



SUSTAINABILITY REPORT 2025-26



SUSTAINABILITY PERFORMANCE

Impact Through Ownership

This section outlines our commitment to sustainable performance, highlighting initiatives, achievements, and progress towards a more sustainable future.



Contents

143	About the Report
144	Message from the Chief Executive Officer
146	Sustainability Highlights
147	Awards
148	Materiality Assessment
151	Sustainability Strategy
152	Forging a Sustainable Future
154	Sustainability Governance
156	Stakeholder Engagement
161	Economic Performance
163	Integrity Management
164	Sourcing and Procurement
166	Environmental Performance
168	Product Stewardship
169	Energy
172	Emissions
174	Water and Effluents
176	Waste
181	Social Performance
184	Occupational Health and Safety
189	Employee Engagement and Wellness
191	Diversity and Inclusion
194	Training and Education
196	Non-Discrimination
198	Forging Stronger Communities
202	Strengthening Communities with Pehchan
204	GRI Content Index
209	Sustainable Development Goals
210	External Assurance

About the Report

Lucky Core Industries Limited FY 2025-26 Sustainability Report marks its 18th year of annual sustainability reporting, covering the topics identified as material to the Company and its stakeholders. The Report complies with the Global Reporting Initiative (GRI) Standards and adheres to the GRI 01 Foundation Reporting Principles. Moreover, the Report references the UN Sustainable Development Goals (SDGs).

Reporting Period

The reporting period for this Report aligns with the Company's FY 2025-26, spanning from July 1, 2025, to June 30, 2026. This Report has been published in September 2026.

Report Boundary and Content

The Report showcases LCI's commitment to sustainability, transparency, and environmental excellence. It covers:

The Company's core areas of business, corporate functions, and employee data. It excludes subsidiaries and associated companies.

Detailed performance on material sustainability topics.

Progress towards achieving LCI's long-term sustainability pledges and goals in the economic, environmental, and social areas, highlighting their significance for stakeholder decision-making.

Management Approach to Sustainability

Details of the management approach for each material topic are available on page 148 of this Report.

Data Collection

Data presented in the Report was collected from the Company's Financial Management Reporting Systems, the Environmental Performance Management (EPM) database, and the Corporate HR Information Management System. Details of the Company's sustainability reporting governance are available on page 154 of this Report. No restatements have been made to previously reported data.

Assurance

The Report also undergoes an independent review conducted by the Corporate Social Responsibility Centre Pakistan (CSRCP) to ensure compliance with GRI Standards, the ISAE 3000 (Revised) standard and principles of inclusivity, materiality, responsiveness, and impact. The Sustainability Council oversees external assurance processes, with coordination delegated to the Head of Corporate HSE. The assurance letter from CSRCP is available on page 210 of this Report.



Contact Us

To share any feedback or comments related to this Sustainability Report, please email: corporate.hse@luckycore.com, or contact:

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The Report, along with additional information about the Company's business units and products, can be accessed on LCI's website: www.luckycore.com

The background consists of two overlapping circles. The larger circle is a dark green color and occupies the left and bottom portions of the frame. The smaller circle is a lighter, lime green color and is positioned on the left side, partially overlapping the larger circle. The text is centered horizontally and positioned in the middle of the frame, overlapping both circles.

Message from the Chief Executive Officer

Dear Stakeholders,

I am pleased to present LCI's Sustainability Report for FY 2025-26 as Chief Executive Officer, and to share my first message with you in this capacity. This year's report marks the Company's eighteenth consecutive year of transparent and responsible sustainability reporting.

This year's report continues to be prepared in accordance with the Global Reporting Initiative (GRI) Standards and the United Nations Sustainable Development Goals, with select disclosures also aligned to the IFRS Sustainability Disclosure Standards, reflecting our commitment to comprehensive, stakeholder-inclusive reporting. Anchored in our purpose of Improving Lives, we remain focused on responsible business, disciplined execution, and enduring value for our stakeholders.

For LCI, sustainability is not a standalone programme, it is embedded in how we govern and operate. Our Sustainability Council remains central to this effort, translating sustainability priorities into action and enabling alignment across businesses, functions, and operational sites, so that sustainability-related risks and opportunities are identified and closely integrated with business planning, resource allocation, and performance management. This governance enables practical action across resource efficiency, people development, and community investment, strengthening long-term value creation.

This same discipline shapes our environmental agenda, which remained guided by LCI's Catalyst 2030 - Climate Action Plan and STEP sustainability platform. During FY 2025-26, LCI neutralised 26,000+ tonnes of CO₂ emissions, planted 23,000+ trees, and recycled 247+ million PET bottles into polyester fibre. The Company also generated 1,700,000+ kWh of clean energy, helping reduce 1,000+ tonnes of CO₂ emissions. Wastewater recovery, process optimisation, and improved waste management further enhanced resource efficiency across our operations.

Health & Safety is central to this agenda. During the year, LCI recorded approximately 50.04 million safe man-hours, with 3 reportable incidents, each investigated and addressed through corrective and preventive action, resulting in a Total Reportable Injury Rate (TRIR) of 0.26 per million man-hours worked. We

continue to strengthen process safety, site controls, and preventive practices to protect our people, safeguard our assets, and support long-term operational resilience.

This same investment in our people extends to how we build a future-ready organisation. We strengthened our commitment to diversity and inclusion through the launch of One Core-Women@LCI and One Core-Conscious Inclusion, while increasing female representation across the workforce to 10.7% during FY 2025-26. LCI recorded over 7,900 training days during the year, reinforcing our investment in capability-building, leadership development, and a workforce prepared for the needs of tomorrow.

Beyond our own workforce, this responsibility extends to the communities with whom we share long-term relationships. Guided by our social responsibility pillars of Health, Education, Women's Empowerment, Environment, and Community Development, PKR 220.5 million was invested during FY 2025-26 to support initiatives that improve quality of life and enable meaningful progress. This impact was further strengthened through Pehchan, our employee volunteer programme, under which 440+ volunteers contributed 1,500+ hours to meaningful causes.

As LCI moves forward, our progress will continue to be measured by how effectively we manage material risks and opportunities to strengthen resilience, build a future-ready organisation, and create long-term value with purpose, staying true to our promise of Improving Lives. This year's results reflect the collective efforts of our people, partners, and stakeholders, and I thank them for their continued commitment and trust.

I invite you to read this year's Sustainability Report and learn more about the progress achieved during FY 2025-26, and the priorities shaping our future.

Best Regards,

Samar Hayat

Chief Executive Officer

Lucky Core Industries Limited

Sustainability Highlights

26,000+

tonnes

of CO₂ Emissions
Neutralised

247+

million

PET Bottles Recycled
into Polyester Fibre

23,000+

Trees Planted

50+

million

Safe Man Hours

Zero

Occupational
Illnesses

7,900+

Training Days

PKR
220.5
million

Invested in Community
Uplift Programmes

440+

Employees
Participated in
Volunteer Programme

Awards

Corporate Function

Best Sustainability Report Award 2024

The Institute of Chartered Accountants of Pakistan
Institute of Cost and Management Accountants of Pakistan

Sustainability Rising Star Award 2026

Asia Corporate Excellence & Sustainability (ACES)

Pharmaceuticals Business

22nd Annual Environmental Excellence Award 2025

National Forum for Environment & Health

EHS International Award 2025

The Professionals Network
Pakistan Safety Council

Fire Safety Excellence Award 2025

Fire Protection Association of Pakistan

Soda Ash Business

RoSPA Gold Award 2026

The Royal Society for the Prevention of Accidents

International Safety Award 2026

British Safety Council

Safety & Health Excellence Awards 2026

British Safety Industry Federation

Corporate Social Responsibility Award 2026

National Forum for Environment & Health (NFEH)

22nd Annual Environmental Excellence Award 2025

National Forum for Environment and Health

15th Annual Fire Safety Awards 2025

National Forum for Environment and Health
Fire Protection Industry of Pakistan
Institution of Fire Engineers

Polyester Business

Best HSE Initiative Award, Environmental Excellence, and Excellence in CSR Award

Pakistan Safety Council

Corporate Social Responsibility Award 2026

National Forum for Environment & Health (NFEH)

Animal Health Business

Corporate Social Responsibility Award 2026

National Forum for Environment & Health (NFEH)

22nd Annual Environment Excellence Award 2025

National Forum for Environment and Health

15th Annual Fire Safety Award 2025

National Forum for Environment and Health and Fire Protection
Industry of Pakistan

Chemicals & Agri Sciences Business

Environment, Health and Safety International Award 2025 and 15th Annual Corporate Social Responsibility Award

The Professionals Network



LCI secured 2nd place for the Best Sustainability Report and a Certificate of Merit for the Best Corporate Report in the Chemical and Fertilizer sector at the ICAP - ICMA International Best Corporate Report 2024 Awards.

Materiality Assessment

The Company recognises the importance of identifying and managing the topics that are most material to its business and stakeholders. As LCI continues forging ahead together, this section outlines the methodology used to determine their significance to the Company's long-term sustainability, value creation, and operational resilience.

LCI recognises the actual and potential environmental, social, and economic impacts associated with its operations. These include outcomes such as greenhouse gas emissions from manufacturing processes and the consumption of natural resources, as well as positive contributions including job creation, sustainable innovation, and long-term community development. These impacts occur both directly through core operations and indirectly across the value chain.

Aligned with international sustainability frameworks, the Company has adopted policies and initiatives focused on reducing emissions, upholding human rights, promoting responsible sourcing, and supporting the wellbeing of employees and communities. In line with these commitments, key actions during the period included transitioning to cleaner energy sources, strengthening supplier engagement, and expanding employee development programmes, particularly management training initiatives designed to build leadership capabilities and foster a culture of continuous learning.

Performance against these priorities was rigorously monitored using well-defined Key Performance Indicators, supported by regular internal and external audits and comprehensive

stakeholder feedback. The insights derived from these monitoring activities informed progress towards key targets, including emissions reduction and energy efficiency, with findings systematically integrated into strategic planning and operational decision-making to drive continuous improvement.

In 2023, a comprehensive materiality assessment was conducted in accordance with the Global Reporting Initiative (GRI) Standards (2021), with the support of an independent consultant. Anchored in the principles of double materiality, the process incorporated insights from the Sustainability Council, key stakeholder groups, including employees, suppliers, customers, and community representatives, and a review of sector-specific ESG developments. The findings of this assessment continue to guide our sustainability priorities to date.

The aforementioned methodology enabled the Company to collaboratively identify and finalise its material topics in line with LCI's sustainability objectives and strategic priorities. The comprehensive nature of the assessment ensures that the Sustainability Report accurately reflects LCI's commitment to sustainable practices and transparent reporting.

List of Material Topics*

Area	Material Topic	Impacts
Economic	Economic Performance	Affects economic conditions of all stakeholders.
	Indirect Economic Impacts	Affects economic conditions of all stakeholders.
	Market Presence	Affects development in markets where the Company operates.
	Procurement practices	Affects capacity enhancement of local suppliers.
	Anti-Competitive Behaviour	Affects ethical and responsible operations.
Environmental	Energy	Affects the organisation's environmental footprint, the ecosystem and climate.
	Water and Effluents	
	Emissions	
	Waste	
Social	Employment and Labour Relations	Affects social capital development and working conditions.
	Training and Education	Affects social capital development, in particular the organisation's human capital.
	Occupational Health and Safety	Affects stakeholders and their human rights.
	Diversity and Equal Opportunity	Affects social capital development, in particular the organisation's human capital.
	Non-Discrimination	Affects social capital development, in particular the organisation's human capital.
	Freedom of Association	Affects stakeholders and their human rights.
	Child Labour	Affects stakeholders and their human rights.
	Community Investment	Affects social capital development and community uplift.

*The list of material topics is the same as last year, reflecting no changes.

Relevance of Material Topics to Lucky Core Industries

As LCI continues forging ahead, these material topics guide our approach to creating sustainable value while addressing the environmental, social, and economic priorities most relevant to our businesses and stakeholders.

Pillar	Material Topic	Why it Matters or Relevance	How LCI Responds or Reporting Focus
Economic	Economic Performance	Drives LCI's long-term value creation and commitment to Cultivating Growth.	Delivers sustainable financial performance through responsible business practices and transparent reporting.
	Indirect Economic Impacts	Extends LCI's contribution to socio-economic development beyond its direct operations.	Measures and reports its broader economic impact across stakeholders, communities, and the value chain.
	Market Presence	Creates employment opportunities and supports regional economic development.	Invests in talent through competitive employment, remuneration, and benefits.
	Compliance	Safeguards LCI's licence to operate, financial performance, and corporate reputation.	Maintains robust governance and compliance with applicable laws and regulations.
	Anti-Competitive Behaviour	Reinforces ethical conduct and fair competition while protecting stakeholder trust.	Promotes ethical business practices and compliance with competition laws.
	Procurement Practices	Strengthens supply chain resilience and creates shared value with business partners.	Fosters responsible sourcing and long-term supplier relationships.
Environmental	Water & Effluents	Responsible water stewardship is critical in a water-scarce country.	Improves water efficiency and manages effluents responsibly across operations.
	Energy	Efficient energy use reduces environmental impact and enhances operational competitiveness.	Improves energy efficiency and increases the adoption of cleaner energy sources.
	Emissions	Effective emissions management supports climate action and regulatory compliance.	Monitors greenhouse gas emissions, implements reduction initiatives, and complies with environmental regulations, including NEQS.
	Waste	Responsible waste management protects the environment, biodiversity, and surrounding communities.	Minimises waste generation and promotes responsible reuse, recycling, and disposal practices.

Pillar	Material Topic	Why it Matters or Relevance	How LCI Responds or Reporting Focus
Social	Employment and Labour Relations	Reflects LCI's commitment to Passion for People by attracting, developing, and retaining talent.	Provides growth opportunities, competitive rewards, and an inclusive workplace that supports employee wellbeing.
	Training and Education	Builds future-ready capabilities and strengthens organisational performance.	Invests in continuous learning, leadership development, and career progression.
	Occupational Health and Safety	Protecting people is fundamental to responsible operations.	Maintains the highest HSE&S standards to safeguard employees, contractors, business partners, and communities.
	Diversity and Equal Opportunity	An inclusive workplace enables people and the business to thrive.	Advances diversity, equity, and inclusion through equitable employment practices and an inclusive culture.
	Non-Discrimination	Fair and respectful treatment strengthens an inclusive workplace.	Upholds equal opportunity and a workplace free from discrimination and bias.
	Freedom of Association & Child Labour	Respect for human rights is fundamental to responsible business conduct.	Upholds internationally recognised human rights, ILO Conventions, and applicable local regulations.
	Community Investment	Creates shared value by supporting sustainable community development.	Invests in community partnerships and programmes that deliver measurable social impact.

Sustainability Strategy

LCI's sustainability strategy brings its businesses together around a unified direction, translating shared responsibility into coordinated environmental and social action. By progressing collectively, the Company aims to deepen impact, strengthen communities, and advance responsible practices across its operations.

Approach to Sustainability

As a leading manufacturing Company, LCI integrates sustainability into its business strategy to create long-term value for its stakeholders. Guided by six fundamental principles, the Company's businesses move forward together, united in their approach to deliver a lasting positive impact for future generations.

Guiding Framework	
Operational Pillars	Creating Socioeconomic Value: Strengthening communities through sustained investment in education, healthcare, and skills development to build resilience, promote inclusion and extend the benefits of growth.
	Environmental Stewardship: Committed to minimising its environmental footprint by investing in cleaner technologies and sustainable practices.
	Respecting Human Rights: Ensuring internationally recognised human rights are implemented across the value chain through fair, dignified, and inclusive practices.
	Transparency: Building trust through accountable operations, clear reporting, and open stakeholder dialogue.
	Operating Responsibly: Embedding ethical conduct, responsible sourcing, and inclusive practices across operations.
	Fostering a Culture of Excellence: Nurturing talent, encouraging innovation and enabling continuous learning to build a high-performing, purpose-driven culture as one team.
Transversal Pillars	Stakeholder Engagement: Partnering with employees, communities, partners, and regulators to shape responsive, accountable and lasting sustainability outcomes.
	Governance: Integrating sustainability into business practices through clear oversight, accountability, and performance monitoring.

Forging a Sustainable Future

Catalyst 2030 - Climate Action Plan

As climate-related pressures continue to shape operating environments, LCI is responding through coordinated action across the Company's businesses and functions. More than 42 projects are driving improvements in energy efficiency, emissions reduction, and ecosystem restoration.

This work is delivered through the Catalyst 2030 - Climate Action Plan, launched in FY 2022-23 as a Company-wide platform for shared climate priorities. By combining technology adoption,

efficiency, and nature-based solutions, the Plan supports practical action across decarbonisation, resource efficiency, and environmental resilience.

