



engro polymer & chemicals

annual
report 2025



rooted in
character
driven leadership



engro

about the theme

This year's theme draws on the image of a mature tree to reflect leadership rooted in character and truth. Its expansive root system represents the values and principles that anchor the organization; integrity, transparency, and accountability, nourishing growth and enabling it to endure change. What stands visible above ground is a direct outcome of this foundation, symbolizing sustained performance, resilience, and continuity built on honest disclosure and responsible governance.

The theme is brought to life through four indigenous trees; Deodar, Sheesham, Peepal, and Neem, each featured across the Annual Reports. Deeply connected to Pakistan's landscape, these trees reflect Engro's role in supporting the systems that sustain the nation, grounded in openness and trust. Together, they reinforce a simple truth: enduring success, like credible leadership, is built from the ground up, rooted in truth and shared transparently with investors, partners, and shareholders



adopted framework

This report has been prepared in compliance with the following frameworks:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act).
- Provisions of directives and notifications issued under the Act.
- Reporting requirements of the listed companies Code of Corporate Governance, 2019 and listing regulations of Pakistan Stock Exchange.
- Best practices on corporate reporting promoted by joint committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP) and South Asian Federation of Accountants (SAFA).

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

approval of the board

The Board of Directors of Engro Polymer & Chemicals Limited acknowledges its responsibility to ensure the integrity of this Annual Report. The Directors’ Report and financial statements included in the report have been approved by the Board for circulation in its meeting held on February 13, 2026.

external review

Assurance	External firm
Review report on Compliance with Code of Corporate Governance	A.F.Ferguson & Co. Chartered Accountants
Independent Auditor’s report on the Audit of Financial Statement	A.F.Ferguson & Co. Chartered Accountants
Entity’s Credit Rating	PACRA

integrated reporting

EPCL holds timely and effective communication with shareholders in high regard. We endeavor to provide insightful information relating to our markets business, and operations which could assist our shareholders in their respective decision making. The core focus of our communication is to exhibit the value generated, and measures adopted by EPCL to generate value and potential for future value generation. Furthering this resolve, EPCL is committed to adopt internationally integrated reporting framework to benchmark our corporate reporting with best international practices.

With our firm commitment towards adoption of framework, we will continue to shape our corporate reporting more shareholder centric for better facilitation of their decision making.

table of contents

corporate information

company profile	03
key figures	04
vision and mission	05
group structure	07
organizational structure	09
integrated business approach	11
value chain	13
functional objectives and strategies	15
decision-making process	20
statement of value addition and distribution	21
2025 snapshot	22
polyvinyl chloride (PVC)	23
caustic & allied chemicals	24
thinkpvc	27
code of conduct	28
core values	29
corporate affiliations and memberships	31
history of major achievements	32
2025 at a glance	33
awards and recognitions	35

stakeholder engagement

policy for engaging stakeholders	39
analyst briefings & AGM	40
SWOT analysis	43
significant factors affecting the external environment	45
competitive landscape and market positioning	47

corporate governance

board of directors	51
management committee	61
principle board committees	71
statement of best practices	74
board audit and risk committee	79
board people committee	80
board approved policies	81
ethics and compliance framework	89
internal audit	91
enterprise risk management	94

business review and strategy

chairman's review	101
chief executive officer's message	105
strategy	109
resource allocation plan	111
contribution to the UN sustainable development goals (UN SDGS)	117
social and relationship capital (CSR)	132
forward-looking statement	151

human capital & culture

our people	157
talent	161
talent development and capability building	165
diversity, equity and inclusion	174
employee engagement and culture	178

directors' report and financial review

directors' report	187
statement of compliance with the COCG	222
independent auditor's review report	225
quarterly analysis	227
six-year financial performance summary (horizontal and vertical analysis)	231
dupont analysis	239
key financial ratios	241
consolidated statement of cash flows (direct method)	245
ratio analysis	247
segment analysis	250
summary of consolidated cash flows	259
free cash flow	259
share price sensitivity	260
analysis of variations in interim accounts	261

financial statements

independent auditor's report on consolidated financial statements	265
consolidated financial statements	272
independent auditor's report on standalone financial statements	349
standalone financial statements	356

annexures & urdu translation

notice of annual general meeting	415
standard request form	423
proxy form	424
proxy form - urdu	425
best corporate report award criteria	426
notice of annual general meeting - urdu	443
directors' report - urdu	478



corporate

information

company profile

chief executive officer
Mr. Abdul Qayoom

chief financial officer
Ms. Rabia Wafah Khan

company secretary
Mr. Saqib Rafique

board of director

Mr. Ahsan Zafar Syed
Mr. Athar Abrar Khwaja
Mr. Tariq Nisar
Mr. Muhammad Bilal Ahmed
Ms. Ayesha Aziz
Mr. Kamran Nishat
Mr. Nazoor Ali Baig
Mr. Abdul Qayoom (CEO)

bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Allied Bank Limited (Islamic)
Askari Bank Limited
Bank Alfalah Limited
Bank Alfalah Limited (Islamic)
Bank Al-Habib Limited
Bank Al-Habib Limited (Islamic)
Bank Islami Pakistan Limited
Bank of Khyber
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Metropolitan Bank Limited (Islamic)
Industrial & Commercial Bank of China
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank
Meezan Bank Limited
National Bank of Pakistan
SAMBA Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited (formerly: Summit Bank Limited)
The Bank of Punjab
United Bank Limited
United Bank Limited (Islamic)

shares registrar

M/s. Famco Share Registration Services (Private) Limited
8-F, Near Hotel Faran, Block-6, PECHS,
Shahrah-e-Faisal, Karachi, Pakistan
Tel: +92 (21) 34380104-5, 34384621-3
Fax: +92 (21) 34380106

registered office

8th Floor, The Harbour Front Building,
HC # 3, Marine Drive, Block 4, Clifton,
Karachi-75600, Pakistan
PABX: +92(21) 35166863-6
UAN: 111 411 411
Website: www.engropolymer.com

plant

EZ/I/P-II Eastern Zone, Port Bin Qasim Industrial Area, Karachi

branded outlets

Plot 41 - C, Bukhari Commercial Lane 2, Phase VI, DHA,
Karachi, Pakistan

Plot 184, Block CCA, Phase 4C, DHA, Lahore, Pakistan

auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building 1-C,
I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000.
Tel: +92 (21) 32426682-6 / 32426711-5
Fax: +92 (21) 32415007, 32427938

key figures

revenue
(Rs. in millions)

2025
78,017

2024

75,708

(loss)/earnings per share

2025
(4.29)

2024

(0.40)

total equity
(Rs. in millions)

2025
23,399

2024

27,322

cash flow from operations
(Rs. in millions)

2025
17,471

2024

7,552

EBITDA
(Rs. in millions)

2025
6,158

2024

7,125

capital expenditure
(Rs. in millions)

2025
3,446

2024

9,784

dividend paid
(Rs. in millions)

2025
12

2024

1,531

total assets
(Rs. in millions)

2025
117,311

2024

100,851

vision

Lead Pakistan in polymers & allied chemicals with an international footprint.

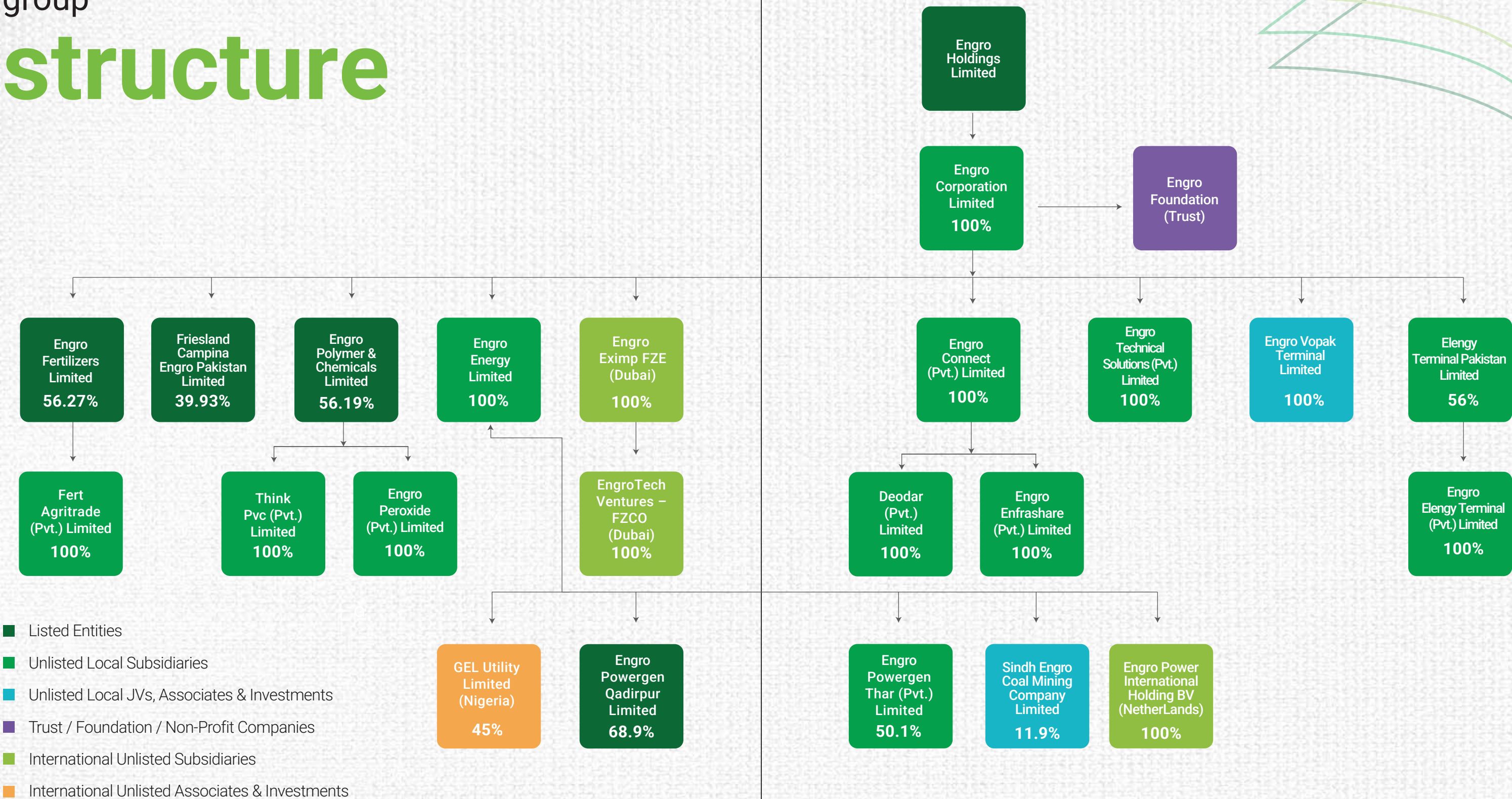
mission

To achieve innovative growth which creates value for the country, stakeholders, customers, and employees. Our commitment is to maintain the highest standards of ethics, safety, and environmental responsibility.



