

## **Sustainability Performance**

# **Charting a Sustainable Future**

This section contains a comprehensive report on the Company's sustainability strategy, KPIs, annual and long-term targets and performance.

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# About the Report

Lucky Core Industries' FY 2022-23 Sustainability Report marks its 15<sup>th</sup> year of annual sustainability reporting, in line with topics that are prioritised as material to the Company and its stakeholders. The report is in accordance to the Global Reporting Initiative (GRI) Standards and adheres to the GRI 1 Foundation 2021. Moreover, the report references the UN Sustainable Development Goals (SDGs).

## Reporting Period

The reporting period for this report aligns with LCI's FY 2022-23, spanning from July 1, 2022, to June 30, 2023. This Report has been published in September 2023.

## Report Boundary and Content

The report showcases the Company's commitment to sustainability, transparency, and environmental and social excellence. It covers:

The Company's core areas of business, corporate functions, and includes employee data. However, subsidiaries and associated companies are not included in the report.

Detailed performance in LCI's FY 2022-23 material sustainability topics.

Progress towards achieving LCI's long-term sustainability pledges and goals related to the economy, environment, and society, as well as their significance for stakeholders' decision-making.

## Management Approach to Sustainability

Details of LCI's management approach to sustainability is available on page 110 of this Report. Details of the management approach for each material topic are available on page 111 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 on the Company's sustainability reporting governance are available on page 116 of this Report. No restatement has been made in the previous 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 assurance letter from CSRCP is available on page 164 of this Report.



### Contact Us

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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](http://www.luckycore.com)

# Message from the Chief Executive



Dear Stakeholders,

Welcome to Lucky Core Industries Limited's (LCI) FY 2022-23 Sustainability Report. Over the past fifteen years, LCI has been reporting its performance responsibly and transparently with respect to its environmental, social and economic impact.

In line with the GRI Reporting standards and UN Sustainability Development Goals (UNSDGs), this report showcases our aspirations to enhance shareholder and stakeholder value while creating avenues for long-term sustainable growth. Recognising our commitment to governance and reporting standards, for eight consecutive years, LCI has been one of the top two organisations in Pakistan commended for its sustainability reporting at the annual ICAP/ICMAP awards.

For us, sustainability and operating responsibly are imbedded in our DNA and at the core of our business model - they are, our license to operate. LCI's Sustainability Council, entrusted with fostering a culture of excellence, formulating the strategy and goals, and integrating sustainability into daily business activities across the Company, continued to guide environmental stewardship while building socio-economic value.

The planet as we know it, is changing, and with this, climate change has become a pressing concern. With extreme heatwaves and unprecedented monsoon flooding, Pakistan was among the most vulnerable in terms of lives and livelihood lost. Collective action needs to be taken now to secure a more sustainable future for generations to come. This year, the launch of our Catalyst 2030 climate action plan has been an important milestone in our sustainability journey. We unveiled our new ambitions and announced targets for 2030 to further focus on neutralising our carbon footprint. Together with our flagship

sustainability drive STEP, our climate action plan sets out how LCI can play a leading role in minimising carbon emissions by leveraging nature and science-based solutions and collaborating for broader community impact. During the year, LCI successfully implemented 20 projects that resulted in reducing approximately 22,000 tonnes of CO<sub>2</sub> emissions. Let me highlight some of the initiatives that we undertook over the past year that will have an impact in the years to come.

On the energy front, while we were within targets, our energy consumption increased over the year due to expansion projects. However, the Company's investments in solar energy generation and energy efficiency projects helped reduce over 6,800 tonnes of CO<sub>2</sub> emissions. Our efficient water management practices led to the conservation of approximately 2.4 million gallons of water during the year, and through our plantation drives, we successfully planted over 34,000 trees at multiple Company and community locations across the country. Aimed at reducing the demand for virgin materials and promoting a circular economy, the Company's rPET project successfully converted over 198 million post-consumer waste PET bottles into recycled polyester fibre. This coupled with the Polyester business's collaboration with multiple stakeholders during the year helped drive recycling and waste management awareness at grass root levels.

In terms of social impact, the wellbeing and safety of both our people and those around us is of paramount importance to us. While we achieved 39+ million-man hours without injury, regrettably, reportable incidents were recorded during the year. All incidents were thoroughly investigated and action plans to prevent recurrence were implemented. It is our collective ambition to raise the bar on safety and ensure that LCI remains a benchmark for being one of the safest work places in Pakistan.

We have made steady progress this year with regards to social performance. Maintaining a focus on promoting diversity, equity and inclusion (DE&I) within LCI, we continued to improve the overall representation of women in the workplace and in senior management positions, while fostering inclusiveness through various internal campaigns. The Yes She Can! Women Returnship Programme was a particularly exciting launch in FY 2022-23. The Company created employment opportunities for women seeking to return back to work after taking a career break. In addition, by actively encouraging upskilling through our year long learning initiatives, LCI clocked over 51,000 training hours. As we strive to improve our people metrics year after year, I look forward to welcoming capable and diverse talent that will work to further LCI's mission of Improving Lives.

Through the Lucky Core Foundation (LCF) over PKR 64.2 million was invested in community uplift programmes in the priority areas of health, education, women's empowerment, community development, disaster relief and the environment. The impact of LCF's programmes was multiplied by our socially and environmentally conscious employee volunteers who invested in communities by taking part in a wide range of activities. I feel privileged to lead such passionate people and appreciate their efforts in being agents of change.

Despite facing a tough financial year on account of multiple macroeconomic challenges, we remain dedicated to building on our sustainability progress, contributing to UNSDGs and creating shared value for our stakeholders. I hope you enjoy reading this year's Sustainability Report and learning more about LCI's Journey of Enriching Lives.

Warmest regards,

**Asif Jooma,**  
Chief Executive

# Sustainability Highlights



**Catalyst  
2030**

Climate  
Action Plan  
launched



**22,000  
tonnes**

of CO<sub>2</sub>  
emissions  
neutralised



**198  
million+**

PET bottles  
recycled into  
polyester  
fibre



**34,000+**

Trees  
planted



**39.4  
million**

Safe  
man-hours



**Zero**

Occupational  
illnesses



**PKR  
64.2  
million**

Invested in  
community  
uplift  
programmes



**395**

Employees  
participated  
in volunteer  
programme

# Awards

## Corporate

**Best Sustainability and  
Corporate Report 2021 Award**

by Institute of Chartered Accountants of Pakistan  
and the Institute of Cost and Management  
Accountants of Pakistan

## Soda Ash Business

**International Safety Award 2023**

by British Safety Council

**12<sup>th</sup> Annual Fire Safety Awards**

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

## Polyester Business

**International Safety Award 2023**

by British Safety Council

## Chemicals & Agri Sciences Business

**Environmental Excellence Award 2022**

by National Forum for Environment & Health

## Pharmaceuticals Business

**Environmental Excellence Award 2022**

by National Forum for Environment & Health

**International Award of Environment,  
Health & Safety 2022**

by Pakistan Safety Council

**Fire Safety Award 2022**

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



# Materiality Assessment

In FY 2022-23, LCI reassessed the topics that are prioritised as material for the sustainable management of the Company and those that could potentially have a significant impact on the economy, environment, communities, and other vital stakeholder groups. The materiality was coordinated by an independent consultant, based on the GRI standards. The assessment accounted for the concepts of double materiality (consideration of financial and non-financial impacts), and an internal analysis on the concerns raised by the Sustainability Council and dynamic materiality (feedback from select stakeholders and consideration of how current and future issues are or may become relevant to the Company).

## Methodology to Determine Material Topics

### Review of Existing Material Topics

To ensure continued relevance and alignment with the Company's sustainability efforts. To ensure continued relevance and alignment with the Company's sustainability efforts. The material topic of procurement practices was added during the year in review.

### Incorporating Updated GRI Requirements

A comprehensive assessment of the impacts of LCI's operations was conducted to embrace the revised requirements of GRI 3 Material Topics 2021.

### Data Collection

Gathering relevant information from LCI's business operations and risk register, compliance with international conventions, inputs received from stakeholders through formal grievance mechanisms, and memberships of international organisations.

### Identification of Material Topics

Collected data was assessed for identification of material topics in consideration of relevant industry standards from the Sustainability Accounting Standards Board (SASB), peer analysis and UNGC's "Ten Principles" on Environment, Human Rights, Anti-corruption, and Labour. The Global Industry Classification Standard's (GICS) sector identification methodology 2022 was

utilised for sector identification, to ensure a comprehensive selection of material topics.

### Alignment

An in-depth impact analysis associated with each topic was conducted to map the significance and implications of the selected material topics for LCI's sustainability efforts.

### Prioritisation

A thorough materiality analysis was carried out in accordance with GRI 3 Material Topics 2021. This analysis considered and assigned scores based on the link to LCI's business strategy, the severity and likelihood of impacts, the implications for human rights, the relevance to long-term profitability and the overall success of the Company. A cumulative score was calculated for each topic to prioritise its importance to the Company.

### Input and Feedback

The results of the materiality analysis were shared with the business teams to gather their input, feedback and gauge the relevance and impact of the identified topics within their respective areas. This collaborative approach ensured that diverse perspectives were accounted for.

### Validation

Based on inputs received from business teams, risk scores were assigned and topics that scored above the threshold of three (3) were deemed as material topics to reflect the key sustainability priorities of LCI. Finalised material topics were presented to the executive management team for approval to ensure alignment with the Company's strategic direction and goals of LCI.

The aforementioned methodology, allowed the Company to collaboratively finalise material topics in line with the LCI's sustainability objectives and priorities. The comprehensive nature of the analysis guarantees that the sustainability report accurately reflects LCI's commitment to sustainable practices and transparent reporting.

## List of Material Topics

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

## Relevance of Material Topics

### Economic

#### Economic Performance

Disclosures under this topic relate directly to LCI's value creation agenda, as embodied in the Company's vision, values, and brand promise. The Company is committed to Cultivating Growth for its stakeholders, and the same can be quantified and assessed accurately through its audited financial statements, which are appended to this Report. In addition, economic performance carries implications for all other material topics reported upon.

#### Indirect Economic Impacts

Disclosures under this topic illustrate LCI's economic impact on a wider socio-economic front, covering multiple stakeholders. The Company intends to support growth and development beyond its scope of operations. As a responsible corporate citizen, it monitors and measures its ongoing indirect economic impact in the wider context.

#### Market Presence

The Company's presence in the markets it serves has a significant impact in terms of the employment opportunities provided, number and quality of professionals employed, regional employment prospects and compensation and benefits provided. Information in this regard is relevant to its operations and value creation agenda.

#### Compliance

Compliance is a material topic due to its significance on LCI's license to operate and its economic impact in the form of fines and penalties in case of violation. Non-compliance also negatively impacts brand image.

#### Anti-Competitive Behaviour

Anti-competitive behaviour is a material topic due to its significance on LCI's license to operate and its economic impact in the form of fines and penalties in case of violation. Non-compliance also negatively impacts the brand image.

## Environmental

### Water and Effluents

The International Monetary Fund (IMF), United Nations Development Programme (UNDP) and the Pakistan Council of Research in Water Resources (PCRWR) list Pakistan as a water scarce country. Disclosures under this topic illustrate the Company's water usage requirements for its operations and the current state of water availability in Pakistan.

### Energy

Disclosures on this topic highlight energy costs as having a direct impact on the cost of doing business and manufacturing products for the Company. Efficient energy usage is not only vital in terms of the environment but can also provide the Company with a competitive edge in terms of cost-effectiveness.

### Emissions

Emissions control relates directly to climate change and the impact of gaseous emissions on the ozone layer. As a manufacturing concern, monitoring emissions is of vital importance to LCI. Disclosures in this regard provide an overview of the Company's compliance with national and governmental regulations, such as National Environmental Quality Standards (NEQS).

### Waste

Disclosures on this topic illustrate the impact of waste, both on the Company's operations and on local communities where waste is generated and disposed of. The management and minimisation of waste materials are important for the preservation of biodiversity in the relevant areas.

## Social

### Employment and Labour Relations

Driven by its core value of Passion for People, the Company aspires to be an employer of choice and recognises that the development of its talent pool, including training and education, growth opportunities, compensation, and benefits is of utmost importance. The Company maintains a strong focus on providing development and learning opportunities to its employees. LCI's policies and employment practices aim at attracting and retaining talent, while ensuring an environment that encourages diversity, inclusivity, and growth.

### Training and Education

In pursuit of the Company's aspirations to be an employer of choice, training and education remains an area of focus for the Company to recruit and retain the brightest talent. Training, education, and development of its people are topics of critical importance to the Company. It provides formal training, development and growth opportunities, along with performance appraisals, feedback systems, and an open culture that encourages discussion.

### Occupational Health and Safety

Health and safety remain focus areas for the Company in light of its core values (Passion for People, Integrity and Responsibility) and its HSE&S policy. The topic affects not only employees of the Company but also customers, service providers, suppliers, and the community.

### Diversity, Equal and Opportunity

As an equal opportunity provider, LCI takes great pride in its commitment to fostering diversity, equity and inclusion (DE&I) and values the contributions of its diverse workforce. The Company's commitment to DE&I is driven by its core values (Passion for People, Integrity and Responsibility), brand promise and its Code of Conduct.

### Non-Discrimination

LCI is committed to ensuring fair, free of bias and equal treatment of employees. This belief is driven by its core values (Passion for People, Integrity and Responsibility), brand promise of Cultivating Growth, and the Code of Conduct.

### Freedom of Association and Child Labour

In line with the Company's core value of Integrity and Responsibility, as well as its Code of Conduct, the Company complies with applicable human right laws and regulations, including those for child labour. The Company supports and recognises its employee's right to organise and of collective bargaining in accordance with the Company's Code of Conduct and applicable laws.

### Community Investment

Disclosures on this topic illustrate LCI's efforts toward the development of communities. These disclosures are important because they provide an overview of the significance of these efforts and their impacts, allowing stakeholders to assess the value added by such initiatives.