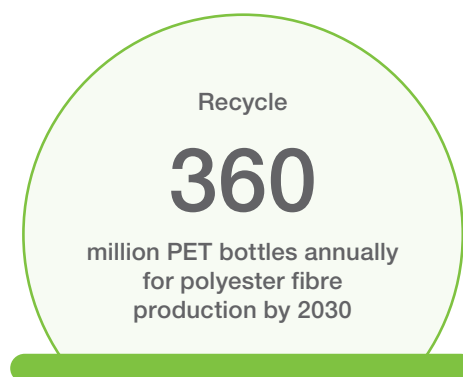
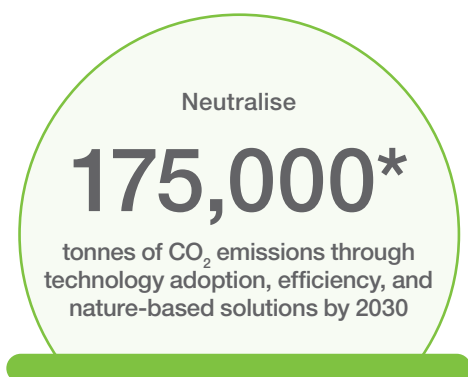
Catalyst 2030 also provides a framework for monitoring outcomes and informing future environmental priorities, enabling LCI to translate climate ambition into measurable progress and long-term value creation.

Approach to Climate Change

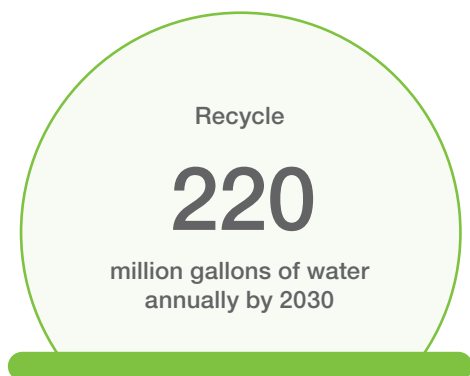


Catalyst Commitments

Through its Catalyst roadmap, LCI has established medium- to long-term targets to advance meaningful climate action:



*This target has been revised.



Across Company sites, more than 42 active projects are translating these targets into action. Each project has been prioritised for its scalability and impact.

Impact Overview FY 2025-26

Catalyst 2030 - Impact Areas	Units	FY 2025-26	Total (since July 2022)
Neutralise Carbon Emissions	Tonnes	26,825	109,053
Recycle PET bottles to produce polyester	Million Bottles	247	1,007
Trees Planted	Number	23,670	130,816

During FY 2025-26, LCI further advanced its Catalyst 2030 - Climate Action Plan by neutralising 26,825 tonnes of CO₂, taking the cumulative total to 109,053 tonnes since July 2022.

The Company also recycled 247 million PET bottles for the production of recycled polyester, increasing the cumulative total to more than 1 billion bottles. This supports circularity by reducing plastic waste and extending the productive use of materials.

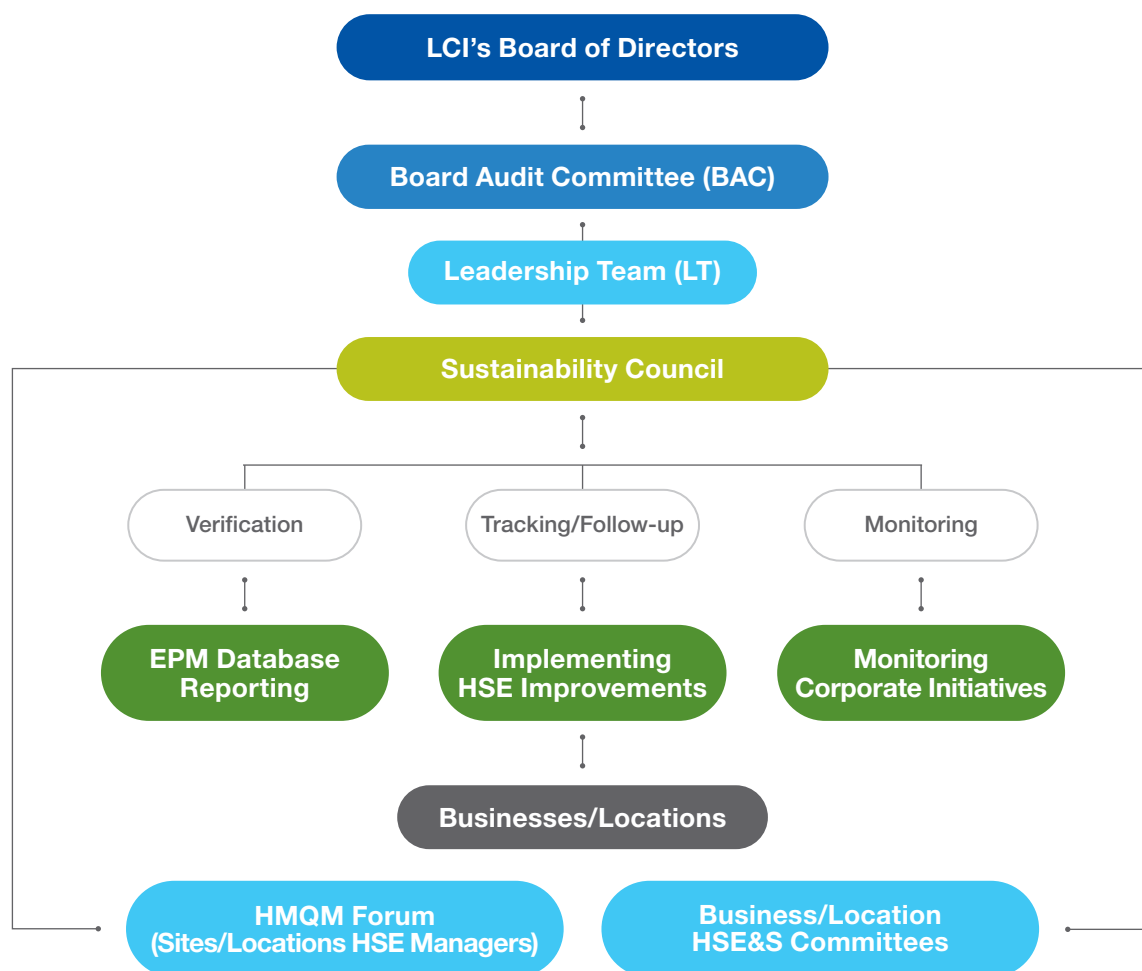
Nature-based initiatives continued to deliver positive outcomes, with 23,670 trees planted during the year. Since the launch of Catalyst 2030, the cumulative number of trees planted has reached 130,816, further contributing to biodiversity and ecosystem restoration.

Together, these achievements demonstrate measurable progress towards the Company's climate, circularity, and environmental priorities.



Sustainability Governance

Catalyst 2030 - Climate Action Plan



LCI's sustainability governance framework establishes clear oversight, accountability and decision-making responsibilities across the organisation. The Board of Directors conduct biannual reviews of ESG performance in relation to the Company's long-term objectives.

The Leadership Team oversees progress across environmental, social and governance matters, including related risks, opportunities, metrics and targets.

The organisational approach is informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Sustainable Development Goals (SDGs) and the United Nations Global Compact (UNGC).

The Company continually reviews its sustainability agenda through regular evaluations, risk assessments and stakeholder feedback.

It also communicates its commitments and performance publicly, reinforcing transparency and accountability while informing strategic decisions, strengthening risk management, supporting resilient, and responsible growth.

LCI has also incorporated its commitment to ethical business practices into its supplier codes, which suppliers must sign and abide by during their relationship with LCI.

Cultivating Organisational Integrity

LCI's policy commitments are anchored in its Board-approved Code of Conduct, a foundational pillar of ethical practice. Available on the official website, the Code is communicated to all directors and employees during onboarding. It aligns with applicable laws and upholds human rights. Regular training, leadership communication, and internal awareness initiatives reinforce integrity, and shared accountability across the organisation.

Sustainability Council

The Sustainability Council comprises representatives from across the Company's businesses and functions. The Council also oversees the development, implementation, and monitoring of HSE&S policies and practices across LCI.

Responsibilities of the Council

The Council acts to:

- Define sustainability KPIs, measurement matrices, and targets.
- Review the Company's environmental footprint and develop effective strategies for mitigation of adverse impacts.
- Assess stakeholder relationships for alignment with sustainability objectives.
- Design and execute communication strategies for internal and external stakeholders to promote sustainable growth.
- Establish guidelines for managing sustainable change and fostering adaptability within the organisation.
- Introduce and implement initiatives for cutting-edge technologies in alignment with LCI's sustainability agenda.
- Define broad parameters for enhancing product responsibility to ensure that the Company's products align with sustainable principles throughout their lifecycles.
- Prioritise sustainability goals and direct efforts towards areas that can yield significant and tangible results.

Monitoring and Reporting on Sustainability Efforts

Corporate HSE&S independently oversees sustainability performance reporting and maintains the Environmental Performance Management (EPM) database. Businesses and sites report data related to LCI's Operational Eco-Efficiency (OEE) footprint, which is reviewed by the Sustainability Council and the Leadership Team to support oversight and informed decision-making.

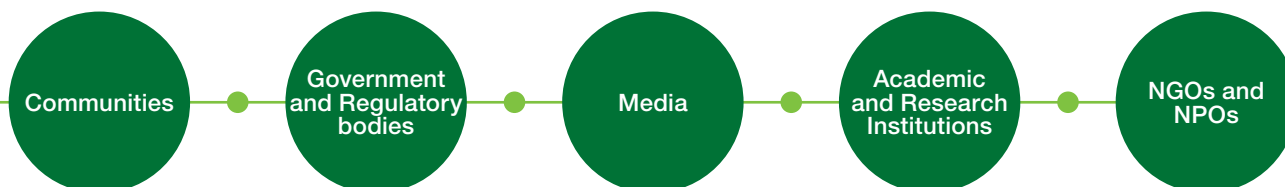
Grievance Mechanisms

LCI is committed to addressing and remediating any adverse impacts resulting from its operations or business relationships. To support this commitment, the Company maintains a robust grievance mechanism designed to identify issues, engage relevant stakeholders, and execute swift corrective actions. All grievances are investigated thoroughly, and remedial actions are taken to prevent recurrence. Details of the grievance mechanisms are available on page 112 of this Report.

Stakeholder Engagement

LCI recognises that its enduring success is built on the strength of open and transparent relationships established with its stakeholders. By valuing every perspective, the Company continues to move forward through shared understanding and collective trust.

Stakeholder Group	Providers of Financial Capital	Employees	Customers	Suppliers and International Partners
Engagement Frequency	Regular	Regular	Regular	Regular
Concerned LCI Teams	- Corporate Finance - Company Secretariat - Corporate Communications and Public Affairs	- Leadership Team - Human Resource - Corporate Communications and Public Affairs	Business sales, technical support and quality assurance	- Procurement - Relevant business team
Key Stakeholder Concerns	- Ongoing economic viability - LCI's financial and operational performance - LCI's growth prospects	- Employment security - Fair treatment and compensation - Safe workplace - Training and education - Career development - Participation and empowerment	Product cost, quality and availability	- Long term supply contracts - Efficient payment cycles
LCI's Strategic Response	- Commitment to ongoing growth and value creation - Corporate briefings - Shareholders meetings - Timely public disclosures to PSX - Investor relations policy	- Leadership connect sessions - Internal events and communications - Annual engagement survey - Launch of Employee Central - Benchmarking studies - Capacity-building trainings - Wellness Programme - Innovation Challenge - Code of Conduct	- Technical support and capacity building initiatives - Surveys and field visits - New product launches - Communication and engagement initiatives	- Code of conduct compliance - Procurement policy manual - Supplier audits - Open negotiation discussions



• Regular	• Regular/Case Basis	• Occasional	• Occasional	• Regular
• Business on-site CSR teams • Lucky Core Foundation	• Relevant business/functional representatives	• Corporate Communications & Public Affairs • Leadership Team	• Human Resource • Relevant business teams • Lucky Core Foundation • Business on-site CSR teams	• Lucky Core Foundation • Business on-site CSR teams
• Impact of LCI's manufacturing sites • Employment opportunities • Sustainability initiatives, both environmental and social	• LCI's compliance with regulations and laws • LCI's investment in the economy • LCI's contribution to sustainability	• Information on LCI's operations, growth prospects and sustainability practices • LCI's economic contribution	• Career placements and development • Leadership and workplace insights	• Funding for CSR programmes • Logistical and technical support for CSR programmes
• Community and environmental investments • Robust HSE programme • Local procurement and employment	• Bilateral engagement • Timely and transparent submission of data for review and compliance	• Digital presence • Timely release of information and responses to media queries • One-on-one media engagement	• Research partnerships • Training programmes and guest speaker sessions • Recruitment and internship drives	• Community and environmental investments

Stakeholder Engagement

Key Initiatives FY 2025-26

At LCI, stakeholder engagement remains central to the way the Company builds trust, creates shared value and strengthens long-term relationships. During the year, businesses across LCI continued to engage with communities, customers, partners, healthcare professionals, farmers, industry bodies, and other key stakeholders through focused initiatives that supported environmental responsibility, capability building, customer centricity, and sustainable business practices.

Soda Ash Business

- The business inaugurated a Khewra municipal committee Ladies and Children park, spanning 63,000 square feet. The park features play areas and biodiversity-friendly greenery, supporting community wellbeing and inclusive public spaces.
- To strengthen engagement with key customers, the business hosted relationship-building initiatives during the year, including a Chinese New Year celebration for the senior management of Deli JW Glass, and an Iftar dinner in Faisalabad.
- In line with its focus on customer centricity and export market development, a delegation from the business visited Unilever Bangladesh to engage with existing and potential customers. The visit helped address customer priorities, explore collaboration opportunities, and reinforce long-term partnerships in the region.
- As part of Project Green Storm, the business planted 21,000

trees during the year, bringing the cumulative total to 118,000 trees.



The Soda Ash Business hosted an Iftar dinner in Faisalabad.

Polyester Business

- Through its 8th Customer Conference in Budapest, Hungary, the business brought together key customers and partners to discuss market developments, growth opportunities, innovation, and sustainability initiatives.
- Reinforcing its focus on circularity and responsible production, the Polyester Business participated as the leading exhibitor at the Textile Exchange Conference 2025 in Portugal. The conference enabled engagement with global brands and industry leaders on circularity, biodegradability, textile-to-textile recycling, traceability, and evolving sustainability regulations.
- Extending its contribution to community development, the business installed a solar power system at the Basic Health Unit in Ghang, Sheikhpura. The project supports improved healthcare delivery, vaccine preservation, and maternal healthcare services for the local community.
- Continuing its advocacy for a more circular plastics value chain, the business participated in CoRe Alliance's 4th Annual

Convening, engaging with stakeholders on the development of a unified Extended Producer Responsibility framework and advancing circularity across Pakistan.

- The business organised a Ramadan ration drive through employee contributions, raising PKR 918,000 against a target of PKR 600,000. The funds supported the distribution of 183 ration bags to families in need, reflecting employees' collective commitment to supporting surrounding communities.
- The business organised a Sports Festival for students of Government Boys and Girls Primary School Tibbi Harya, Sheikhpura, engaging 150+ students in a range of fun activities.
- Initiated in 2022 by the Lahore Biennale Foundation, LCI and LUMS, the pilot project has now been adopted by the Government of Punjab. The programme promotes responsible waste disposal and requires participating schools to adopt sustainable practices to qualify as "Green Schools".

- The business completed the renovation of Tibbi Harya Primary School and launched a birthday celebration initiative to enhance student morale and create a more positive learning experience.



The Polyester Business organised a Sports Festival for students of Government Boys and Girls Primary School Tibbi Harya, Sheikhpura.

Animal Health Business

- Demonstrating its commitment to environmental stewardship, the Animal Health Business organised a cleanup drive at Changa Manga, removing 70 kg of recyclable and non-recyclable waste from one of Pakistan's largest forest ecosystems. The initiative supported ecosystem preservation and encouraged responsible waste management practices.
- During Eid-ul-Azha, the business supported animal welfare at livestock mandis in collaboration with veterinary societies from leading universities. Essential veterinary support was provided free of cost, facilitating timely treatment for 1,500 animals during peak trading activity.
- Furthering its sustainability commitments, the business planted 1,700+ trees at the Sheikhpura plant during the year, taking the total number of trees planted to 6,410. The initiative supports biodiversity enhancement, ecosystem restoration, and the Company's long-term sustainability objectives.
- To strengthen field-level knowledge, the business conducted 80 seminars across Pakistan for veterinarians, farmers and other

professionals. The seminars addressed real-time operational challenges and supported responsible animal healthcare practices.