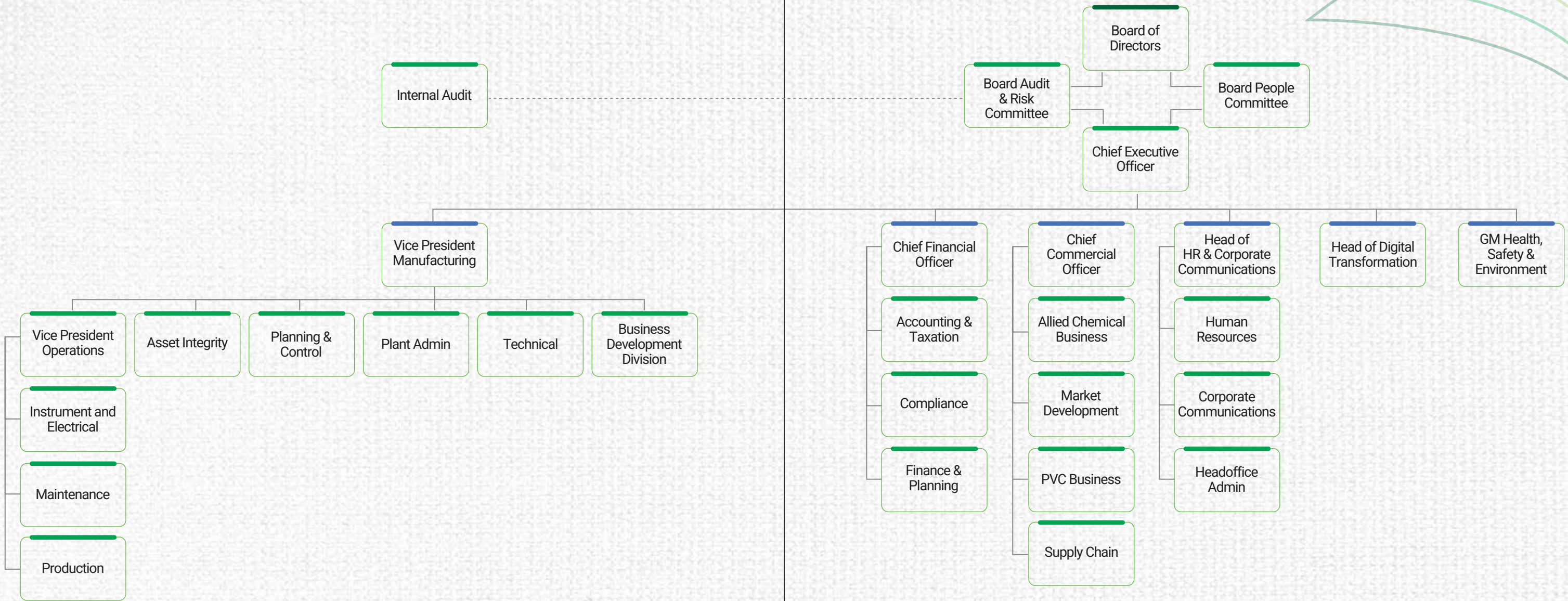
group

structure



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

organizational structure



integrated business approach

our business
manufacturing, marketing, and distribution of quality chlor-vinyl allied products



social
Relationships with customers, suppliers, communities around our plant, and other stakeholders



human
Total employees: 581 competencies, capabilities, and experience of Human Resource



natural
Air, water, land, minerals, energy and forests Biodiversity and Eco-system



finance
Equity: 23.4 billion Long-term debt: 56.3 billion



manufacturing
PVC capacity: 295 KT Caustic Soda capacity: 106 KT HPO capacity: 28 KT



intellectual
Experience of operating in polymer and chemicals space in Pakistan Company reputation as an honest member of the corporate community

our focus
maximizing shareholder value, improving the livelihood of our community protecting the environment



social
Customers - technical support, participation in trade fairs, promotion of alternate applications in Pakistan
Community - 3 TCF Schools, 2 TTWF Schools, 4 Water Filtration Plants, 1 RO Plant, Sina Clinic, Karwan E Hayat (Mental Health Clinic)



human
Productive, engaged, technically competent & diverse workforce.



natural
EPCL strongly believes in environmental conservation and has therefore undertaken the HTDC project which will reduce our carbon footprint and improve energy efficiency



finance
Loss after taxation: 3.9 Bn
Loss per Share - basic: 4.29
Loss per Share - diluted 4.29

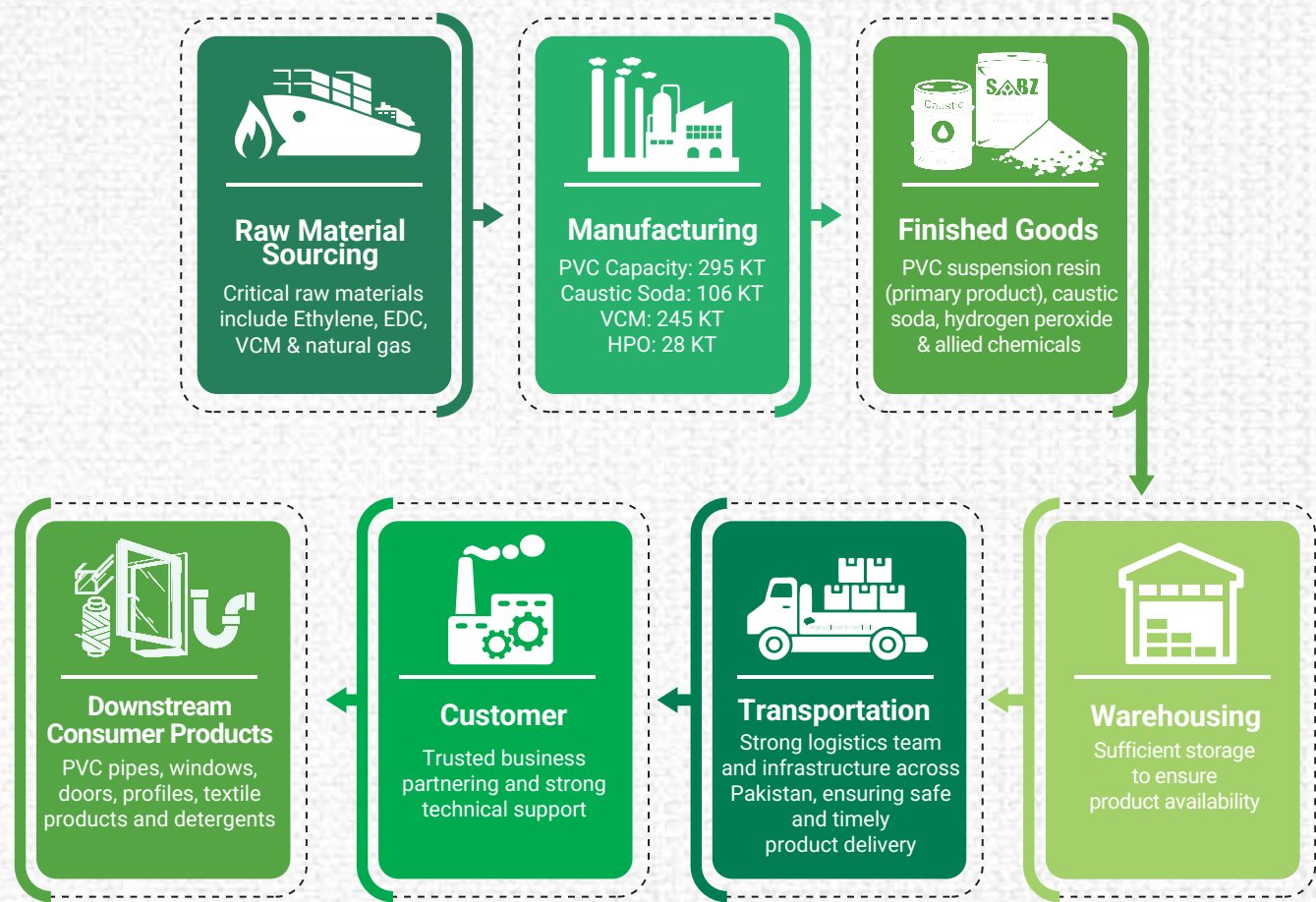


manufactured
PVC production: 230 KT Caustic Soda production: 93 KT HPO production: 15 KT



intellectual
Strong brand image of SABZ, which has become synonymous to quality PVC in the Country

value chain



functional objectives and strategies



objectives

- Execute an approved capital structure.
- Focus on overheads and cost efficiencies.
- Automation and digitization of business processes.
- Identify and monitor enterprise risks and implement adequate mitigating measures.

key performance indicators

- Capital structure and financial ratios targets.
- Cost optimization and reduction.
- Automation of major processes and significant reduction in paper usage.
- Early identification of critical risks that may arise and the adoption of measures to eliminate those risks or reduce them to an acceptable level.

strategy

- A robust cash flow projections-based financing plan is conducted to meet cash requirements.
- Fixed and variable costs are reviewed for each division and areas of improvement are identified to ensure reduction in fixed cost.
- A detailed strategy with 4 pillars i.e., going paperless, wireless systems upgrade, workplace agility enhancement, and automation of sales operation.
- Continuous cross-departmental collaboration and being cognizant of changes in the internal and external environment to identify key risks being faced by the entity.

future relevance

The outlined KPIs will continue to serve as key measures of success in the evolving business landscape.

resource allocation

Human capital, financial capital and intellectual capital.



objectives

- Foster talent development and retention while enhancing workforce diversity.
- Strengthen inclusion across all levels of the organization.
- Improve employee engagement.
- Ensure the availability of skilled human resources to support seamless operations.

key performance indicators

- Attrition and diversity ratios.
- Employee Experience Survey results.
- Operational continuity across all departments.
- Robust succession pipeline, particularly for key leadership and critical roles.

strategy

- Analyze attrition trends to maintain a strong talent pipeline.
- Job rotations / enrichment is planned to ensure retention of talent and maintain a diverse workforce.
- Implement a comprehensive action plan in collaboration with the business on identified actions items from previous employee surveys to ensure better employee engagement.
- Identifying key leadership and critical roles in the organization and developing a succession plan to ensure business continuity.
- Implement a competency framework to ensure a future-fit workforce through structured skill development programs and leadership training.

future relevance

The outlined KPIs will continue to serve as key measures of success in the evolving business landscape.

resource allocation

Human capital, financial capital, and social & relationship capital.



objectives:

- Ensure a safe and healthy working environment.
- Carry out external independent assessments about Health, Safety and Environment (HSE).
- Ensure HSE standards are maintained for all operations of the Company.
- Minimize environmental impact due to Company Operations.

key performance indicators:

- Reduced Total Recordable Injury Rate (TIRR), Process Safety Total Incident Rate (PSTIR) and Total Recordable Incident Rate (TRIR) and Fleet Accident Frequency Rate (FAFR).
- Effluents and Emissions SEQs Compliant.

strategy:

- Alignment with ECHSE Standards developed based on global practices.
- Work on water conservation and waste reduction road map.
- Work on de-carbonization road map.
- Environment compliance on newly integrated units; HPO and HTDC along with already operational units .
- ISO 9000, ISO 14000 and ISO 45000 standards compliance.
- Food safety and HACCP standards compliance.

future relevance:

The outlined KPIs will continue to serve as key measures of success in the evolving business landscape.

resource allocation:

Human capital, manufactured capital, and financial capital.



objectives

- Ensure safe operation of the site, meeting global standards and significant enhancements in Emergency Response Plan (ERP).
- Strengthen plant reliability and operational efficiency through maintenance and optimization initiatives.
- Sustain optimal production levels while achieving cost efficiencies.
- Optimize raw material and energy consumption, enhancing sustainability and cost-effectiveness.
- Successfully execute key growth, and reliability projects to drive operational resilience.

key performance indicators

- Number of unplanned shutdowns, production loss, and tasks completed. Production targets are set for all products.
- Raw material and energy consumption ratios have been set for all products against which performance would be compared.
- The Progress report will be monitored by the senior management and BoD regularly.

strategy

- Successfully worked on efficiency enhancement i.e. commissioning of High temperature direct chlorination (HTDC) and Transfer Line Exchanger (TLE) projects to maximize plant performance.
- Conducted successful plant turnaround within stipulated timelines and budgets, ensuring operational continuity.
- Identify and mitigate bottlenecks through advanced analytics and real-time process monitoring.
- Implement data-driven performance tracking against strategic milestones.
- Successful commissioning and stabilization of the Hydrogen Peroxide Unit expanded Engro Polymer's product portfolio, strengthening the Company's market positioning and long-term value creation.

future relevance

The outlined KPIs will continue to serve as key measures of success in the evolving business landscape.

resource allocation

Human capital, financial capital and intellectual capital.



objectives

- To embed safety at the core of our commercial operations, safeguarding our people, customers, and supply chain while extending a safety ecosystem beyond organizational boundaries.
- Create customer value through consistent product availability, dependable delivery, and responsive technical support.
- Ensure uninterrupted sales and manufacturing operations while maintaining optimal cost structures.
- Promote sustainable use of quality products that contribute to resilient infrastructure and long-term development.
- Strengthen domestic market participation by improving cost competitiveness and operational efficiency.
- Drive business value creation through effective sales mix management and stakeholder capability building.

key performance indicators

- Customer satisfaction and advocacy levels.
- Efficiency of resource and material consumption.
- Price competitiveness and cost of sales performance.
- Continuity of operations with minimal production and sales disruptions.
- Effectiveness of sales mix optimization and stakeholder development initiatives.
- Customer safety studies, Fleet Accident Frequency Rate (FAFR), and safety audit compliance.

strategy

- Ensuring timely and reliable delivery supported by technical assistance and structured customer feedback mechanisms.
- Market development initiatives focused on downstream support, expansion, and sustainable product adoption.
- Competitive operations through efficient procurement, sourcing, and cost management practices.
- Strengthening supply, dispatch, and logistics channels to minimize downtime and sales losses.
- Optimizing sales mix and investing in capability building of internal teams and key stakeholders.

future relevance

The outlined KPIs will continue to serve as key measures of success in the evolving business landscape.

resource allocation

Human capital, manufactured capital, and financial capital.

decision making process

EPCL continues to operate through various executive-level committees, appointed by the CEO, which are responsible for decision-making and monitoring progress to ensure alignment with the strategic direction approved by the Board of Directors. The committee structure remains robust, enabling efficient decision-making while leveraging collective expertise. These committees meet regularly to review performance, track progress, and provide strategic insights.

the committees include



management committee
Governing/decision-making body that meets at least once a month.



govt relations and regulatory affairs
Consultative body that handles GRRA and meets once every 2 months.



projects steering committee
Steering committee on various projects that meets once a month.



corporate HSE committee & sustainability
Oversees HSE matters at a corporate level and meets quarterly.



workplace harassment committee
The committee reviews and conducts a complete investigation into complaints of harassment and meets as and when needed.



contracts review committee
Oversees contracts above Rs. 10 million and meets as and when needed.