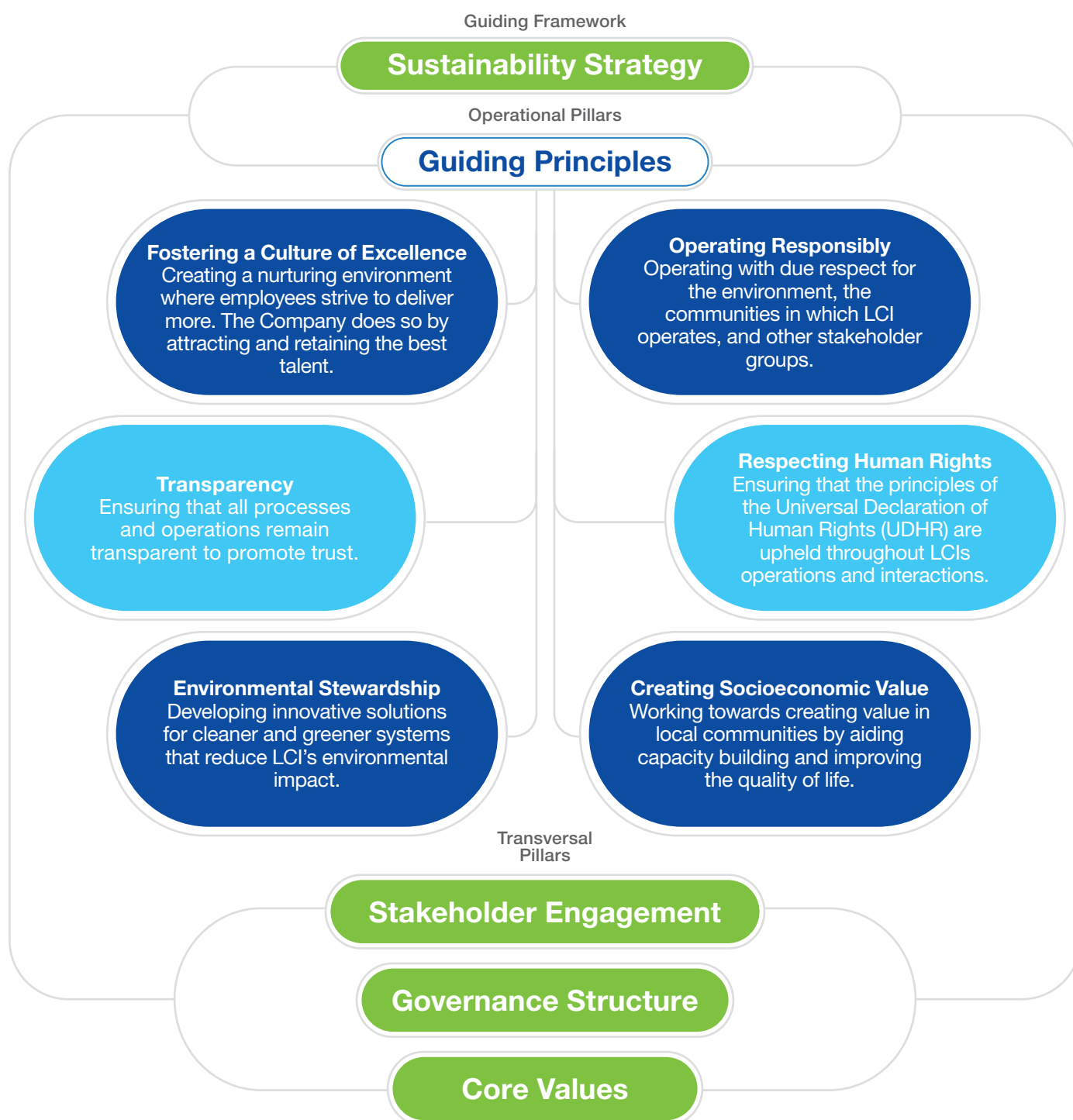
# Sustainability Strategy

## Enriching the Future

LCI's sustainability strategy is engrained into all aspects of its operations. The Company sees itself and its stakeholders as one and it seeks to create a lasting positive impact to improve countless lives, both within and beyond its boundaries.

## Approach to Sustainability

As a leading manufacturing entity, LCI strives for environmental and social responsibility, within the Company and beyond. The Company's sustainability strategy is based on six fundamental principles. It serves as a blueprint for value creation by connecting LCI's business strategy and sustainability agenda with the aspiration of creating a lasting positive impact for generations to come.



# Tackling Climate Change

## Catalyst - Climate Action Plan 2030

The consequences of human-induced climate change on global weather are becoming increasingly evident. Major contributors to this crisis are the surge in greenhouse gas (GHG) emissions and global warming, which have resulted in erratic and intensified weather conditions. Immediate and collective action is needed to transition to renewable energy sources, promote energy efficiency, and adopt sustainable practices to mitigate and neutralise the adverse impacts of climate change.

To play its part in combating climate change, LCI launched the Catalyst 2030 climate action plan, in the FY 2022-23. Through the initiative, LCI aims to proactively neutralise its emissions across its operations by leveraging nature and science-based solutions.

### Approach to Climate Change



Decarbonisation through  
efficiency and technology  
improvements



Adopting a nature-based  
solution through  
plantation initiatives



Collaborating for broader  
community impact



## Actionable Initiatives

Neutralise

**80,000**

tonnes of CO<sub>2</sub> by 2030 through nature and science-based solutions

Recycle

**360 million**

PET bottles per year by 2030 to encourage circularity through production of polyester fiber

Recycle

**220 million**

gallons of water annually by 2030

Eliminate the use of

**single-use**

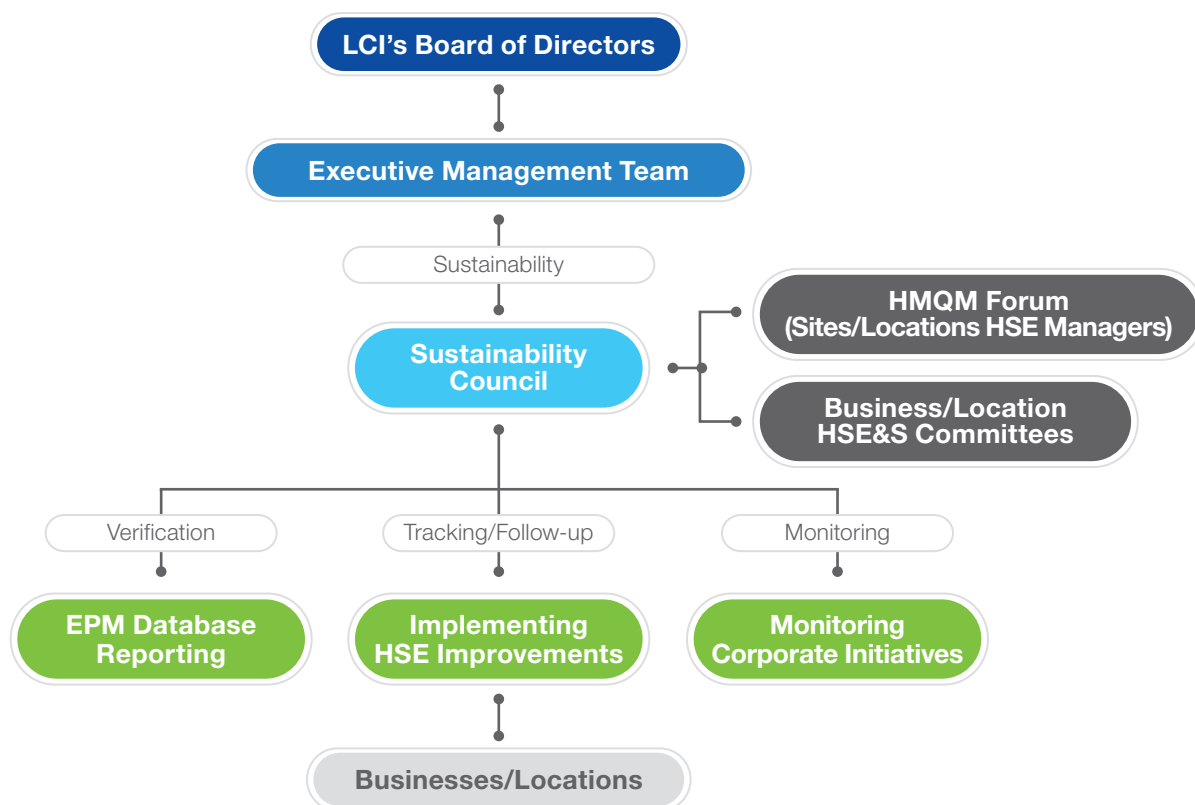
plastic bottles across corporate offices

Plant

**215,000**

trees by 2030

# Sustainability Governance



LCI's sustainability strategy is guided by a clear governance structure, including KPIs and controls such as its mission, values, Code of Conduct, and the HSE&S Management System.

The Corporate HSE function acts as an independent authority within the organisation and oversees the Company's Environmental Performance Management (EPM) database. This function is responsible for analysing sustainability KPI data, benchmarking performance against the baseline, and presenting trends to the Sustainability Council. Based on global sustainability guidelines, a suitable control mechanism for KPIs is determined. The Executive Management Team is briefed on the Operational Eco-Efficiency (OEE) footprint, potential technological requirements, and their financial impact on the Company and the community. Results are shared quarterly with the Board of Directors.

In accordance with requirements of the LCI HSE&S Management System, all businesses and locations monitor and report parameters impacting the Company's OEE footprint. Health and safety performance reporting is mandatory. This reporting is facilitated through the Company's EPM database.

## Sustainability Council

The Sustainability Council comprises of representatives from the Company's businesses and functions. The Council plays a

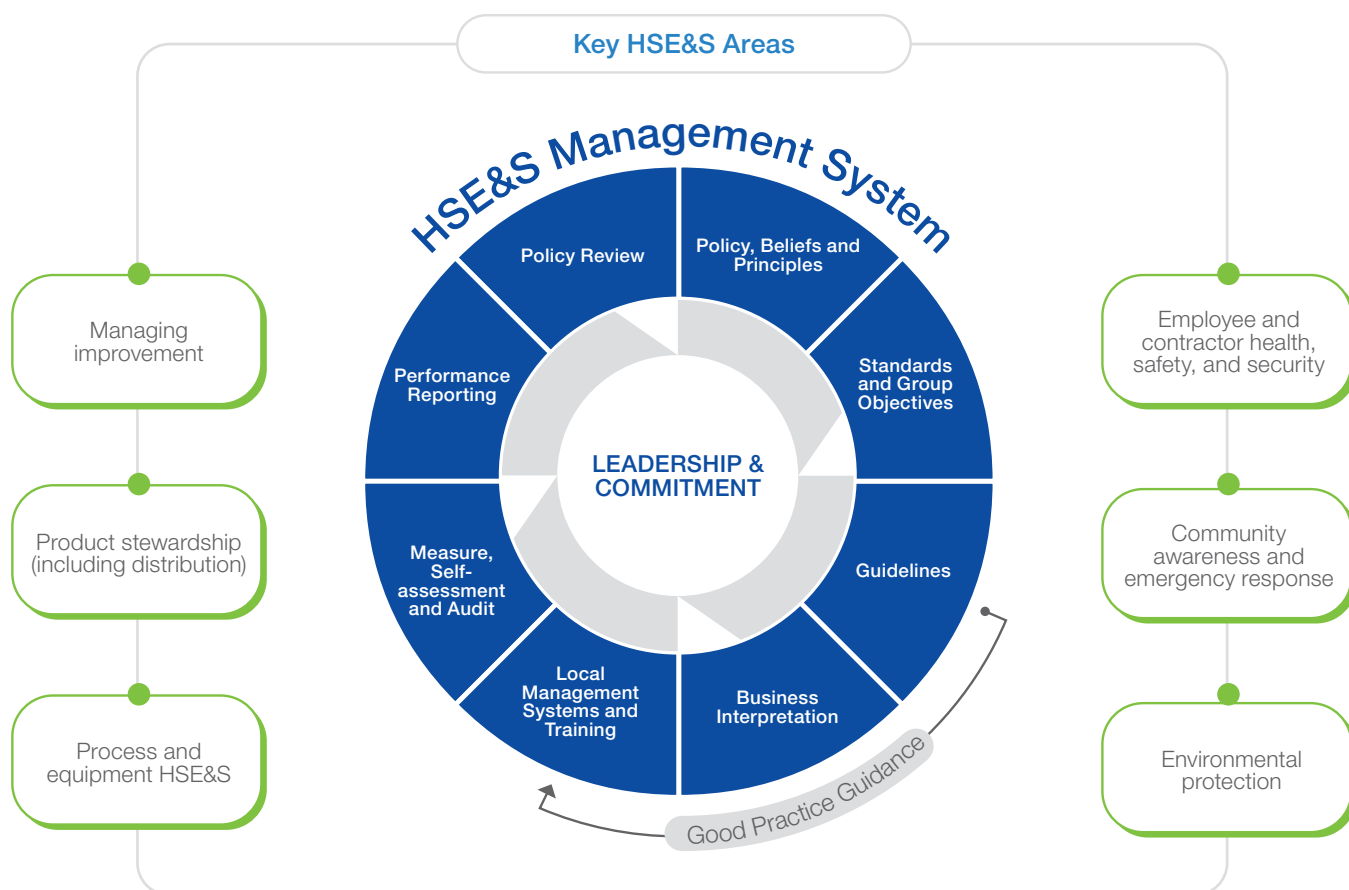
responsible role for assisting the Board of Directors in fulfilling its responsibility to LCI's shareholders regarding sustainability practices. The Council focuses on developing, implementing, and monitoring HSE&S policies and practices.

During the year in review, the members of the governance body participated in multiple ESG conferences.

## 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 life cycles.
- Prioritise sustainability goals and direct efforts towards areas that can yield significant and tangible results.



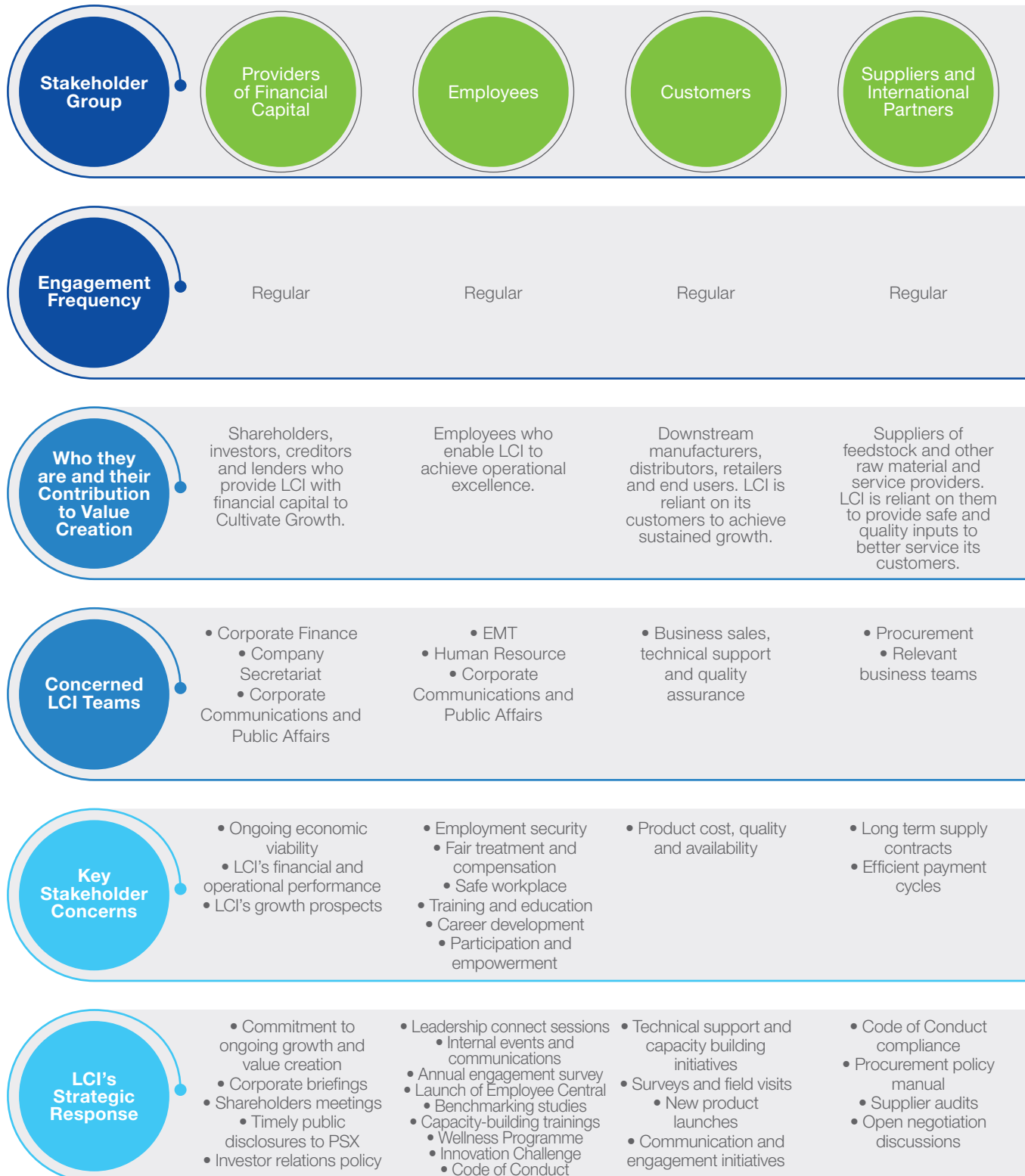
LCI's HSE&S Management System outlines the principles governing the Company's operations across all businesses and functions concerning health, safety, environment and security.