- In collaboration with the Fatimid Foundation, the business organised a blood donation drive, with employees donating 56 pints of blood, reflecting collective participation in supporting community health and emergency care needs.



The Animal Health Business team organised a cleanup drive at Changa Manga.

Chemicals & Agri Sciences Business

- In recognition of International Rural Women's Day, the business conducted safety awareness sessions for women engaged in cotton-picking activities in Multan and Bahawalpur.
- The Chemicals Business reinforced its industry presence through Platinum Sponsorship of the Pakistan Coating Show and Polyurethane Expo 2026, strengthening engagement with customers, industry stakeholders, and business partners.
- To promote a culture of health and safety, HSE&S training sessions were conducted at the Chemicals Technical Centre and customer sites during the year. The sessions included practical demonstrations and risk assessments to support safer operating practices.
- Strategic engagement with Evonik's Business Director in Pakistan strengthened relationships with key stakeholders, deepened market understanding, and identified growth opportunities in specialised chemicals.

- The Agri Sciences Business continued to engage stakeholders on environmental and agricultural sustainability through an environmental conservation and waste collection activity at Lalazar Park, Nathia Gali.
- The Agri Sciences Business organised educational visits for children from SOS Children's Village and students from the Kiran Foundation DCTO Campus, Lyari, to biscuit manufacturing facilities. The visits provided first-hand exposure to modern production processes and quality standards.
- The Chemicals & Agri Sciences Business launched a large-scale cotton revival initiative spanning more than 12,000 acres across key cotton-growing regions. The programme was aimed to help farmers protect their crops from damaging pest infestations, improving crop health and safeguarding yields.



The Chemicals & Agri Sciences Business team organised a safety awareness session for women involved in cotton picking activities on International Rural Women's Day 2025.

Pharmaceuticals Business

- The Pharmaceuticals Business entered into a strategic collaboration with Baxter International Inc. to in-license key healthcare offerings for the local market, strengthening its portfolio, and expanding access to high-quality, innovative healthcare solutions.
- As part of public health awareness efforts, the business supported initiatives linked to key health observance days, including cardiovascular health, diabetes, breast cancer awareness, mental health, osteoporosis, iron deficiency, and antimicrobial resistance. These initiatives reinforced the business's commitment to disease awareness, education, and responsible healthcare engagement.
- The business organised a plantation drive at the Connect Logistics in collaboration with the Finished Goods Warehouse and Connect teams. The initiative expanded green cover across

the warehousing premises and encouraged cross-functional employee participation.



The Pharmaceuticals Business strengthened its healthcare portfolio through a strategic collaboration with Baxter International Inc. to bring high-quality healthcare solutions for patients.

Membership of Associations

Membership of associations include:

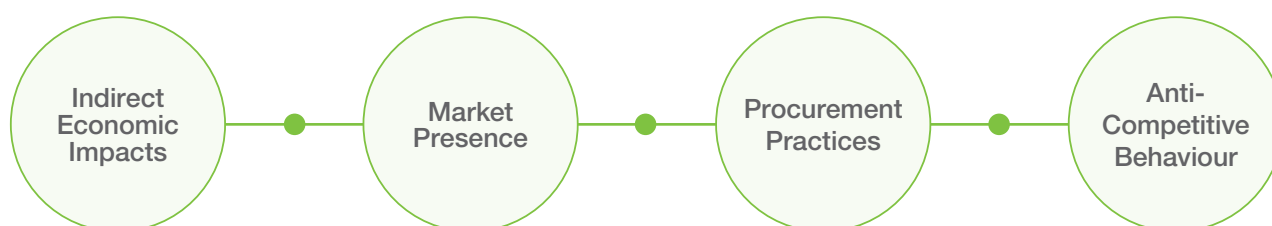
- Chamber of Commerce
- Pakistan Business Council (PBC)
- Pakistan Institute of Corporate Governance (PICG)
- Pakistan Agriculture Coalition (PAC)
- Overseas Investors Chamber of Commerce and Industry (OICCI)
- CropLife
- Pakistan Pharmaceutical Manufacturers' Association (PPMA)
- Pakistan Society for Training and Development (PSTD)
- Management Association of Pakistan (MAP)

Economic Performance

Aligned with its vision, values, and brand promise, LCI is committed to driving long-term economic value creation for its stakeholders through resilient performance, strategic collaboration, and shared progress.

This section outlines LCI's approach to the material topics associated with the Company's economic performance. Additional disclosures are available in the GRI Content Index or through relevant cross-references in the Annual and Sustainability Reports.

Material Topics Covered



Management Approach

Economic Performance

Economic performance is one of the key drivers of the Company's aspirations, goals, strategy, and operations, and is proactively managed by relevant stakeholders across LCI.

The Board of Directors holds overall responsibility for governance and oversight of the Company's economic performance. Details on the functioning of the Board of Directors are available on page 107 of this Report.

Comprehensive information on the Company's commercial performance and the distribution of economic value for the year is available in the respective Business Performance, Directors' Report, and Financial Statements sections of the Annual Report 2025-26.

Integrity remains fundamental to the Company's economic performance and business conduct. LCI's principles and expectations are set out in its Code of Conduct. As part of the onboarding process, all new employees receive an electronic copy of the Code and formally acknowledge that they have read and understood its requirements.

Indirect Economic Impacts

LCI's indirect economic contribution extends beyond its operations, supporting national development and strengthening the resilience of communities in the areas where it operates. The Company contributes through local supply chains, workforce capability building, and infrastructure development, while its

preference for local sourcing supports regional economic activity and encourages enterprise development.

The Company also invests in vocational training and capacity-building initiatives that equip individuals with relevant technical and professional skills. By improving access to industry-aligned learning, these initiatives contribute to long-term employability and wider economic participation, while remaining aligned with national policy priorities, the United Nations Sustainable Development Goals (SDGs), and recognised human rights standards.

LCI's community development initiatives span education, healthcare access, and improvements to local infrastructure, contributing to the socio-economic progress of underserved communities.

Ongoing stakeholder engagement helps shape these efforts, enabling the Company to create shared value, strengthen community capacity, and support more inclusive and sustainable economic growth.

Sourcing and Procurement

Building shared value requires LCI to maintain strong relationships with its business partners to achieve sustained growth. Its extensive supply chain network is managed by the supply chain managers of each of its businesses and their respective teams. To streamline procurement and handling practices, the Company's supply chain teams actively seek and apply best practices to capitalise on opportunities for synergy.

Following the cradle-to-grave approach, the Company ensures the procurement of high-quality raw materials through a stringent supplier evaluation process and ensures the compliance of finished products with the HSE&S Management System at all stages of the product life cycle. All suppliers are screened against social, environmental, and safety aspects before being included in the approved supplier list, based on the corporate guidelines for the selection of suppliers. The most critical suppliers are also evaluated based on 'CEFIC' Protocol.

The Company continues to onboard new suppliers and requires that they comply with all applicable laws, regulations, and the

internal value system. The vendor policy complies with human rights, labour and social standards, and anti-discrimination and anti-corruption policies, in addition to protecting the environment. Continuous reviews of the policy for suppliers are conducted.

Regular HSE&S audits of suppliers are conducted to ensure compliance with the vendor policy. Relevant Areas for Improvement are shared with suppliers as part of the process. Frequent probono training sessions on HSE&S best practices in warehousing, transportation, and logistics are conducted to minimise lost-time injuries or fatalities.



Business-wise Performance vs the SPLY



Overview of LCI's Performance on an Unconsolidated Basis.

Integrity Management

Key Performance Indicators

	Units	2021-22	2022-23	2023-24	2024-25	2025-26	Target 2026-27
Code of conduct confirmed incidents	Number	0	1	4	8	6	0
Code of conduct acceptance	% Employees	100	100	100	100	100	100
Management audits (including reassurance audits)	Number	6	6	6	6	4	6
Serious incidents - Level 3	Number	0	0	0	0	0	0
Serious incidents - Level 1, 2	Number	3	6	4	1	3	0
Serious loss of containment - category D	Number	0	0	0	0	0	0
Regulatory action - Level 3	Number	0	0	0	0	0	0

Overview 2025-26

The Code of Conduct serves as the primary framework for ethical business practices across LCI. All new employees receive a copy during onboarding and are required to formally confirm that they have read, understood, and accepted its requirements. This declaration of compliance is submitted through the Company's digital HR platform 'SuccessFactors', reinforcing a culture of integrity from the commencement of their employment.

During the reporting period, six instances of Code of Conduct violations were recorded. Each case was addressed in accordance with internal protocols, demonstrating the Company's zero-tolerance stance on misconduct.

To ensure compliance with the HSE&S Management System, the Company conducted frequent site visits and HSE&S audits and maintained regular communication across all business units. A quarterly review of all businesses was conducted, based on the assessment of hazards and recommendations from previous reviews. This year, 3 incidents of Level 1 & 2 were reported, which were thoroughly investigated, and corrective actions were implemented to avoid recurrence.

Details on Occupational Health and Safety KPIs are available on page 184 of this Report.

Sourcing and Procurement

Key Performance Indicators

	Units	2021-22	2022-23	2023-24	2024-25	2025-26	Target 2026-27
Vendor policy signed by key suppliers	%	96	100	100	100	100	100
Vendor policy signed by Central NPR suppliers	%	92	100	100	100	99	100
Supportive supplier visits	Number	436	341	250	490	630	600

Overview 2025-26

During FY 2025-26, LCI expanded engagement with its supply chain partners to support operational continuity, responsible sourcing, and supplier capability development. Supportive supplier visits increased from 490 to 630, representing year-on-year growth of approximately 29% and exceeding the annual target of 500 visits. The Company also reinforced expectations under its Vendor Policy across labour practices, workplace safety, environmental compliance, human rights, and ethical conduct. During the year, 100% of key suppliers and 99% of Central Non-Product Related (NPR) suppliers formally endorsed the policy requirements.

Through sustained collaboration, LCI aims to enhance supplier resilience and advance responsible social and environmental practices across its value chain.

Spend Analysis

LCI's diversified product portfolio includes light and dense soda ash, Refined Sodium Bicarbonate (RSB), Polyester Staple Fibre (PSF), and a comprehensive range of general and specialty chemicals, pharmaceuticals, nutraceuticals, animal health, and agricultural products. The scale and complexity of this portfolio requires a highly intricate supply chain network, engaging a wide spectrum of suppliers across both domestic and international markets.

The Company continues to refine its supplier relationships through transparent engagement, shared objectives, and long-term collaboration. This approach strengthens procurement effectiveness, accelerates supplier alignment, and creates value beyond individual transactions.

A business-wise summary of procurement expenditure is presented below:

Business	Spend (PKR million)			% of Total Spend	
	Local	Import	Total	Local	Import
Polyester	22,033	9,540	31,573	70	30
Soda Ash	9,658	14,603	24,261	40	60
Animal Health	562	4,065	4,627	12	88
Pharmaceuticals	9,455	5,553	15,008	63	37
Chemicals & Agri Sciences	2,103	6,607	8,710	24	76

Key Initiatives FY 2025-26

Cost Optimisation and Efficiency

During FY 2025-26, LCI advanced a range of procurement, warehousing and logistics initiatives to reduce costs, improve operational efficiency and strengthen supply chain resilience across its businesses.

The Soda Ash Business optimised exports by replacing 20-foot containers carrying 20 tonnes with 40-foot containers carrying 28.5 tonnes, increasing the payload by 8.5 tonnes per container. The business installed a biomass feeding system at CFB to reduce reliance on coal. Designed to utilise around 28,000 tonnes of biomass annually, the project is expected to avoid approximately 11,500 tonnes of CO₂ emissions each year. Also, the Plate Heat Exchanger at Process Condensate Distiller 1 at the Soda Ash plant was upgraded to improve heat recovery and reduce steam consumption. The initiative is expected to save around 764 tonnes of coal and avoid approximately 1,700 tonnes of CO₂ emissions annually.

The Polyester Business Plant in Sheikhpura was certified under the Global Recycled Standard (GRS) this year for the manufacture of Recycled Polyester Staple Fibre. Managed by the non-profit organisation Textile Exchange, GRS verifies recycled content and chain of custody while assessing social and environmental practices and chemical restrictions throughout the production process. The Polyester Business also generated approximately PKR 28 million in savings within one year by introducing recycled PET flakes for GRS fibre and expanding their use across additional variants.

The Chemicals & Agri Sciences Business created 185 additional pallet positions within its existing warehouse, potentially avoiding 8,700 kilometres of annual travel, 8-9 tonnes of CO₂e and PKR 2.5 million in annual costs. The business also shifted approximately 300 tonnes of stock transfers from road to rail over five months, saving PKR 0.8 million and avoiding 35.3 tonnes of CO₂ emissions. A dedicated vehicle placed between the third-party logistics (3PL) warehouse and the Karachi Chemical Warehouse generated the savings of PKR 2 million annually.

The Animal Health Business achieved approximately PKR 49 million in procurement savings and reduced third-party storage from around 400 pallet positions to 35, generating savings of PKR 0.7 million per month and PKR 8.4 million annually.

The Pharmaceuticals Business identified estimated savings of approximately PKR 200 million through sourcing, process and resource efficiencies.

Transportation

The diverse nature of LCI's portfolio requires a range of transportation solutions for inbound and outbound materials. To reduce the associated carbon footprint, the Company prioritised the use of rail transport for bulk material movement wherever operationally feasible.

During FY 2025-26, the Animal Health Business expanded its logistics network to improve service reliability, operational efficiency, and supply chain resilience. Three new transportation partners were onboarded, increasing logistics capacity and reducing dependence on a limited carrier base. The initiative generated approximately PKR 9 million in transportation cost savings, while improving delivery responsiveness and product availability across the distribution network.

Regular monitoring of transporter performance and service quality also supported an On-Time In-Full (OTIF) delivery rate of 94%, contributing to stronger customer service and greater continuity across supply chain operations.

Sustainability and Responsible Sourcing

Sustainability considerations remained embedded in the Polyester Business's sourcing and procurement practices through responsible material selection and supplier due diligence. The Business increased the use of recycled PET flakes through its PET bottle deposit initiative with Aabroo Educational Welfare Organisation, linking recycling with educational support for children from underserved communities.

The Chemicals & Agri Sciences Business brought Softener manufacturing for the Textiles segment in-house, replacing external toll manufacturing and generating annual savings of approximately PKR 20 million. The Business also transitioned its Polyurethanes portfolio from ozone-depleting HCFC-141b to Cyclopentane technology through dedicated ATEX-rated equipment, verified safety interlocks and successful commercial-scale trials.

The Animal Health Business enhanced supply chain resilience through supplier diversification and long-term engagement. During the year, 9 new suppliers were onboarded, samples covering 21 materials and suppliers remained under evaluation, and more than 150 supplier visits were conducted to improve sourcing flexibility, supply continuity and delivery performance.

The Soda Ash Business managed procurement worth approximately PKR 24 billion, comprising 60% imports and 40% local purchases. In response to increased demand for local coal following the closure of the Afghan border, 2-3 new suppliers were developed for local coal and ammonia. Rock salt prices from PMDC were maintained at FY 2024-25 levels, similar price stability was achieved for sodium sulphide, and ammonia prices were reduced compared with the previous year. Hydraulic tilter trucks were introduced for coke offloading, reducing cycle time and operational costs. The Business also achieved 100% timely renewal of Ministry of Narcotics Control licences and amicably closed the CFB-6 project, contributing to energy cost savings and operational reliability.

To strengthen responsible sourcing practices, Corporate HSE developed Supplier Social Compliance Assessment Toolkit aligned with applicable labour laws and key SA8000 principles. The toolkit enables structured assessments of critical suppliers across labour practices, occupational health, and safety, human rights, and ethical compliance.

During FY 2025-26, all businesses conducted social compliance assessments of their key suppliers using the toolkit, helping identify improvement opportunities and reinforce responsible business practices throughout the supply chain.

Procurement processes were enhanced through a centralised repository for Certificates of Analysis (CoAs), Safety Data Sheets (SDSs) and Technical Data Sheets (TDSs). Online vendor evaluations and SAP-based Request for Quotation (RFQ) tracking further improved transparency and data-driven decision-making.

