeholder interests but also enhances our resilience in an increasingly complex business environment.

Risk management framework, policies and procedures, proper organization structure is approved by the Board to ensure robust corporate governance.

In line with our dedication to sustainability, we have started to implement the (IFRS) S-1 & S-2 on sustainability reporting, ensuring our practices align with global best standards. This strategic move reflects our commitment to transparency and accountability.

In alignment with our sustainability goals, we are going to establish a Risk and Sustainability Committee, which will be supported by the Sustainability Department. This committee will oversee our sustainability initiatives across the Plant and Depot Wings, ensuring that our operations are environmentally responsible and socially beneficial. Its functions will encompass evaluating risks and opportunities associated with Economic, Environmental, Social, and Governance (EESG) sustainability.

By recommending the establishment of HTL's EESG sustainability strategies, priorities, and targets to the Board, the committee aims to create long-term corporate value. This proactive approach reinforces our commitment to corporate governance, ensuring that sustainability is not just an add-on but a core component of our business strategy.

Through these initiatives, HTL is poised to not only enhance its corporate governance framework but also to drive meaningful progress in sustainability, ultimately benefiting our stakeholders and the communities we serve.

FRAUD, DECEPTION, DISHONESTY, BRIBERY & ANTI-CORRUPTION MEASURES

HTL strictly prohibits fraudulent acts, including bribery and corruption, and ensures that business partners adhere to the same ethical standards.

Directors' training has been conducted the details of which is mentioned in Directors Report Section in Integrated Annual Report.

CERTIFICATIONS ACQUIRED FOR BEST **SUSTAINABILITY AND CSR PRACTICES**

HTL has made a profound history of achievements toward best business practices and sustainability as shown below;

Award	Category	Year	Host
Business excellence award	First position in small business enterprises	2013-14	UN Global Network Pakistan
Business Excellence Award	Second Position in Large National Category	2015-16	UN Global Network Pakistan
Living the Global Compact Sustainability Award	First Position in Large National Companies	2017	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2018	UN Global Network Pakistan
Living the Global Compact Sustainability Award	First Position in Large National Companies	2019	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2020	UN Global Network Pakistan
Living the Global Compact Sustainability Award	Second Position in Large National Companies	2021	UN Global Network Pakistan

UNITED NATIONS SUSTAINABLE DEVELOPMENT **GOALS 2030 AS OUR ROAD MAP TOWARDS A SUSTAINABLE SOCIETY**

HTL has embraced the United Nations Sustainable Development Goals (SDGs) as a foundational blueprint for our strategic journey toward sustainability. In the present year and beyond, our steadfast commitment to aligning our practices with these Global Goals by 2030 remains resolute. The incorporation of the SDGs has illuminated our path, guiding us to perceive sustainable development as an inherent business response to the challenges confronting our society. We recognize the imperative of utilizing business-driven approaches to engender enduring economic growth, address societal needs, and empower communities. The UN Sustainable Development Goals furnish us with a shared framework and a well-defined roadmap to strive towards a better future. We regard the SDGs as a mutually beneficial opportunity, one that not only advances the betterment of the world for future generations but also aligns seamlessly with our vision of becoming a value-driven, sustainable company.



Out of the 17 United Nations goals, we have purposefully integrated twelve SDGs into our business operations. Furthermore, we have diligently crafted action plans to seamlessly incorporate sustainable development principles into our overarching business strategy. This integrated approach underscores our commitment to contributing meaningfully to the achievement of these critical global objectives.

GOAL	WHAT IT MEANS TO US	EXAMPLES OF OUR CONTRIBUTION
	Our aim: End poverty through social protection, community welfare, and access to basic services for our employees and local vulnerable communities via inclusive growth.	HTL prioritizes employee empowerment with competitive pay packages, in compliance with minimum wage laws. As a socially responsible Company, we address the needs of the underprivileged through CSR initiatives, especially during natural calamities and environmental challenges.
	Our aspiration: Ensure employee safety and enhance access to quality, affordable healthcare for both our employees and local communities.	Our HSE function ensures strict adherence to industry-leading Occupational Health, Safety, and Environmental practices. HTL implements healthcare initiatives for employees and local communities, prioritizing well-being and community health.
	Our aim is to provide quality education to the underprivileged segments of the community.	Education holds a central place in Company's CSR strategy. Through the Sabra Hamida Trust, we operate Ilam Gah School System, dedicated to serving the underprivileged segments of the community.
	Our aim is to foster gender equality, ensure a safe workplace, and provide equal opportunities and compensation for all employees.	We are a proud equal opportunity employer, dedicated to promoting gender diversity across all organizational levels. We offer equal opportunities, compensation, and benefits to our female employees as we do to their male counterparts. Women are represented at all organizational levels, including the Board of Directors. We have policies ensuring a harassment-free workplace for female employees.
	Incorporating water conservation into our business strategies for a sustainable future.	Installation of RO plant Bhai Kot Sundar Lahore to provide safe and clean drinking water for the community. Installation of various clean water pumps in village areas.
	Increase the use of clean energy at the Company's production facilities and utilize technology to provide solar energy solutions to the community.	HTL has successfully installed Solar Energy Power Project at Hi-Tech Blending (Private) Limited its wholly owned subsidiary company
	To be a preferred employer, promote holistic economic growth, train youth for enhanced employability, and upskill our current workforce.	HTL provides comprehensive employee facilities, including competitive pay, safe workplaces, healthcare, equal opportunities, and gender diversity. We prioritize employee training and upskilling for economic growth.
	Our goal: Sustainable economic growth through responsible industrialization, improving living standards and access to life's essentials for all.	HTL embraces industry innovations and invests in infrastructure development.
	We aim to reduce inequalities by providing equal access to opportunities through leadership, network, and technology solutions.	HTL upholds strict HR policies for equal and fair compensation, gender promotion, merit-based hiring, and cultural diversity.
	We are committed to the responsible management of our operations, reducing our environmental footprint, and fostering responsible conduct among all our stakeholders.	As an environmentally conscious company, we take pride in advocating for sustainable business practices throughout our value chain and in public forums.
	Our objective is to expedite action on mitigating the impact of climate change.	HTL is actively engaged in an ongoing tree plantation drive to protect the environment.
	We are dedicated to the responsible and ethical management of our operations. Our commitment includes promoting transparency and accountability in all interactions with both internal and external stakeholders.	Our Anti-Bribery and Corruption Policy is an integral component of our code of conduct. We firmly discourage all forms of such behavior, emphasizing our commitment to ensuring equal and equitable opportunities for all.