LCI's comprehensive manual, comprising of 21 standards and 79 guidelines, facilitate effective implementation. This manual is distributed to all businesses, providing them with guidance on developing their business-specific HSE&S procedures, to ensure alignment with the Company's stance on HSE&S.

The integrated management system encompasses various critical areas, which are in line with recognised standards such as ISO 45001.

# Stakeholder Engagement

LCI strives to engage its stakeholders in an open and transparent dialogue. The Company remains committed to enhancing mutual understanding of concerns, strengthening relationships and creating shared value.



Communities	Government and Regulatory bodies	Media	Academic and Research Institutions	NGOs and NPOs
Regular	Regular/Case Basis	Occasional	Occasional	Regular
Individuals and groups outside LCI's boundaries. Engaging with them allows LCI to contribute to social development.	Local, provincial and national Government bodies and regulators who help create an environment conducive for growth.	Online and offline organisations that disseminate information.	Institutions and groups that supply talent, help build LCI's employer brand and further innovation and process improvements.	Formal and informal organisations that help LCI create social value.
<ul style="list-style-type: none"> <li>• Business onsite teams</li> <li>• Lucky Core Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant business/functional representatives</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Communications and Public Affairs</li> <li>• EMT</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resource</li> <li>• Relevant business teams</li> <li>• Lucky Core Foundation</li> <li>• Business onsite CSR teams</li> </ul>	<ul style="list-style-type: none"> <li>• Lucky Core Foundation</li> <li>• Business onsite CSR teams</li> </ul>
<ul style="list-style-type: none"> <li>• Impact of LCI's manufacturing sites</li> <li>• Employment opportunities</li> <li>• Sustainability initiatives, both environmental and social</li> </ul>	<ul style="list-style-type: none"> <li>• LCI's compliance with regulations and laws</li> <li>• LCI's investment in the economy</li> <li>• LCI's contribution to sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Information on LCI's operations, growth prospects and sustainability practices</li> <li>• LCI's economic contribution</li> </ul>	<ul style="list-style-type: none"> <li>• Career placements and development</li> <li>• Leadership and workplace insights</li> </ul>	<ul style="list-style-type: none"> <li>• Funding for CSR programmes</li> <li>• Logistical and technical support for CSR programmes</li> </ul>
<ul style="list-style-type: none"> <li>• Community and environmental investments</li> <li>• Robust HSE programme</li> <li>• Local procurement and employment</li> </ul>	<ul style="list-style-type: none"> <li>• Bilateral engagement</li> <li>• Timely and transparent submission of data for review and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Digital presence</li> <li>• Timely release of information and response of media queries</li> <li>• One-on-one media engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Research partnerships</li> <li>• Training programmes and guest speaker sessions</li> <li>• Recruitment and internship drives</li> </ul>	<ul style="list-style-type: none"> <li>• Community and environmental investments</li> </ul>

# Stakeholder Engagement

## Key Initiatives FY 2022-23

### Soda Ash Business

- Maintaining a focus on customer capacity development, the business organised multiple awareness sessions for its domestic customers to share best practices on material handling and logistics.
- The business remained committed to creating value for the Khewra community and supported outreach and environmental initiatives. These included its continued support to the Ladies Welfare Centre Khewra for livelihood and vocational training opportunities of female artisans, provision of drinking water to the community, organising sporting events enabling the youth to showcase its talents, successfully completing the plantation of over 30,000 trees in and around its facility and creating multiple greenbelts alongside Khewra's main road.



Soda Ash business team planted 30,000 trees during the year in Khewra.

### Polyester Business

- The business's stakeholder engagement strategy is rooted in its commitment to sustainability. During this year, the Polyester business undertook multiple initiatives to create awareness on minimising PET waste.
- In collaboration with Aabroo Educational Welfare Organisation, the business implemented a PET bottle deposit scheme. The collected PET waste was recycled by Aabroo, and the proceeds were used to sponsor education for 155 children from marginalised communities.
- Working with academia, the business partnered with the National College of Arts to host an art intervention for 350 NCA students, with the aim of raising awareness on repurposing PET waste. The business also collaborated with the Lahore Biennale Foundation, Punjab Education Ministry, and LUMS for the Green School Certification Program (GSCP). Sustainability workshops were conducted for teachers and students and the business sponsored waste segregation bins at 10 public schools.
- Through its membership in CoRe Alliance, the Polyester business continued to work with like-minded organisations to create policy with the Government to enhance the collection and infrastructure of waste management in the country.



The Polyester business hosted an art intervention for NCA students, to raise awareness on repurposing PET waste.

### Animal Health Business

- Placing a strong emphasis on supporting its customers beyond its product offerings, the business organised in-person and digital training sessions, conducted with technical teams from principal suppliers, to empower customers with industry best practices and knowledge. Moreover, the business's Livestock and Poultry segments arranged impactful symposiums and farmer's gatherings, facilitating knowledge sharing of effective farming solutions, and engaging 65,000 farmers and 25,000 professionals.
- During the year, a national campaign for the prevention and control of tick-borne diseases was launched for farmers and veterinary professionals.
- The capacity development of corporate dairy customers was enabled through their participation in the 6<sup>th</sup> Dairy Advanced Academy held in Italy. The Poultry segment of the business also participated in the International Poultry Expo 2022 and World Egg Day 2022 during which it engaged its key stakeholders.
- Expending its support to the Government's rehabilitation efforts in flood affected areas, the business supplied large-scale dewormer orders to aid recovery in affected areas.



The Animal Health business arranged sessions on Viral Disease Awareness and Effective Coping Strategies with CAVAC Vaccines.

## Pharmaceuticals Business

- The business continued to embed a patient centric approach across its customer engagement initiatives during the year. Remaining at the forefront of driving multichannel transformation in the industry, the business has provided exceptional customer experiences by leveraging the power of digital platforms.
- The business conducted multiple 360-degree campaigns in multiple therapeutic areas with healthcare professionals to promote early detection and improve treatment outcomes.
- During the year, the business engaged with key opinion leaders through face-to-face interactions at national conferences in various medical fields, conducting over 800 round table meetings and 50+ symposiums across Pakistan to discuss emerging treatment options.
- Additionally, by partnering with diagnostic labs the business offered free screening tests for patients at risk of hypercholesterolemia.
- Throughout the year, the business participated in sustainability initiatives for the benefit of the community, including a tree plantation drive at government schools in Sindh with Akhuwat and community waste clean up drives.
- To further continuous learning and improvement in the area of HSE&S the business arranged multiple trainings in safety audit, maintenance management, and project and operational safety during FY 2022-23.



Cardiology and Cardio Metabolic Sales Teams at Pakistan Live 2022, hosted by the Pakistan Society of Interventional Cardiology.

## Chemicals & Agri Sciences Business

- To help foster a culture of health and safety, throughout the year, the business organised extensive HSE&S training sessions at both the Chemicals Technical Centre and customer's premises. Customers benefited from practical demonstrations and thorough risk assessments.
- During the year, the business worked towards achieving inorganic growth by expanding its Agri Sciences dealership and farmer base, and also conducted regular training sessions on the latest production technologies and eco-efficient farm management measures for farmers.
- The Agrochemicals segment led multiple business partner conferences to ensure strong stakeholder engagement.
- To showcase the business's range of offerings, the Chemicals business participated as a platinum sponsor at the Pakistan Chemicals Expo 2023, held in Lahore. The event was an opportunity for the business to interact with and understand the requirements of customers and other key stakeholders.
- Aimed at localising the production of tomato paste in Pakistan and reducing the country's dependence on imports, the Agri Sciences business and National Foods Limited signed an MoU to collaborate on tomato seed development and research.



LCI signs an MoU with National Foods to collaborate on tomato seed development in Pakistan.

## Membership of Associations

During the year in review, the Company was a member of the following associations:

- Chamber of Commerce
- Pakistan Business Council (PBC)
- Pakistan Institute of Corporate Governance
- OICCI

# Economic Performance

Guided by its vision, values and brand promise, the Company strives to generate positive economic impact for all stakeholders.

This section provides an overview of LCI’s approach to material topics related to the Company’s Economic Performance. Details on other disclosures relating to this area are presented in the GRI Content Index or cross-referenced within the Annual and Sustainability Reports.

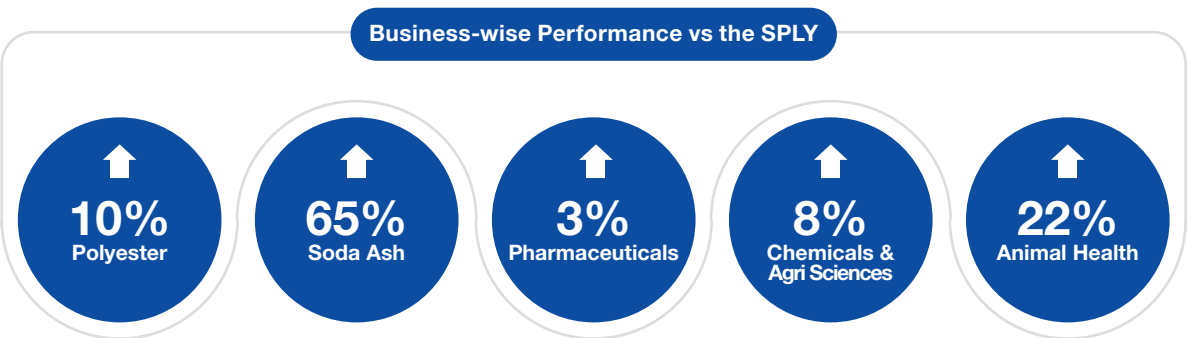
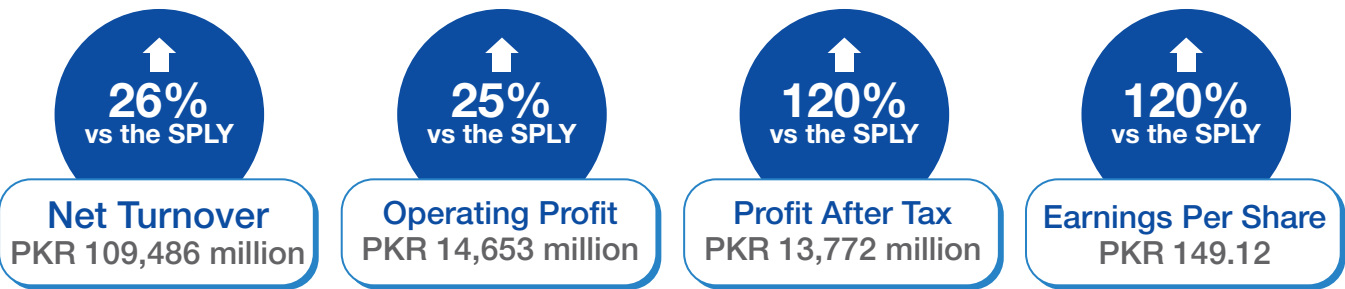
## Material Topics Covered



## Management Approach

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 the Company.

The overall responsibility of governing the organisation, along with driving economic performance, lies with the Board of Directors. Details on the functioning of the Board of Directors are available page 64 of this report.



Overview of LCI’s Performance on an Unconsolidated Basis

Comprehensive information on the Company's commercial performance and distribution of economic value for the year are available in the respective business performance, Directors Report and financial statement sections of the Annual Report 2022-23.

In line with its core values, LCI ensures that the highest standards of integrity are maintained across all facets of its operations. The Company's business principles are transparent and reflected in the Code of Conduct. As part of the onboarding process, all new hires receive an electronic copy of the Code of Conduct and are required to sign a declaration after thoroughly reading and understanding its contents.

### Sourcing and Procurement

Building shared value to achieve sustained growth requires LCI to maintain strong ties with its business partners. Its extensive supply chain network covers supply chain managers of each of its business 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 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 selection of suppliers. The most critical suppliers are also evaluated based on the "CEPIC" protocol.

The Company continues to engage new suppliers and ensures 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 avenues for improvement are shared with suppliers as part of the process. Frequent pro-bono trainings on HSE&S best practices in warehousing, transportation and logistics are conducted to minimise loss-time injury or fatality.



# Integrity Management

## Key Performance Indicators

	Units	2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Code of Conduct confirmed incidents</b>	Number	4	1	0	0	<b>1</b>	0
<b>Code of Conduct acceptance</b>	% Employees	100	100	100	100	<b>100</b>	100
<b>Management audits (Including reassurance audits)</b>	Number	6	6	6	6	<b>6</b>	6
<b>Serious incidents - Level 3</b>	Number	0	0	0	0	<b>0</b>	0
<b>Serious incidents - Level 1, 2</b>	Number	2	4	4	3	<b>6</b>	0
<b>Serious loss of containment - Cat D</b>	Number	0	0	0	0	<b>0</b>	0
<b>Regulatory action - Level 3</b>	Number	0	0	0	0	<b>0</b>	0

## Overview 2022-23

During the year, one Code of Conduct violation was reported. A thorough investigation was conducted and an action plan was implemented to avoid recurrence. To further emphasise the Company's working norms, LCI regularly hosts refresher sessions on the Code of Conduct. These sessions aim to reinforce LCI's commitment to ethical behaviour and maintain a positive work environment.

Frequent site visits, HSE&S audits and regular communication with all businesses during the year help ensure implementation and compliance with the HSE&S Management System. A quarterly review of all businesses was conducted, based on the assessment of hazards and recommendations from previous reviews. This year, six incidents of Level 2 were reported. All incidents were thoroughly investigated and corrective actions were taken to avoid a recurrence Details on Occupational Health and Safety KPIs are available on page 142 of this Report.

# Sourcing and Procurement

## Key Performance Indicators

		2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Vendor policy signed by key suppliers</b>	%	99	96	96	96	<b>100</b>	98
<b>Vendor policy signed by Central NPR suppliers*</b>	%	83.3	83	84	92	<b>100</b>	95
<b>Supportive supplier visits</b>	Number	131	165	240	436	<b>341</b>	500

## Overview 2022-23

During the year, LCI continued to work closely with its supply chain partners to promote sustainability, continuity in the Company's operations and improvements in its partners' business and regular supplier visits were conducted. Such visits ensure vendor's compliance with LCI's vendor policy, including compliance with standards and regulations regarding child labour and freedom of association. Supportive supplier visits for the year in review, although higher than the previous years average, are 21% lower compared to last year.

As the Company has continued to grow and expand, there has been a significant increase in the percentage of key suppliers who are compliant with the vendor policy. 100% compliance to the Company's vendor policy was ensured during the year in review. The FY 2021-22 saw the induction of multiple suppliers for the Chemicals business, resulting in a higher number of supplier visits against the SPLY.

## Spend Analysis

LCI's diversified product portfolio includes light, dense soda ash, Refined Sodium Bicarbonate (RSB), Polyester Staple Fibre (PSF), general and specialty chemicals, pharmaceuticals, nutraceuticals, animal health and agri products. The Company's supply chain operations are complex, involving multiple suppliers present both locally and internationally.

The Company's partnerships with suppliers are contingent upon mutual value-creation, as well as a reliable supply of raw materials, technical goods and services at competitive prices. A summary of procurement spends made by each business is as follows:

Business	Spend Analysis (PKR million)			% of Total Spend	
	Local	Import	Total	Local	Import
Polyester	20,808	17,374	38,183	54%	46%
Soda Ash	16,003	13,686	29,689	54%	46%
Chemicals & Agri Sciences	1,388	9,146	10,534	13%	87%
Animal Health	3,692	2,346	6,038	61%	39%
Pharmaceuticals	1,584	3,983	5,567	28%	72%

## Key Initiatives FY 2022-23

### Transportation

The diverse nature of the Company's portfolio requires varied transportation for inbound and outbound materials. The requirements range from those for bulk materials such as Lime Stone, Salt, Coal, Met Coke, PTA, MEG, VAM, Polyol and finished goods to temperature-sensitive pharmaceutical raw materials and finished products.