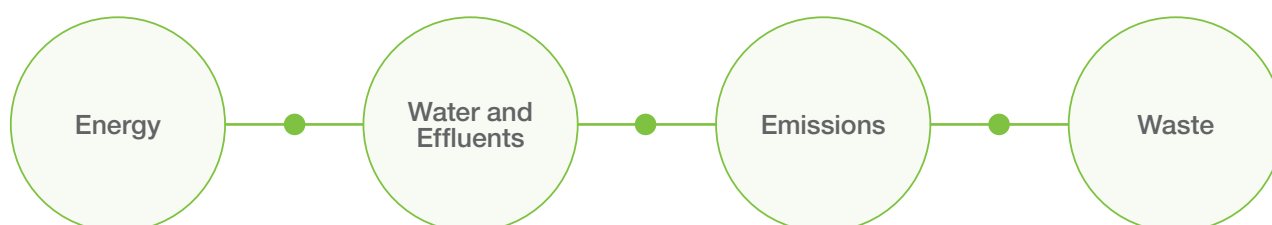
Supplier adherence to ethical standards, including the Company's anti-child labour requirements, was monitored through regular audits and on-site evaluations.

Environmental Performance

Environmental stewardship remains integral to LCI's long-term strategy and its approach to managing environmental risks and opportunities. Across its businesses, the Company is improving resource efficiency, minimising the environmental impact of its operations and strengthening resilience to support long-term value creation.

This section outlines LCI's approach and performance across material environmental topics, including energy, emissions, water and effluents, and waste. Related disclosures are presented in the relevant content index or cross-referenced within the Annual and Sustainability Reports.

Material Topics Covered



Management Approach

Guided by its HSE&S principles, LCI remains committed to maintaining the highest standards of health and safety while ensuring the protection and preservation of the environment.

Environmental performance is managed by individual businesses and functions under the strategic direction and governance of the Corporate HSE function. This structure supports the consistent implementation of policies, management systems, and regulatory requirements across the Company. Dedicated HSE&S teams address site-specific priorities, while shared accountability across organisational levels enables coordinated progress in line with the Company's objectives.

Applicable across all sites, operations and personnel, the HSE&S Management System is aligned with internationally recognised frameworks, including ISO 14001, ISO 45001, and the Responsible Care Management System. It supports the systematic identification, assessment, monitoring, and mitigation of environmental risks across the value chain.

Environmental performance data is consolidated through the Environmental Performance Management (EPM) database, which captures HSE&S metrics from across the businesses. The data is used to assess operational eco-efficiency (OEE), monitor progress against established metrics and targets, and inform

future priorities. Performance is reviewed internally each quarter and disclosed externally on an annual basis, supporting informed decision-making, transparency, and continuous improvement.

During FY 2025-26, the Sustainability Council continued its practice of assessing the relevance of the newly published Science Based Targets initiative (SBTi) Chemical Sector Pathways and Implementation Criteria to LCI's operations. This sector-specific framework provides pathways and criteria for emissions reduction within the chemicals industry. The Company will evaluate its applicability across its diverse businesses, data requirements, and long-term climate priorities before determining the next phase of alignment.

Emissions and Energy

Across its businesses, the Company maintains systems to monitor energy use, environmental performance, and greenhouse gas emissions.

Scope 1 and Scope 2 emissions are calculated using methodologies informed by the Intergovernmental Panel on Climate Change and the Greenhouse Gas Protocol, covering CO₂, CH₄, N₂O and SF₆. This supports consistent measurement, performance review, and the identification of emissions- and energy-related risks.

Through regular reviews and collaboration between Corporate HSE and business teams, performance data informs process optimisation, energy-efficiency measures, renewable-energy integration, and fuel-diversification decisions. This coordinated approach strengthens accountability and enables continued progress across operations. No ozone-depleting substances are included in LCI's Chemical Substance Inventory.

Water and Effluents

LCI recognises water as a shared and finite resource, essential to both environmental sustainability and community well-being. Across its sites, the Company assesses water-related risks with reference to local availability and water stress, supported by water-use audits, risk assessments, and engagement with suppliers, customers and surrounding communities.

Water is sourced from surface water, groundwater and brackish water for operational requirements including cooling, steam generation, housekeeping, and brine preparation. To improve efficiency and reduce environmental impact, LCI operates water treatment systems and implements water recycling and reuse initiatives, supported by routine monitoring to ensure compliance with applicable national and provincial environmental quality standards and regulatory requirements.

To strengthen operational resilience, water-treatment infrastructure includes backup arrangements designed to support continuity and minimise potential impacts on surrounding communities and receiving water bodies. Wastewater is regularly monitored and treated for parameters including Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), potential of hydrogen (pH), Total Dissolved Solids (TDS), Total Suspended Solids (TSS), temperature, oil and grease, and other indicators prescribed by environmental authorities. No incidents of non-compliance with applicable discharge limits were recorded during the reporting period.

LCI continues to advance responsible water stewardship throughout its operations and supports access to water where needed. Annual water-related metrics and targets are monitored to identify efficiency opportunities, inform future investment, and strengthen long-term water resilience across the Company.

Waste Management

Waste minimisation is integral to LCI's environmental strategy and its approach to managing resource-related risks and opportunities. The Company identifies and categorises waste streams generated across all operations, including those from engineering, warehousing, canteens, office spaces, and chemical processes. Performance data is monitored against defined Key Performance Indicators (KPIs) to identify reduction opportunities, inform priorities, and support more efficient use of materials.

LCI's waste management practices are based on the 5R principle: Refuse, Reduce, Reuse, Repurpose, and Recycle. Recyclable materials are directed towards recovery, while non-recyclable waste is securely stored and responsibly disposed of through authorised and assessed vendors. These processes are governed by internal Standard Operating Procedures (SOPs) and aligned with ISO 14001 requirements. Regular audits and targeted training support regulatory compliance and consistent implementation across sites.

The Company has assessed risks and opportunities associated with waste generation at its sites. Identified risks include potential contamination of soil, water, and air, as well as occupational health concerns and the environmental impact of plastic pollution. Opportunities are identified through waste reduction, material recovery and the repurposing of waste streams to create environmental, social and operational value. LCI also works with non-governmental organisations (NGOs) to explore recycling initiatives that extend benefits beyond its operational boundaries.

To strengthen accountability and long-term resilience, LCI conducts regular environmental audits, undertakes detailed risk assessments, and provides ongoing training to personnel. Waste-related metrics are used to support operational decision-making, track progress against targets and identify opportunities to improve circularity, resource efficiency, and long-term business performance.



Product Stewardship

LCI is driving responsible innovation across its product portfolio, collaborating with value-chain partners to improve environmental performance and advance shared progress towards more sustainable outcomes.

Key Initiatives FY 2025-26

Quantifying Environmental Impact

To strengthen the evidence base behind its sustainability claims, the Company commissioned SGS, an independent third-party verification body, to conduct a Life Cycle Assessment (LCA) comparing virgin Polyester Staple Fibre (PSF) with recycled polyethylene terephthalate (rPET) staple fibre. The study assessed Global Warming Potential (GWP) and other environmental impacts across the full production life cycle, providing credible, science-based evidence to support the Company's sustainability claims.

The LCA found that rPET fibre has a GWP of 1.858 kg CO₂e, approximately 47% lower than the 3.512 kg CO₂e recorded for virgin PSF. Raw material extraction and processing accounted for nearly 69% of virgin PSF's total impact, demonstrating the environmental value of using waste PET as a secondary raw material.

Electricity and steam generation contributed approximately 30% of virgin PSF's impact and 85% of rPET fibre's impact. These findings provided a verified benchmark for improvement across spinning and drawline operations while identifying energy efficiency and cleaner energy sourcing as priorities for further reducing environmental impact.

Strengthening Responsible Farming

To strengthen technical capability and promote responsible farm management, the Animal Health Business established a dedicated training department that delivered more than 11,000 training man-hours, largely through virtual sessions focused on enhancing the technical knowledge of its sales team.

The Business also conducted 80 professional seminars and more than 1,000 farmer gatherings, reaching over 11,000 participants nationwide across its poultry and livestock portfolios. Sessions covered disease prevention, nutrition, biosecurity, Best Management Practices (BMPs), and the responsible application of the Company's veterinary portfolio. By combining scientific expertise with practical guidance suited to local farming conditions, these engagements supported informed decision-making, improved farm productivity, and stronger animal health outcomes.

In collaboration with global principals including Trouw Nutrition and Mervue, field visits and technical meetings were held across commercial and corporate farms. These interactions brought together international expertise and local insights to better understand customer requirements, identify growth opportunities, and inform future portfolio development across livestock segments.



The Animal Health Business's Livestock segment conducted a training session in Lahore on responsible antibiotic use and worm prevention.



Energy

Key Performance Indicators

Energy Consumption	Units	2021-22	2022-23	2023-24	2024-25	2025-26	Target 2026-27
Total energy consumption	1000TJ	8.30	9.66	10.13	9.27	8.61	9.5
Per tonne production	GJ/te	11.98	13.20	14.02	15.90	15.75	15.5

- During FY 2025-26, the energy generated from renewable sources was 84.31 TJ, purchased energy was 136 TJ, and 8,396 TJ was generated using non-renewable sources.
- During FY 2025-26, renewable energy intensity was 0.15 GJ per tonne of product, purchased energy intensity was 0.249 GJ per tonne of product, and non-renewable energy intensity was 15.34 GJ per tonne of product.

Overview

The Company uses a mix of fuel sources including coal, furnace oil, diesel, biomass, LPG, and natural gas to generate energy in-house for its operations, while part of its energy requirement is also procured from the national grid.

During FY 2025-26, the Company generated 84.31 TJ of renewable energy. Absolute energy consumption declined by 7% compared with the previous year, primarily due to lower production volumes, operational optimisation and challenging economic conditions.

The reduction was largely driven by Soda Ash and Polyester Businesses, where energy consumption decreased by approximately 8% and 7%, respectively. At Soda Ash plant, lower steam generation from CFBs during the year contributed to reduced fuel consumption, while operational outages, including TG, also influenced electricity consumption. At the Polyester plant, lower production associated with the planned plant shutdown reduced fuel and energy consumption, while commissioning of the GT relocation from Soda Ash Plant supported a shift from fuel oil to natural gas during the year.

The Pharmaceuticals Business experienced an increase in annual energy intensity due to changes in its production profile following the Technology Transfer Project for the Pfizer portfolio, including inventory build-up and higher production volumes. Variations in production relative to the facility's energy demand contributed to the increase in energy intensity.

The Animal Health Business also experienced an increase in energy intensity as operations transitioned to the new manufacturing facility, followed by expanded production activities and higher electricity requirements associated with the upgraded infrastructure.

Despite these business-specific operational and production transitions, the Company achieved an overall year-on-year improvement in consolidated energy intensity during FY 2025-26, reflecting continued progress in energy efficiency and operational optimisation across LCI.

Key Initiatives FY 2025-26

During FY 2025-26, LCI forged ahead through coordinated energy efficiency and renewable energy initiatives across its businesses. These projects support the Company's response to climate-related transition risks by reducing energy use and emissions, improving cost efficiency, and strengthening operational resilience.

Reduction in Steam Usage through Plate Heat Exchanger Upgrade

In line with its focus on improving thermal efficiency and reducing reliance on conventional fuels, the Soda Ash Business upgraded the Plate Heat Exchanger at Process Condensate Distiller-1. The modification improves heat recovery and reduces steam requirements during the distillation process. It is expected to lower coal consumption by approximately 764 tonnes annually, resulting in an estimated annual reduction of around 1,700 tonnes of CO₂ emissions.

By improving thermal efficiency and reducing dependence on coal, the project supports the management of energy-related costs and emissions exposure, while contributing to more efficient and resilient operations.

Integration of Biomass at Coal-Fired Boiler

Building on its efforts to diversify the energy mix and reduce dependence on fossil fuels, the Soda Ash Business installed and commissioned a biomass feeding system as part of the Coal-Fired Boiler project. The system is designed to utilise approximately 28,000 tonnes of agricultural biomass annually, supporting a gradual reduction in coal consumption.

Based on planned utilisation, the initiative is expected to reduce annual CO₂ emissions by approximately 11,500 tonnes. It also supports the productive use of agricultural residues, reduces exposure to fossil fuel-related transition risks and contributes to the Company's broader climate objectives.

Reduction in Energy Intensity at the Masterbatches

In support of the Company's broader energy-efficiency agenda, the Chemicals & Agri Sciences Business implemented process improvements, throughput optimisation measures and enhanced operational controls at the Masterbatches Plant. These measures reduced specific energy consumption from 438.2 kWh per tonne to 382.1 kWh per tonne, representing an improvement of approximately 56 kWh per tonne of production.

Based on the applicable electricity-grid emission factor, the initiative is expected to reduce greenhouse gas emissions by approximately 25 kilograms of CO₂ per tonne of product manufactured. The improvement supports more efficient resource utilisation, strengthens operational reliability, and contributes to the management of energy-related costs and emissions.

HVAC System Optimisation

The Pharmaceuticals Business optimised the warehouse HVAC system by reducing air change rates while maintaining the required environmental conditions for product storage and quality. This initiative improved energy efficiency by lowering electricity consumption and reducing operational energy demand. The completed project has an estimated carbon reduction potential of 146 tonnes of CO₂, supporting the Business's decarbonisation and sustainability goals.

Optimisation of the primary production area HVAC system was completed in January 2025, contributing an additional reduction potential of 189 tonnes of CO₂. Led by Engineering, with HSE supporting the first two phases, these initiatives collectively carry an estimated CO₂ reduction potential of 475 tonnes.

Energy-Efficient LED Lighting Upgrades

The Hawke's Bay and Hattar plants completed the phased replacement of fluorescent tube lights with 739 energy-efficient LED lights through a PKR 0.4 million project, with an estimated CO₂ reduction potential of 1.5 tonnes.

At the B2 site, T5 and T8 security lights installed along the boundary wall were also replaced with LED fittings through a joint initiative by the Engineering and HSE teams, carrying an additional CO₂ reduction potential of 0.02 tonnes. Together, these projects have an estimated CO₂ reduction potential of 1.52 tonnes.

Expansion of Solar Energy Across LCI

During FY 2025-26, the Soda Ash Business completed Phase II of the solar power project at Bela Pumping Station through the installation of an additional 250 kW system, increasing the site's total installed capacity to 736 kW. During the year, the facility generated approximately 714,000 kWh of renewable electricity, with an estimated associated emissions reductions of approximately 308,000 kilograms of CO₂.

Building on renewable-energy progress at the Sheikhpura site, the Polyester Business operated its dedicated 1 MW solar power system, which generated 988,737 kWh of electricity and delivered an estimated reduction of 694,559 kilograms of CO₂ emissions. The project supports reduced dependence on conventional electricity while strengthening the energy resilience of manufacturing operations.

The Pharmaceuticals Business advanced a solar power generation project covering its Hawke's Bay and Hattar plants, comprising planned installations of 248 kW at each site. The Hawke's Bay plant system was completed and is expected to generate approximately 357,800 kWh of renewable electricity annually, reducing emissions by around 162,256 kg of CO₂e each year. The project supports lower reliance on conventional energy and greater energy-cost stability across operations.

Further progress was made by the Animal Health Business through the installation of a 295 kW solar power system. The system is expected to generate approximately 440,000 to 450,000 kWh of renewable electricity annually and avoid an estimated 195 to 205 tonnes of CO₂ emissions each year. Alongside reducing reliance on conventional power, the project is expected to strengthen energy reliability and long-term operational resilience.

Together, these investments demonstrate how LCI's businesses are forging ahead through shared environmental priorities and coordinated action. The Company will continue to monitor installed capacity, renewable-energy generation, emissions impact, and operational performance to evaluate outcomes and inform future energy-related investment decisions.



The Soda Ash Business installed and commissioned a biomass feeding system at its plant as part of the Coal-Fired Boiler project.



The Soda Ash Business completed Phase 2 of the solar power project at Bela Pumping Station, Khewra through the installation of an additional 250 kW system.



The Polyester Business commissioned a 1 MW solar power system at the Polyester Plant, Sheikhupura.



Emissions

Key Performance Indicators

Emissions Control	Units	2021-22	2022-23	2023-24	2024-25	2025-26	Target 2026-27
Total COD emissions	te	40.71	38.06	37.01	48.76	38.30	38
Per tonne production (COD)	kg/te	0.06	0.05	0.05	0.08	0.07	0.06
Total VOC emissions	te	2.80	3.02	2.56	2.60	2.49	2.8
Per tonne production (VOC)	kg/te	0.01	0.01	0.01	0.01	0.01	0.02
Total NOx emissions	te	2,787	3,268	3,574	3,322	3,041	3,000
Per tonne production (NOx)	kg/te	4.02	4.51	4.95	5.69	5.56	5.0
Total SOx emissions	te	3,987	4,274	4,583	4,309	3,770	3,800
Per tonne production (SOx)	kg/te	5.75	5.90	6.34	7.39	6.89	6.5
Total direct CO₂ emissions (Scope 1)	te	884,038	1,036,297	1,114,986	1,007,574	924,291	1,100,000
Per tonne production	kg/te	1,276	1,431	1,543	1,727	1,689	1,650
Total indirect CO₂ emissions (Scope 2)	te	2,452	3,491	3,350	4,089	3,614	3,800
Per tonne production	kg/te	3.54	4.82	4.64	7.01	6.61	6.5

Overview

During FY 2025-26, the Company recorded an overall improvement across major air emissions and effluent indicators compared with the previous year. The Company maintained a strong focus on its sustainability agenda, which is key to its long-term operational resilience.