INDEPENDENT LIMITED ASSURANCE REPORT TO **HI-TECH LUBRICANTS LIMITED ON THE SUSTAINABILITY**

INTRODUCTION

We, M. Salman Naseem and Co., Chartered Accountants (MSN, we, us, our), were engaged by the Management of Hi-Tech Lubricants Limited (the 'Company') to provide limited assurance under International Standard on Assurance Engagement (ISAE) 3000 "Assurance Engagement Other Than Audit or Review of Historical Financial Information" on the Sustainability Report for the year ended June 30, 2024 of the Company.

CRITERIA

The criteria used by the Company to prepare the report is Global Reporting Initiative (GRI) standards 2021 (the 'criteria'), as disclosed in the report.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the preparation and presentation of the report in accordance with the criteria for determining the Company's objectives with respect to sustainable development performances and reporting, including the identification of stakeholders and material issues, and 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 staff involved in the preparation and presentation of the Sustainability Report is adequately trained, information systems are appropriate updated, any changes in the Report encompass all significant business units.

INHERENT LIMITATIONS

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

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and may not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period, and the

procedures performed were undertaken on a test basis.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Pakistan (ICAP), which includes independence and other requirements on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. The firm applies the International Standard on Quality Control 1 "Quality Control for firm that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

OUR RESPONSIBILITIES

Our responsibility is to carry out a Limited Assurance engagement on the Company's Sustainability Report and to express a conclusion based on the work performed. We conducted our limited assurance engagement in accordance with 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). This standard requires that we comply with independence requirement and plan and perform the engagement to obtain limited assurance on the Sustainability Report.

PROCEDURES PERFORMED

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence-gathering procedures, as appropriate. These procedures included:

- Interviewed the relevant staff responsible for presenting and disclosing the information in the Report;
- Gain an understanding from the relevant key personnel of Company to understand current control and processes in place for capturing sustainability performance data, and the progress made during the reporting period;
- Review adherence to the requirements of the GRI Standards 2021;
- Evaluated the related disclosures are appropriately presented, described and clearly expressed;
- Reported any deviations/gaps and documented any reasoning, if any;
- Read the information presented in the Report to determine

- whether its arrangement is in line with GRI 2021; and
- Obtained written representation from the management regarding the completeness and authenticity of the information contained in the report, their responsibilities regarding preparation of report and underlying measurements and calculations in accordance with the criteria.

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

LIMITATIONS ON SCOPE OF WORK

Our limited assurance engagement scope excludes:

- Data and information outside the defined reporting period i.e. July 01, 2023 to June 30, 2024;
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects; and
- Data and information on the economic and financial performance of the Company, which, we are informed, are from the Company's audited financial records and statements.

LIMITED ASSURANCE CONCLUSION

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion. Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the report is not prepared, in all material respects, in accordance with the criteria.

However, following improvements can be made for the next reporting cycle:

- We recommend complete calculation of Depots and supply chain, energy and emissions foot prints and aligning the targets with climate science to reduce the impact; and
- The report acknowledges the Company's exposure to climate related risks and opportunities. However, it does not explain the impact and implications to the Company in short, medium and long term.

RESTRICTION ON DISTRIBUTION

Our report should not be regarded as suitable for use or relied upon by any party wishing to acquire rights against us other than the management of the Company for any purpose on in any other context. Any party other than Hi-Tech Lubricants Limited who obtains access to our report or a copy thereof and chooses to rely on our report (or any party 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 Hi-Tech Lubricants Limited for our work, this independent Limited Assurance report, or the conclusions we have reached.

M. SALMAN NASEEM & Co.

M. Salman Naseem & Co., Chartered Accountants
Engagement Partner: M. Salman Naseem
Place: Gujranwala
Date: 01 October 2024