To reduce the resulting carbon footprint, special efforts were made to transport materials through railways in bulk where possible. This year 74,167 tonnes of coal and 44,363 tonnes of Metcoke for the Soda Ash business was transported through Pakistan Railways. To move the aforementioned total 118,539 metric tonnes of material through train, 72 train tracks were utilised. Alternatively, to move this material by road, 2,155 trailers (22 wheelers) would have been required.

Further efforts were made to supply soda ash in bulkers to customers instead of 1.25MT Polypropylene bags. A total of 7,686 MT of soda ash was delivered to customers via bulkers, saving 6,149 bags.

### Packaging

During the year in review, recycled drums and polypropylene bags were used to store bulk liquid (Caustic Soda Liquid and Vinyl Acetate) and rock salt at the Chemicals Plant. This resulted in a reduced requirement for new drums and bags by 824 and 305 units, respectively.



Dispatch of Soda Ash to Karachi through Pakistan Railway.

# Environmental Performance

LCI remains committed to delivering sustainable growth while actively monitoring and managing the environmental impacts of its operations. Demonstrating a commitment to environmental responsibility, both within the Company and beyond is a key priority.

This section provides an overview of LCI's approach to material topics related to the Company's environmental performance management efforts. Details on other disclosures relating to this area are presented in the GRI Content Index or cross-referenced within the Annual and Sustainability Reports.

## Material Topics Covered



## Management Approach

In line with its HSE&S principles, the Company is dedicated to upholding the highest standards of health and safety for its stakeholders, and to protecting the environment. Monitoring and evaluating environmental performance falls under the domain of the LCI's Health, Safety and Environment (HSE) function. The Corporate HSE function oversees HSE&S matters, including environmental performance management. Each business has its own HSE&S function that manages more specific and localised matters. Annual improvements regarding HSE&S performance are considered the collective responsibility of every employee.

The Company's HSE&S policy governs matters related to its environmental performance management. The current HSE&S policy was issued in May 2022 after being reviewed by the Sustainability Council.

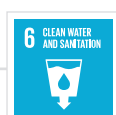
The HSE&S Management System serves as a guiding framework for the Company's current and future operations. Its scope encompasses all businesses, locations and individuals present on the Company's premises. The system adheres to globally recognised standards, such as ISO 14001 Environmental Management Systems Standard, ISO 45001 Occupational Health and Safety Management Systems, and the Responsible Care Management System.

Management of vital environmental performance parameters is carried out in line with regulatory compliance following NEQS and best global practices. Performance is monitored through the Environmental Performance Management (EPM) database. The EPM database is an application for the collation and analysis of HSE&S data and the reduction of the Company's Operational Eco-Efficiency (OEE) footprint. The data is then studied against relevant sustainability parameters to analyse each business' sustainability performance, and to set goals and targets for the future. Data against environmental performance is reported internally on a quarterly basis and on an annual basis externally.

The calculation of KPIs for this report is based on the HSE&S Management System and covers all LCI businesses.

### Emissions and Energy

Each of the Company's five diverse businesses are equipped with robust systems for monitoring environmental performance and tracking carbon footprint. The systems utilise internationally recognised standards such as the Intergovernmental Panel on Climate Change (IPCC) and Greenhouse Gas (GHG) Protocol, to calculate Scope 1 and Scope 2 emissions, including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>. Regular reviews and collaborations with business units drive continuous improvement and foster a culture of innovation and responsibility. No chemical classified as an ODS is listed in the Chemical Substance Inventory of LCI.



## Water and Effluents

LCI places a strong emphasis on responsible water management. Sources of water used by the Company includes surface and ground water, which is utilised for cooling, steam generation, housekeeping and brackish water is used in the preparation of brine solutions. To ensure minimal environmental impact, efficient treatment processes, recycling practices, and regular compliance testing are ensured at all Company locations. In the event of an unforeseen outage, LCI's water treatment facilities are equipped with multiple units that ensure operational continuity. The discharge streams undergo regular testing to ensure compliance with the Pakistan Environmental Quality Standards.

A comprehensive approach to managing water is employed, including conducting water usage audits, risk assessments, and engaging with stakeholders, including suppliers, customers, and local communities, to promote sustainable water management.

In alignment with the Company's overall sustainability strategy and public policy, the establishment of annual water-related goals and targets, along with regular reporting on performance and possible areas of improvement, further showcases the Company's commitment to responsible water management.

## Waste

Waste minimisation is a key aspect of the Company's environmental performance strategy. The Company identifies and categorises various waste streams associated with on-site activities and minimises waste generation through enhanced process efficiency and robust control mechanisms, aimed at reducing LCI's environmental footprint. Onsite activities that are monitored for waste generation and extend beyond waste streams generated solely from chemical processes include engineering, warehousing, domestic waste from canteens, and office waste paper. The waste streams are quantified and categorised to facilitate standardised reporting to the Corporate HSE function. Data collected is used to identify opportunities for waste minimisation, establish priorities, evaluate performance against set targets and make improvements on KPIs related to waste management.

The 4R (Refuse, Reduce, Reuse, Recycle) concept is integral to LCI's waste management approach, encouraging recycling and reusing waste where possible. Unsuitable waste is appropriately stored at respective Company sites, in adherence to SOPs. Once the predetermined threshold is reached, the waste is disposed of responsibly through approved vendors following strict screening processes. The Company's waste management is aligned with the requirements of ISO 14001.



# Addressing Climate Change

## Catalyst 2030: Climate Action Plan

During the year in review, LCI launched its Climate Action Plan – Catalyst 2030. Through the initiative, the Company aims to utilise nature and science-based solutions to neutralise emissions across its operations.

### Approach to Climate Change

Catalyst adopts a three-pronged approach to maximise positive impacts on the environment.

#### 1. Decarbonisation through efficiency and technology improvements

LCI recognises the importance of reducing carbon emissions to combat climate change, and implements projects that focus on energy efficiency, process optimisation, and utilise advanced technologies. Through these initiatives LCI pledges to minimise its carbon footprint.

#### 2. Adopting a nature-based solution through plantation initiatives

LCI acknowledges the value of nature-based solutions for carbon sequestration, emissions offset, and ecological restoration. The Company pledges to undertake tree planting initiatives across its locations to mitigate climate change.

#### 3. Collaborating for broader community impact

The Company supports partnering and collective actions to amplify the positive impacts of climate change initiatives. LCI pledges to actively collaborate with NGOs, government bodies, and local communities to extend its support and promote sustainable practices, in an effort to broaden its positive impact on the communities.

By launching Catalyst, LCI not only commits to mitigate its carbon footprint but also to foster a culture of environmental stewardship throughout its operations. The Company is dedicated to integrating sound environmental practices into its everyday operations, ensuring that sustainability remains a key focus area while engaging stakeholders and working collaboratively for lasting change.



Project Greenstorm, Khewra.

### Actionable Initiatives

#### 1. Neutralise 80,000 tonnes of CO<sub>2</sub> by 2030, through nature and science-based solutions

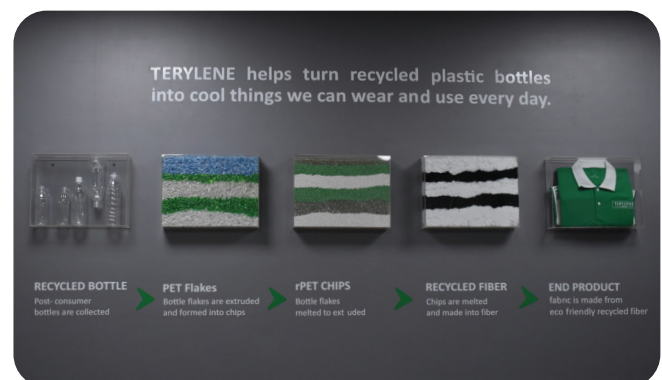
To achieve carbon neutrality, LCI shall implement nature-based solutions including reforestation, habitat restoration, and science-based approaches to achieve its carbon neutralisation targets.

During the year in review, the Company successfully executed 20 projects that resulted in the neutralisation of approximately 22,000 tonnes of CO<sub>2</sub>. Details of the Company's emission reduction initiatives are available on page 134 of this Report. Moreover, by investing in solar projects at its locations, LCI has been able to generate 1.97 million kilowatt-hours (kWh) leading to a reduction of approximately 1,200 tonnes of CO<sub>2</sub> emissions. Additionally, energy efficiency improvement projects undertaken during the year resulted in abating approximately 5,692 tonnes of CO<sub>2</sub>. Details of the Company's energy initiatives are available on page 132 of this report.

#### 2. Recycle 360 million PET bottles per year by 2030 to encourage circularity through production of polyester fibre

LCI is committed to promoting a circular economy by converting post-consumer waste PET bottles into polyester fibre. This initiative is aimed at reducing the demand for virgin materials, conserving resources, and minimising waste.

During the year in review, the Company recycled 198 million PET bottles, which was equivalent to recycling 7,956 tonnes of plastic. This initiative resulted in a reduction of 13,500 tonnes of CO<sub>2</sub> emissions from the polyester supply chain.



LCI's eco-friendly initiative, transforming used PET bottles into polyester fiber for a circular economy.

### 3. Recycle 220 million gallons of water annually by 2030

LCI sets annual targets to minimise consumption and promote responsible water usage across its operations. To achieve the target, the Company implements efficient water management practices and recycling systems.

During the FY 2022-23, post implementation of the Cooling Tower Blowdown and Conductivity Cooler Water Recovery projects at the Soda Ash plant site, a total of 2.4 million gallons of water was conserved. Details of the Company's water conservation initiatives are available on page 136 of this Report.

### 4. Eliminate the use of single-use PET bottles across its locations

The Company encourages its employees to adopt reusable alternatives and implements sustainable practices to reduce plastic waste at its locations.

LCI eliminated the use of single use PET bottles at all its locations in the FY 2022-23.

### 5. Plant 215,000 trees by 2030

Committed to achieving its tree plantation targets, LCI aims to enhance green spaces, support local ecosystems, and mitigate its carbon footprint.

During the year in review, LCI completed the plantation of over 34,000 trees at multiple Company locations and in communities where it operates. Details of the Company's tree plantation initiatives are available on page 135 of this Report.

To achieve these ambitious goals, LCI has carefully selected over 40 projects of varying scales. These projects are aimed at simultaneously addressing multiple sustainability aspects. The Catalyst pledge reflects LCI's unwavering dedication to sustainable practices and a proactive role in mitigating climate change, inspiring positive change within the organisation and contributing to a more sustainable future.

#### Trees Planted (Business-Wise)

Year	Animal Health	Chemicals & Agri-Sciences	Pharmaceuticals	Polyester	Soda Ash	Total
<b>2022 – 23 Target</b>	1,500	1,800	1,000	1,000	18,000	<b>23,300</b>
<b>2022 – 23 Actual</b>	1,500	650	1,010	1,000	30,000	<b>34,160</b>



# Product Stewardship

As a socially responsible company, LCI consciously measures the health, safety and environmental impacts of its products and actions across all steps of its value chain.

## Key Initiatives FY 2022-23

### Terylene Clean

Promoting the circularity of resources, the Polyester business's brand Terylene Clean is manufactured from post consumer PET waste. At a state-of-the-art rPET facility, located at its Sheikhpura plant, discarded post consumer PET waste is recycled into chips. These chips are then transformed into Terylene Clean, a 100% traceable recycled Polyester fibre brand using batch technology. During the fiscal year, the Polyester business continued to collaborate with academia and CSR partners to streamline waste collection and raise awareness on the benefits of the segregation and proper disposal of waste.

Collaborating with Aabroo Educational Welfare Organisation, the business launched a PET bottle deposit scheme in 2022. The initiative focuses on collecting PET waste directly from households, institutions and schools. The collected waste is monetised by the business to fund Aabroo's free of cost educational endeavours in Lahore, and is used to manufacture Terylene Clean. During the year, over 48,000 Kgs of waste was collected through the scheme and 155 Aabroo students received quality education.



Capacity-building workshop held for Aabroo's waste awareness volunteers at LCI Mozang Office.



NCA created students art installation from PET waste.



LCI-funded PET bottle deposit scheme car collects PET waste from households across the across Lahore.



LCI's Polyester team joins Aabroo representatives at the launch ceremony of the PET bottle deposit scheme.



# Energy

## Key Performance Indicators

Energy consumption	Units	2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Total energy consumption</b>	1000Tj	7.6	7.79	7.92	8.30	<b>9.66</b>	10.1
<b>Per tonne production</b>	GJ/te	13.66	15.65	13.03	11.98	<b>13.20</b>	11.61

- For the FY 2022-23, the energy generated from the renewable source is 7 TJ, purchased energy is 131 TJ and 9520 TJ is non-renewable.
- For the FY 2022-23, the renewable energy intensity is 0.010 Joule per tonne of product, purchased energy intensity is 0.181 Joule per tonne of product and for non-renewable energy intensity is 13.1 Joule per tonne of product.

## Overview

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

In FY 2022-23, the overall energy consumption increased due to higher coal consumption on account of a newly installed coal fired boiler and gas turbine at the Soda Ash plant. For the Polyester business, reduced demand from its downstream industry led to lower and nonlinear production rates, which consequently impacted the energy index. Installation of new machinery for the production of cardiovascular products in the Pharmaceuticals business also added to the Company's overall energy requirements. To mitigate impacts of the aforementioned and promote sustainable resource management, LCI implemented several energy conservation initiatives and investments aimed at lowering the energy index. Combined, these conservation initiatives resulted in a reduction of approximately 5,692 tonnes of CO<sub>2</sub> emissions.

## Key Initiatives FY 2022-23

### A Focus on Solar Power

The Company has taken steps towards investing in solar energy to meet its requirements. The Company's largest solar project is located at its Polyester site in Sheikhpura and generates power for the manufacturing of fibre. During the year in review, approximately 7,000,000 mega joules power was generated through the Company's solar initiatives for the FY 2022-23 leading to a reduction of over 1,200 tonnes of CO<sub>2</sub> emissions.



The Company's largest solar project - located at Polyester plant, Sheikhpura.

### High Efficiency Chiller

The incorporation of a VFD-driven 650 USRT chiller at the Polyester plant led to a substantial decrease of 363 tonnes of carbon emissions annually, which is comparable to the positive environmental impact of planting 12,000 trees. This reduction in energy consumption is primarily attributed to the high efficiency of the new chiller and the implementation of VFD technology. Unlike traditional chillers that operate at a fixed speed regardless of cooling demand, the VFD-driven chiller can adjust its speed based on the actual cooling needs. This dynamic operation allows the chiller to run at optimal levels, consuming only the necessary amount of energy required for cooling processes. Moreover, the upgrade from an older 500 USRT chiller to the new, more efficient 650 USRT model contributed to additional energy savings due to advancements in technology and design.



VFD-driven 650 USRT chiller at the Polyester plant, Sheikhpura.



# Sustainability Highlight

## Process Improvements for Energy Efficiency

**LCI is committed to implementing energy conservation projects to reduce its environmental impact. This sustainability highlight demonstrates the Company's dedication to innovation and responsible practices for energy efficiency.**

In today's fast paced business environment, innovation and process improvements are pivotal to success. Drawing on its core values, LCI's culture of innovation and continuous improvement encourages employees to drive these initiatives, enabling the Company to optimise its processes for operational and eco-efficiency.

In February '23, a desuperheater was installed at the Soda Ash business's Dense Ash Plant 2. The installation aimed to optimise energy consumption by efficiently extracting heat from superheated steam used for the fluid bed operation. The project has proven to be highly effective. Steam consumption was reduced by 0.03 TPTA (tonnes per tonne of ash) during the year in review, further resulting in an annual decrease of approximately 2,000 tonnes of CO<sub>2</sub> emissions.

During the FY 2021-22, the Soda Ash business team proposed a design modification for the Rotary Dissolver 4 at its plant. By reducing the number of baffle plates, the team achieved multiple benefits, including improved operational efficiency and extending the lifespan of distillers, resulting in a substantial reduction of an estimated 1,100 tonnes of CO<sub>2</sub> emissions. This demonstrates how targeted changes in industrial processes can have a positive impact on energy consumption and environmental sustainability.