Total NOx emissions declined by approximately 8.7%, from 3,322 tonnes to 3,041 tonnes, with emission intensity improving from 5.69 to 5.56 kg/tonne. Similarly, SOx emissions decreased by approximately 13%. These reductions were largely associated with changes in fuel consumption and operating conditions at the major energy-consuming businesses.

Scope 1 emissions decreased by approximately 8.3%, while Scope 1 emission intensity improved from 1,727 to 1,689 kgCO₂e per tonne of production. The Soda Ash Business remained the principal source of Scope 1 emissions, followed by the Polyester Business. The reduction at the Soda Ash Business was supported by lower coal consumption associated with reduced steam generation during parts of the year, while the Polyester Business benefited from lower fuel oil consumption following the commissioning of the relocated GT and lower production during an extended plant shutdown.

Scope 2 emissions decreased by approximately 12%, from 4,089 tCO₂e to 3,614 tCO₂e, with emission intensity improving from 7.01 to 6.61 kgCO₂e per tonne. Purchased electricity consumption at the Soda Ash Business varied during the year because of operational factors, particularly the TG outage, which increased dependence on externally purchased electricity. Other businesses experienced different operating patterns, with the Chemicals & Agri Sciences Business recording higher electricity consumption due to the operation of chiller-based products, while the Animal Health Business experienced increased electricity consumption following the expansion of operations at its new facility.

Overall, Scope 1 and Scope 2 emissions decreased by approximately 8.3% compared with SPLY. These reductions were primarily driven by lower direct emissions resulting from reduced fuel consumption, increased use of renewable energy sources such as biomass and solar power, operational optimisation, and lower production volumes during the year. Indirect emissions from purchased electricity also declined, reflecting improvements in energy management and renewable energy initiatives.

Key Initiatives FY 2025-26

Project Green Storm

Launched in 2021 at LCI's Soda Ash manufacturing site in Khewra, Project Green Storm began as a site-based initiative to restore and enhance the natural environment within the facility's boundaries. The programme was subsequently extended to neighbouring communities, bringing employees, local institutions, and community stakeholders together around shared environmental priorities.

During FY 2025-26, the Soda Ash Business planted approximately 21,000 trees under Project Green Storm, bringing the cumulative number planted since 2021 to approximately 118,000. The programme forms part of the Company's nature-based response to climate-related risks and supports biodiversity, erosion control, improved air quality, and long-term environmental resilience.

Project Green Storm will continue through ongoing plantation and maintenance activities, with progress monitored against relevant environmental metrics to assess its contribution to the Company's climate and broader environmental objectives.



Project Green Storm at Soda Ash plant, Khewra.

Plantation Initiatives Across Businesses

Apart from the Soda Ash Business, other LCI businesses also undertook plantation activities during FY 2025-26 to expand green cover, help absorb carbon emissions and contribute to biodiversity conservation.

The Pharmaceuticals Business planted 1,000 trees in collaboration with Alkhidmat on World Environment Day. It also partnered with the Quaid's Afforestation and Youth Impact Movement (QAAYIM) for an Earth Day plantation drive at PECHS Education Foundation College. The Finished Goods Warehouse and Connect teams conducted a separate plantation activity at the Connect Warehouse, placing plants in designated green areas within and around the facility.

The Chemicals & Agri Sciences Business partnered with QAAYIM for an Earth Day plantation drive at PECHS Foundation College, resulting in the plantation of 100 indigenous and fruit-bearing plants. The business also collaborated with the Tourism Development Corporation of Punjab, the Punjab Wildlife Department and the Government of Khyber Pakhtunkhwa on an environmental initiative in the Galiyat region. The project included tree replantation and promoted awareness of local flora and fauna, biodiversity conservation, solid waste

management, and species listed on the International Union for Conservation of Nature Red List.

The Polyester Business planted 1,370 trees across different locations in Sheikhpura, contributing to increased green cover, the absorption of carbon emissions, and a greener local ecosystem.

Collectively, these initiatives contributed to LCI's efforts to increase green cover, help absorb carbon emissions, and protect biodiversity.



The Polyester Business planted 1,370 trees across different locations in Sheikhpura.

Water and Effluents

Key Performance Indicators

Water Usage	Units	2021-22	2022-23	2023-24	2024-25	2025-26	Target 2026-27
Total fresh water use	million m ³	5.60	6.31	6.56	6.44	5.73	6.5
Per tonne production	kg/te	8.20	8.72	9.07	11.03	10.46	10.5
% of sites with sustainable water management plans	%	66%	66%	83%	83%	86%	100

Water Discharge and Consumption FY 2025-26

Water Withdrawal in m3	Soda Ash	Chemicals & Agri Sciences	Pharmaceuticals	Polyester	Animal Health	Total Water Consumption
Surface water (total)	1,098,836	-	-	-	-	1,098,836
Freshwater (≤1,000 mg/L TDS)	677,012	-	-	-	-	677,012
Other water (>1,000 mg/L TDS)	421,824	-	-	-	-	421,824
Groundwater (total)	6,691,755	-	3,608	1,025,127	3,452	7,723,942
Freshwater (≤1,000 mg/L TDS)	3,903,955	-	3,608	1,025,127	3,452	4,936,143
Other water (>1,000 mg/L TDS)	2,787,800	-	-	-	-	2,787,800
Produced water (total)	-	-	-	27,848	-	27,848
Freshwater (≤1,000 mg/L TDS)	-	-	-	-	-	-
Other water (>1,000 mg/L TDS)	-	-	-	27,848	-	27,848
Third-party water (total)	-	25,624	83,310	-	-	108,934
Freshwater (≤1,000 mg/L TDS)	-	25,624	83,310	-	-	108,934
Other water (>1,000 mg/L TDS)	-	-	-	-	-	-
Total Water Withdrawal	7,790,591	25,624	86,918	1,052,975	3,452	8,959,560
Surface water	0	3,416	39,982	770,250	-	813,648
Groundwater	0	-	-	-	-	-
Seawater	0	-	-	-	-	-
Third-party water	0	-	-	-	328	328
Total Water Discharge	-	3,416	39,982	770,250	328	813,976
Total Water Consumption	7,790,591	22,208	46,936	282,725	3,124	8,145,584

*LCI does not withdraw water from regions experiencing water stress.

Overview

During FY 2025-26, LCI's total freshwater use decreased by approximately 11.0% from 6.44 million m³ to 5.73 million m³. Freshwater use per tonne of production also improved from 11.03 kg/te to 10.46 kg/te, representing a reduction of approximately 5.0%.

In the same period, LCI achieved a reduction in overall water use through the continued implementation of water conservation and operational efficiency initiatives. Total water withdrawal decreased by 7.92%, while total water consumption declined by 6.45%

compared with the previous year. In addition, total water discharge was reduced by 20.40%, reflecting improved water management practices and enhanced process efficiency across operations.

The improvement was supported by production-related changes, weather conditions and water-conservation measures across the Company's businesses. The proportion of sites covered by sustainable water management plans also increased from 83% to 86%.

Key Initiatives FY 2025-26

Reuse of Treated Water in Non-Technical Areas

Further strengthening the Company's water conservation efforts, the Pharmaceuticals Business optimised the utilisation of treated wastewater by introducing the reuse of ETP-treated water for non-potable applications at the B2 site. Treated water is now used for activities such as toilet flushing systems and landscaping, replacing the use of fresh water for these applications. This initiative resulted in fresh water conservation of approximately 4.85 million litres annually.

In addition, process optimisation initiatives were implemented to reduce water consumption during manufacturing operations. The operational hours of Granulation II (Hi-Shear Mixer) were optimised through improved production planning and equipment utilisation, resulting in a reduction in water consumption by approximately 5,750 litres annually.

Collectively, these initiatives, along with the installation of water-efficient faucet heads, contributed to an overall freshwater savings of approximately 6.06 million litres annually and generated estimated operational cost savings of over PKR 2.52 million per year, reinforcing the Company's commitment to sustainable water management, resource efficiency, and environmental stewardship.

Water Mapping and Resource Conservation Plan

In a first-of-its-kind exercise for the Polyester Business, the team conducted a detailed water mapping study, benchmarking every consumption node against design values, and pinpointing losses across the site. Through focused, non-capex interventions: shifting cooling water make-up to soft water, manual purge control, extended sand filter backwash cycles, and eliminating local drainage losses, the team delivered a 14.74% reduction in fresh water use per tonne produced at the Polyester site.

The water saved is enough to meet the lifetime drinking-water needs of nearly 3,000 people, demonstrating what disciplined engineering and sustainable thinking can achieve.

Waste

Key Performance Indicators

Waste Management	Units	2021-22	2022-23	2023-24	2024-25	2025-26	Target 2026-27
Total waste	kte	66.8	69.8	60.15	43.74	22.67	84.998
Per tonne production (total waste)	kg/te	96.4	96.5	83.25	74.99	41.43	97.39
Total hazardous waste	kte	0.152	0.072	0.105	0.469	0.784	0.5
Per tonne production (hazardous waste)	kg/te	0.02	0.10	0.14	0.80	1.43	0.75
Total non-reusable waste	kte	0.255	0.189	0.189	0.94	1.29	0.9
Per tonne production (non-reusable waste)	kg/te	0.36	0.26	0.26	1.61	2.36	1.5
Total non-reusable hazardous waste	kte	0.152	0.072	0.105	0.469	0.784	0.5
Per tonne production (non-reusable hazardous waste)	kg/te	0.22	0.10	0.14	0.80	1.43	0.8
Total hazardous waste to disposal	kte	0	0	0	0	0	0
Per tonne production (hazardous waste to disposal)	kg/te	0	0	0	0	0	0

Waste by Composition (Unit: Metric Tonnes)

	Total waste generated	Waste diverted from disposal	Waste directed to disposal
Process Waste	335	335	-
General Plant Scrap	3,853	1,667	2,186
Fly Ash	17,808	17,808	-
Paper Waste	43	38	5
Waste for Incineration	636	-	636
Total	22,675	19,848	2,827

Waste Diverted from Disposal by Recovery Operations (Unit: Metric Tonnes)

	Onsite	Off Site	Total
Non-hazardous waste			
Preparation for reuse	1.92	7	9
Recycling	-	19,689.7	19,689.7
Other recovery operations	-	-	-
Total	1.92	19,697	19,699
Hazardous waste			
Preparation for reuse	-	-	-
Recycling	-	148.7	148.7
Other recovery operations	-	-	-
Total	-	149	149
Total waste diverted from disposal	1.92	19,846	19,848

Waste Directed to Disposal by Disposal Operations (Unit: Metric Tonnes)

	Onsite	Off Site	Total
Non-hazardous waste	-	-	-
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Landfilling	1.4	-	1.4
Other disposal operations	-	2,189	2,189
Total	1.4	2,189	2,190.7
Hazardous waste			
Incineration (with energy recovery)	-	608.8	608.8
Incineration (without energy recovery)	-	27.31	27.31
Landfilling	-	-	-
Other disposal operations	-	-	-
Total	-	635.41	635.95
Total waste directed to disposal	1.4	2,825.41	2,826.81

Overview

During the year, LCI recorded a significant 48% reduction in total waste generated compared with the previous year. This improvement was largely driven by changes in the management and disposal of fly ash and slag at the Soda Ash and Polyester Businesses. Correspondingly, total waste intensity also improved by approximately 45%, reflecting a reduction in waste generated per tonne of production.

Despite the overall decline in waste generation, hazardous waste increased from 0.469 kte in FY 2024-25 to 0.784 kte in FY 2025-26. Hazardous waste intensity also increased from 0.80 to 1.43 kg per tonne of production. This increase was primarily driven by the Pharmaceuticals Business, where higher quantities of hazardous waste were responsibly segregated and sent for incineration during the year.

Alongside its focus on operational waste management, LCI applies the 5R principles of Refuse, Reduce, Reuse, Repurpose, and Recycle. This approach prioritises the avoidance of unnecessary resource consumption as the first step towards effective waste minimisation.

In addition, and in line with the principles of the Catalyst 2030 - Climate Action Plan, the Company has eliminated single-use PET water bottles across all office locations. The initiative has also been introduced at manufacturing sites, extending responsible consumption practices across LCI's operations and contributing to a broader culture of environmental responsibility.

Key Initiatives FY 2025-26

Recovery of Post-Consumer PET for Recycled Polyester Production

In line with its circular manufacturing priorities, the Polyester Business continued using post-consumer PET as a raw material for recycled polyester production. During the year, the Polyester Business processed approximately 9,869,000 kg of post-consumer PET flakes, taking the cumulative number of 1,500 ml bottles recycled since 2022 to more than 1 billion.



rPET facility at the Polyester Business plant, Sheikhpura.

The initiative redirects plastic waste into productive use while reducing reliance on virgin raw materials. The initiative was further supported through LCI's PET bottle deposit programme with Aabroo Educational Welfare Organisation. More than 2.9 million PET bottles were purchased from households and waste collectors for recycling, with the proceeds funding free education, food and shelter for over 150 underserved children.



Reduction in Single-Use Steel Drums through Reusable IBCs

As part of its efforts to reduce packaging waste and improve material efficiency, the Chemicals & Agri Sciences Business transitioned from single-use steel drums to reusable Intermediate Bulk Containers (IBCs) for bulk material handling.

Between July 2025 and March 2026, 48 reusable IBCs were introduced, avoiding the use of approximately 2,355 single-use steel drums. Each container is designed for eight to ten reuse cycles, thereby extending its service life and reducing the raw materials and disposal requirements associated with conventional drums.

The project is estimated to deliver an annual reduction of around 90 tonnes of CO₂ emissions, considering the avoided production and disposal of steel drums. Although the reusable system requires approximately 1,000 litres of water per IBC wash, the overall environmental benefit remains significantly positive, with carbon savings far outweighing the additional water consumption.

The initiative is also expected to reduce emissions associated with drum manufacturing, transportation and end-of-life disposal. Its environmental performance will continue to be assessed alongside the water required for container cleaning to maintain a balanced assessment of resource impacts.

Resource Efficiency and Waste Reduction

The Pharmaceuticals Business reduced 716.32 kg of waste, achieving 95.5% of its annual target of 750 kg. Initiatives at the Hawke's Bay and Hattar plants contributed 48.82 kg and 667.50 kg, respectively, through packaging rationalisation, the elimination of unnecessary consumables, improved waste segregation and increased recycling within manufacturing operations.

The Business also completed an eco-efficiency project to reuse and recycle operational steel scrap for plantation structures, waste bins and site improvement works rather than disposal. Led by Engineering and completed at no additional cost, the initiative has an estimated emissions-reduction potential of 8.9 tonnes of CO₂.

Improving Plant Surroundings

Demonstrating its commitment to environmental stewardship, the Animal Health Business organised a cleanup drive on World Cleanup Day at Changa Manga, removing 70 kg of recyclable and non-recyclable waste from one of Pakistan's most significant forest ecosystems. The initiative supported ecosystem preservation and encouraged responsible waste management practices within the wider community.



The Animal Health Business organised a cleanup drive at Changa Manga, removing 70 kg of recyclable and non-recyclable waste.

Protecting Coastal Environments

On the occasion of Earth Day, the Pharmaceuticals Business collaborated with the Corporate HSE&S team to conduct a beach cleanup drive. Employee volunteers collected and segregated single-use plastics, discarded packaging, and other solid waste for appropriate disposal, contributing to cleaner coastal surroundings.



The Pharmaceuticals Business collaborated with the Corporate HSE&S team to conduct a beach cleanup drive.

Preserving Shared Heritage Spaces

The Polyester Business organised a cleanup activity at Hiran Minar, Sheikhupura. Employees worked together to collect litter and improve the cleanliness of the historic recreational site. The initiative also raised awareness of litter reduction, recycling and the importance of protecting shared community spaces.



As part of World Cleanup Day 2025, the Polyester Business organised a cleanup activity at Hiran Minar, Sheikhupura.

Biodiversity Conservation in Galiyat

The Chemicals & Agri Sciences Business in collaboration with the Tourism Development Corporation of Punjab, the Punjab Wildlife Department and the Government of Khyber Pakhtunkhwa, launched an environmental initiative in the Galiyat region. The project promoted awareness of local flora and fauna, biodiversity conservation, solid waste management, the replantation of trees with anti-carcinogenic properties, and species listed on the International Union for Conservation of Nature (IUCN) Red List.