HR MC
Governing/decision-making body that oversees matters specific to HR and meets as and when needed

statement of value addition and distribution

wealth generated

Gross Sales and Other Income



—

Gross Sales and Other Income



=

Wealth Generated

Rs. 25,025
100%



—



=

Rs. 32,803
100%

wealth distributed

Employees
(Salaries, Wages and other benefits)

Society
(Donations and other CSR activities)

Shareholders
(Dividend)

Providers of Finance
(Finance cost)

Government
(Income Tax, Sales Tax Output, Duties, WWF & WPPF)

Retained within business
(Retained Earnings, Depreciation and Amortisation)

2025	
Rs.	%
3,579	14%
60	0%
-	0%
5,729	23%
4,402	18%
11,255	45%
=	
25,025	100%

2024	
Rs.	%
3,050	9%
31	0%
1,110	4%
7,532	23%
6,984	21%
14,096	43%
=	
32,803	100%

2025 snapshot

boosted Pakistan's forex reserves by

\$99 Mn

in imports substitution through its local PVC & VCM production

&
generated

USD 1.6 Mn

in foreign exchange through exports



polyvinyl chloride (PVC)

raw material exporting countries

ethylene

- Middle East, Europe, USA, Northeast and Southeast Asia.

ethylene dichloride (EDC)

- Middle East, USA, and Europe.

Engro Polymer & Chemicals Ltd. primarily produces PVC suspension resin, marketed under the SABZ brand in various grades (AU 60, AU 72, AU 67R, and AU 67S). These resins serve as key raw materials for a wide range of PVC-based products across industries such as construction, agriculture, packaging, healthcare, and consumer goods. Common applications include pipes and fittings, footwear, films and packaging, profiles, flooring, roofing, cables, doors etc.



Top PVC exporting countries (EPCL to other countries)	Top PVC importing countries (material imported by Pakistani companies/traders)	PVC & intermediary plant capacities
▪ Afghanistan	▪ Indonesia ▪ United States ▪ South Korea ▪ China ▪ Saudia Arabia ▪ Japan ▪ Hong Kong	PVC: 295 KT EDC: 127 KT VCM: 245 KT

caustic and allied chemicals

raw materials

Salt is our primary raw material for caustic and allied chemicals.

Production Capacities:

- Caustic Liquid: 106 KT
- Hypo: 30 KT
- HCL: 60 KT
- Caustic Flakes: 20 KT

Caustic Soda Flakes: Dyeing and mercerizing in textile sector, free fatty acids removal from edible oil & ghee, soap and water purification.

Hydrogen: Used in the manufacturing of terephthalic acid.

Hydrochloric Acid: Pickling, oil well acidizing, water treatment, cleaning, food processing, and medicine.

Sodium Hypochlorite: Water treatment, detergents, denim bleaching, and paper bleaching.

S.no	domestic market landscape	
01	caustic soda	03 hydrochloric acid
	Karachi	Hyderabad
	Hub	Hub
	Hyderabad	Guddu
	Multan	Muzaffargarh
	Rahim Yar Khan	Multan
	Faisalabad	Sadiqabad
	Lahore	Mirpur Khas
	Daharki	04 sodium hypochlorite
	Gujranwala	Karachi
	Quetta	Hyderabad
	Rawalpindi	Hub
02	hydrogen	Ghotki
	Karachi	Sadiqabad
		Daharki



PureOxide

Hydrogen Peroxide

PureOxide is a premium hydrogen peroxide solution, specifically formulated for industrial and commercial needs that require exceptional purity and reliability. Leveraging cutting-edge technology from Chematur Engineering, Sweden, we manufacture PureOxide to the strictest industry standards.

pureoxide caters to the diverse needs of various sectors, including

- Textile Manufacturing
- Soap
- Paper & Pulp
- Water Treatment
- Mining
- Sugar
- Chemical Processing

Concentration: PureOxide is produced 50% concentration

Annual Capacity: 28KT

Form: Clear, colourless liquid

Grade: Technical

Export Market: Middle East and Africa

industry engagement & initiatives

Active industry engagement to create product awareness, promote safe use and handling. Industry events in 2025:

Participated in PCMA annual exhibition held in Karachi, engaged with industry stakeholders and highlighted product value proposition.

value proposition

reliable delivery

- Our just-in-time delivery model eliminates long lead times for importers and ensures timely delivery.
- We provide a safe fleet for PureOxide delivery.
- Safe Packaging.
- Our safety compliant jerry cans are manufactured using 100% virgin HDPE material preventing leakages during transport and storage.
- Our jerry cans' cap features pressure-release technology to prevent explosions and mitigate fire risks.

responsible supplier

- PureOxide has a lower carbon footprint and higher energy efficiency.

thinkPVC

thinkPVC is a dedicated platform by Engro Polymer & Chemicals Ltd that connects stakeholders across the PVC value chain while promoting high-quality downstream PVC products, with the objective of transforming the PVC industry through quality, innovation, and sustainability by delivering comprehensive solutions for residential, commercial, and industrial applications.

lahore flagship outlet launch

In 2025, Engro Polymer & Chemicals Ltd launched another thinkPVC flagship outlet in Lahore with an exclusive meet-and-greet involving key stakeholders, including architects, PVC customers, downstream manufacturers, and industry partners. The outlet strengthens thinkPVC's role in bridging the gap between PVC manufacturers and stakeholders by enabling collaboration, knowledge exchange, and solution showcasing, while reinforcing our commitment to sustainable, cost-efficient, and future-ready PVC-based solutions.

entry into lifestyle products

This year, thinkPVC demonstrated innovation by introducing a new range of PVC-based lifestyle products, marking a strategic expansion beyond traditional building materials into practical, everyday solutions designed for modern living.

empowering women entrepreneurs

The Women Entrepreneur Pop-Up initiative happened in 2025, providing women business owners a premier platform at thinkPVC outlets. This program enabled them to showcase innovative products, engage customers directly, and build sustainable market presence through enhanced visibility and sales opportunities.



code of conduct



empowerment with accountability

Engro seeks to empower its employees to facilitate business decision-making, but at the same time, it holds them accountable for their actions. All Engro employees are responsible for their own behavior, and will be held accountable for it.



commitment to engro's stakeholders

Engro regards its stakeholder engagement as an important element of corporate responsibility. Adherence to the highest ethical standards fosters trust. We want our stakeholders to know that they can depend on us. We are answerable to our shareholders, our customers, our families, our vendors and suppliers, the communities where we operate, and of course to each other.



promoting a positive work environment

All employees want and deserve a workplace where they feel safe, respected, and appreciated always. Engro's policies are designed to ensure this. It is our intent to attract, induct, develop, retain and motivate high caliber talent who are qualified, capable, and willing to contribute towards the achievement of Company objectives.



managing business relationships

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



anti - corruption & bribery

Engro has a zero-tolerance approach towards bribery and/or corrupt practices and ensures all its business dealings and relationships are based on merit. In this regard, employees are bound by the policies pertaining to Anti-corruption & Bribery, gifts and business entertainment and fraud risk management policy.



legal compliance

When making decisions to conduct business, employees must ensure they are aware of their actions and choose not to violate the law. In addition to having systems in place to monitor and report violations, clarifications can be readily sought from the company's legal advisors.



protecting the company's assets

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

core values

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



health, safety & environment

Cares deeply about environmental impact and safety of people



ethics & integrity

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



community & society

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

memberships & associations

Overseas Investors Chamber of Commerce & Industry (OICCI)



Centre of Excellence in Responsible Business (CERB) / Pakistan Business Council (PBC)



Pakistan Chemical Manufacturers Association (PCMA)



PSTD (Pakistan Society for Training and Development)



Asis Pacific Vinyl Network (APVN)



Management Association of Pakistan (MAP)



World Economic Forum (WEF) Global Lighthouse Community



Pakistan Institute of Corporate Governance (PICG)



Bin Qasim Association of Trade & Industry (BQATI)



history of major achievements

1997

Engro Asahi Polymer & Chemicals Limited was established

1999

PVC-I plant commissioned with 100 KT capacity

2006

Expansion/backward integration project launched
Asahi Glass divested its shareholding

2008

PVC-II plant (50 KT) started up in Q4 2008
Listed on the Stock Exchange

2010

Back-integration completed
Commercial production declared

2014

Debottlenecking of PVC capacity to 174 KT completed

2017

Further debottlenecking increased plant capacity to 195 KT
Announcement of an extensive expansion plan, including increase of PVC capacity by 100 KT & VCM by 50 KT

2018

Announcement of Hydrogen Peroxide diversification project
Rights shares issuance of PKR 5.4 Bn

2019

Commencement of Caustic Flakes plant with a capacity of 20 KT
Announcement of HTDC efficiency and LABSA diversification projects

2020

Preference shares issuance of PKR 3 billion. IPO was oversubscribed by 5.4 times

2021

PVC capacities reached 100 KT and 50 KT respectively.
Hydrogen Peroxide signing and Project kick-off
Highest-ever profitability

2022

AA long-term rating and A1+ short-term rating achieved (PACRA)
Highest-ever PVC sales

2023

Highest annual VCM production in 2023 (224 kT).
1.8 MW energy conserved post installation of Zero Gap Technology membranes.
AspenTech go-live – ProMV and digital twin go-live (added benefit of 5 kT production increment in 2024 envisaged)

2024

1,000+ tons of PVC resin were transported by rail from Karachi to Lahore, marking EPCL's first rail shipment.
Achieved mechanical completion of HPO plant in Dec 2024

2025

Successful commissioning and commencement of operations at the HPO Plant

2025 at a glance



Recorded 50 million safe work hours without a Lost Workday Injury (LWI).



Achieved Zero Fleet Accident Frequency Rate (FAFR) for the 7th consecutive year.



Completed 100 days of uninterrupted operations at the Chlor-Alkali Plant.



Achieved full design capacity at the Hydrogen Peroxide (HPO) Unit, sustaining 84 MT/day over a five-day test run.



Recorded highest-ever single-day HPO production of 93.24 MT.



Achieved a record single-day PVC production of 977 MT.



Certified asbestos-free, becoming the first Engro subsidiary to achieve this milestone.



Market capitalization reached PKR 29.6 billion.



Contributed PKR 60 million towards corporate social responsibility.



65+ DX Value Champions led digital transformation initiatives across the organization.



Launched Pakistan's first neurodiversity internship program in collaboration with NowPDP.



Employee Experience score improved to 79%, up 17% year-on-year.



Partnered with AspenTech, NED University, and NUST through a multi-party MoU to strengthen academic-industry linkages.



Signed MoU with Textile Institute of Pakistan (TIP) to advance R&D on Pureoxide and strengthen industry-academia collaboration.



Became one of the first 12 companies in Pakistan to sign the Climate2Equal Pledge, committing to advancing women-led climate action, implementing actionable strategies, and sharing best practices for a more sustainable and gender-inclusive future.



Secured 2nd position at the PBC-IFC Employer of Choice Awards.



Recognized globally by ATD USA for its Integrated Capability Model, becoming the first organization in Pakistan to win both the Excellence in Practice and BEST Awards in the same year.



Recognized by OICCI with the Women Empowerment Award 2024 for creating conducive environment for women



Awarded 2nd place at the OICCI Climate Excellence Awards 2026 for outstanding commitment to biodiversity conservation

awards & recognition



OICCI Women Empowerment Award

Conducive Workplace Environment for Women: A recognition of the culture we're building every day—through our policies, our choices, and how we show up for one another.



PBC-IFC Employer of Choice Gender Diversity Awards

2nd Position (Overall): A recognition of EPCL's growing commitment to building an inclusive, equitable workplace where diversity is celebrated, and everyone has the opportunity to thrive.



EFP Women Empowerment & Gender Equality Awards 2025: Diamond Category

A recognition of our steady, collective effort to build an inclusive and equitable workplace where women can thrive.



Smart Glasses RealWear (Digitally Enabled Manufacturing) at Pakistan Digital Awards Implemented

RealWear Smart Glasses for remote technical support and collaboration, reducing troubleshooting timelines and improving operational safety.



ATD Excellence in Practice Award

Recognizing our impactful and strategic talent development initiatives. Selected among 35 global winners from over 250+ entries.



The ATD Best Award

Ranked 40th globally in the ATD BEST Awards 2023, among 70 winners from 500+ global entries.



ICMA Pakistan & ICAP Best Corporate Report Awards

3rd Position overall on EPCL's commitment to transparency, accountability, and excellence in corporate reporting.



Certificate of Merit award at MAP

Amir S. Chinoy excellence awards in chemical category.



Future of Manufacturing

Self-Optimization via Digital Twin Innovation at Pakistan Digital Awards Transformed the EVCM plant into a self-optimizing system using Digital Twin technology and Adaptive Process Control, achieving higher production efficiency and energy savings.