# Emissions

## Key Performance Indicators

Emissions Control	Units	2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Total COD emissions</b>	te	29.72	24.73	28.73	40.71	<b>38.06</b>	29
<b>Per tonne production</b>	kg/te	0.05	0.05	0.05	0.06	<b>0.05</b>	0.03
<b>Total VOC emissions</b>	te	3.22	2.85	3.04	2.8	<b>3.02</b>	3.2
<b>Per tonne production</b>	kg/te	0.01	0.01	0.01	0.01	<b>0.01</b>	0.004
<b>Total NO<sub>x</sub> emissions</b>	te	2,527	2,878	2,612	2,787	<b>3,268</b>	3,531
<b>Per tonne production</b>	kg/te	4.49	5.77	4.29	4.02	<b>4.51</b>	4.05
<b>Total SO<sub>x</sub> emissions</b>	te	3,454	3,680	3,768	3,987	<b>4,274</b>	4,715
<b>Per tonne production</b>	kg/te	6.14	7.38	6.19	5.75	<b>5.90</b>	5.4
<b>Total direct CO<sub>2</sub> emissions (Scope 1)</b>	te	800,000	845,720	831,381	884,038	<b>1,036,297</b>	1,103,095
<b>Per tonne production</b>	kg/te	1,424	1,696	1,366	1,276	<b>1,431</b>	1,263
<b>Total indirect CO<sub>2</sub> emissions (Scope 2)</b>	te	1,938	2,213	1,823	2,452	<b>3,491</b>	2,229
<b>Per tonne production</b>	kg/te	3.44	4.44	3	3.54	<b>4.82</b>	2.55

## Overview

In 2022-23, one of the top priority deliverables of the Sustainability Council was to monitor and control emissions related KPIs, through the EPM database, to ensure compliance with the NEQS and global requirements. As part of its Catalyst 2030 climate action plan, during the year, the Company successfully executed 20 projects that resulted in the neutralisation of approximately 22,000 tonnes of CO<sub>2</sub>.

LCI's NO<sub>x</sub>, SO<sub>x</sub> and CO<sub>2</sub> emissions remained within the NEQs, however, the KPIs show a rising trend in comparison to the SPLY. This was due to higher consumption of coal per unit of production for electricity and steam generation at the Company's Soda Ash plant to meet increased production requirements. Moreover lower production rates and increased use of furnace oil and coal at the Polyester plant in the last quarter of the fiscal year, added to the rise in emissions.

## Key Initiatives FY 2022-23

### Reducing Emissions with a Low NO<sub>x</sub> Burner

In FY 2022-23, a one tonne steam generator was installed at the Company's Pharmaceuticals business's Hawke's Bay plant. Pre-installed with an environment-friendly burner management system, the installation aimed at reducing emissions and promoting sustainable operations.

In addition, the systems low NO<sub>x</sub> burners optimise the combustion process and reduce the peak flame temperature resulting in a reduction in NO<sub>x</sub> formation and assist in maintaining the uniformity in fuel/air mixture.

### Overhauling of Generators

Three 500 KVA Gensets at LCI's Pharmaceuticals business's Hawke's Bay site were overhauled to improve the equipment's reliability and performance resulting in reduced scope 1 carbon emissions.



# Sustainability Highlight

## Growing Green for the Next Generation

**As part of its Catalyst 2030 Climate Action Plan, LCI has mindfully taken steps to leverage nature-based solutions to offset its carbon footprint. This sustainability highlight illustrates the Company's efforts toward tree plantations in multiple cities.**

Launched by the Company in 2021, Project GreenStorm took root at LCI's Soda Ash manufacturing site in Khewra, aiming to create greener spaces within the site boundaries and the broader community. Over 30,000 trees of varying species were planted, transforming Khewra's arid land into green spaces adorned with fruit-bearing and shade-providing trees, as well as aromatic and landscaping plants. Plantation locations included the Municipal Committee premises, Govt. Al-Beruni Associate College in Khewra, and the Rescue 1122 Services premises in PD Khan. Despite the water scarcity in Khewra, recycled wastewater was utilised from sources such as SRE, CFB steam traps condensate, workshop grains, and storage yards to sustain the project's watering needs.

Moreover, during the year, the Company's Chemicals & Agri Sciences, Animal Health, and Pharmaceuticals businesses with Akhuwat planted 2800 saplings across various government schools and marginalised communities. In addition the Pharmaceuticals business planted 195 saplings to commemorate the country's 75<sup>th</sup> independence and promote biodiversity at its Hawke's Bay and Hattar sites.

These collective efforts fostered a greener environment and amplified the Company's commitment to sustainability.



# Water and Effluents

## Key Performance Indicators

Water Usage	Units	2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Total fresh water use</b>	million m <sup>3</sup>	5.5	5.3	5.1	5.6	<b>6.3</b>	7.3
<b>Per tonne production</b>	kg/te	9.78	10.62	8.30	8.20	<b>8.72</b>	8.47
<b>% of site with sustainable fresh water</b>	%	17	66	66%	66%	<b>66%</b>	75%

Note: The Freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids) in Surface water category is 0.746 million m<sup>3</sup> and the Other water ( $>1,000$  mg/L Total Dissolved Solids) in Ground water category is 5.56 million m<sup>3</sup>.

## Overview

During the year in review, water consumption witnessed a slight increase compared to the SPLY. This rise is attributable to the installation of a new cooling water system and a RO plant at the Company's Soda Ash business, along with the addition of a chiller at the Pharmaceutical business's Hawke's Bay site.

Furthermore, the Polyester business's lower production rates, owing to reduced demand in downstream markets also contributed to a higher water index.

To address these challenges and ensure responsible water usage, cross-functional teams were established to monitor water consumption during the year. Areas of improvement were promptly identified and addressed to mitigate the waste of water.

## Key Initiatives FY 2022-23

### Conductivity Cooler Water Recovery

Installation of three conductivity coolers on six distillers at the Soda Ash plant enabled the measurement and identification of ammonia traces during the final stage of ammonia recovery. The cooling water is used to cool down the gas samples for conductivity analysis. Conventionally drained, the cooling water is now collected and redirected back into the CW stream, resulting in conservation of approximately 400,000 litres of water per year.

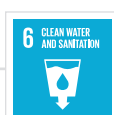
### Cooling Tower Blowdown Water Recovery

A cooling tower with a flow rate of 3300 m<sup>3</sup>/hr was installed in 2018, during phase 1 of the 75 KTPA expansion at the Soda Ash plant. The tower is purged with water to maintain suitable chemistry of

cooling water, this process is termed blowdown. Conventionally, the blowdown of this particular cooling tower was drained. However, owing to a minor process modification, the blowdown is now routed to the salt dissolving basin and is utilised for crude brine preparation. Resultantly, approximately 9 million litres per annum of water is conserved through this initiative.

### Reusing water for Horticulture

Committed to responsible water use, LCI identifies opportunities for saving and reusing water. A water storage pit was constructed at the Soda Ash Plant to collect waste water from its vehicle cleaning workshop drain and other sources. The collected water is recycled for horticultural use at Project Green.



# Sustainability Highlight

## From Waste to Resource

**In line with its core values of Integrity and Responsibility, LCI strives to fulfil its commitment of protecting the environment. This sustainability highlight showcases the Company's waste water treatment efforts during the year.**

As part of its proactive approach, the Company actively works to identify, monitor, and whenever possible, treat and reuse recovered water. During the year in review, the Company commissioned a cutting-edge Waste Water Treatment Plant (WWTP) based on ASP technology at its Animal Health plant near Lahore. Waste water is treated, before releasing it into the municipal drainage system.

The state-of-the-art facility has the capacity to efficiently treat both domestic and chemical waste, recycling industrial wastewater at a rate of 4 cubic metres per hour. By implementing advanced treatment processes, in strict adherence to local and international environmental regulations, the Company aims to minimise the environmental impact of wastewater discharge.



# Waste

## Key Performance Indicators

Waste Management	Units	2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Total waste</b>	kte	34.19	37.5	101.7	66.8	<b>69.8</b>	84.998
<b>Per tonne production</b>	kg/te	60.74	75.2	167	96.4	<b>96.5</b>	97.39
<b>Total hazardous waste</b>	kte	0.028	0.024	0.095	0.152	<b>0.072</b>	0.117
<b>Per tonne production</b>	kg/te	0.05	0.05	0.16	0.02	<b>0.10</b>	0.0134
<b>Total non-reusable waste</b>	kte	0.028	0.047	0.285	0.255	<b>0.189</b>	0.219
<b>Per tonne production</b>	kg/te	0.05	0.094	0.46	0.36	<b>0.26</b>	0.25
<b>Total non-reusable hazardous waste</b>	kte	0.028	0.024	0.095	0.152	<b>0.072</b>	0.117
<b>Per tonne production</b>	kg/te	0.05	0.05	0.16	0.22	<b>0.10</b>	0.134
<b>Total hazardous waste to landfill</b>	kte	0	0	0	0	<b>0</b>	0
<b>Per tonne production</b>	Kg/te	0	0	0	0	<b>0</b>	0

## Overview

During the year in review, while there was a 4.5% increase in total waste due to higher Fly Ash sales, the Company made significant strides in reducing other waste categories owing to various proactive initiatives undertaken.

Utilising the 4R philosophy the Company believes that the first step to reducing waste is to refuse unnecessary consumption. As such, LCI pursued the elimination of single-use PET water bottles at all its locations through its climate action plan Catalyst 2030. Communication campaigns and sustainability challenges encouraged employees to replace single use bottles with reusable alternatives.

## Key Initiatives FY 2022-23

### Giving Scrap Another Life

LCI's Pharmaceuticals business actively recycled and repurposed wooden and metal scrap showcasing its strong commitment to sustainable practices. Repurposed scrap was utilised by the plant team to create decorative and functional items of alternative use at the Hawke's Bay plant. Furthermore, the business also donated scrap material to the CDRS Benji Project Shelter in Karachi, where it was repurposed into reinforcing the shelter requirements of rescue animals.

7,956 tonnes of plastic, into recycled polyester fibre. The initiative not only diverts plastic waste from entering landfills but also results in a reduction of 13,500 tonnes of CO<sub>2</sub> emissions from the polyester supply chain.

The Company's Polyester business partnered with the Aabroo Welfare Foundation (Aabroo) to launch a PET recycling scheme. The programme encourages households to sell post-consumer PET waste to Aabroo. Generated PET waste is sold to the Company for the production of recycled polyester fibre. Funds generated through the process are utilised by Aabroo to run schools for children in marginalised areas of Lahore. 155 children enrolled at Aabroo received quality education as a result of the programme.

### Recycling Post Consumer PET Waste

The PET conversion unit, located the Company's Polyester site, enables LCI to recycle 198 million plastic bottles, equivalent to



# Sustainability Highlight

## A Cleaner Tomorrow

**As responsible stewards, the Company actively works to raise awareness on environmental issues amongst its employees and other stakeholders. This highlight showcases the Company's initiatives in the area of waste management.**

Through its Pehchan Employee Volunteer Programme, the Company encourages the active participation of its employees in regular environment and community uplift initiatives. Organised and managed by the Lucky Core Foundation, the Pehchan initiatives provide employees with an opportunity to give back to the community by participating in a cause of their choice.

Recognising the growing issue of waste disposal in public areas for major cities, during the year in review, multiple clean up drives were arranged.

### Beach Clean Up Drives

To commemorate World Clean Up Day, employee volunteers from LCI's Pharmaceuticals and Chemicals & Agri businesses participated in a Beach Clean-Up challenge at Sandspit beach. A total of 467 kg of waste was collected during the event.

Moreover, partnering for greater impact, 50+ employee volunteers from LCI's Pharmaceuticals and Chemicals & Agri Sciences businesses, Corporate functions and Yunus Textile Mills conducted a beach clean-up drive on World Oceans Day. A total of 500+ Kgs of dry waste was collected by the volunteers. Waste from all beach clean-up activities was donated to an NGO for further recycling.

### Community Clean Up Drives

Aimed at providing the next generation with a healthy learning environment, a clean-up drive was organised at Government Higher Secondary School in Kot Najeeb Ullah Haripur by the Pharmaceuticals business. The activity was conducted in honour of World Cleanup Day and a total of 162 kg of waste was collected for further recycling.

The Company's Animal Health business organised a clean-up activity in surrounding areas of its plant in Lahore. Employee volunteers collected 30 kg of waste, which was later sent for onward recycling. Moreover, to celebrate World Environment Day, volunteers from the Pharmaceuticals business's Hattar plant conducted a clean-up drive at the Khanpur Dam. The collected waste was responsibly handed over to Khanpur Municipal Corporation for further recycling.



# Social Performance

As a leading national organisation, LCI views itself as a custodian of society. As such, the Company actively works towards maximising its positive societal impacts, including those for its employees and the communities that it operates in.

This section provides an overview of LCI's approach to material topics related to the Company's social performance. Details on other disclosures relating to this area are presented in the GRI Content Index or cross-referenced within the Annual and Sustainability Reports.

## 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 Lucky Core Foundation (LCF) manages the creation of shared value in communities in which the Company operates.

### Data relating to Employees

The Company considers its 2,100+ employees as one of the key stakeholders that is 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 EMT.

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 67 of the Annual 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. Training needs, individual development plans, and overall effectiveness of social performance are gauged through LCI's annual performance appraisal tool, P&DD or employee engagement survey.

All employees are covered under a robust medical policy. LCI adheres to applicable laws with regard to minimum wage, and the ratio of entry level wage by gender is higher than the prescribed minimum wages at all locations.

Where possible, the Company hires Senior Management from the local community. During the year, Senior management hired from Karachi, Lahore, Sheikhupura, Khewra was 100%, 0%, 0%, and 0%, respectively. The Company ensures employee wellbeing and promotes a healthy lifestyle through its holistic Employee Wellness Programme.

### Occupational Health and Safety

The Company is committed to providing a safe and healthy working environment for all employees, contractors and visitors at its sites. The HSE&S function oversees disclosures related to Occupational Health and Safety. A detailed HSE&S management system based on the Responsible Care Management System, ISO45001 and ISO14001 and ILO OSH 2001 guidelines is in place to mitigate risks associated with people, products, and process safety. The Company ensures the occupational health of each employee through health assessment and hygiene assessment plans.



## Safety Measures for Plant Operations

To ensure the safety of construction, commissioning and operations at its manufacturing sites, LCI has implemented multiple layers of hazard and risk assessments that help identify and control risks through all stages of a project. Six layers of hazard studies consider HSE&S implications, in order to prioritise the safety and wellbeing of individuals involved in project.

With a strong focus on continuous improvement, each business prioritises occupational health and safety performance through leadership commitment, staff dedication, and maintaining the highest professional standards. Moreover, employees are encouraged to report hazards through the Learning Event Database and their inputs are recorded and investigated for improvements to the Company's HSE&S processes. Furthermore, employees are engaged in behavioural safety discussions, daily safety talks, online communications, and workshops regarding all essential HSE&S matters.

The effectiveness of social performance in the area of Occupational Health and Safety is measured through the Company's Learning Event Database, Management Audits and the Environmental Performance Management (EPM) Database.

## Disclosures Related to Corporate Social Responsibility

The Lucky Core Foundation (LCF) oversees and manages the Company's philanthropic endeavours, and it is certified by the Pakistan Centre for Philanthropy (PCP). The operations of LCF are managed by Board of Trustees, and it follows the policies and objectives outlined in the Trust Deed and CSR Policy.

LCF's CSR philosophy is in harmony with the Company's vision, mission, values, and brand promise. Committed to creating shared value beyond its boundaries, LCF strives to enhance the well-being of stakeholders in the communities where the Company operates.

Annually, the Company contributes a set percentage of its Profit after Tax to LCF. The Board of Trustees allocate the donations received to support the various initiatives in the areas of Health, Education, Community Development, Women's Empowerment and Environment. The effectiveness of LCF's social performance is evaluated based on the impact generated by ongoing CSR initiatives and the successful disbursement of the annual approved budget.