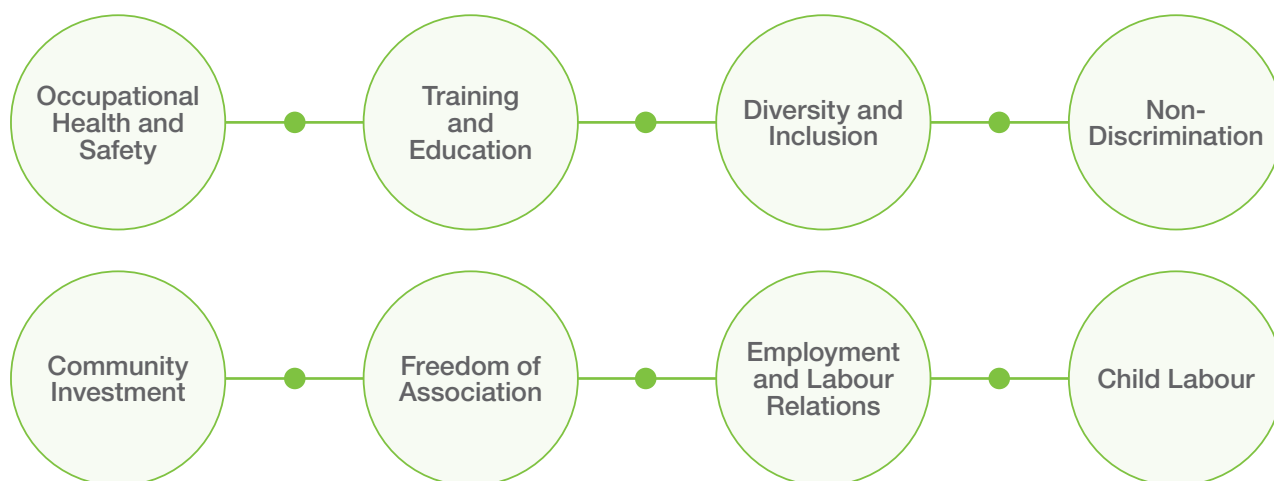


The Chemicals & Agri Sciences Business launched an environmental initiative in the Galiyat region.

Social Performance

At LCI, social value is created by investing in people, advancing inclusion, and enabling communities to move forward together. This section presents LCI's approach and performance across material social topics, supported by relevant GRI-aligned metrics and cross-referenced disclosures.

Material Topics Covered



Management Approach

Social Performance is the joint responsibility of the HSE&S function and Human Resources (HR) function, with each team responsible for generating and monitoring positive impact in their respective area. Moreover, the Company together with Lucky Core Foundation works to create shared value in communities in which it operates.

Data Relating to Employees

The Company considers its 2,400+ employees as one of the key stakeholders that are responsible for the success of both the organisation and the magnitude of its positive impacts on other stakeholders and the environment. The HR function oversees the Company's people agenda and all related policies and practices are governed by LCI's Code of Conduct, applicable laws, and regulations. Depending on the nature of the initiative, approvals relating to the Company's people agenda are sought either from the Company's Board of Directors or the Leadership Team.

LCI adheres to a holistic grievance mechanism to support ethical and fair social performance. The Company's whistleblowing policy, Speak Up, is open to all employees for the confidential reporting of Code of Conduct violations. Details on the Code of Conduct are available on page 14 of this Report.

Goals and targets of related disclosures undergo thorough annual review, resulting in the identification of medium and long-term

objectives. The HR function facilitates the dissemination of these goals at an individual level, and their delivery becomes part of the Company's Performance and Development System.

LCI follows a structured approach to assessing employee performance and development needs. Training needs are identified through P&DD, the Company's annual performance appraisal tool, while individual development plans are documented separately through a dedicated form within the system. The overall effectiveness of the Company's social performance is assessed through the Employee Engagement Survey. In practice, during FY 2025-26, all management employees confirmed before June 30, 2026, received a performance rating, which in turn translated into them having performance and career development discussions with their line managers.

LCI adheres to applicable laws with regard to minimum wage, and the ratio of entry-level wage is higher than the prescribed minimum wage at all locations.

Where possible, the Company hires Senior Management from the local community.

The Company ensures employee wellbeing and promotes a healthy lifestyle through its holistic Employee Wellness Programme.

Occupational Health and Safety

LCI maintains a safe, healthy, and secure environment for employees, contractors and visitors through its integrated Health, Safety, Environment and Security (HSE&S) Management System, applied across all businesses, functions and operational sites. The HSE&S framework incorporates internationally recognised standards, including ISO 45001, ISO 14001, ILO-OSH 2001, and Responsible Care Management System. It enables the systematic identification and control of risks relating to people, products,

and processes, while reinforcing accountability and continual improvement across operations.

The system is implemented through a comprehensive manual comprising 21 Corporate HSE&S Standards and 79 Guidelines. These provide a consistent basis for business-specific procedures, compliance requirements, and performance monitoring across the Company.



Risk Assessment across Plant Operations

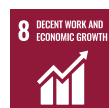
To support safe construction, commissioning, and operations, LCI applies a multi-tiered hazard identification and risk assessment framework across its manufacturing sites. Six layers of structured studies assess HSE&S considerations throughout the project lifecycle, including:

- Job Safety Analysis (JSAs) and Hazard and Operability Studies (HAZOPs) for operational tasks
- Pre-startup safety reviews for new or modified processes
- Routine inspections, audits, and walkthroughs conducted by trained HSE personnel

Identified risks are managed through the hierarchy of controls, prioritising elimination, substitution, engineering, and administrative measures before the use of Personal Protective Equipment (PPE).

Ensuring Quality and Competency

Risk assessments are conducted by trained personnel whose competency is maintained through refresher training, internal audits and independent third-party evaluations. Corporate HSE oversees governance, standardisation, and continual improvement across all sites.



Continuous Improvement

Findings from risk assessments inform updates to operational procedures, training content, and engineering controls. Lessons learned are incorporated into the occupational health and safety framework to improve its effectiveness and responsiveness.

HSE&S Incident Reporting Framework

LCI maintains an accessible incident-reporting mechanism through its Learning Event Database, enabling employees to raise concerns without fear of retaliation. All reports are formally recorded, reviewed, and used to support timely corrective action and wider system improvements.

Awareness is reinforced through behavioural-safety discussions, daily toolbox talks, digital communications, and focused workshops covering key HSE&S priorities.

Empowering Employees

In line with its HSE&S Policy, LCI authorises employees to stop work where they believe there is a risk of injury or ill health. This right is communicated during onboarding and reinforced through regular safety briefings, while supervisors ensure appropriate corrective action is taken before work resumes.

Incident Investigation and System Improvement

All workplace incidents, including near misses, are investigated using root cause analysis based on the 5 Whys approach. The process includes:

- Immediate reporting
- Hazard identification and risk reassessment
- Corrective and preventive actions aligned with the hierarchy of controls
- Documentation and dissemination of findings across relevant departments

Investigation outcomes inform procedural updates, training improvements, and the continual enhancement of LCI's HSE&S Management System.

Occupational Health Services and Risk Management

Occupational health services form an important part of LCI's approach to maintaining a safe and productive workplace. These services support the early identification, assessment, and management of health-related risks across operations. Key functions include:

- Health Risk Assessments for job roles with exposure to chemicals, noise, vibration, or ergonomic stressors
- Medical Surveillance through pre-employment, periodic, and return-to-work assessments
- Workplace Hygiene Monitoring is carried out regularly for the assessments of air quality, noise levels, and other environmental factors in compliance with Occupational Exposure Limits (OELs)
- Emergency Medical Response through on-site medical teams and first-aid facilities
- Health Promotion Initiatives including wellness programmes, vaccination drives, and awareness campaigns
- Provision of medical facilities accessible to employees for both occupational and non-occupational health needs

Quality Assurance and Accessibility

To ensure quality and accessibility of occupational health services:

- All health professionals are certified and regularly trained, with competency periodically assessed
- The Health Assessment Performance Index (HAPI) monitors participation in medical assessments across business units
- The Hygiene Performance Index (HYPI) tracks compliance with exposure limits and the performance of engineering controls and evaluates the effectiveness of workplace hygiene controls
- Health records are maintained with strict confidentiality and are accessible to employees upon request
- Occupational health services are available at all major sites, supported by multilingual communication and clearly outlined employee rights

Continuous Improvement and Integration

Assessment and monitoring outcomes are translated into revised controls, updated training, and improved operating procedures. Corporate HSE&S provides oversight through audits and performance reviews, helping maintain compliance and drive ongoing improvement across the occupational health and safety framework.

Process Safety

Process safety remains a core element of LCI's Health, Safety, Environment and Security (HSE&S) Management System, with emphasis on preventing high-consequence events and maintaining the integrity of critical processes, equipment, and infrastructure. The Company applies a structured approach across the project and operational life cycle, supported by hazard identification, engineering controls, Management of Change (MoC), equipment-integrity reviews, and pre-start-up safety assessments.

During FY 2025-26, LCI strengthened process-safety oversight through enhanced digital monitoring and technical assessments. Corporate HSE progressed the launch of a HSE KPI Portal to centralise performance reporting, improve visibility of corrective actions, and support timely management review across operations.

The Pharmaceuticals Business advanced several process and asset-safety initiatives across its manufacturing facilities. Fire-load assessments were completed for the Hawke's Bay, Nutraceuticals and Hattar sites and externally reviewed by the Fire Protection Association of Pakistan. A gap assessment of the Fire Safety Management System was also conducted against the Building Code of Pakistan 2026, supporting the prioritisation of corrective and preventive measures.

Further improvements included the development of fire-alarm layouts by a third-party consultant, verification of the load-bearing capacity of warehouse racking systems, electrical thermography across key sites, and an arc-flash assessment with updated electrical single-line diagrams at the B2 facility. Together, these assessments enhanced hazard visibility, asset integrity, emergency preparedness, and operational resilience.

Process-safety performance continues to be reviewed through internal audits, third-party assessments and action tracking. By bringing together Corporate HSE, engineering, operations, and site teams, LCI aims to forge ahead together to strengthen preventive controls, improve accountability and support safer, more reliable operations.

Disclosures Related to Corporate Social Responsibility

The Company, directly and through Lucky Core Foundation (the 'Foundation'), undertakes Corporate Social Responsibility (CSR) initiatives in collaboration with partner organisations to support communities and advance socio-economic development among underserved populations.

LCI's CSR philosophy aligns with the Company's vision, mission, values, and brand promise. Through these efforts, the Company seeks to create shared value beyond its operational boundaries and improve the well-being of communities where it operates.

Annually, the Company contributes a set percentage of its Profit after Tax towards its CSR initiatives. Donations received are used to support various initiatives in the areas of Health, Education, Community Development, Women's Empowerment, and Environment. The effectiveness of the Company's social performance is evaluated based on the impact generated by ongoing CSR initiatives. Details on CSR performance and the impact it has created are available on page 198 of this Report.

Alignment with Sustainable Development Goals (SDGs)

During FY 2025-26, LCI strengthened its alignment with the United Nations Sustainable Development Goals through a Company-wide applicability assessment and awareness session conducted

with the Pakistan Business Council's Centre of Excellence in Responsible Business (CERB). The assessment mapped LCI's operations, products, services, and stakeholder impacts against all 17 SDGs, providing a structured basis for identifying the goals most relevant to the Company's activities and sustainability priorities.

Based on the concentration of initiatives presented in this Report, LCI's most prominent contributions relate to SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation and Infrastructure).

The Company's initiatives also contributed to SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), and SDG 15 (Life on Land).

Together, these areas demonstrate LCI's sustained focus on health and well-being, learning and development, workplace inclusion, access to clean water, renewable energy, responsible growth, operational innovation, community development, circular resource use, climate action, and biodiversity conservation.

Further details on these Company-wide initiatives are available on pages 184-195, while information on community-focused investments aligned with the SDGs is provided in the Community Investment section on pages 198-201 of this Report.

Occupational Health and Safety

Key Performance Indicators

	Units	2021-22	2022-23	2023-24	2024-25	2025-26	Target 2026-27
Total reportable injury rate (FTE & SC)	/million	0.20	0.48	0.29	0.09	0.26	0
Occupational illness rate	/million	0	0	0	0	0	0
Total illness absence rate	%	1.66	1.53	1.16	0.99	0.94	1.3
Fatalities	Number	0	0	0	0	0	0
Total reportable injury rate (Independent Contractors)	/million	0.16	0.21	0.24	0	0.24	0
Lost time injury (Independent Contractors)	Number	0	0	0	0	0	0
% sites with BBS programme	%	100	100	100	100	100	100
Distribution incidents	Number	0	0	0	0	0	0
Motor vehicle incidents	Number	0	0	1	0	2	0

Overview

During FY 2025-26, LCI recorded zero fatalities, occupational illness cases, lost-time injuries involving independent contractors, and distribution incidents. The Total Reportable Injury Rate (TRIR) for employees increased from 0.09 to 0.26 per million man-hours, with three employee reportable injuries recorded. The TRIR for independent contractors increased from zero to 0.24, with one reportable injury. All incidents were investigated and appropriate

corrective and preventive actions were implemented.

The Company recorded a cumulative total of 50.04 million safe man-hours. The Soda Ash Business contributed 39.71 million, followed by Polyester at 4.11 million, Chemicals & Agri Sciences at 3.84 million, Pharmaceuticals at 1.89 million, Corporate Offices at 0.43 million, and Animal Health at 0.05 million safe man-hours.

The Total Illness Absence Rate improved from 0.99% to 0.94%. Behaviour-Based Safety programmes remained operational at 100% of Company sites, supporting workforce participation, hazard awareness, and safer working practices across operations.

Employee consultation is facilitated through joint management and worker safety meetings, toolbox talks, and site-level engagement. These forums enable employees to raise concerns, discuss workplace risks and contribute to improvements in occupational health, and safety practices.

The Health Assessment Performance Index and Hygiene Performance Index programmes support the identification and management of risks relating to respiratory exposure, noise, ergonomics, and workplace hygiene. Employees undertaking higher-risk activities receive relevant training, protective equipment, and periodic health monitoring in line with LCI's HSE&S Management System.

LCI provides all full-time employees with benefits, including life insurance, medical coverage, disability protection, parental leave,

and retirement plans, contributing to the broader health and well-being of its workforce.

HSE&S Management Audit

During the year, a comprehensive HSE&S Management Audit was conducted for the Animal Health Business by internal HSE and CTED resources. The assessment reviewed leadership practices, operational controls, engineering integrity, emergency preparedness, and regulatory compliance to evaluate the effectiveness of the Business's HSE&S Management System.

The audit identified key improvement opportunities and led to the development of a structured action plan. The plan is intended to strengthen governance, address system gaps, improve accountability and enhance the overall maturity and effectiveness of HSE&S practices through continual improvement.

Key Initiatives FY 2025-26

Awards and Recognition

LCI's continued efforts to strengthen health, safety, environmental performance, and responsible business practices earned several national and international recognitions during FY 2025-26. These honours were made possible through the collective efforts of leadership, employees, and cross-functional teams across the Company. Collectively, these honours recognise the maturity of LCI's HSE&S management systems and the consistent implementation of standards across its businesses.

The Soda Ash Business received the RoSPA Gold Award 2026 from the Royal Society for the Prevention of Accidents (RoSPA), United Kingdom, and a Merit at the International Safety Awards 2026 from the British Safety Council, marking its fifth consecutive year of recognition by the organisation. The business was also highly commended in the International Health & Safety Team of the Year category at the Safety & Health Excellence Awards 2026, organised by the British Safety Industry Federation (BSIF), and received a Certificate of Appreciation at the 15th Annual Fire Safety Awards 2025 and recognition at the 22nd Annual Environmental Excellence Awards 2025.

The Pharmaceuticals Business received the 22nd Annual Environmental Excellence Award 2025 from the National Forum for Environment and Health (NFEH) and the EHS International Award 2025 in the Best HSE Performance category, alongside the Fire Safety Excellence Award by the Fire Protection Association of Pakistan (FPAP).

The Animal Health Business attained the 22nd Annual Environment Excellence Award 2025 from National Forum for Environment and Health (NFEH), and a Certificate of Appreciation at the 15th Annual Fire Safety Award presented by the NFEH and the Fire Protection Industry of Pakistan (FPIP).

The Chemicals & Agri Sciences Business secured the 15th Annual CSR Award in the Sustainability Innovation category from The Professionals Network.

The Polyester Business received the Environmental Excellence and Excellence in CSR Award from the Pakistan Safety Council (PSC) under its Annual Health, Safety and Environment Excellence Awards.

These achievements also acknowledge the role of sound governance, workforce participation and disciplined execution in advancing the Company's health, safety, environmental and responsible business priorities.