Technology Enabled Integrated Capability Development Framework (ICM)

at Pakistan Digital Awards Developed an end-to-end talent development framework leveraging SAP LMS, Power BI, and e-learning platforms, improving safety performance and technical skill growth.



Skunk Works GenAI Visionary (Generative AI Visionary)

Launched a strategic program to integrate Generative AI across operations, fostering innovation, efficiency, and future readiness.



NEPRA Power Generation Performance

Recognized by NEPRA in its Power Generation Performance Report with a 97% score, securing 5th position nationwide and achieving an "Outstanding" rating for HSE excellence.



Finalist in British Safety Council Awards 2025

in "Employee Wellbeing Initiative" Category.



GDEIB Awards 2026

4th Most Inclusive Organization in Pakistan at the GDEIB Awards 2026 by HR Metrics.



OICCI Climate Excellence Awards

Secured 2nd position in the category of Organizational Commitments to Supporting Biodiversity at the 2nd OICCI Climate Excellence Awards.



stakeholder
engagement

policy for engaging stakeholders

media

Our engagement with print and visual media takes place through regular press releases on key achievements and activities as well as through informal conversations on Company news and updates throughout the year.

investors, lenders and shareholders

Investors, lenders and shareholders look forward to our Annual General Meeting as well as Corporate Reports (Annual and Sustainability Reports), which include comprehensive information on both financial and non-financial matters related to the organization

suppliers and customers

Our suppliers and customers are engaged through periodic formal and informal meetings/conferences. We regularly provide them with technical assistance related to their business, to benefit both the industry and the economy in which we operate.

host committee (local to our facilities and throughout Pakistan)

We consider ourselves responsible for our host communities and hold regular interactions in order to understand how we can improve our relationships. The Company is extremely active in health, education, livelihood and environmental projects for the betterment of these communities.

employees

EPCL focuses on employee engagement as it is key to performance. A survey is carried out every year to assess the levels of engagement and motivation at the workplace and based on feedback, areas of weakness are improved and strengths held stable.

regulators

The Company complies with all regulatory requirements and in this regard closely coordinates with relevant regulators, including the Pakistan Stock Exchange (PSX), Securities and Exchange Commission of Pakistan (SECP) and Federal Board of Revenue (FBR).

analysts

EPCL engages analysts from security markets by conducting analyst briefings at the end of each quarter at least, exceeding the regulatory requirement. EPCL also coordinates with the analysts as and when needed through formals meetings and discussions.

analyst briefing and AGM

EPCL employs a multi-faceted approach towards identifying its key stakeholders which includes analyzing a potential stakeholder's fundamental impact on performance, nature, significance, the dynamic of the relationship and mutual expectations. This methodology allows the Company to determine and categorize its stakeholders.

Details of analyst briefings held during the year:

Period	Date	Place
Q4 2024	February 13, 2025	Meeting conducted online
Q1 2025	April 24, 2025	Meeting conducted online
Q2 2025	August 5, 2025	Meeting conducted online
Q3 2025	October 31, 2025	Meeting conducted online

brief summary of matters discussed during analyst briefings

Matters discussed during the briefings normally include an overview of the Company's performance from a financial and operational perspective, its stance on any significant ongoing issue that has implications for the wider industry, an update on the projects under progress and an outlook of the market dynamics. In addition to this, a comprehensive Q&A session also takes place towards the end to address queries from the attendees.

management actions to encourage minority shareholders

The notice of the Annual General Meeting is shared with all shareholders of the Company at least 21 days prior to the meeting. The notice is published in both Urdu and English in at least one issue of a daily newspaper with nationwide circulation, for each respective language. Furthermore, a notice of the AGM is sent to the exchange and is also uploaded on the Company's website. The Company encourages minority shareholders to also participate in analyst briefing sessions, the dates of which are announced through the stock exchange.

investors' relations section

For investor queries or complaints please find our contact details on the company information page of this report or go to the investor relations webpage of our website by using the link below: www.engropolymer.com

AGM issues & responses

The Company's Annual General Meeting (AGM) was held on March 26, 2025, which was attended by the Chairman of the Board, Chairman of Board Audit and Risk Committee, Chief Executive Officer and other senior management of the Company to address queries and clarifications sought by the Board of Directors. During the last AGM, queries and clarifications were sought on the Company's financial statements, which were resolved to the satisfaction of the Shareholders. Apart from the said queries, no significant issues or concern was raised by the shareholders.

highlights about redressal of investors' complaints

Analyst briefings and the Annual General Meeting are good opportunities to address investors' complaints or queries. To ensure communication on an ongoing basis, investor relations section on the company's website provides contact details which can be used for queries or complaints.



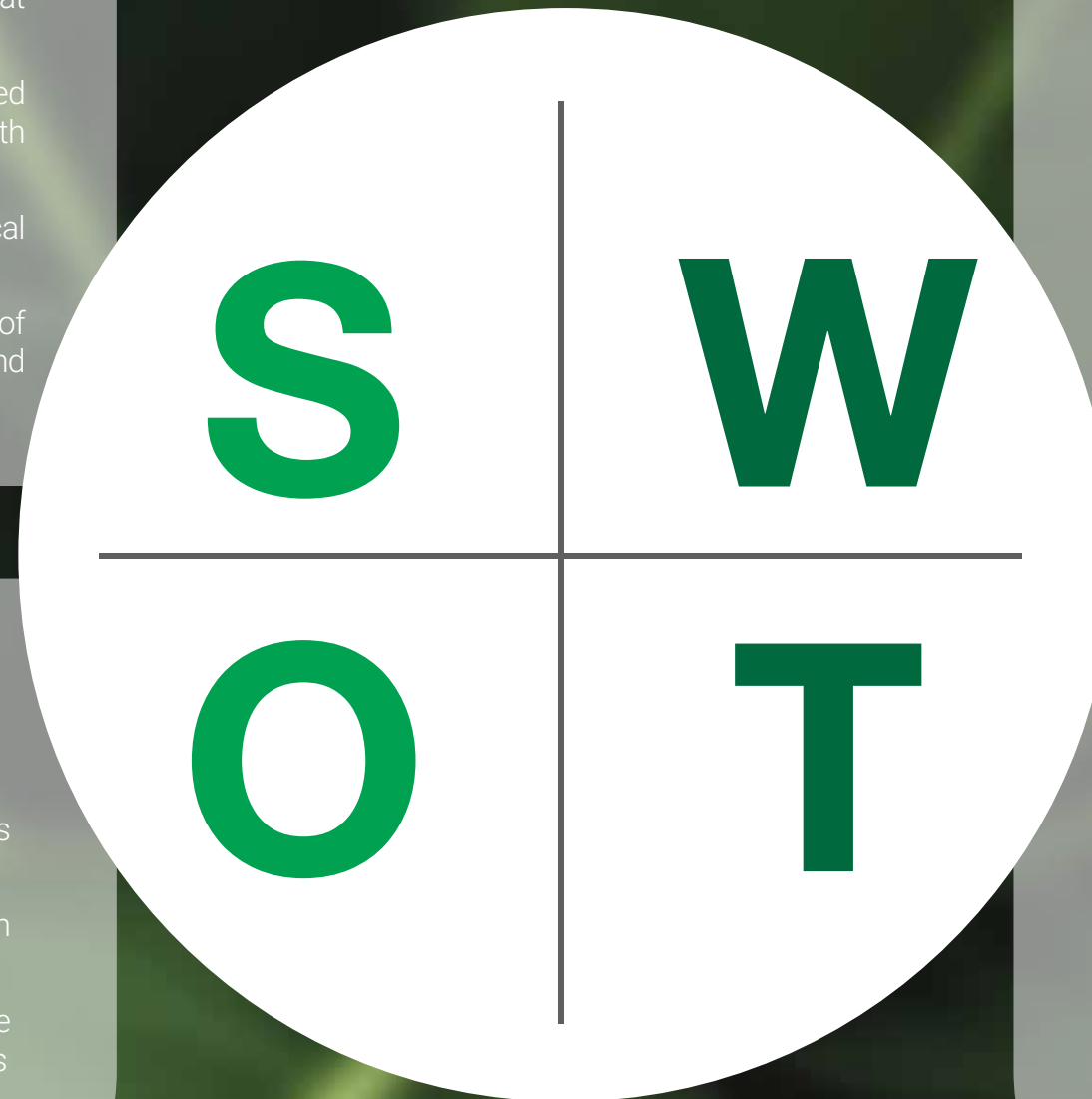
swot analysis

strengths

- Sole PVC resin manufacturer in Pakistan
- PVC capacity of 295kT, well-positioned to serve the domestic market
- Integrated production facility capable of operating at high-capacity utilization
- Established brand name known for its quality supported by Technical assistance support to customer along with Just in Time delivery
- Strong human resource base and unique technical expertise in Chlor-Vinyl business
- Sole producer of Hydrogen peroxide in the South of Pakistan – providing high quality, reliable delivery and safe packaging with its PureOxide brand

opportunities

- Lower per capita PVC consumption in the country creates potential for demand growth
- Uptick in PVC demand with the Government's focus on the construction industry
- thinkPVC outlet in Karachi and Lahore - providing exposure and awareness to new market segments and applications
- Alternate energy and operational efficiency projects
- Bulk deliveries for HPO consumers



weaknesses

- High exposure to volatility in international commodity prices
- Dependence on supply of imported raw materials, such as ethylene
- Exposure to debt to meet capital expenditure requirements
- Oversupplied domestic caustic market & Hydrogen Peroxide market

threats

- Rationalization in tariff and duty structures
- Increasing gas prices through increased Tariff for captive power production
- Dumping of PVC & HPO from regions where anti-dumping duty has not been imposed
- Price war from caustic players leading to reduced margins
- PVC Capacity additions in the region including Middle East and South Asia
- High exposure to volatility in international commodity prices which impacts profitability
- Misuse of Export Facilitation Scheme (EFS) policy in the HPO market

significant factors affecting the external environment

One of the key elements of maximizing shareholder value is remaining vigilant to the constantly evolving political, social, and environmental factors that influence the organization. Proactively addressing these risks and leveraging emerging opportunities supports business sustainability and growth. Below is an overview of how EPCL effectively manages and responds to these external dynamics.

Category	Factors	Organizational Response
Political	Government policies on import duties and tariff structures influence PVC prices and the competitiveness of locally manufactured products.	The Company closely monitors global dumping practices and collaborates with National Tariff Commission (NTC) to implement necessary measures that protect the domestic industry.
	Export promotion strategies impact the demand for our Chlor-Alkali products, which are mainly consumed by the export-oriented textile sector.	Through proactive planning, the Company ensures availability of products as per the changing market dynamics.
	The political environment affects consumer confidence, which subsequently influences overall market demand.	The Company has invested in growth, efficiency and diversification projects to enhance local manufacturing, reducing reliance on imports and conserving the country's foreign exchange.
	Government spending on infrastructure development and public spending on construction projects significantly impacts PVC demand.	The Company actively engages with government authorities and the public through initiatives like the thinkPVC outlet to raise awareness and expand PVC applications.
Economic	Macroeconomic conditions, such as inflation, exchange rate movements, interest rates, and monetary policy, affect the Company's cost structure and future capital commitments.	The Company has secured loan at competitive and benchmarked some borrowings against LIBOR / SOFR. Additionally, supplier credit arrangements are strategically managed to mitigate financial risks
	Unavailability of sustainable power solution at competitive rates impacts industrial operations and export-oriented sectors, which is critical to the national economy.	The Company continues to explore long-term energy solutions while advocating for consistent and competitively priced gas supply to ensure business continuity
	Rising gas prices increase energy costs, affecting profitability.	Engagement with key government stakeholders underway to advocate for a gas pricing framework that keeps industry competitive.

Category	Factors	Organizational Response
Social	Pakistan's growing population will continue to drive housing demand, which in turn increases demand for PVC products.	The Company's production capacity is well-positioned to meet the rising needs of the market
	Consumer behaviour is shifting toward using plastic packaging and PVC-based piping, influencing demand patterns.	Through the thinkPVC retail outlet, EPCL works to strengthen PVC awareness and encourage domestic demand.
Technological	The introduction of various technological advancements in operations can influence the Company's profitability.	A dedicated digitization team continuously works to automate processes, enhance productivity and minimize manual interventions, ensuring long-term operational improvements.
Legal	Risk of GIDC payment and Sindh Infrastructure Cess may impact cash flows.	An application was filed with the Sindh High Court (SHC), arguing that the Gas Infrastructure Development Cess (GIDC) Act has become permanently in-operational, and no recovery can be made on the basis of the same. As of Jan 2026, Cabinet Committee for Disposal of Legislative Cases (CCLC) approved the draft GIDC act subject to incorporation of recommendations from the Law and Justice Division, for onward submission to the Cabinet for final approval.
Environmental	Pakistan remains highly vulnerable to climate change, with extreme weather events such as extended monsoons, rising fog levels and water scarcity posing operational risks	The Company has invested in several projects such as HTDC and OVR with the view of improving its environmental impact. Minimizing CO2 emissions remains one of the most important KPIs, with tree plantation drives, carbon footprint reduction measures, and enhanced water and plastic recycling programs in place.
Seasonality	Seasonal demand fluctuations influence PVC volumes. A major portion of PVC demand comes from the agricultural sector, which uses PVC pipes for irrigation. Demand also declines when construction activity slows.	The Company adjusts production levels according to market demand to ensure efficient working capital management during periods of low or localized demand.

competitive landscape and market positioning

EPCL operates the only integrated chlor-vinyl complex in Pakistan, positioning itself as the sole domestic manufacturer of PVC resin. Our competitive landscape and market positioning vary across the Vinyl and Chlor-Alkali product lines.

intensity of competitive rivalry

In the vinyl segment, EPCL dominates the market as the sole local manufacturer, supplying the majority of PVC demand in Pakistan, while the remaining requirement is met through imports. Given the absence of direct domestic competitors in the vinyl segment, the Company benefits from a strong market position.