Details on LCF's performance and the impact it has created are available on page 150 of this Report.



# Occupational Health and Safety

## Key Performance Indicators

	Units	2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Total reportable injury rate (employees)</b>	\million hours	0.1	0.47	0.44	0.20	<b>0.48</b>	0
<b>Occupational illness rate (employees)</b>	\million hours	0	0	0	0	<b>0</b>	0
<b>Total illness absence rate (employees)</b>	%	1.28	1.28	1.39	1.66	<b>1.53</b>	1.3
<b>Fatalities</b>	Number	0	0	0	0	<b>0</b>	0
<b>Total reportable injury rate (independent contractors)</b>	\million hours	0.28	0	0	0.16	<b>0.21</b>	0
<b>Lost time injury (independent contractors)</b>	Number	1	0	0	0	<b>0</b>	0
<b>% sites with BBS programme</b>	%	100	100	100	100	<b>100</b>	100
<b>Distribution incidents</b>	Number	1	0	0	0	<b>0</b>	0
<b>Motor vehicle incidents with injury</b>	Number	0	0	0	0	<b>0</b>	0

## Overview

As of June 30, 2023, the Company achieved 39.4 million safe man-hours, collectively. The Soda Ash business led with 30.7 million safe man-hours, followed by the Pharmaceuticals, Animal Health, Chemicals & Agri Sciences, Polyester, and Corporate offices at 4.16 million, 1.07 million, 0.36 million, 0.20 million and 2.88 million safe man-hours respectively.

Unfortunately, during the year, six reportable injuries were recorded, with a total reportable injury rate of 0.48. Thorough investigations were conducted, and action plans were implemented to prevent recurrence.

Our manufacturing sites have systems in place to promote programmes for worker participation, consultation and communication on occupational health and safety. Monthly joint management and worker safety meetings are one such process, steered by line managers and occasionally section heads of relevant functional departments. The agenda is set by the HSE&S function and feedback is recorded. These meetings require 100% participation by the workforce. The Health Assessment Performance Index (HAPI) and Hygiene Performance Index (HYPI) programmes continued to run company-wide, resulting in zero reportable cases of occupational illnesses during FY 2022-23.

Workers involved in occupational activities that have a high risk of specific diseases are trained on, and well-versed in, the appropriate health and safety protocols, provided appropriate equipment, and regularly monitored. For example, laboratory employees are provided with protective equipment and training, and are assessed for lung-related diseases incase of possible exposure to fumes. Similarly, employees working in high noise areas are provided with appropriate protective equipment and are annually checked for any hearing loss. These procedures are as per LCI's HSE&S Management System and the Company's occupational health policy. Areas at all manufacturing sites have been assessed for health risks and accordingly health monitoring programmes have been developed for employees.

Permanent employees are provided with life insurance, healthcare and disability coverage, parental leave, and a retirement provision.

Additionally, a comprehensive HSE&S management audit was conducted across the Chemical & Agri business sites.



## Key Initiatives FY 2022-23

### Awards and Recognitions

In recognition of its thorough implementation of the Health and Safety Management System, the Soda Ash business received the International Safety Award 2023 from the British Safety Council for the second consecutive year. Moreover, the business also received a certificate of appreciation at the 12<sup>th</sup> Annual Fire Safety Awards by the National Forum for Environment & Health (NFEH) and Fire Protection Industry of Pakistan (FPIP) for its commitment to implementing Fire Safety Measures.

During the year, LCI's Pharmaceuticals business received three Awards for best HSE and fire safety practices, namely the Environmental Excellence Award 2022 by NFEH, International Award of Environment, Health & Safety 2022 by the Pakistan Safety Council and Fire Safety Award 2022 by the FPIP and NFEH.

These accolades are testament to the Company's dedication to upholding the highest standards of HSE to ensure the wellbeing of its people and communities that it operates in.

### Road Safety Awareness

Aimed at reducing the risk of accidents and to help make communities safer, the Company's Soda Ash business and Lahore Corporate Office conducted awareness initiatives for their respective stakeholders during the year. The Soda Ash business, installed precautionary signs and road safety convex mirrors on the Khewra-Choa Saidan Shah Road. The business also conducted a training on heavy vehicle inspection and defensive driving of heavy vehicle operators in collaboration with an external consultant. Similarly, the Company's Lahore Corporate Office organised a road safety awareness session in collaboration with the Motorway Police for employees.



The Corporate HSE&S & Animal Health business conducted behaviour-based system trainings for enhanced workplace practices.

### Key HSE&S Trainings Conducted

Training employees on key HSE&S topics remain a focus area for the Company.

- Sessions on ISO 45001 awareness and conducting internal HSE audits were conducted at LCI's Pharmaceutical sites by an external audit and training body during the year. The training was attended by the business's safety improvement teams and internal auditors.
- For continuous improvements to its HSE systems, the Soda Ash business conducted training on ISO 14001 & 45001 during the year. Led by a certified trainer, the session was attended by representatives from all departments to ensure compliance with the standard.
- Multiple safety trainings were also conducted during the year including sessions on *Safe Operation of Lifting Equipment*, *Maintenance Management*, *Operational Excellence* and *Project Safety Management* at the Pharmaceuticals Hawke's Bay plant. The sessions aimed at enhancing the participants' knowledge and skills in operational excellence, maintenance management, and project safety management.
- Moreover, to promote fire safety awareness, support the wellbeing of firefighters, and strengthen community bonds, the Company collaborated with Rescue 1122 to provide fire safety training for employees.



The Pharmaceuticals business received the 2023 EHS International Award.

# Employee Engagement & Wellness

LCI's employees are pivotal to the successful delivery of the Company's business strategy and aspirations to deliver enduring value. The Company continues to accelerate the development and growth of its talent, and to enhance their performance through its robust engagement and wellness programmes.

## Gauging Engagement

The HR function is responsible for measuring, managing and enhancing the Company's employee engagement, an independent third party survey platform, helps LCI's frontline managers understand and improve the level of engagement and happiness of their teams. During the year in review, the Company's monthly engagement survey was improved by incorporating new drivers and by training the leadership teams to effectively leverage the results. The employee engagement score for the year was 8.2. Moreover, the Company was named the Employer of Choice in recognition of its efforts to create a happy and healthy workplace.



**Lucky Core Industries named Employer of Choice 2023.**

## Fostering a Positive Workplace

During the year, to ensure the wellness and engagement of its people, the Company organised multiple engagement activities through its Employee Wellness Programme platform, in three focus areas during the year:

- Social Connectedness
- Physical Wellness
- Mental Wellbeing and Mindfulness

## Dimensions of Wellness



## Social Connectedness

A culture of care for those within and outside the Company is underpinned by the LCI's core value of Passion for People. Moreover, employees are provided with opportunities to engage with individuals and communities, to help create shared value beyond the boundaries of the organisation.

To recognise the valuable role played and the support rendered by the families of employees, the Company launched two robust initiatives during the year. To highlight the contributions of each employee towards the success of the Company and to help create lasting memories, Kids@Work events were organised at key Company locations nationwide. Under the LCI's employee rewards platform - *Praise*, the #OneFamily initiative encouraged line managers to send meaningful appreciation notes to their team's family members. Moreover, fostering unity and patriotism, the annual Independence Day celebrations across all LCI locations gave employees an opportunity to connect with their colleagues.



**Kids@Work events organised at multiple Company locations nationwide.**

The Company's employee volunteer programme, *Pehchan*, provided year-long community engagement opportunities to employees. Key areas of employee participation included health, education, women's empowerment and environmental initiatives. Details of LCI's employee volunteer programme are available on Page 155 of this Report.

### Physical Wellness

The Company considers the physical well-being of its people as 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, multiple internal activities and those in collaboration with external partners were organised for the Company's employees during the year. These included participation in the YB Cricket Tournament, Corporate Futsal League, Corporate Fitness Games 2023, LCI's 14<sup>th</sup> CE cricket tournament, Khewra Premier League and Badminton Championship.



**Team LCI wins the YB Cricket League 2022.**

To raise awareness on the importance of maintaining physical wellness, a DIY Wellness Series was launched with an external wellness expert. The series covered benefits of exercising, healthy eating, detoxing, intermittent fasting, and a special session for healthy lifestyle practices during Ramadan. To encourage good dental hygiene practices, a session with a dental expert was arranged for employees. In collaboration with health specialists, a wellness boot camp was arranged at the Head Office location, where participants had the opportunity to consult health wellness advisors and general practitioners as needed. Moreover, to encourage healthy competition, the HR teams of Chemicals & Agri Sciences and Animal Health businesses organised a two week step count fitness challenge for employees.



**Oral hygiene session organised for employees.**

### Mental Wellbeing and Mindfulness

The Company recognises the growing importance of ensuring and supporting the mental and emotional wellness of its people. During the year, an art therapy and guided meditation session was arranged at the Lahore office by the Chemicals & Agri Science business. The session provided participants with alternative methods for managing behaviours, processing emotions, and reducing stress. In addition, employees participated in a wellness survey during the year to gauge their interest and preferences regarding long-term mental and emotional wellbeing programmes.



**Art therapy and guided meditation session for employees.**

# Diversity, Equity and Inclusion

## Key Performance Indicators

	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Governance Body</b>					
<b>Percentage by gender</b>	75% Male 25% Female (6, 2)	75% M: 25% F (6, 2)	78% M: 22% F (7, 2)	89% M: 11% F (8, 1)	<b>89% M: 11% F (8, 1)</b>
<b>Percentage by age</b>	30-50: 62.5% Above 50: 37.5% (5, 3)	Between 30-50: 38% Above 50: 63% (3, 5)	Less than 30: 14% Between 30-50: 44% Above 50: 56% (2, 4, 5)	Less than 30: 0% Between 30-50: 44% Above 50: 56% (4, 5)	<b>Less than 30: 0% Between 30-50: 44% Above 50: 56 (4, 5)</b>
<b>Employees</b>					
<b>Percentage of employees by gender</b>	93.88% Male 6.12% Female	93.6% M: 6.3% F	94% M: 6% F	93.9% M: 6.1% F	<b>92.6% M: 7.4% F</b>
<b>Management</b>	1,351 Male 88 Female	1,520 - M, 92 - F	1,599 - M, 104 - F	1,603 - M, 105 - F	<b>1,608 - M, 129 - F</b>
<b>Trainees</b>	29 Male 25 Females	27 - M, 13 - F	11 - M, 4 - F	22 - M, 18 - F	<b>19 - M, 11 - F</b>
<b>Percentage of employees by age</b>	Under 30: 29.60% 30-50: 59.07% Above 50: 11.33% (426, 850, 163)	Less than 30: 29.2% Between 30-50: 62.0% Above 50: 8.7% (483, 1,025, 144)	Less than 30: 28% Between 30-50: 63% Above 50: 9% (474, 1,077, 153)	Less than 30: 25% Between 30-50: 66% Above 50: 9% (427, 1,132, 149)	<b>Less than 30: 27% Between 30-50: 64% Above 50: 9% (462, 1,115, 160)</b>

## Overview

As an equal opportunity employer, LCI is dedicated to fostering a diverse, equitable and inclusive environment. The Company's commitment to its diversity, equity and inclusion (DE&I) agenda is underpinned by its values of Passion for People and Integrity and Responsibility as well as its Code of Conduct. LCI's DE&I strategy is founded on four pillars: leadership commitment and accountability, building and maintaining a diverse workforce, cultivating and fostering an inclusive culture and driving change beyond the workplace.

The Company maintained an 11% female representation in the EMT, while the percentage of female representation in the workforce increased compare to the SPY.

## Key Initiatives FY 2022-23

### Women Returnship Programme

Under its flagship DE&I programme, *Yes She Can!*, the Company piloted its Women Returnship initiative. This initiative aimed at providing employment opportunities to talented women who wish to re-enter the corporate world after a career break. During the year, after a rigorous hiring process three candidates joined the organisation at the Head Office and Lahore Corporate Office locations. Given the successful pilot run of the programme, the Company plans to continue it in the next fiscal year as well.

### Gender Sensitisation Sessions

Focused groups designed to enhance inclusivity amongst employees were organised during the year. The sessions have been instrumental in ensuring workplace enablement and engagement and provide a constructive platform for open discussion of

challenges and their solutions. Moreover, gender sensitisation workshops were also arranged at LCI's key locations. The sessions were conducted by experienced trainers and attended by 475 participants helped create a harmonious workplace environment and in raising awareness amongst employees about cultural change and gender inclusivity.

### Empowering Women in Business: Fostering Growth and Recognition

The Company participated in WIBCON 2023, with 40 female representatives from LCI in attendance. The event brought together female leaders from other leading organisations, and served as a valuable platform for sharing their experiences and offering career guidance.

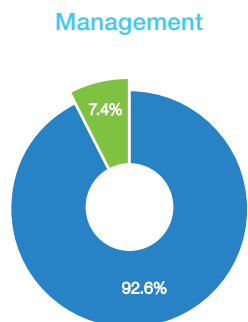
To celebrate the accomplishments of women in business, the Company organised a thought-provoking panel on International Women's Day, featuring women in leadership roles. Moreover, to support female entrepreneurs and artisans, a pop-up exhibition was arranged at the Company's Head Office.

### Celebrating Inclusivity as One Team

To create awareness, encourage dialogue and promote inclusivity, communication and engagement activities were organised in celebration of employees' faiths. These activities included campaigns for Diwali, Holi, Novruz, Christmas, Easter, and Eid.

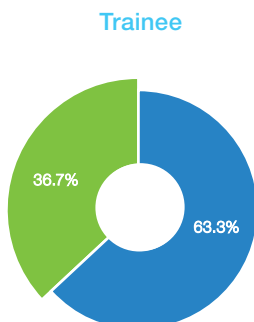
The Company also conducted a sign language workshop for its employees in collaboration with a leading start-up. The session equipped participants with communication skills that enable them to interact better with individuals facing hearing challenges.