Advancing HSE Through Shared Learning

During FY 2025-26, Corporate HSE conducted quarterly HSE Connect forums in Khewra, Lahore, and Karachi, bringing together HSE Managers to review performance, share best practices and align on key initiatives. The Karachi session also included visits to external organisations for benchmarking and mutual learning. These forums strengthened coordination and promoted a consistent approach to HSE&S performance across LCI.



Corporate HSE team at the quarterly HSE connect forum at Soda Ash plant site.

Reinforcing a Safe and Resilient Work Environment

To commemorate the World Day for Safety and Health at Work 2026, a unified series of activities aligned with the International Labour Organisation's theme of "Ensuring a Healthy Psychosocial Working Environment" was organised across all businesses. The campaign promoted awareness and proactive engagement on workplace safety and employee well-being.

HSE and Sustainability Teams Quiz Initiative

Corporate HSE and Sustainability team launched a monthly quiz programme to strengthen employees' understanding of HSE and sustainability. Each month, one employee from every business was recognised for submitting correct responses, helping encourage wider participation and continued learning across LCI.

Fire Risk Insurance Survey

The Fire Risk Insurance Survey was successfully conducted at the HB and B2 Sites by an independent Engineering Risk Consultant. The survey aimed to assess existing fire protection measures, evaluate potential fire hazards, and review the adequacy of fire prevention and emergency response systems. This comprehensive assessment covered critical infrastructure, operational practices, and risk control measures to ensure alignment with insurance requirements and industry best practices.

In-house HSE Digitalisation

During FY 2025-26, Corporate HSE collaborated with the Corporate IT team to advance HSE digitalisation through the in-house development of a new HSE Portal. The first phase of the portal included the development of digital modules for Learning Events and Action Database, enhancing reporting, tracking, and closure of HSE-related actions.

The second phase focused on the integration of HSE KPI inputs to further enhance performance monitoring and data-driven decision-making. This ongoing project will incorporate environmental and sustainability data into the same platform during FY 2026-27.



A cake-cutting celebration was held to mark the successful completion of the HSE Connect digital transformation initiative.



The Pharmaceuticals Business organised a puzzle activity based on the 2026 World Day for Safety and Health at Work theme to promote workplace wellbeing awareness.



Key HSE&S Trainings Conducted

During FY 2025-26, LCI delivered targeted HSE&S training across its businesses to strengthen technical capability, emergency readiness, and consistent application of safety controls.

- Corporate HSE facilitated the Goal Zero Accidents Training for Line Managers, covering safety leadership, effective safety conversations, incident investigation, root-cause analysis, and leadership accountability. Complementary on-floor sessions provided supervisors and operators with practical guidance on accident prevention.
- An organisation-wide Sustainable Development Goals (SDGs) Awareness Session was facilitated by the Pakistan Business Council's Centre of Excellence in Responsible Business (CERB). The session strengthened employee understanding of the 17 SDGs and their relevance to business operations, sustainability priorities and responsible decision-making.
- Corporate HSE organised externally facilitated training on the IFRS Sustainability Disclosure Standards, with emphasis on governance, strategy, sustainability, and climate related disclosures, and the reporting of relevant metrics and targets.
- A three-day Basic Life Support and Fire Safety Training Programme was conducted with Rescue 1122 at the Veterinary Medicine Manufacturing Plant, Sheikhpura. Participants received practical instruction in first aid, CPR, extinguisher use and firefighting, followed by written and practical assessments of the Emergency Response Team.
- Management employees participated in advanced first aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training. Practical exercises and simulated emergency scenarios strengthened participants' ability to apply life-saving techniques effectively.
- Engineering, Production, and HSE personnel received specialised electrical-safety training covering electrical hazards, isolation procedures, arc-flash awareness and safe working practices aligned with LCI's Site Engineering Procedure (SEP) and applicable standards.
- Employees at the Hawke's Bay (HB) and B2 sites received first aid and CPR training from certified trainers of the Pakistan Red Crescent Society. The programme included practical instruction on bleeding control, fracture management, and immediate response to medical emergencies.
- Management-system capability was strengthened through a combination of awareness, internal-auditor and external certification programmes covering ISO 50001:2018 Energy Management Systems, ISO 45001 Occupational Health and Safety Management Systems, ISO 14001 Environmental Management Systems, the OSHA 30-Hour General Industry programme, and ISO 45001 Lead Auditor training. These sessions enhanced employees' understanding of operational controls, compliance requirements, workplace hazards, performance monitoring and audit practices across the HB, Hattar and B2 sites.
- Stackers and forklift operational-safety training was delivered by an external trainer certified by the Lifting Equipment Engineers Association (LEEA). The programme addressed pre-use inspections, load management, safe operating techniques, warehouse hazards, and emergency procedures.
- Firefighters and fire wardens at the HB Plant undertook refresher training under the supervision of Civil Defence. Technical briefings were supported by practical drills on firefighting equipment, incident coordination, evacuation assistance, and rapid decision-making.
- A confined-space emergency drill at the B2 Plant simulated the rescue of an incapacitated worker and tested atmospheric monitoring, specialist rescue equipment, communication, victim extraction, first aid, and coordination with emergency medical services.
- Heat-stroke emergency drills assessed employees' ability to identify symptoms, initiate emergency communication, provide first aid, stabilise affected individuals and coordinate timely medical assistance during periods of elevated temperatures.
- A HAZOP (Hazard and Operability) Capacity Building Session was conducted at the HB and Hattar sites by an external certified trainer. The session aimed to strengthen the understanding and application of HAZOP methodologies among operational and HSE personnel. Participants were trained on identifying potential process hazards, analysing deviations, and implementing effective control measures to mitigate operational risks. Also, the HSE Managers of Pharmaceuticals Business successfully completed the HAZOP Leadership Course conducted by SGS.
- Food safety and hygiene training was conducted for cafeteria staff at the Hawke's Bay Plant by an external trainer. The session covered personal hygiene, safe food storage, temperature control, prevention of cross-contamination, cleaning, and waste management.
- During FY 2025-26, Corporate HSE engaged the Corporate Social Responsibility Centre - Pakistan (CSRCP) to strengthen organisational understanding of IFRS S1 and IFRS S2 through focused awareness sessions. Following the programme, all businesses initiated assessments of sustainability and climate related risks and opportunities in line with the requirements of the two standards. The CSRCP team subsequently reviewed and validated the assessments to support consistency, completeness, and alignment across the Company. This collaboration enabled a more structured evaluation of sustainability related financial disclosures, enhanced understanding of climate related risks and opportunities, and supported LCI's preparedness for evolving sustainability reporting requirements.



Corporate HSE conducted an awareness session on IFRS S1 and IFRS S2 in collaboration with CSRCP.



The Animal Health Business organised a training session in collaboration with Rescue 1122, focusing on essential life-saving skills and firefighting techniques.



Across LCI, a Sustainable Development Goals (SDGs) awareness session was facilitated by the Pakistan Business Council's Centre of Excellence in Responsible Business (CERB).



Corporate HSE facilitated the Goal Zero Accidents training.

Employee Engagement and Wellness

LCI recognises employee engagement and well-being as essential to building a connected, productive, and resilient workforce. With Passion for People at the heart of its culture, the Company advanced initiatives that promote employee voice and stronger workplace relationships, enabling its people to forge ahead together.

Gauging Engagement

At LCI, employee engagement is recognised as an ongoing journey that lies at the core of the organisation's culture and performance. Through Core Connect, LCI's employee engagement initiative powered by Gallup, the Company maintained a structured approach to listening to employees and translating feedback into action. Chief People Officer (CPO)-led town halls were conducted across locations to share engagement findings, discuss key strengths, and identify areas requiring further attention.

Businesses and functions developed targeted action plans based on the survey findings, strengthening manager ownership, and accountability for the employee experience. Reward Roadshows further encouraged direct engagement with the People function by providing employees with greater clarity on the Company's reward practices and the opportunity to raise questions and share feedback. Leadership engagement was also strengthened at the business level. The Animal Health Business held its first Vice President Town Hall at the new veterinary medicine manufacturing plant in Sheikhpura, enabling employees to listen to business updates directly from leadership, discuss future priorities, and participate in open dialogue.

Building a Healthy and Inclusive Work Environment

The Employee Wellness Programme brought together year-round initiatives designed to help employees connect, stay active, and manage their overall well-being. The activities remained organised around three established pillars:



Social Connectedness

Strong workplace relationships are shaped through shared experiences that extend beyond everyday responsibilities. During the year, LCI created opportunities for employees to build stronger relationships beyond their day-to-day responsibilities. Kids Day at Work, Mother's Day activities organised in collaboration with Crumble Pakistan, and the HR and Workplace Beach Getaway brought employees and teams together through shared and family-oriented experiences.

At the Animal Health veterinary medicine manufacturing facility in Sheikhpura, the first employee engagement event combined employee recognition, an interactive office scavenger hunt and a shared meal. The activity helped strengthen cross-functional interaction and foster a sense of connection at the newly established facility.

The Company's employee volunteer programme, Pehchan, further extended social connectedness beyond the workplace. Through volunteer-led initiatives across education, health, community development, and the environment, employees were able to contribute their time and capabilities to causes aligned with LCI's wider social priorities.

A notable initiative during the year was 'We Are the Core,' a people-centric campaign jointly led by HR and Corporate Communications teams to celebrate the people of LCI. By showcasing employees' stories, the campaign deepened a strong sense of pride in the organisation and strengthened Employee Value Proposition (EVP).



Pehchan volunteers accompanied Class 4 students from Kiran Foundation School on an educational visit to the British Council Library.



Activities related to Mother's Day were organised in collaboration with Crumble Pakistan.

Physical Wellness

The Company considers the physical well-being of its people an important dimension, as it ensures a strong, energetic, and motivated workforce. An open-access gym and sports court at the Head Office, Lahore Corporate Office and Khewra locations ensure that employees can access quality training facilities at their convenience all year round. Moreover, a range of wellness initiatives were organised throughout the year, both independently and in collaboration with external partners.

Additionally, LCI organised a corporate Padel Tournament and an in-person desk-based session. This session introduced employees to simple stretching and mobility exercises that can be incorporated into the working day to reduce prolonged inactivity and promote healthier workplace routines. In addition to these, an online nutrition session further supported healthier lifestyle choices, while cricket matches and other sports-based activities encouraged participation, teamwork, and interaction across teams.



A Padel Tournament was organised to support physical wellness, team spirit, and healthy competition.

Mental Wellbeing and Mindfulness

A supportive workplace also requires attention to employees' mental, emotional and physical well-being. LCI conducted mindfulness activities, wellness retreats, and awareness sessions to help employees manage workplace demands, maintain balance and make informed choices about their overall well-being. These included the Corecharge activity, featuring an in-person desk-based session and a yoga session focused on workplace movement and physical wellness.

Wellness retreats across multiple locations provided employees with opportunities to pause, recharge, and reconnect outside the regular work environment. Sessions focused on emotional and financial well-being further broadened awareness of the factors that influence personal wellness and workplace performance.

The Pharmaceuticals Business also organised an interactive activity related to solving a puzzle on the World Day for Safety and Health at Work, addressing psychosocial well-being, stress management, communication, teamwork, and the shared responsibility of maintaining a respectful and supportive workplace.



Employees participated in an in-person Desk-based session focused on workplace movement and physical well-being.



The Pharmaceuticals Business marked the World Day for Safety and Health at Work through an interactive puzzle activity focused on psychosocial well-being.

Diversity and Inclusion

Key Performance Indicators

	2021-22	2022-23	2023-24	2024-25	2025-26
Governance Body					
Percentage by gender	89% M: 11% F (8 M, 1 F)	89% M : 11% F (8 M, 1 F)	90% M : 10% F (9 M, 1 F)	75% M : 25% F (6 M, 2 F)	78% M: 22% F (7 M, 2 F)
Percentage by age	Between 30-50: 44% Above 50: 56% (4, 5)	Between 30-50: 44% Above 50: 56% (4, 5)	Between 30-50: 50% Above 50: 50% (5, 5)	Between 30-50: 50% Above 50: 50% (4, 4)	Between 30-50: 44% Above 50: 56% (4, 5)
Employees					
Percentage by gender	93.9% M: 6.1% F	92.6% M: 7.4% F	92.2% M: 7.8% F	91.5% M: 8.5% F	89.3% M: 10.7% F
Management/ Permanent employees	1,603 M; 105 F	1,608 M; 129 F	1,617 M; 131 F	1,849 M; 150 F	1,834 M; 195 F
Trainees	22 M; 18 F	19 M; 11 F	32 M; 9 F	35 M; 17 F	21 M; 23 F
Contractual employees				65 M; 14 F	62 M; 11 F
Percentage of employees by age	Under 30: 25% 30-50: 66% Above 50: 9% (427; 1,132; 149)	Under 30: 27% 30-50: 64% Above 50: 9% (462; 1,115; 160)	Under 30: 25% 30-50: 63% Above 50: 12% (452; 1,124; 213)	Under 30: 27% 30-50: 63% Above 50: 10% (570; 1,335; 217)	Under 30: 32% 30-50: 58% Above 50: 10% (681; 1,239; 217)

Overview

Diversity and Inclusion (D&I) remains integral to LCI's people strategy and workplace culture. The Company is committed to fostering a workplace where individuals are respected, valued, and able to access opportunities based on merit, while contributing their perspectives and capabilities across the organisation.

During FY 2025-26, women's representation increased from 8.5% to 10.7% of the workforce, with women accounting for 23 of the Company's 44 trainees. At the same time, employees under the

age of 30 increased to 32% of the workforce, reflecting a broader early-career talent base and a more diverse employee profile.

LCI also strengthened its approach to inclusion through the establishment of dedicated One Core committees, women-focused development initiatives, inclusive workplace policies, and cultural engagement across locations. Together, these efforts support a workplace where employees from different backgrounds, cultures, abilities, and stages of life can participate, develop and progress.

Key Initiatives FY 2025-26

IMPACT Scholarship Programme

LCI continued the IMPACT Scholarship Programme to expand access to higher education for academically capable female students from financially underserved backgrounds. This ongoing programme, started in 2019, combines scholarship assistance with professional exposure, mentoring, and development opportunities, helping scholars build the confidence and capabilities required for their future careers.

Empowering Women in Business

This year, International Women's Day was marked through sessions focused on financial literacy, mental well-being, and

personal empowerment. The programme also celebrated the achievements and contributions of women across LCI, creating opportunities for learning, recognition, and dialogue on the evolving role of women within the workplace.

Celebrating Inclusivity as One Team

LCI brought employees together through cultural, faith-based and international observances, including Diwali, Christmas, Eid, Nowruz, International Men's Day, International Women's Day, and Mother's Day. These occasions encouraged employees to learn from different traditions, share experiences, and build stronger connections across the organisation.

Strengthening Inclusion through One Core

During the year, LCI established two dedicated employee committees: One Core - Women@LCI and One Core - Conscious Inclusion, to strengthen employee participation and advance the Company's inclusion priorities.

Women@LCI focuses on strengthening the experience, development and participation of women across the organisation, while Conscious Inclusion promotes a more equitable workplace for individuals of different abilities, backgrounds, ethnicities, cultures, and beliefs, enabling employees to participate and progress equitably.

Collective Bargaining

LCI recognises employee representation and constructive dialogue as important elements of responsible employment

practices. During FY 2025-26, 321 non-management employees, representing 13% of the total workforce, were covered by collective bargaining agreements. These agreements support open dialogue and mutual understanding between the Company and its workforce.

Parental Leave

During FY 2025-26, 81 female and 1,336 male employees were entitled to parental leave. Of these, 7 female employees availed maternity leave, while 70 male employees availed paternity leave. Three female employees and 67 male employees returned to work after parental leave, representing return-to-work rates of 42.9% for females and 95.7% for males. Of those who returned to work, all 3 female employees and 67 male employees remained with the Company 12 months after their return.