In contrast, the Chlor-Alkali market is highly competitive. EPCL competes with commercial manufacturers of Caustic Soda and allied chemicals, primarily based in the northern region of Pakistan. EPCL mainly focuses on Southern region and positioned as supplier ensuring timely deliveries in dedicated epoxy lined and SS fleet to ensure product quality.

The H2O2 is supplied with the brand name of (PureOxide) competing against local North based manufacturer and imported product mainly from Bangladesh and Korea. Main focus is South market mainly textile sector.

PureOxide is positioned to substitute imports with quality product, ensuring just in time delivery in safe packaging made with virgin HDPE. Besides local market, inroads to export market mainly Middle East and Africa is also targeted.

threat of new entrants

The likelihood of new entrants in the vinyl market remains low due to the capital-intensive nature of setting up an integrated chlor-vinyl complex, the requirement for specialized expertise and the challenges in securing key raw materials from global suppliers. Additionally, high market saturation and the competitive landscape in the chlor-alkali sector further deter new entrants.

threat of substitute products

PVC remains the preferred material for pipes and fittings due to its superior durability, strength, and weather resistance compared to alternative products.

To raise awareness about the benefits of PVC, EPCL launched its “ThinkPVC” outlet in Karachi in 2021, followed by a second outlet in Lahore in 2025. These outlets showcase a wide range of PVC applications and highlight their stronger value proposition compared to substitute products.

power of suppliers

Raw material availability is critical to our operations and suppliers play a key role in our value chain. To mitigate supply chain risks, the Company has developed strong, long-term partnerships with key suppliers, ensuring consistent and timely procurement of essential materials under mutually beneficial agreements.

power of customers

Despite being the sole manufacturer of PVC resin in Pakistan, EPCL prioritizes customer satisfaction through superior product quality and value-added services. Recognizing that customer relationships are key to sustainable success, we emphasize on building customer relationships beyond commercial terms, such as credit and discount policies.

strengths and weaknesses of competitors

EPCL’s strength lies in its position as Pakistan’s only PVC manufacturer. On the Chlor-Alkali front, most players are based in the northern region, which gives the Company an advantage to serve the southern region. However, since most of the textile players are in north, the competitors have an advantage to serve the large textile players. Furthermore, the Hydrogen Peroxide has shrinking margins due to falling global prices and reduced tariff on imports from regional players.

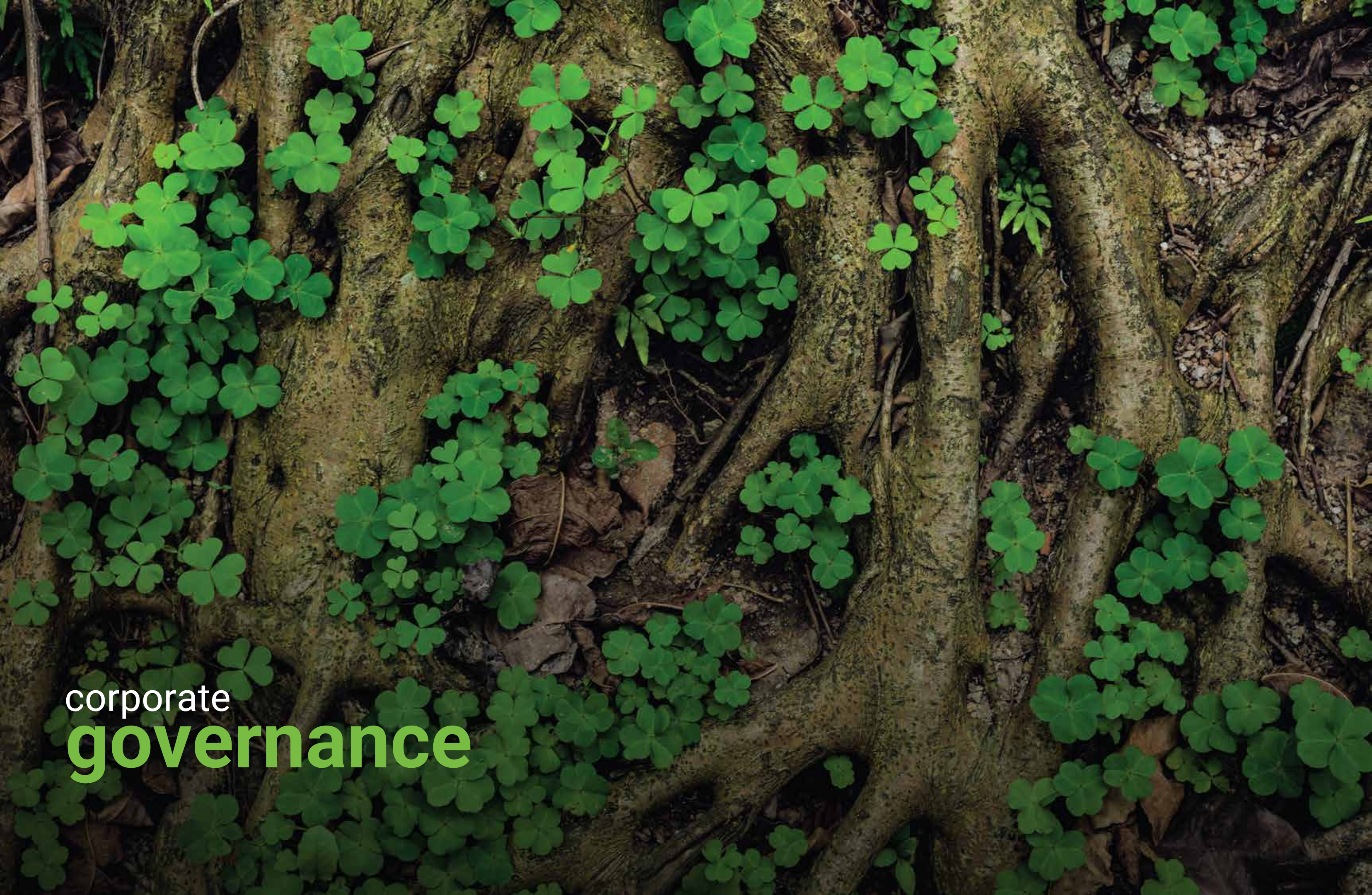
customer demand

The demand for EPCL’s products is driven by key industrial and economic activities. The PVC market is closely linked to construction activity, with PVC sales exhibiting strong correlation with cement dispatches. Seasonal factors, such as a slowdown in construction during winter, impact PVC demand.

Demand for Caustic Soda closely follows trends in the soap and textile industries. The winter season typically brings lower soap consumption and reduced textile orders due to the global holiday period, resulting in softer demand for Caustic Soda. However, demand generally rebounds after winter as economic activity gains momentum.

In 2025, the textile sector faced significant tariff-related uncertainties in its export markets, particularly in Europe and North America. Despite these challenges—along with high taxation and increased energy costs—the demand for Caustic Soda remained relatively stable throughout the year.

Hydrogen Peroxide (HPO) demand is primarily driven by the textile sector, where it is widely used as a bleaching agent. In 2025, most major HPO importers shifted their volumes to Engro, reinforcing Engro’s Hydrogen Peroxide as a reliable, safe, and high-quality bleaching solution. Given that Pakistan’s textile industry is a key contributor to national exports, steady and growing demand for HPO is expected as manufacturers seek to expand production capacity and maintain high-quality output.



corporate
governance



Pictured from left to right (standing):

Mr. Kamran Nishat - Independent Director; Mr. Nazoor Ali Baig - Independent Director; Tariq Nisar - Non-Executive Director; Muhammad Bilal Ahmed - Non-Executive Director & Mr. Athar A. Khwaja - Non-Executive Director

Pictured from left to right (seated):

Mr. Ahsan Zafar Syed - Chairman; Mr. Abdul Qayoom Shaikh - Chief Executive Officer & Ms. Ayesha Aziz - Independent Director

Ahsan Zafar Syed

Chairman



Ahsan Zafar Syed is the President and CEO of Engro Corporation. Engro is one of Pakistan's leading conglomerates, with a business portfolio spanning petrochemicals, energy and related infrastructure, telecommunication infrastructure, food & agriculture, and international trading – all with a steadfast commitment to help solve some of the country's most pressing issues. During his tenure, Ahsan has focused on consolidation and optimization of assets; notably, thermal energy assets have re-integrated into Engro's business portfolio, while operational enhancements have been made across fertilizers, polymers, and terminals. Ahsan has also championed a culture of business development across the group.

Ahsan began his journey with Engro in 1991 as an engineer, accumulating three decades of experience in operations, project management, and strategic leadership across the petrochemical, energy, and food & agriculture sectors. He has achieved significant milestones for the company; he was one of the driving forces behind the US\$1.1 billion fertilizer expansion project and played a pivotal role in executing the US\$2 billion Thar dream, aimed at indigenizing energy for Pakistan.

Before his appointment as President and CEO of Engro Corporation, Ahsan led Engro's flagship fertilizer business. Under his leadership, Engro Fertilizers became the most valuable fertilizer company on the Pakistan Stock Exchange. Prior to that, Ahsan played a pivotal role as CEO of Engro Energy in realizing Pakistan's Thar dream by unearthing indigenous coal and operationalizing a 660MW mine-mouth power plant.

In recognition of his engineering contributions to Pakistan, Ahsan was awarded the prestigious 'National Engineering Excellence Award' by the Institution of Engineers Pakistan in 2024. He has also rendered his honorary services to the Engineering Development Board, an entity under the Ministry of Industries & Production, Pakistan, entrusted to strengthen the engineering base in the country.

Ahsan is an alumnus of NED Karachi and Manhattan College New York, USA. He has also attended advanced management programs at INSEAD in France.

Kamran Nishat

Independent Director



Mr. Kamran Nishat is a fellow member of ICAP (Institute of Chartered Accountants of Pakistan) and a Chartered Accountant by profession. With over 42 years of professional experience, he serves as the Managing Director & Chief Executive Officer (CEO) of Muller & Phipps Pakistan (Private) Limited. Additionally, he holds the position of CEO at associated companies of Muller & Phipps Pakistan (Private) Limited, including:

- M&P Express Logistic (Private) Limited
- Tech Sirat Technologies (Private) Limited
- Logex (Private) Limited
- Tech Sirat (Private) Limited
- Mulphico Technologies Private Limited (Formerly Veribest Brands Pakistan (Private) Limited)

Furthermore, Mr. Nishat is a member of the boards of AGP Limited, Briogene (Private) Limited, OBS AGP (Private) Limited, OBS Pakistan (Private) Limited, Muller & Phipps (Singapore) PTE. LTD, Hugo Bank Limited, ABL Assets Management Company Limited, and Novartis (Pharma) Pakistan Limited.

He has actively contributed to the professional community, serving as a Member of the Accounting and Auditing Standards Committee (South) of ICAP, the Information Technology Committee (South) of ICAP, the Management Association of Pakistan, and the Executive Committee of the American Business Council (ABC). He has also held the position of President at ABC. He is serving his contributions at the National Skills University Islamabad as a member of the Advisory Council. He is on The Board of Trustees of Developments in Literacy (DIL).

Throughout his career, Mr. Nishat has held various key positions, including Senior Manager at Sidat Hyder Morshed Associates (Private) Limited, Group Financial Controller at MIMA Group, General Manager Corporate Affairs at Dawood Hercules Chemicals Limited, Deputy Managing Director at Central Cotton Mills Limited, and Manager Finance at Al-Ghazi Tractors.



Nazoor Ali Baig

Independent Director



Mr. Baig is a retiree from Detroit Edison Company a subsidiary of DTE Energy Company, where he managed power generation division. He returned to Pakistan to assist HUBCO, in development and implementation of Coal Power Projects. He is an Electrical Engineer by profession and has worked in the industry for over 45 years.

His experience includes working in Operations, Maintenance, Engineering, Project Development/Management, Business Management, Large Systems Change Management, Implementation of ERP system, etc. He has served on various boards as directors, including EPCL board since 2020.