### Total employees by gender



**Total: 1,737**

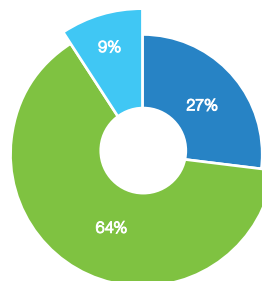
Male: 1,608  
Female: 129



**Total: 30**

Male: 19  
Female: 11

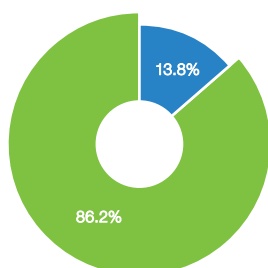
### Total employees by age



**Total: 1,737**

Under 30: 462  
30 to 50: 1,115  
Above 50: 160

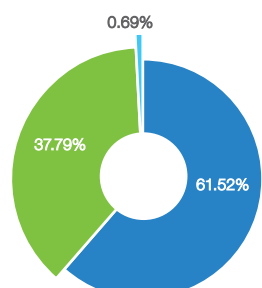
### Total number of employees hired during the year by gender



**Total: 434**

Male: 374  
Female: 60

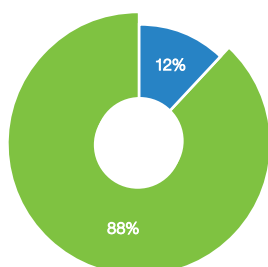
### New hires by age



**Total: 434**

Under 30: 267  
30 to 50: 164  
Above 50: 3

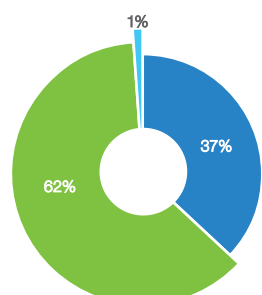
### Total employee turnover during the year by gender



**Total: 336**

Male: 297  
Female: 39

### Total employee turnover by age



**Total: 336**

Under 30: 124  
30 to 50: 208  
Above 50: 4

# Training and Education

## Key Performance Indicators

		2018-19	2019-20	2020-21	2021-22	2022-23
Average hours of training by gender and employee category	Hour	Male: 86.7, Female: 13.2	M: 6.8, F: 8.4	M: 4.6, F: 3.3	M: 4.9, F: 2.9	<b>M: 28.7, F: 40.9</b>
		G30: 6.34;	G30: 2.04;	G30: 3.1;	G30: 4.4;	<b>G30: 20.1;</b>
		G31: 4.52;	G31: 5.1;	G31: 3.5;	G31: 12.9;	<b>G31: 25.8;</b>
		G32: 9.06;	G32: 2.9;	G32: 3.6;	G32: 15.8;	<b>G32: 21.3;</b>
		G33: 18.23;	G33: 6.18;	G33: 4.5;	G33: 14.2;	<b>G33: 44;</b>
		G34: 20.09;	G34: 7.12;	G34: 4.6;	G34: 22.3;	<b>G34: 48.3;</b>
		G35: 32.31;	G35: 18.5;	G35: 5.2;	G35: 32.4;	<b>G35: 35.5;</b>
		G36: 27.35;	G36: 25.8;	G36: 5.7;	G36: 12.7;	<b>G36: 31;</b>
		G37: 60.62;	G37: 44.1;	G37: 4.9;	G37: 11.7;	<b>G37: 23.6;</b>
		G38: 16.00;	G38: 46.5;	G38: 5.5;	G38: 9.2;	<b>G38: 20.9;</b>
		G39: 50.00;	G39: 30.8;	G39: 7.2;	G39: 11;	<b>G39: 6.8;</b>
		G40: 37.00;	G40: 24;	G40: 6.3;	G40: 12.4;	<b>G40: 14.1;</b>
		Trainee: 41.47;	Trainee: 6.2;	Trainee: 3.03;	Trainee: 3.8;	<b>Trainee: 359.3;</b>
		WL-4: 42.00	WL-4:	WL-4:	WL-4: 16	<b>WL-4: 20</b>
<b>P&amp;DD participation</b>	%	85	98	100%	100%	<b>100%</b>
<b>Management development programme</b>	No. of managers participated	238	122	86	126	<b>129</b>
<b>Employee engagement index</b>		NR	NR	7.9	8.04	<b>8.2</b>

## Overview

Building on the Company's value of Passion for People, a focus on continuous learning was reinforced during the year. The opportunities for learning and development provided to employees allowed for upskilling and capability development at all levels across the organisation. This year, LCI achieved 51,000 training man days organisation wide, which is an average of 3.8 training man days per employee and an increase of 280% in comparison to the SPLY.

During the year in review, the Company focused on leveraging its internal faculty for online and offline programme delivery. Providing learning opportunities on varied subjects, programmes featuring internal faculty received an overall satisfaction rating of 90% compared to an 88% rating received against sessions run by external trainers.

Additionally, through the virtual Learning Lounge platform, bite sized trainings were delivered by LCI's senior managers. The sessions engaged 650+ employees and contributed to 550 training man days.

Key trainings conducted during the year in review included, Code of Conduct, HSE Awareness, Performance Management System, HR for Non-HR Managers, Behaviour Based Safety, Accident Investigation, Fire Safety, Functional Skills Development Programmes, Core Development Programmes for Engineers, Lean Six Sigma, Finance for Non-Finance, A Core Technical Training Programme for Engineers.

# Non-Discrimination

## Key Performance Indicators

	Units	2018-19	2019-20	2020-21	2021-22	2022-23	Target 2024-25
<b>Total number of incidents of discrimination</b>	No.	0	0	0	0	0	0

### Overview

Non-discrimination is a fundamental part of LCI's Code of Conduct and value system. The suitability and selection of candidates for job opportunities is solely based on merit based objective and non-discriminatory criteria. The growth opportunities are transparent and solely based on performance. Moreover, the whistleblowing policy – Speak Up allows confidential reporting of Code of Conduct violations, including discriminatory practices. Details of our whistleblowing policy are available on Page 67 of this report.

During the year FY 2022-23, there were no reported incidents of discrimination at the Company. LCI remains dedicated to maintaining this record and continuously improving its focus on ethical and responsible conduct through ongoing initiatives.

### Freedom of Association and Child Labour

The Company respects its employees' rights to freedom of association. During the period under review, there were no cases in which freedom of association or the right to collective bargaining were endangered or breached. 388 employees are covered by collective bargaining agreements, which is 17% of the total workforce. Minimum notice period regarding operational change is 4 weeks, also mentioned in collective agreements. 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.

# Community Investment

Through the Lucky Core Foundation (LCF), the Company seeks to support and uplift the communities that it operates in. A partnership-driven approach fosters positive change by extending philanthropic support for the socio-economic development of the underserved.

## Overview 2022-23



## Priority Areas



# Overview of CSR Initiatives for FY 2022-23



## Health

Aimed at providing access to quality healthcare, support in this priority area focuses on funding programmes that meet the healthcare needs of communities served.

### Hamqadam Community Clinic

**Location:** Khewra and Sheikhpura

**Annual Impact:** Total Consultations in Khewra: 10,875 and in Sheikhpura: 7,446

Established in 2016 and 2017 in Khewra and Sheikhpura, the Hamqadam Mother and Child Healthcare Community Clinics provide quality healthcare for marginalised infants and mothers. Funded by LCF and operated in partnership with the Marie Adelaide Leprosy Centre (MALC), these clinics have uplifted the local healthcare infrastructure. They provide immunisation and nutrition monitoring for children, offer regular consultations for pregnant women, and handle various OPD cases throughout the year. This year, LCF also donated an ultrasound machine to the Hamqadam Community Clinic in Khewra.

### Community Eye Camps

**Location:** Khewra

**Annual Impact:** Total OPD consultations: 4,800 and total surgeries: 2,470

During the year, LCF organised free-of-cost ophthalmology camps in partnership with the Layton Rahmatulla Benevolent Trust (LRBT) in Khewra. This long-standing programme has provided eye care services to thousands of deserving patients from Khewra and surrounding areas. Additionally, during the year in review, LCF contributed a state-of-the-art Keratometer and Operation Microscope to enhance the effectiveness of surgeries performed in these camps.



Consultant doctors treating patients during eye camps.

### Community Cardiology Camps

**Location:** Khewra

**Annual Impact:** Total Cardiology Camps: 2, number of patients treated: 317.

In continuation of its commitment towards provision of quality healthcare, LCF continued its partnership with the Tabba Heart Institute during the year to conduct free cardiology camps in Khewra. Those attending received the access to screening tests, cardiologist consultations and ultrasounds.

### Quality Paediatric Care

**Location:** Karachi

**Annual Impact:** Children treated: 14,000+

LCF has partnered with the ChildLife Foundation for multiple initiatives since 2016. The support extended to TCF is aimed at enhancing the access to quality paediatric healthcare for children from low-income settings. During the fiscal year, LCF supported the Paediatric Fast Track OPD block of the ChildLife Emergency Room at the Sindh Government Lyari General and Teaching Hospital.

### Renal Health Assistance

**Location:** Karachi

**Annual Impact:** Patients treated: 200+

During the year, LCF has supported the The Kidney Centre to sponsor dialysis sessions for those in need. Moreover, donations to the Tabba Kidney Institute also assist in funding dialysis sessions for critically ill individuals at the hospital. Both partnerships were continued during the year.



Cardiology camps organised in Khewra.



## Education

Aimed at improving the access to quality learning opportunities, support in this priority area focuses on educational initiatives for students of primary, secondary, higher and professional education.

### Access to Education

**Location:** Sheikhupura and Karachi

**Annual Impact:** Students educated: 328

Since 2017, LCF has collaborated with CARE Foundation to support the Government Boys and Girls Primary School in Tibbi Hariya, Sheikhupura. The initiative provides quality education to children of low-income households residing in the outskirts of Sheikhupura's industrial zone. The school's current female enrolment rate stands at 52.5%, and provides young girls with the opportunity to receive education and create a brighter future for themselves.

Moreover, since 2021, LCF has continued to sponsor the education of deserving students enrolled at The Citizen Foundation (TCF). This year, LCF continued its annual educational scholarships for 50 students enrolled at TCF's Al-Sari Foundation Primary School campus in Machar Colony, Karachi.

### Nursing Scholarships

**Location:** Karachi

**Annual Impact:** Scholars: 8

LCF also funds merit-based scholarships for female students pursuing a two-year Midwifery Diploma Programme at the Murshid School of Nursing and Midwifery. The initiative has received LCF's support since 2014. The financial aid provided, seeks to promote women's inclusion in healthcare, empowering them to make a positive impact on maternal and infant health.

### Supporting Educators

**Location:** Barakot

**Annual Impact:** Teachers: 4

Reconstructed by the Company in 2007 post a devastating earthquake, the Community Managed Girls High School (CMGHS) in Barakot is supported in collaboration with Friends Welfare Organisation. Recognising the dire need for quality teachers to further the learning needs of young female students, LCF has continued to fund the salaries of four teaching staff at the school.



## Community Development

Focused on uplifting the lives of stakeholders in marginalised communities, support in this priority area focuses on the development of infrastructure, creating positive impact through the Company's employee volunteer activities and disaster relief efforts.

### Flood Relief Efforts

**Location:** Multiple locations nationwide

**Annual Impact:** Community wide

LCF, driven by its mission of Improving Lives, swiftly responded to the devastating floods during 2022. It provided vital funding for flood relief efforts, including essential supplies and medical aid. LCF worked closely with the ChildLife Foundation to ensure quality emergency paediatric healthcare. Additionally, the Indus Hospital was supported in setting up medical camps across Sindh and medicines were funded for use in health camps organised by the Pakistan Red Crescent Society.

### Greenbelt Development Project

**Location:** Civil Hospital Khewra, EOBI Khewra and Municipal Committee Khewra

**Annual Impact:** Community wide

With the aim of protecting biodiversity and enhancing green spaces in the community, LCF supported the construction of greenbelts at three public locations in Khewra.

### Pehchan Volunteer Programme

**Location:** Multiple locations nationwide

**Annual Impact:** Community wide

Encouraging generosity and empathy, the Company's flagship employee volunteer programme – Pehchan, allows LCI's employees to dedicate themselves to causes close to their hearts and support disadvantaged populations. During the year, employees participated in numerous activities with the aim of creating a meaningful impacts on society. Details of the Pehchan Volunteer programme are available on page 155 of this Report.



## Women's Empowerment

From vocational training to educational support, funding disbursed in this priority area focuses on the upskilling and professional growth of women.

### Quilt-Making Workshop

**Location:** Karachi

**Annual Impact:** Number of artisans trained: 36 and total products produced: 149

LCF provided funding for a six-month quilt-making workshop for the talented home-based female artisans enrolled at the Ra'ana Liaquat Craftsmen Colony (RLCC). The initiative aimed to elevate their livelihood prospects by honing their skills and enabling financial empowerment. Skills learned during the workshop will allow the artisans to launch a range of quilted products, which will be sold by RLCC to raise funds.

### IMPACT Scholarship Programme

**Location:** Karachi, Lahore, KPK, Islamabad

**Annual Impact:** Number of scholars: 8

Launched in 2018, the IMPACT Scholarship Programme, in collaboration with Lahore University of Management Sciences (LUMS), Institute of Business Administration (IBA), Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI), and National University Sciences and Technology (NUST) has been instrumental in funding the undergraduate degrees of deserving female students. Through these merit and need based scholastic opportunities, LCF aims to create an equitable future by empowering talented female scholars and enabling them to pursue quality higher education.



Quilt-making workshop, empowering home-based female artisans from RLCC.



## Environment

Aiming to create a greener and cleaner future, support in this priority area focuses on environmental and waste management initiatives.

**Location:** Karachi, Lahore and Sheikhupura

**Annual Impact:** Waste donated for recycling: 25,511 Kgs

To enable the recycling of the Company's administrative waste at its Karachi, Lahore, and Sheikhupura locations, LCF collaborated with multiple CSR partners. In Karachi, the Company engaged Al-Wasila Trust to collect administrative waste from its head office location for further recycling, and funds generated from recycling were used by Al-Wasila to provide free medical assistance in low-income areas. In Lahore and Sheikhupura, the Company partnered with Aabroo Educational Welfare Organisation for the recycling of administrative waste from its Lahore Corporate office and Polyester plant at Sheikhupura, and funds generated from recycling were used by the partner organisation to provide quality education to children in marginalised areas.



Recycling of administrative waste at the Company's Karachi, Lahore, and Sheikhupura locations.

# Sustainability Highlight

## Fostering a Culture of Learning

LCF acknowledges the importance of providing children with a safe and happy learning environment as a means to creating a more empathetic society. During the year in review, LCF pledged its support to the Kiran Foundation's mental health and wellness programme.

In line with the Company's value of Passion for People, the Kiran Foundation shares a similar philosophy of providing educational resources and assistance to marginalised communities. Through its comprehensive programme, it serves a diverse range of individuals, including over 900 students attending the NGO's DCTO government school campus, flagship ambassador program, and Kati Pahari Campus. Moreover, the programme extends its impact to over 1000 family members of students and the NGO's 180+ staff members. This collective effort aims to create a brighter and more hopeful future for everyone involved.

The programme encompasses mindfulness and well-being sessions for both students and their parents, empowerment and financial support groups for mothers, as well as teacher trainings for behaviour management and positive behaviour reinforcement amongst students. The programme's multi-tier framework underscores the importance of prevention and intervention for mental health and emotional support amongst youth.





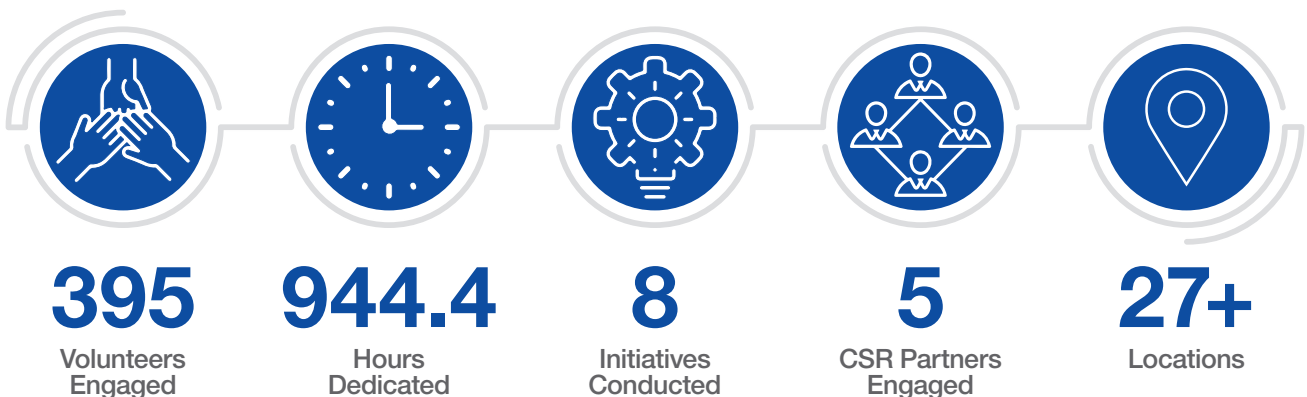
## Employee Volunteer Programme

# Volunteering to Create Social Value

Launched in 2018, the Company's flagship Employee Volunteer Programme - *Pehchan* enables LCI's employees to do better, enrich lives and create greater shared value for communities where the Company operates.

Aimed at supporting marginalised populations, the Pehchan Programme encourages employees to engage in community-based CSR initiatives of their choice in the impact areas of health, education and mentorship, women's empowerment, community development and the environment.

The Programme allows employees to devote up to two working days (or 16 working hours) annually on Company time in pursuit of volunteer work. Individual employees and business' contributing the highest number of volunteer hours are acknowledged quarterly and awarded annually.