Total employees by region

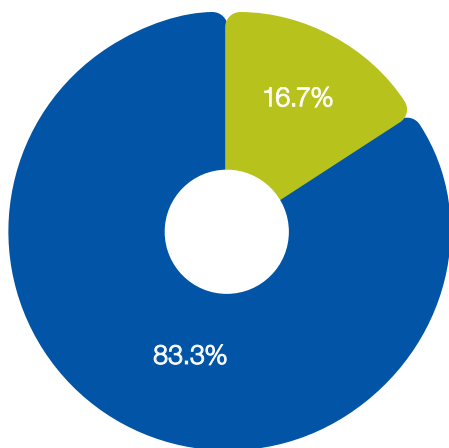
Employees by Region	Punjab	Sindh	KPK	Balochistan	AJK	Others	Total
Number of employees							
Permanent	1014	695	208	22	13	77	2029
Temporary (Contractual + Trainees)	55	59	0	0	0	3	117
Non-Management	291	30	-	-	-	-	321
Total	1360	784	208	22	13	80	2467

(All permanent and temporary employees are full time)

Total employees by gender

Employees Data by Gender	Male	Female	Others	Not Disclosed	Total
Number of employees					
Full-time	1917	229	-	-	2146
Part-time	-	-	-	-	-
Non-management	316	5	-	-	321
Total	2233	234	-	-	2467

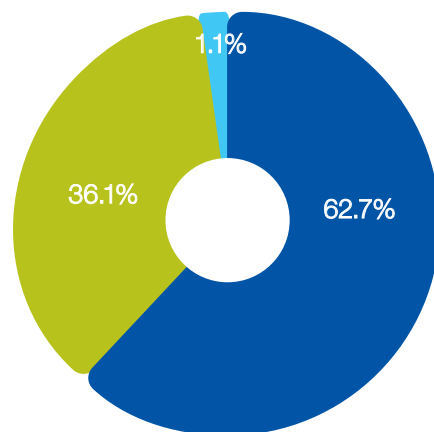
Total number of employees hired during the year by gender



Total: 617

Male: 514
Female: 103

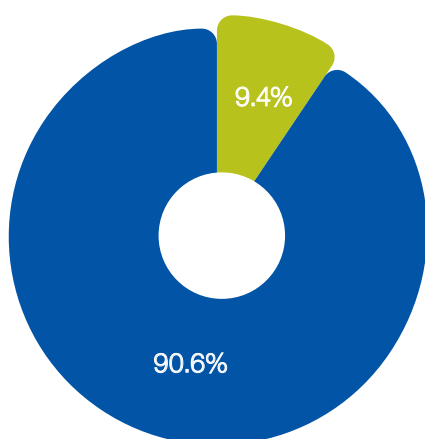
Total number of employees hired during the year by age



Total: 617

Under 30: 387
30 to 50: 223
Above 50: 7

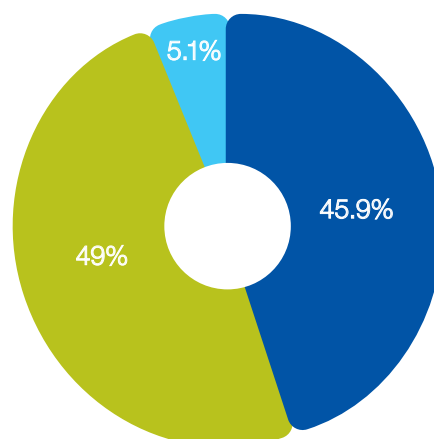
Total employee turnover during the year by gender



Total: 606

Male: 549
Female: 57

Total employee turnover by age



Total: 606

Under 30: 278
30 to 50: 297
Above 50: 31

Training and Education

Key Performance Indicators

		2021-22	2022-23	2023-24	2024-25	2025-26
Average hours of training per employee (gender and grade)	Hour	M: 4.9, F: 2.9	M: 28.7, F: 40.9	M: 18.02, F: 22.72	M: 28.75, F: 27.85	M: 28.79 F: 37.24
		G30: 4.4;	G30: 20.1;	G30: 17;	G30: 20.5;	G30: 21.6;
		G31:12.9;	G31: 25.8;	G31: 12;	G31: 21.2;	G31: 27.4;
		G32: 15.8;	G32: 21.3;	G32: 16;	G32: 20.1;	G32: 31.2;
		G33: 14.2;	G33: 44;	G33: 15;	G33: 25.2;	G33: 37.5;
		G34:22.3;	G34: 48.3;	G34: 17;	G34: 24.1;	G34: 35.9;
		G35: 32.4;	G35: 35.5;	G35: 19;	G35: 21.1;	G35: 35.0;
		G36: 12.7;	G36: 31;	G36: 30;	G36: 15.9;	G36: 12.3;
		G37:11.7;	G37: 23.6;	G37: 29;	G37: 7.8;	G37: 18.2;
		G38: 9.2;	G38: 20.9;	G38: 24;	G38: 11.0;	G38: 12.5;
		G39: 11;	G39: 6.8;	G39: 28;	G39: 8.5;	G39: 13.0;
		G40: 12.4	G40: 14.1	G40: 21;	G40: 1.4;	G40: 1.6;
		Trainee: 3.8;	Trainee: 359.3;	Trainee: 15;	Trainee: 32.5;	Trainees: 40.1;
		WL-4: 16	WL-4: 20	WL-4: 45	WL-4: 0.0	WL-4: 0.0
Online P&D discussion participation	%	100% (Confirmed staff)	100% (Confirmed staff)	100% (Confirmed staff)	100% (Confirmed staff)	100% (Confirmed staff)

Overview

As business priorities and workforce capabilities continue to evolve, LCI strengthened learning pathways that prepare employees for future opportunities and greater responsibilities. During FY 2025-26, the Company delivered 7,921 training days across the organisation, equivalent to an average of 3.72 training days per employee.

Corporate-led learning contributed 1.14 training days per employee, including 0.19 training days through the Learning Management System (LMS). The platform expanded access to structured, self-paced learning, enabling employees to pursue relevant development opportunities at their own pace.

Training effectiveness was evaluated through participant feedback on programme content, structure, facilitation, and logistical arrangements. Internal programmes achieved an overall satisfaction score of 93%, while external programmes recorded 88%, exceeding the Company's target of 80%.

Collectively, these initiatives enhanced organisational capability, built employee confidence, and supported the Company's long-term performance.

Key Training Programmes FY 2025-26

L.E.A.D. Programme

LCI launched L.E.A.D. (Learn, Empower, Aspire and Deliver), its flagship 12-18 month leadership development journey structured across four leadership levels. Built on globally recognised leadership frameworks and tailored to LCI's leadership philosophy and strategic priorities, the programme combines assessments, experiential learning, reflection, and practical application to develop the mindsets and behaviours required at different stages of leadership.

As part of this journey, learning interventions for emerging and first-line leaders were delivered in partnership with FranklinCovey Pakistan, focusing on personal effectiveness and team leadership. Senior leaders participated in a bespoke development experience with INSEAD faculty, centred on strategic leadership, enterprise thinking, and organisational impact.

Digital Learning through the LMS

LCI strengthened access to continuous learning through the rollout of its Learning Management System (LMS). The platform offered 65 self-paced modules across finance, leadership, supply chain, marketing, people management, sales, strategy, and digital development, alongside soft skills such as conflict resolution, coaching conversations that inspire growth and relationship management. This enabled employees to build relevant capabilities with greater flexibility.

Core Development Programme

The relaunched Core Development Programme (CDP) further enhanced technical and operational capability through sessions

on HSE awareness, practical aspects of chemical engineering, project management, and other core engineering disciplines. The programme supported employees in connecting technical knowledge with day-to-day operational requirements.

Learning Lounge

The Learning Lounge series continued to encourage knowledge-sharing through practical and accessible sessions. Topics included presentation design, Canva, digital privacy, and storytelling, helping employees strengthen skills relevant to communication, creativity and everyday workplace effectiveness.

L&D Rewards Programme

The Learning and Development Rewards Programme was introduced to encourage active participation during training sessions. Participants earned recognition based on their engagement, while the top three performers were acknowledged as Champion Learners and awarded shields through Company-wide recognition communications.

Internal and External Capability Development

LCI's wider learning portfolio included internal programmes such as HR Essentials, Finance for Non-Finance, Code of Conduct, Microsoft Excel, and Change Management. External programmes expanded learning in emotional intelligence, negotiation, and conflict resolution, self-mastery, data analytics, artificial intelligence, and professional effectiveness.



A Project Management training session was conducted under the Core Development Programme (CDP).



A training session on Change Management was conducted to strengthen employees' adaptability and readiness for organisational change.

Non-Discrimination

Key Performance Indicators

DISCRIMINATION	Units	2021-22	2022-23	2023-24	2024-25	2025-26
Total number of incidents of discrimination	No.	0	0	0	0	1

Overview 2025-26

Non-discrimination is a fundamental part of LCI's Code of Conduct and value system. The suitability and selection of candidates for job opportunities are solely based on merit-based objectives and non-discriminatory criteria. Growth opportunities are transparent and solely based on performance. Moreover, the whistleblowing programme 'Speak Up' allows confidential reporting of Code of Conduct violations, including discriminatory practices.

Details of our whistleblowing policy are available on page 110 of this Report.

During FY 2025-26, one incident of discrimination was reported and referred through the Company's established review mechanisms for appropriate action. LCI continues to reinforce ethical conduct, fair treatment, and accountability across the workplace.

Freedom of Association and Child Labour

The Company upholds the right of employees to freedom of association. During the period under review, there were no instances where freedom of association or collective bargaining rights were compromised. Currently, 321 employees, representing 13% of the Company's total workforce, are covered by collective bargaining agreements. The minimum notice period for operational changes, as stipulated in these agreements, is four weeks. LCI strictly prohibits all forms of child labour, forced labour or slavery and complies with local regulations concerning legal minimum age requirements for work permits.

Talent Management

LCI's talent management approach focuses on building leadership capability, strengthening succession readiness, and creating meaningful opportunities for career growth. By connecting performance, potential and career mobility, the Company is strengthening its talent pipeline to meet evolving business priorities.

A Structured Talent Philosophy

During the year, the Company introduced a comprehensive Talent Philosophy built around three core dimensions: Performance, evaluated through Performance & Development Discussion; Potential, evaluated through Korn Ferry's Learning Agility framework; and Behaviours, evaluated through LCI's core values.

Strengthening Succession Readiness

Leaders and relevant stakeholders were trained on the new framework to support its consistent application across the organisation. Succession planning discussions were subsequently conducted using the revised assessment approach, enabling more informed talent decisions, and clearer development pathways for high-potential employees.

Enabling Career Mobility

LCI's diverse portfolio of businesses provides employees with opportunities to broaden their experience, expand their capabilities and pursue opportunities across functions and industries. During the year, internal talent movement reached 38%, supporting cross-functional exposure, career progression, and the development of a more agile workforce.

Building a Digital Workplace

LCI is reshaping key people processes through technology to improve efficiency, transparency, and the employee experience. The People Services team introduced several digital solutions that simplified workflows, enhanced access to workforce information, and enabled more consistent decision-making across the organisation.

Transforming the Onboarding Experience

The implementation of SuccessFactors Onboarding 2.0 created a fully digital and standardised onboarding journey for new employees. The platform streamlined pre-boarding and onboarding activities, reduced manual interventions, and improved administrative turnaround times while providing new hires with a more connected, seamless and engaging onboarding experience.

Enabling Data-Driven People Decisions

A live People Analytics Dashboard was launched on Power BI, providing leadership with real-time access to key workforce insights through integrated and automated reporting. The platform improved visibility of human capital metrics, reduced manual reporting effort, and supported more informed people-related decisions.

Advancing Development Planning

The Individual Development Plan (IDP) process was digitised within SuccessFactors, creating a structured platform for employees and managers to plan, monitor, and review development priorities. The initiative improved alignment between individual career aspirations and organisational capability requirements while enabling more effective tracking of employee development journeys.

Digitising Employee Documentation

The Company digitised certain employee lifecycle letters to strengthen process governance, improve the employee experience and reduce reliance on manual documentation and paper-based workflows.

Forging Stronger Communities



Community Impact at a Glance

PKR

220.5

Million Disbursed in Funding

Over

42,000

Individuals Benefitted

Support for

18

Projects

Priority Areas



Health



Education



Women's
Empowerment



Community
Development



Environment

Advancing Community Health



Funding under this priority area supported programmes that improve access to quality healthcare in communities where LCI operates, contributing to Sustainable Development Goal (SDG) 3 (Good Health and Well-being) and SDG 10 (Reduced Inequalities).

Hamqadam Community Clinics

Support continued for the Hamqadam Community Clinics in Sheikhupura and Khewra, operated by Indus Hospital and Health Network, strengthening primary healthcare in the communities where LCI operates. During the year, the clinics served over 20,000 OPD cases in Sheikhupura and Khewra.

Layton Rahmatullah Benevolent Trust (LRBT)

In partnership with the Layton Rahmatullah Benevolent Trust (LRBT), free-of-cost community eye camps were facilitated to deliver vision care and screening for avoidable blindness. The camps recorded over 1,000 OPDs over the course of the year.

ChildLife Foundation

Support was extended to the ChildLife Foundation to improve access to quality emergency paediatric care in low-income settings. The partnership benefitted over 9,000 children at the Emergency Rooms (ERs) of Mayo Hospital, Lahore, and Fast Track OPD (FTO) Block of Lyari General Hospital, Karachi.

Aziz Tabba Foundation

Through the Patients' Healthcare Programme, developed in partnership with the Aziz Tabba Foundation, support continued for underprivileged individuals requiring cardiac and renal treatment. A total of 670+ patients received care at Tabba Heart and Tabba Kidney Institutes during the period.

The Kidney Centre

In collaboration with The Kidney Centre, support was provided for multiple dialysis sessions for a chronic kidney patient in Karachi, ensuring continuity of renal treatment.



Expanding Access to Education



Funding under this priority area supported initiatives that expand access to quality education, contributing to SDG 4 (Quality Education).

CARE Foundation

Support for primary education continued in partnership with the CARE Foundation at the Government Boys and Girls Primary School in Tibbi Harya, Sheikhpura, where 170 students remain enrolled.

Kiran Foundation

Through a sustained partnership with the Kiran Foundation, the mental health and wellness programme at the DCTO Campus, Lyari, remained active during the year, reaching around 10,015 individuals.

The Citizens Foundation

Ongoing collaboration with The Citizens Foundation ensured continued learning for 30 Grade 3 students at the Al-Sari Foundation Primary School, Machar Colony, Karachi.

Ida Rieu Welfare Association

In collaboration with the Ida Rieu Welfare Association, transportation support was provided to 163 students with visual and hearing disabilities, ensuring continued access to education.



Empowering Women



Funding under this priority area supported women's education, healthcare access, and socio-economic participation, contributing to SDG 5 (Gender Equality) and SDG 4 (Quality Education).

IMPACT Scholarship Programme

The IMPACT Scholarship Programme awards fully funded undergraduate scholarships to females across different cohorts in partnership with IBA, LUMS, NUST, GIKI, and FAST. The merit and need-based initiative supports talented female students access to quality higher education at Pakistan's leading universities. 9 scholars have graduated through this programme to date and 4 are currently enrolled.

Murshid School of Nursing & Midwifery

Ongoing support for the Murshid School of Nursing & Midwifery has enabled a total of 40 merit-based scholarships for its 2-year Midwifery Diploma Programme since 2018, including 8 awarded this year, building a pipeline of trained female healthcare professionals.

FRIENDS Welfare Association

Support extended through the FRIENDS Welfare Association covered the salaries of 4 teachers, indirectly benefiting 60 female students and sustaining learning continuity in underserved communities.



Strengthening Communities with Pehchan



LUCKY CORE INDUSTRIES
VOLUNTEER PROGRAMME

Through Pehchan, LCI's flagship employee volunteer programme, employees contributed their time and expertise to social and environmental causes while creating shared value for the communities where the Company operates. During FY 2025-26, employees and business units recorded one of the programme's highest levels of volunteer participation through plantation, blood donation, and beach cleanup drives, as well as educational visits organised with community partners.



440+

Volunteers Engaged



1,500+

Hours Dedicated



7

CSR Partners Engaged



19

Initiatives Conducted



24

Locations



To mark World Environment Day, volunteers from the Soda Ash Business conducted plantation drives at the Soda Ash Plant, Winnington Hospital, and Winnington School, Khewra.



Company-wide blood donation drives conducted through the year collected 150 pints of blood, potentially saving up to 420 lives.



On Earth Day, Pehchan volunteers from the Pharmaceuticals and Chemicals & Agri Sciences Businesses, along with the Corporate Function, collected over 300 kg of waste along Karachi's coastline. The collected waste was handed over to Al Wasila Trust for responsible disposal and recycling.



Volunteers from the Chemicals & Agri Sciences Business accompanied students from the Kiran Foundation, DCTO Campus, on a visit to the British Council for an interactive storytelling session and library tour.

Pehchan Volunteer of the Year

Naureen has been recognised as the Pehchan Volunteer of the Year, dedicating 24 volunteer hours over the fiscal year and demonstrating an exceptional commitment to community service.

Reflecting on what inspires her to volunteer, she shared:

“ My parents instilled in me the importance of caring for others and helping those in need. I try to contribute by giving my time, encouraging others to volunteer, and organising activities that inspire young people to explore future career opportunities. ”

Naureen Rodrigues
Manager Customer Service
Chemicals & Agri Sciences