Ayesha Aziz

Independent Director



Ms. Ayesha Aziz has more than 30 years of financial sector experience in leadership positions. Her area of expertise is in strategy and financial engineering with functional roles in Investment Banking, Treasury, Credit and Planning divisions in local and multinational organizations. As founding Managing Director of Pak Brunei Investment Company, Ms. Aziz helped position the company as a leading investment bank with a focus on project finance, SMEs, and distressed asset financing.

Over the course of her career, she oversaw the establishment of new DFIs as well as non-banking finance companies for microfinance, asset management, Islamic finance, and leasing.

Apart from Engro Polymer and Chemicals Ltd, Ms. Aziz also serves on several large private and public sector organizations including, amongst others, Haleon Pakistan Ltd, Exim Bank of Pakistan, KSB Pumps Company Limited, Alfalah Asset Management Limited, and the Privatization Commission of Pakistan. She is the Managing Partner in White Clover Consulting, which works on developing greenfield and brownfield projects aimed at reducing carbon emissions, and on financial advisory for companies in distress through an interest in Pakistan Corporate Restructuring Company (PCRC). Ms. Aziz is a qualified CFA charter-holder and did her MBA from the Institute of Business Administration, Karachi.

Tariq Nisar

Non-Executive Director



Mian Tariq Nisar, a stalwart in Pakistan's business arena, brings a formidable blend of experience and acumen to his roles as a Non-Executive Director. With an illustrious career spanning over four decades, Tariq Nisar has left an indelible mark on diverse sectors, including manufacturing, petrochemicals, and spinning industries.

Currently at the helm of NIMIR CHEMICALS PAKISTAN LIMITED as its Chief Executive Officer, Tariq Nisar also holds directorships in M/s Nisar Spinning Mills (Pvt) Limited and M/s Pakistan Vinyl Industries, M/s Nisar Synthetic Limited. Armed with a BSc degree, his leadership prowess extends across a spectrum of domains, including Operations, Business Development, Sales, Customer Services, and Supply Chain Management.

Tariq Nisar's leadership ethos revolves around fostering teamwork, nurturing trust, and aligning organizational values with those of its employees. His unwavering commitment and remarkable accomplishments have

earned him prestigious accolades, notably the "Businessman of the Year Gold Medal" in 2005, 2006, and 2011. In 2014, Mr. Tariq Nisar was honored as the leading taxpayer in Pakistan, securing the top position. Furthermore, his dedication to societal welfare is exemplified through his philanthropic pursuits, notably as the Chairman of Life Care Hospital, Lahore.

Beyond his professional and philanthropic endeavors, Tariq Nisar is deeply invested in advancing the stability and prosperity of Pakistan. His contributions across various industries, including Textile Spinning, Artificial and Synthetic Leather, Plastic, and Chemicals, underscore his unwavering commitment to national development.

Mian Tariq Nisar stands as a beacon of leadership, embodying excellence and integrity in every facet of his endeavors, thereby playing a pivotal role in shaping the future landscape of Pakistan's business and societal fabric.

Athar A. Khwaja

Non-Executive Director



Athar A. Khwaja is currently serving as the Chief Executive Officer of Engro Energy Limited (EEL). In this role, Athar is responsible for the company's power generation assets - Engro Powergen Thar Limited (EPTL) and Engro Powergen Qadirpur Limited (EPQL). In a professional career spanning nearly 20 years, he has diverse experience in Process Engineering, Projects, Marketing, Strategic Sourcing and Business Development.

Prior to this Athar had been working as CEO EPTL since 2023 & continues to hold this position alongside his role. He joined EPCL in 2004 as a Process Engineer and worked his way to the position of GM Technical in 2014. During this period, he was part of the project team responsible for the relocation, construction, and commissioning of the VCM plant from Baton Rouge LA as well as heading the business planning department where he negotiated with first long-term

EDC sourcing agreement for EPCL along with executing record VCM exports of 20 KT in 2013. From 2015 – 2018, he led the marketing function for the chemicals business at ICI Pakistan.

He re-joined Engro Polymers as GM Expansion Projects in 2018. His achievements at EPCL include leading the PVC 3 and VCM DBN Expansion projects. He strategically navigated the project during the Covid pandemic and ensured project completion and successful commercialization. He later went onto assume the position of Vice president projects and business development where he was responsible for crafting the long-term growth strategy of the organization.

He holds a bachelor's degree in chemical engineering from McGill University, Montreal, Canada.

Muhammad Bilal Ahmed

Non-Executive Director



Muhammad Bilal Ahmed became a Director on the Board of Dawood Hercules Corporation in August 2023.

With over 13 years of experience in commercial and financial management, Bilal's professional journey primarily unfolded within the Engro group companies. Presently, he holds the position of Chief Investment Officer at Dawood Investments Limited. Before this, he served as General Manager - Investments at Engro Corporation.

Bilal's accomplishments include guiding significant capital market transactions for Engro, such as facilitating the issuance of Preference Shares and Sukuks for Engro Polymer & Chemicals Limited. He notably led Pakistan's pioneering Islamic debt transaction with the International Finance Corporation (IFC), an achievement recognized as the 'Pakistan Deal

of the Year' at the IFN Awards in 2018. His expertise extends to intricate financial instruments like synthetic cross-currency swaps and interest rate swap transactions, which he executed for various Engro group companies.

Bilal holds a BSc (Hons) degree in Mathematics from Lahore University of Management Sciences (LUMS) and a Master's degree in economics from the University of Cambridge. He is also a designated CFA charter holder. Beyond his professional roles, Bilal is an active member of the Board of Trustees for the Oxford & Cambridge Society, Karachi Educational Trust (OCSKET), and has previously contributed as Visiting Faculty at the Institute of Business Administration (IBA), Karachi.

Abdul Qayoom Shaikh

Chief Executive Officer



Abdul Qayoom Shaikh holds more than 25 years of experience across the petrochemical and polymer value chain. He began his journey with Engro Polymer & Chemicals in 2000 as a Graduate Trainee Engineer and, over the years, has held key leadership roles across Technical, Operations, Commercial, and Business Development functions and now serves as Chief Executive Officer.

In 2019, he was entrusted with leading the feasibility of a world-scale polypropylene project at Engro Corporation - a multi-billion-dollar undertaking of national significance. By combining technical expertise with commercial insight, he developed a business case that continues to guide Engro's strategic direction. Later, as Vice President of Special Projects, he expanded this mandate by exploring internationalization opportunities, positioning Engro as an enterprise with global ambitions.

His influence extends well beyond Engro. He has served as Vice Chairman of the Pakistan Chemical Manufacturers Association (PCMA) and has been a strong voice in shaping the region's chemical industry. Over the years, he has built a network that spans continents - connecting technology partners, capital providers, manufacturers, and regulators - all in pursuit of sustainable growth and meaningful innovation.

He also serves as Director on the boards of Engro Polymer & Chemicals Limited, Engro Peroxide (Private) Limited, Think PVC (Private) Limited, Engro Energy Limited, Engro Powergen Thar Limited, and Arabian Sea Country Club.

Abdul Qayoom holds a master's in economics and a bachelor's degree in chemical engineering and is an alumnus of Harvard University's High Potential Leadership Program.

management committee

Pictured from left to right (standing):

Mr. Arif Jalil - Vice President Operations;
Mr. Hussain Hasanali - Chief Commercial Officer;
Ms. Rabia Wafah Khan - Chief Financial Officer;
Ms. Beenish Kajani - Head of HR & Corporate Communications;
Mr. M. Saad Khan - Vice President Manufacturing;
Mr. Abdul Qayoom Shaikh - Chief Executive Officer
& Mr. Najam Saeed - Head of Digital Transformation



Chief Executive Officer **Abdul Qayoom Shaikh**



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Vice President Manufacturing **Muhammad Saad Khan**

Saad currently serves as Vice President Manufacturing at Engro Polymer & Chemicals Limited (EPCL), where he leads manufacturing operations with a focus on operational excellence, sustainability, and continuous improvement. Prior to this role, his last assignment was at Engro Fertilizers, where he served as Vice President Human Resources.

He joined Engro in 2008 as a Graduate Trainee Engineer and has since progressed through a series of increasingly senior leadership roles across Engro's divisions and subsidiaries. He led Process & Project Engineering across Engro's manufacturing plants and has played a central role in shaping EPCL's sustainability agenda, driving initiatives in renewable energy, water neutrality, biofuels, and circular economy practices.

He also served as Chief of Staff to the President & Chief Executive Officer of Engro Corporation, where he strengthened organizational alignment across people affairs, portfolio management, capital allocation, transformation, and stakeholder engagement.

He holds a bachelor's degree in Chemical Engineering with a minor in International Relations from the University of Toronto and a Master's degree in Economics from the Institute of Business Administration (IBA). He also serves on the Curriculum Advisory Boards of Lahore University of Management Sciences (LUMS) and Karachi University.

Chief Financial Officer **Rabia Wafah Khan**



Rabia Wafah Khan serves as the Chief Financial Officer of Engro Polymer & Chemicals Limited (EPCL) and previously held the position of Chief Financial Officer at Engro Powergen Qadirpur Limited.

She brings over 20 years of extensive corporate experience across Finance, Human Resources, and Treasury. Throughout her career at EPCL and Engro Fertilizers, she has held a range of leadership roles including Business Analyst and Treasury Manager. In her current role, she has been instrumental in stewarding EPCL's long-term strategic direction, defining future milestones, and strengthening financial governance frameworks across the organization.

She holds an MBA in Finance & Management Information Systems from the Institute of Business Administration (IBA) and a second Master's degree in Investments & Securities from Golden Gate University, USA. She is also a Chartered Financial Analyst (CFA).



Chief Commercial Officer **Hussain Hasanali**

With nearly 14 years of diverse experience, Hussain Hasanali serves as the Chief Commercial Officer at Engro Polymer & Chemicals Limited (EPCL), where he leads strategic initiatives across business development, sales, and marketing.

He began his professional career at HBL as an investment banker, where he led notable transactions including the IPO of Avanceon Limited and the structuring of debt and equity for corporate dairy farming ventures. In 2013, He joined EPCL and undertook leadership roles across finance, business planning, marketing, and new ventures. His contributions were pivotal to EPCL's financial turnaround, including implementation of KPI-driven management reporting systems, enhancement of pricing strategies through analytics, raw material arbitrage optimization, and the Company's first sukuk issuance following a historic credit rating achievement.

In 2019, he transitioned to Engro Corporation as General Manager – Strategy & Business Development, where he played a key role in shaping the Group's petrochemical strategy, developing its first sustainability framework, leading portfolio optimization exercises, and contributing to the national petrochemical policy. He later served as Chief of Staff to the President, leading initiatives spanning government engagement, operating model refinement, investment frameworks, and serving as Secretary to the Executive Committee, overseeing critical leadership and performance processes.

He holds a Master's degree in Business Administration from the Institute of Business Administration (IBA), Karachi, and has completed the Advanced Leadership Program at INSEAD, Singapore.

Head of HR & Corporate Communications **Beenish Kajani**



Beenish Ameen Kajani is a seasoned HR professional with over 14 years of experience across Human Resources and Sales, bringing together expertise in both people and performance functions.

Her career spans a wide range of impactful roles, from Talent Acquisition and Learning & Development to HR Operations, Business Partnering, Sales Capability, and Key Account Management. Her versatility and leadership have left a mark across some of the world's most recognized organizations.

At ICI, she spearheaded the company's flagship Management Trainee Program, laying the foundation for its future leadership pipeline. At Mondelez, she led the Sales Engagement Program, contributing to the Company's recognition as a "Best Place to Work." Her time at Shell saw her champion the learning strategy for their retail network, while at BAT, she revitalized the employer brand and drove meaningful progress in the DE&I space.

Beenish currently holds the role of Head of HR & Corporate Communications at Engro Polymer and Chemicals, where she is leading change management efforts and actively championing women in leadership. Before this, she served as General Manager – HRBP at Engro Fertilizers, where she led critical people initiatives and played a key role in strengthening leadership development and inclusion company-wide.

Beyond the corporate world, Beenish finds joy in travel, fitness, and meaningful connections. She's the eldest of three siblings, raised by entrepreneurial parents who instilled in her the values of resilience and purpose.

Deeply committed to giving back, Beenish served as Secretary to the Board for Industrial Promotion Services at AKDN and continues to volunteer her time with several AKDN-led initiatives, offering career coaching, CV writing guidance, and interview prep to young professionals.



Vice President Operations **Arif Jalil**

Arif joined Engro in 2003 and has since held a range of leadership roles across Engro Fertilizers (EFERT), Engro Polymer and Chemicals Limited (EPCL), Central Technical Division, and the Qadirpur and Thar Power Plants. He has been actively involved in several major capital projects, including world-scale fertilizer expansions, Qadirpur and Thar power plant projects, international fertilizer ventures, major equipment acceptance testing, pre-commissioning audits, and engineering reviews.