## Pehchan volunteers participated in the following initiatives during the year



175 pints of blood donated and 525 lives saved during Company-wide blood donation drives.



311 Kgs of clothing collected during a Company-wide clothing donation drive.



100+ volunteers cleared 967+ Kgs of waste for onward recycling from Sandspit beach during multiple beach clean-up activities.



Donations in the form of funds, medicines and supplies were raised to assist those affected by floods.



Multiple tree plantation drives were conducted across the Company's locations.



Community clean up drives were conducted and over 192 kg of waste was handed over for onward recycling in Lahore, Haripur and Khanpur.



A health awareness session and free medical camp for 60 farmers was arranged in Sheikhpura area.



Career counselling and mentoring workshops for the students of The Citizens Foundation, St. Patrick's and St. Paul's High School were conducted.



# GRI Content Index

<b>Statement of use</b>	Lucky Core Industries has reported in accordance with the GRI Standards for the period July 01, 2022 to June 30, 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	No sector standard is available for our sector.

			Omission		
GRI Standard/ Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>GRI 2: General Disclosures</b>					
2-1 Organizational details		16-17			
2-2 Entities included in the organization's sustainability reporting		107			
2-3 Reporting period, frequency and contact point		107			
2-4 Restatements of information		107			
2-5 External assurance		107			
2-6 Activities, value chain and other business relationships		16, 84, 88, 92, 96, 100-101			
2-7 Employees		157	2-7b (i) & (ii)	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024
2-8 Workers who are not employees		-	2-8 a, b, c	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024
2-9 Governance structure and composition		50, 65			
2-10 Nomination and selection of the highest governance body		65			
2-11 Chair of the highest governance body		65			
2-12 Role of the highest governance body in overseeing the management of impacts		65-66			
2-13 Delegation of responsibility for managing impacts		66, 116			
2-14 Role of the highest governance body in sustainability reporting		116			
2-15 Conflicts of interest		66-67			
2-16 Communication of critical concerns		67-68			
2-17 Collective knowledge of the highest governance body		116			
2-18 Evaluation of the performance of the highest governance body		60, 65			
2-19 Remuneration policies		50, 66			
2-20 Process to determine remuneration		50, 60, 66			
2-21 Annual total compensation ratio		-	2-21a-c	Confidentiality constraint	Sensitive information
2-22 Statement on sustainable development strategy		108			

	2-23 Policy commitments	13-14, 68, 113		
	2-24 Embedding policy commitments	116		
	2-25 Processes to remediate negative impacts	67		
	2-26 Mechanisms for seeking advice and raising concerns	67-68		
	2-27 Compliance with laws and regulations	124		
	2-28 Membership associations	121		
	2-29 Approach to stakeholder engagement	118-119		
	2-30 Collective bargaining agreements	149		
<b>Material Topics</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	110		
	3-2 List of material topics	110-111		
<b>Economic Performance</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	111, 122-123		
	201-1 Direct economic value generated and distributed	40		
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	-	Information unavailable	LCI does not have mechanism in place to calculate financial implications of climate change. Expected reporting in 2025
	201-3 Defined benefit plan obligations and other retirement plans	F-20, F-109		
	201-4 Financial assistance received from government	F111-F112		
<b>Market Presence</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	111, 122-123		
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	140		
	202-2 Proportion of senior management hired from the local community	140		
<b>Indirect Economic Impacts</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	111, 122-123		
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	150-156		
	203-2 Significant indirect economic impacts	150-156		
<b>Procurement Practices</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	111, 122-123		
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	125		

Anti-Competitive Behaviour						
GRI 3: Material Topics 2021	3-3 Management of material topics	111, 122-123				
	GRI 205: Anti-Competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	124			
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 127				
	302-1 Energy consumption within the organisation	132				
GRI 302: Energy 2016	302-2 Energy consumption outside of the organisation	-	302 a-c	Information unavailable	Reliable Information from value chain is not available.	
	302-3 Energy intensity	132				
	302-4 Reduction of energy consumption	132				
	302-5 Reduction in energy requirements of products and services	-		Not applicable	LCI products are used as raw material, consumable and in sowing.	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 127				
	305-1 Direct (Scope 1) GHG emissions	134				
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	134				
	305-3 Other indirect (Scope 3) GHG emissions	-		Information unavailable	Reliable Information from value chain is not available.	
	305-4 GHG emissions intensity	134				
	305-5 Reduction of GHG emissions	134				
	305-6 Emissions of ozone-depleting substances (ODS)	127				
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	134				
Water						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 127-128				
	303-1 Interactions with water as a shared resource	128				
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	128				
	303-3 Water withdrawal	136	303 a-d	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024	
	303-4 Water discharge	136	303-4 a-e	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024	
	303-5 Water consumption	136	303-5 b-d	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024	

Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 127-128				
	306-1 Waste generation and significant waste-related impacts	128				
	306-2 Management of significant waste-related impacts	128, 138				
	306-3 Waste generated	128, 138				
GRI 306: Waste 2020	306-4 Waste diverted from disposal	-		Information unavailable		Information is not recorded as per GRI requirements. Expected reporting in 2024
	306-5 Waste directed to disposal	-		Information unavailable		Information is not recorded as per GRI requirements. Expected reporting in 2024
Employment and Labor Relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 140				
	401-1 New employee hires and employee turnover	147	401-1a, b	Information unavailable		Information is not recorded as per GRI requirements. Expected reporting in 2024
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	142				
	401-3 Parental leave	-	401-3a-e	Information unavailable		Information is not recorded as per GRI requirements. Expected reporting in 2024
GRI 401: Employment 2016						
GRI 402: Labour Management Relations 2016	402-1 Minimum notice period regarding operational changes	149				
Diversity, Equity and Inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 140, 146				
	405-1 Diversity of governance bodies and employees	146				
	405-2 Ratio of basic salary and remuneration of women to men	-	405-2 a, b	Confidentiality constraint		Sensitive information
GRI 405: Diversity and Equal Opportunity 2016						
Non-Discrimination						
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	149				
Freedom of Association and Child Labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 140				
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	149	407-1 a-b	Information unavailable		Reliable Information from supply chain is not available.
	408-1 Operations and suppliers at significant risk for incidents of child labor	149	408-1a-c	Information unavailable		Reliable Information from supply chain is not available.
GRI 407: Freedom of Association and Collective Bargaining 2016						
GRI 408: Child Labor 2016						

Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 140				
	404-1 Average hours of training per year per employee	148				
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	148	404-2b	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024	
	404-3 Percentage of employees receiving regular performance and career development reviews	148				
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 140-141				
	403-1 Occupational health and safety management system	140				
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	140-141				
	403-3 Occupational health services	140-141				
	403-4 Worker participation, consultation, and communication on occupational health and safety	141-142				
	403-5 Worker training on occupational health and safety	143				
	403-6 Promotion of worker health	144-145				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	142				
	403-8 Workers covered by an occupational health and safety management system	140				
	403-9 Work-related injuries	142	403-9a(iv),b, c, f	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024	
	403-10 Work-related ill health	142	403-10 b (i), (iii), c, d	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024	
Local Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 141				
	413-1 Operations with local community engagement, impact assessments, and development programs	150-156				
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	-	413-2a	Information unavailable	Information is not recorded as per GRI requirements. Expected reporting in 2024	

# SUSTAINABLE DEVELOPMENT GOALS

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	140, 150-156	202-1, 203-2
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	40, 150-156	201-1, 203-1, 203-2
	Ensure healthy lives and promote well-being for all at all ages	150-156, 134, 127, 128, 138, 140, 142	203-2, 305-1, 305-2, 305-6, 305-7, 306-1, 306-2, 306-3, 403-8, 403-9, 403-10
	Ensure inclusive and quality education for all and promote lifelong learning	116, 148	2-17, 404-1
	Achieve gender equality and empower all women and girls	50, 65, 40, 140, 150-156, 146, 147, 148, 149	2-9, 2-10, 201-1, 202-1, 203-1, 401-1, 404-1, 404-3, 405-1, 406-1
	Ensure access to water and sanitation for all	128, 138, 136	303-3, 303-4, 303-5, 306-1, 306-2, 306-3
	Ensure access to affordable, reliable, sustainable, and modern energy for all	40, 132, 150-156	201-1, 203-1, 302-1, 302-3, 302-4
	Promote inclusive and sustainable economic growth, employment, and decent work for all	40, 140, 132, 136, 140, 142, 146, 147, 148, 149, 150-156, 157,	2-7, 2-30, 201-1, 202-1, 202-2, 203-2, 302-1, 302-3, 302-4, 303-5, 401-1, 401-2, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 407-1, 408-1

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	40, 150-156	201-1, 203-1
	Reduce inequality within and among countries	150-156,	203-2
	Make cities inclusive, safe, resilient, and sustainable	150-156	203-1
	Ensure sustainable consumption and production patterns	125, 127, 128, 132, 134, 138,	204-1, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3
	Take urgent action to combat climate change and its impacts	132, 134	302-1, 302-3, 302-4, 305-1, 305-2, 305-4
	Conserve and sustainably use the oceans, seas, and marine resources	128, 134, 138	305-1, 305-2, 305-4, 305-5, 305-7, 306-1, 306-3
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	128, 134, 138	305-1, 305-2, 305-4, 305-5, 305-7, 306-3
	Promote just, peaceful, and inclusive societies	13-14, 50, 60, 65, 66, 67, 68, 113, 124, 149,	2-9, 2-10, 2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 406-1, 408-1
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable

## Independent Assurance Statement for the Lucky Core Industries Limited Sustainability Report 2023

### Scope

We have been engaged by Lucky Core Industries to perform an 'assurance engagement', as defined by International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", hereafter referred to as the engagement, on the information included in the Sustainability Report 2023 ("the subject matter") referring to the period from July 01, 2022, through June 30, 2023. The report was co-reviewed by Muhammad Imran & Co., Cost & Management Accountants.

Assurance scope	Level of assurance	Assurance criteria
Lucky Core Industries' declared adherence to the GRI's Standards 2021 – In accordance	Reasonable assurance	Global Reporting Initiative's (GRI) Standards 2021
Review of the policies, initiatives, practices, and performance (qualitative and quantitative information) reported and referenced in the report	Limited assurance	Completeness and accuracy of selected reported policies, initiatives, and performance data
Lucky Core Industries' application of AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact	Limited assurance	The criteria set out in AA1000AP (2018) for the principles of Inclusivity, Materiality, Responsiveness, and Impact

### Lucky Core Industries' Responsibilities

Lucky Core Industries' management is responsible for selecting the criteria and for presenting the Sustainability Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### Corporate Social Responsibility Centre Pakistan's (CSRCP) Responsibilities

Our responsibility is to express a conclusion on the subject matter based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ISAE 3000 (Revised), and the terms of reference for this engagement as agreed with Lucky Core Industries. Those standards require that we plan and perform our engagement to obtain assurance in line with the assurance levels mentioned in the scope and to issue a report. The nature, timing, and extent of the selected procedures depend on our judgment, including assessing the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

### Statement of Independence, Impartiality, and Competence

CSRCP operates a strict conflict of interest check, confirming our independence to work on this assurance engagement with Lucky Core Industries. The review team has not provided consulting services and was not involved in the preparation of any part of the report. CSRCP is a specialized sustainability consulting firm. The

review team has the required combination of education, experience, training, and skills for this assurance engagement.

### Description of Procedures Performed

Our procedures were designed to obtain the required level of assurance on which to base our conclusion. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on the effectiveness of internal controls.

We carried out a desk review of the final draft report and communicated with Lucky Core Industries to determine the accuracy and authenticity of the report content, data points, methodologies, and policies around the organization's social, environmental, and economic data and activities.

Our procedures for this engagement included:

- Review adherence to the requirement of GRI Standards 2021;
- Review of the policies, initiatives, practices, and standard disclosures regarding the company's material sustainability topics contained in the report;
- Review of consistency of data/information within the report;
- Analysis of the report content against AccountAbility principles of Inclusivity, Materiality, Responsiveness, and Impact;
- Elaboration of the adjustment report; and
- Final review of the report content.

### Use of GRI Standards 2021

Lucky Core Industries declares the report to be in accordance with the GRI Standards 2021. CSRCP reviewed the use of the GRI Universal Standards and the Topic-Specific Standards, considering those standards linked to the material topics. In case

of a lack of response, Lucky Core Industries provides omission statements in line with the requirements of GRI 1 Foundation 2021. Based on the analysis, minor recommendations to complete the content have been made. Lucky Core Industries has integrated our recommendations into the report.

### Adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact

CSRCP reviewed the report to analyze adherence to AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact. The main considerations of this analysis for this report were the following:

- The report addresses how the company identifies and engages with different stakeholders, including concerns raised by stakeholders and the company's response. The report also addresses how the issues emerging from stakeholders' engagement inform risk management to identify and mitigate risks.
- Lucky Core Industries has reassessed the material topics considering the requirements of GRI 3 Material Topics 2021. The materiality determination process considered impact materiality and financial materiality. The material topics are addressed in different sections of the report, supported with information on management approaches and performance details for material topics.
- Lucky Core Industries has appropriate policies and external product and management systems certification, which involve a high-level analysis of risks, non-compliance with applicable laws and regulations, and corrective actions to resolve issues.
- Sustainability management at Lucky Core Industries maintains high-level support in the shape of the Sustainability Council, conforming to the Company's commitment to addressing sustainability challenges, and stakeholders' concerns and promoting sustainable practices in its supply chain.
- Lucky Core Industries' absolute and intensity-based environmental impact was increased in 2023. Lucky Core Industries' launch of Catalyst 2030: Climate Action Plan demonstrate Lucky Core Industries' sustainability strategy to reduce the environmental impact of its operations.
- The report demonstrates a significant increase in training hours per employee and community support with a slightly increased recordable injury rate.

### Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Verification of financial figures and sustainability performance data;
- Positional statements (expression of opinion, belief, aim, or future intention of Lucky Core Industries and statements of future commitment.



**Muhammad Arfan Nazir,**  
Director,  
Corporate Social Responsibility Centre Pakistan.

### Statement of conclusion

#### Assurance Scope I – Lucky Core Industries' declared adherence to the GRI's Standards 2021 – In accordance

We confirm that the report meets the requirements of in accordance criteria of the GRI Standards 2021. The compliance with GRI Standards has been disclosed in more detail in the GRI Content Index which provides omission statements for missing data.

#### Assurance Scope 2- Review of the policies, initiatives, practices, and performance (qualitative and quantitative information) reported and referenced in the report

Nothing has come to our attention that causes us to believe that the information in Lucky Core Industries' Sustainability Report 2023 is not fairly stated in all material aspects.

#### Assurance Scope 3 – Lucky Core Industries' application of AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact.

Nothing has come to our attention that causes us to believe that all four AA1000 AccountAbility Principles are not fairly stated in the report content and elaboration.

However, we can appoint areas of improvement for the next reporting cycle:

- Lucky Core Industries launched Catalyst 2030: Climate Action Plan with defined targets in five key areas to neutralize emissions across its operations. We reiterate our recommendation to take into consideration climate science (science-based targets) for defining targets to reduce the environmental impact of operations.
- Lucky Core Industries promotes safety, health, and environmental practices with supply chain partners. We reiterate our recommendation to include aspects of social impact while promoting sustainable management practices in the supply chain and further recommend demonstrating the impact of these practices in future reports.
- The report demonstrates the linkage of the company's various activities with SDGs. We reiterate our recommendation to demonstrate how Lucky Core Industries is capitalizing on the opportunities offered by the SDGs and the impact of beneficial products and services on SDGs.

### Restricted use

This report is intended solely for Lucky Core Industries and is not intended to be and should not be used by anyone other than Lucky Core Industries. Any reliance placed on the report by any third party is entirely at its own risk.



**Muhammad Imran,**  
Muhammad Imran & Co.,  
Cost & Management Accountants Pakistan.  
ICMAP Membership # 1382