At EFERT and EPCL, he contributed significantly to the development of long-term reliability investment plans aimed at improving asset reliability, managing obsolescence, and ensuring business continuity. Within the Central Technical Division, he spearheaded the development of the Operational Technology Cyber Security Framework and Equity Engineering Practices initiatives. As Administration Head at the Daharki Plant, he successfully concluded six labour agreements and significantly enhanced community facilities and quality of life.

He holds a Bachelor's degree in Electrical Engineering from NED University of Engineering and Technology and is the recipient of two Manufacturing Excellence Awards and a President's Award.

Head of Digital Transformation

Najam Saeed



Najam Saeed spearheads Digital Transformation at Engro Polymer & Chemicals Limited (EPCL) and brings over 23 years of comprehensive corporate experience across Operations, HSE, Maintenance, Project Management, Supply Chain, Instrument & Electrical, Business Development, and Digital Transformation.

He has previously held senior leadership positions including General Manager – Business Development at Engro Corporation Limited and General Manager overseeing Instrument and Electrical functions at EPCL. He has also contributed to Engro Fertilizers in diverse capacities, including Material Management.

He holds a Bachelor's degree in Electrical Engineering from NED University of Engineering and Technology and possesses specialized training in Design Thinking and Six Sigma methodologies, which he leverages to drive innovation, efficiency, and organizational excellence.

principle board committees



Kamran Nishat – Chairperson

Nazoor Ali Baig – Member

Muhammad Bilal Ahmed – Member

Khawaja Haider Abbas – Secretary



Ayesha Aziz – Chairperson

Nazoor Ali Baig – Member

Tariq Nisar – Member

Beenish Kajani – Secretary



Abdul Qayoom Shaikh – Chairperson

Beenish Kajani – Member

Muhammad Saad Khan – Member

Rabia Wafah Khan – Member

Hussain Hasanali – Member

Arif Jalil – Member

Najam Saeed – Secretary



Abdul Qayoom Shaikh – Chairperson

Yasir Ali – Member

Muhammad Saad Khan – Member

Hussain Hasanali – Member

Rabia Wafah Khan – Member

Col. Syed Ali Majid – Member

Adeel Ibrahim – Secretary



Abdul Qayoom Shaikh – Chairperson

Muhammad Saad Khan – Member

Rabia Wafah Khan – Member

Hussain Hasanali – Member

Arif Jalil – Member

Najam Saeed – Member

Rizwan Ahmed Taqi – Secretary



Beenish Kajani – Chairperson

Arif Jalil – Member

Asim Shahbaz – Member

Arubah Zia – Secretary



Contracts Review Committee

Rabia Wafah Khan – Chairperson

Amir Aslam – Member

Muhammad Asad Waheed – Member

Col. Syed Ali Majid – Member

Amir Saleem – Member

M. Jazib Siddiqui – Member

Zohaib Sufyan – Member

Ahmad Mustafa – Secretary



Human Resource Management Committee

Abdul Qayoom Shaikh – Chairperson

Beenish Kajani – Member

Muhammad Saad Khan – Member

Hussain Hasanali – Member

Rabia Wafah Khan – Member

Amash Sajid – Secretary

statement of best practices

- Overall, work towards creating an environment that promotes the realization of our Vision and Values, by focusing on behavioral modification and systematic changes.
- Challenge the status quo by experimenting and taking reasonable and calculated risks.
- Think EPCL, by placing Company interest above individual, sectional, and departmental interests.
- Collectively develop clear, concise, and realistic goals, while simultaneously aligning on the process of achieving these before implementation.
- Balance task, team, and individual needs, by taking the helicopter view.
- Work through teams, by valuing all ideas and effectively including people through consensus building and active involvement.
- Remind each other on the importance of using participatory processes, just as much as emphasizing attention on safety, quality, and continuous improvement.
- Recognize individual needs and help fulfill them.
- Trust each other by delegating authority and decision making to the lowest possible level.
- Encourage sharing clear, consistent, and timely feedback for learning and growth.
- Give everyone a chance by listening patiently and thinking before speaking.
- Recognize team and individual efforts to change by celebrating both lessons and successes.

implementing governance practices exceeding legal requirements

Being a responsible corporate citizen, the Company has always conducted itself in a responsible and ethical manner. To foster transparency the Company:

- Benchmarks reporting requirements against ICAP / ICMAP and SAFA prescribed guidelines.
- Has adopted a stringent insider trading policy which goes beyond the legal requirement.
- Holds quarterly analyst briefings and regularly interacts with all stakeholders.
- Has implemented a health, safety, and environment policy as a testimony of our commitment to protect our people, community, and environment.
- Undertakes several health and education projects for improving the livelihood of surrounding communities.
- Places an obligation on employees of group companies to follow the close period requirements.
- Ensures its Privately owned subsidiaries comply with benchmark governance practices.

governance framework

Our Governance Framework is designed to ensure that the Company embodies its core values and principles, institutionalizing excellence in everything that we do. Driven by the highest standards of integrity, transparency, and a zeal to protect stakeholder value, EPCL has ordained its Governance Framework on the industry's best practices. The Board of Directors and the Senior Management place significant emphasis on internal controls, which trickles down to each and every employee in the Company.

Our Corporate Governance is grounded on the basis of proper management policies and the organization conforms to accepted guidelines of the Pakistan Stock Exchange Limited as well as the Securities and Exchange Commission of Pakistan (SECP). The Board of Directors is committed to honest, ethical, knowledgeable, and comprehensive management and to implement good Corporate Governance as a means of accomplishing maximum success and effectiveness for the Company. Corporate Governance is

a tool for enhancing and reinforcing our values and sustainable growth. Developing good Corporate Governance is an iterative process and aims to incorporate standards that are universally practiced and appreciated.

internal environment & internal control framework

The organization is structured in a way that corresponds well to its business plan, and responsibilities are clearly assigned to each department. Highly-qualified personnel are hired and given continuous opportunities to develop knowledge, competencies and represent the Company's commitment to ethical and professional business standards. The Organization also encourages employees to participate actively in debates and discussion related to business and governance, as well as understand their professional responsibilities, while instilling in them the responsibility of reducing risk. Job roles are consistently being upgraded, improved and fashioned in such a way that internal controls form an integral part of operations. Operating manuals of key functions have been produced to ensure efficiency of operations and avoid duplication of effort.

responsibility

The Board is ultimately responsible for EPCL's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure in achieving business objectives and provides reasonable assurance against material misstatements or losses that the Company could possibly face.

The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Financial Officer.

framework

An established control framework is maintained by the organization, constituting clear structures, authority limits and accountabilities. All policies and standard operating procedures are properly documented in operating manuals. Both corporate strategy and the Company's business objectives are established by the Board, after which they are integrated by divisional management into business strategies with supporting financial objectives.

risk assessment

EPCL conducts its operations keeping in view the risks involved and has instituted measures to control risk and ensure that it remains manageable. In this way, damage due to risk is minimized and stability is ensured. Long-term and annual plans are designed to ensure that concrete measures of success can be obtained. Audit operations and insurance measures are also continuously improved with the help of various tools in an effort to reduce risk.

control activities

The Company has determined several control activities that are in accordance with the nature of business operations and has assigned responsibilities in such a way that mutual supervision is in effect.

operating paradigm of EPCL board

The Board of the Company sets the strategic direction for the Company and monitors its implementation plans and progress. Meanwhile, the core responsibility of the management is to ensure the implementation of the strategies approved by the Board. The management is empowered by the Board to make the necessary decisions to manage the operations of the Company.

board composition & board meetings

As of December 31, 2025, the Board comprises one Executive Director, three Independent Directors, and four Non-Executive Directors, three of whom are executives in other Engro Group companies. A Non-Executive Director, Mr. Ahsan Zafar Syed, Chairs the Board, and the Chief Executive Officer is Mr. Abdul Qayoom. Biographical details of the Directors are given on pages 51 to 60 of the annual report.

A Board of Directors' meeting calendar is issued annually that schedules the matters reserved for discussion and approval. The Board met 4 times this year and discussed matters relating to inter alia long-term planning and giving consideration to the opportunities and risks of future strategy. All Board members are given appropriate documentation in advance of each Board meeting. This normally includes a detailed analysis on businesses and full papers on matters where the Board will be required to make a decision or give its approval.

evaluation

The Listed Companies (Code of Corporate Governance) Regulations, 2019 mandatorily requires evaluation of the Board of Directors as a whole, its Committees, and the contribution of each Director to the strategic direction and steerage of the Company. In this regard, a comprehensive range of self-evaluation surveys were conducted in the Company with respect to the performance of its Board of Directors and Board Committees. Purposive feedback from all Board members was solicited on areas of strategic clarity & beliefs, direction of business plan, and functional adequacy of its role.

Equal emphasis is given to evaluate and assess the individual contribution of each Director during the year by the Chairman of the Board highlighting significant areas of development for them. The evaluation of the members of the Board and its committees (i.e. Board Audit and Risk Committee and Board Peoples Committee) is carried out internally on the following premise:

- Timeliness: The Board Members receive timely meeting notices, clearly describing the agenda of the meetings, followed by the duly circulation of its minutes.
- Preparedness: The Board members are provided with the well-structured financial and non-financial reports on significant matters at least seven days before the meeting.
- Participation and inclusivity: The Board meetings are conducted in a manner that ensures open communication, meaningful participation, and timely resolution of issues. The Board Members respect the difference between the Board's policy making role and CEO's management role.
- Transparency: The Board Members determine goals, expectation, and concerns and ensure its due communication to the CEO.

The evaluation of CEO and Chairman is also carried out on above criteria.

The overall performance of the Board, its committees, Chairman and CEO measured based on approved criteria remained satisfactory.

formal orientation of board

The Human Resource department chalks out a formal orientation plan, which is followed at the induction of a new Board member. The orientation plan is devised to familiarise the new member with the business. Each Divisional Head of the Company takes them through a presentation pertaining to their own divisions and macro-level policies are discussed. During the year, orientation of Mr. Ahsan Zafar Syed, Mr. Kamran Nishat and Mr. Muhammad Bilal Ahmed was conducted by the Management.

training program for directors

The Directors Training Program has been completed by Mr. Ahsan Zafar Syed, Mr. Kamran Nishat, Mr. Nazoor Ali Baig, and Ms. Ayesha Aziz during the preceding years from recognized institutions of Pakistan, approved by the SECP. During the year, Mr. Athar Abrar Khwaja, Mr. Tariq Nisar, and Mr. Abdul Qayoom also completed the Directors Training Program. Mr. Muhammad Bilal Ahmed who was appointed in July 2025 will complete the training within stipulated timeframe as required under Listed Companies (Code of Corporate Governance) Regulations, 2019.

role of chairman & ceo

responsibilities of the chairman

Every meeting of the Board is to be headed by the Chairman. The Chairman of the Board is responsible to lead the Board and its proceedings and ensure that it plays an effective role in fulfilling its responsibilities. The Chairman is empowered and responsible to:

- Issue letter to directors setting out their role, obligations, powers, and responsibilities in accordance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Articles of Association, their remuneration, and entitlement.
- Set the agenda of the board meetings and ensure sufficient time is allocated for discussion of the same;
- Ensure that statutory requirements are fulfilled including the issuance, authentication and maintenance of the minutes of meetings of the board of directors; and
- Regulate and monitor the process of voting, including making demand of a poll.

responsibilities of the chief executive officer (ceo)

The Board of Directors set the role and responsibilities of the Company's CEO. The CEO is entrusted with the general management of the Company's operations and to do all acts which include:

- Compliance with regulations and best practices.
- Ensuring effective functioning of internal control system.
- Identifying risks and designing mitigation strategies.
- Safeguarding of Company assets.
- Development of human capital and good investor relations.
- Sustainable growth of shareholder value.
- Identification of potential diversification / investment projects.
- Implementation of projects approved by the Board.
- Preservation and promotion of the Company's image.
- Endorse quarterly, half-yearly, and annual financial statements, after external auditors initials in case of half yearly and annual financial statements, prior to placing and circulating for consideration and approval of the Board.

- Placement of significant issues for the information, consideration, and decision, as the case may be, to the Board or its committees.

presence of chairman at the annual general meeting

The Company's Annual General Meeting (AGM) was held on March 26, 2025 which was attended by the Chairman of the Board virtually via zoom along with the other Board members including CEO and other senior management. The Chairman, however, requested Mr. Nazoor Ali Baig to chair the meeting and the meeting was chaired by him with the consent of all other directors.

external consultancy for appointment of the chairman

No external search consultancy has been used in the appointment of the Chairman or a Non-Executive Directors.

chairman's significant commitments

Mr. Ahsan Zafar Syed was appointed as a non-executive Director and Chairman of the Board of EPCL on May 03, 2024. Mr. Ahsan is the CEO of Engro Corporation Limited and serves on the board of several companies. The details of his other engagements as Director, Trustee are given in his profile. He does not have any significant commitment other than the one mentioned in his profile.

sponsors, directors & executives shareholding

Information relating to shares held by Sponsor, directors and executives have been disclosed in Directors' report on page 212.

companies where executive directors are serving as non-executive directors

Mr. Abdul Qayoom is the only Executive Director of the Company. The details of his directorships on the Board of other companies are mentioned in his respective profile in this Annual Report.

board audit and risk committee

The members of the Board Audit and Risk Committee are as follows:

Board Audit and Risk Committee	
Mr. Kamran Nishat	Chairperson
Mr. Muhammad Bilal Ahmed	Member
Mr. Nazoor Ali Baig	Member

The Committee appoints secretary of the committee who shall either be the Company Secretary or Head of Internal Audit. Presently, this role is exercised by Mr. Khawaja Haider Abbas – Head of Internal Audit.

The CEO, CFO and other Department Heads are invited to attend the Committee’s meetings as appropriate.

The terms of reference of the Committee include inter alia the following:

- Determination of appropriate measures to safeguard the Company’s assets.
- Review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors.
- Ensuring coordination between the internal and external auditors of the Company.
- Monitoring management’s compliance with all Company’s policies including complaints received through the Speak Out – Whistle Blower system.

attendance of board audit and risk committee

During the year, six meetings were held:

Board Audit and Risk Committee	Meeting Attended
Mr. Kamran Nishat	6
Mr. Nazoor Ali Baig	6
Mr. Masaaki Yokoyama	3
Mr. Muhammad Bilal Ahmed	3

*Mr. Muhammad Bilal Ahmed was appointed on July 21, 2025 replacing Mr. Masaaki Yokoyama.

board people committee

Following Directors served in the Board People Committee during the year:

Board People Committee	
Ms. Ayesha Aziz	Chairperson
Mr. Nazoor Ali Baig	Member
Mr. Tariq Nisar	Member

The Secretary of the Committee is nominated by the Chairman and is either the Chief People’s Officer (or duly authorized delegate) or the Company Secretary to the Board. Presently, this role is exercised by Ms. Beenish Kajani – Head of HR and Corporate Communications. The Chief Executive Officer is invited to attend the Committee’s meetings as appropriate. The terms of reference of the Committee include the following:

- Recommend Human Resource Management Policies to the Board of Directors.
- Recommend to the Board of Directors the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.
- Recommend to the Board of Directors the selection, evaluation, compensation (including retirement benefits) of all CEO direct reports, including but not limited to; COO, CFO, Company Secretary and Head of Internal Audit.
- Recommend to the Board of Directors a compensation framework for Directors.
- To put in place a framework for evaluation of the performance of the Board of Directors as a whole and its various sub-committees as required under the Code of Corporate Governance.
- Recommend bonus programs.
- Approve comparator basket of companies for annual salary program.
- Recommend salary program.

attendance of board people’s committee

During the year, five meetings were held:

Board People Committee	Meeting Attended
Ms. Ayesha Aziz	5
Mr. Nazoor Ali Baig	5
Mr. Tariq Nisar	5

details of board meetings held outside Pakistan during the year

During 2025, all board meetings were held in Pakistan.

board approved policies

board remuneration policy

The Board of Directors has duly approved the policy and procedure for remuneration of the Directors for attendance of Board and Committee meetings in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The remuneration of Directors is determined by the Board considering the following parameters:

- a. The remuneration shall be appropriate and commensurate with the level of responsibility and expertise of the Directors.
- b. It shall not be at a level that could be perceived to compromise or influence in any way the independence of the Director.
- c. No Director shall determine his/her own remuneration nor of a Director who may be a related party.
- d. No remuneration shall be paid to Executive Directors, Chief Executive Officer and Non-Executive Directors who are employees in other Engro entities, for attending meetings of the Board and its Committees.
- e. The Board, if deems appropriate, may engage independent consultant to determine the appropriate level of remuneration of its Directors and recommend to the Board for consideration and approval.

The details of the aggregate amount of remuneration paid to the Directors and CEO are disclosed in the Financial Statements.

policy for security clearance of foreign directors

The Company follows the SECP guidelines for appointment of any foreign Director and subject to issuance of security clearance from the Ministry of Interior, foreign Directors are appointed.

governance over related party transactions (contracts / transactions with related parties)

The Board has approved a formal documented policy for governance over transactions between the Company and one or more of its Related Parties which provides a framework for governance and reporting of related party transactions. This policy is intended to ensure due and timely approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws.

The said policy:

- defines the type of contracts/agreements that can be made with the related party;
- defines the pricing policy for related party transactions;
- defines the framework for review, reporting and approval for transactions not at arm's length; and
- specifies the methodology for approval for transactions in which Director(s) have an interest.

During the year, no contracts or arrangements with the related party were entered into other than in the ordinary course of business on an arm's length basis. Names of related parties in Pakistan and outside Pakistan, with whom the company had entered into transactions or had agreements and/or arrangements in place during the financial year are mentioned in Note 48 to the consolidated financial statements.

conflict of interest policy

At Engro Polymer & Chemicals Limited, employees, Directors, and Executives are required to avoid any actual or perceived conflicts between their personal, financial, or family interests and those of the Company when dealing with customers, suppliers, contractors, competitors, or any other business counterparties.

The Conflict of Interest Policy promotes honest and ethical conduct, fair dealing, and timely disclosure of potential conflicts across the Engro Group. Employees must obtain appropriate approvals for external engagements and comply with defined guidelines regarding the employment of relatives to prevent situations that may impair objectivity.

Any potential or actual conflict, including personal transactions involving Company or related securities, must be promptly disclosed in accordance with Management requirements. The Company maintains a robust mechanism to identify, report, and address exceptions.

investors' grievance policy

The Company values its relationship with all its stakeholders and is committed to safeguarding their interests. To facilitate all stakeholders and provide them with access to communicate any query or complaint to the Company, a dedicated investor complaint section is maintained at Company's website (<https://www.engropolymer.com/>) and Company contact details are also disclosed in "Company Information" section of this report. In addition, the Company dedicatedly monitors all the queries and resolves them in timely manner. Complaints requiring the attention of senior management are promptly escalated to the relevant individuals, along with all pertinent details.

communication to investors

The Investors' Relations section on the Company's website (<https://www.engropolymer.com/>) is regularly updated to provide comprehensive and up-to-date information, including financial highlights, investor details, and other relevant disclosures. The Company conducts analyst briefings, during which the Chief Financial Officer presents the Company's financial and operational performance and conducts a detailed Q&A session to address stakeholders' queries and clarifications.

Period	Date	Place
Q4 2024	February 13, 2025	Meeting conducted online
Q1 2025	April 24, 2025	Meeting conducted online
Q2 2025	August 5, 2025	Meeting conducted online
Q3 2025	October 31, 2025	Meeting conducted online

The Company convenes its Annual General Meeting (AGM) in compliance with the Companies Act, 2017, the Rule Book of the Pakistan Stock Exchange (PSX), the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Company's Articles of Association.

During the meeting, shareholders raised several questions relating to the Company's business, which were addressed satisfactorily by the Chief Executive Officer and Chief Financial Officer. The meeting concluded with all queries resolved, and no issues remained pending.

policy for safety records of the company

Board-level cybersecurity oversight

The Board Risk & Compliance Committee (BRCC) provides governance over cybersecurity posture through periodic evaluations aligned with global frameworks such as ISO 27001 and NIST frameworks.

Information security incident response

Should a security incident materialize, EPCL activates its formally defined Incident Response Plan (IRP), which consists of:

- Rapid threat isolation and containment to prevent further spread or damage.
- In-depth forensic investigation to determine the scope, root cause, and full impact of the incident.
- Mandatory legal and regulatory disclosure, where required under applicable laws or industry obligations.
- Comprehensive post-event assessment and security hardening to strengthen controls and prevent recurrence.

Information security acceptable use

EPCL enforces a comprehensive Information Security Acceptable Use Policy applicable to all authorized users of organizational information resources, emphasizing responsible data handling, prohibition of unauthorized or pirated software, strict non-sharing of credentials, and mandatory use of multi-factor authentication. The policy requires adherence to established information classification guidelines, restricts the use of external storage on company endpoints, and ensures all devices remain secure, protected, and updated. It also governs the responsible use of artificial intelligence by mandating that business-related AI activities occur only through approved platforms, with all AI-generated outputs subject to human validation and prohibits unauthorized manipulation or use of unvetted external AI services.

OT cybersecurity program

EPCL maintains an OT cybersecurity framework aligned with outcomes of prior risk assessments, focusing on asset awareness, network segmentation, controlled access, change management, system hardening, and continuity planning. Vendor-specific technologies have been omitted as required.

Strategic cybersecurity initiatives

EPCL continues strengthening its cybersecurity posture through strategic investments that enhance network defense, including next-generation firewall and intrusion detection/prevention capabilities, along with Endpoint Detection and Response (EDR) for continuous IT threat monitoring. These measures are supported by Engro's group-level Security Operations Center, which

provides real-time threat oversight, while periodic penetration testing and independent security audits evaluate the organization's resilience across technical controls, social engineering exposure, and adherence to data protection practices.

Information security awareness

The Information Security function promotes a strong security culture by equipping employees with the awareness and skills needed to recognize and respond to cyber threats. Through a mix of training, phishing awareness activities, and organization-wide awareness session initiatives, employees are encouraged to adopt safe digital practices and remain vigilant in their day to day work. Complementing these efforts, EPCL's Family Cybersecurity Awareness Campaign extends this learning to employees' households, fostering responsible digital behavior at home and contributing to a more secure and resilient overall environment.

IT governance policy

Board responsibility statement

As the Company embarks on its digitization journey, we recognize the importance of having a well-defined information technology (IT) governance framework which focuses on enterprise governance, IT Leadership, IT strategy implementation, IT framework and IT processes. We have formulated the IT governance policy and ensure to keep it updated and implemented.

IT governance policy

The IT governance policy is designed to ensure that IT activities are aligned with business objectives and stakeholder requirements. Programs such as value delivery; risk optimization and resource optimization have been initiated under this policy.

Oversight function

The IT/IS Steering committee is responsible for overseeing and monitoring the implementation of the Enterprise IT Governance Framework (EITGF) and Cybersecurity initiatives, strategy, and related matters throughout the enterprise.

Disaster recovery plan and IT personnel training

The company has a documented disaster recovery plan entailing the relevant recovery strategies. The plan is executed each year. Apart from disaster mitigation this also helps in training IT recovery personnel. No major weaknesses were noted in the last disaster recovery exercise during the year.

Digital transformation

The Company has achieved significant milestones by upgrading its SAP systems, adopting cloud technologies, enabling IT-OT convergence, and introducing next-generation platforms. These advancements were complemented by a relentless focus on risk mitigation and operational security, underscoring Engro's commitment to resilience and sustainable growth in the digital era. Engro prioritizes accelerating AI adoption to drive innovation and operational efficiency.

Throughout the year, the ICT team, in collaboration with digital champions, successfully executed transformative initiatives by partnering closely with business teams. This collaborative approach ensured the seamless integration of emerging technologies, fostered a culture of continuous innovation, and ensured Engro remained at the forefront of digital transformation.

Risk mitigation

Based on the comprehensive risk assessment conducted, the Company has prioritized addressing the identified high and medium-level risks in alignment with the recommended action plans, to mitigate potential vulnerabilities and threats.

Through the implementation of targeted measures and a continuous risk identification process, the ICT and IS functions have successfully bolstered both technical and managerial controls. This proactive strategy has enhanced the organization's system resilience, ensured the protection of critical data, and improved Engro's overall risk management posture.

future proof foundation

Cloud Computing

Engro continues to advance its cloud-first, multi-cloud strategy, leveraging leading platforms such as AWS and Azure to enhance resilience, scalability, and innovation. Core enterprise capabilities, including the Enterprise Data Platform and IT services continuity, are now securely delivered through the cloud, strengthening operational reliability and business resilience.

Several workloads have already been successfully migrated to AWS, with a standardized AWS technology stack enabled to support faster innovation, improved business agility, and optimized costs. Looking ahead through 2026, Engro will continue modernizing applications and data platforms, enabling quicker delivery of digital solutions and establishing a centralized cloud Data Lake to support enterprise-wide analytics and future AI-driven insights.

Platforms Modernization

In pursuit of future-proofing its technology landscape, Engro upgraded and enhanced core platforms, including Enterprise Resource Planning, Enterprise Service Management, Enterprise Content Management, Robotic Process Automation, API Gateways, DevOps platforms, and the data lake. These advancements position Engro to seamlessly leverage cutting-edge, AI-powered solutions across all businesses and value streams.

Democratizing AI at Engro

Engro accelerated its AI transformation journey by rolling out Microsoft 365 Copilot across the organization, embedding AI capabilities into everyday business processes. This initiative introduced advanced AI tools to automate routine tasks, generate content, and analyses data, all while ensuring secure and compliant usage. By democratizing AI and integrating Copilot into core operations, Engro empowered employees to enhance productivity and make faster, data-driven decisions, fostering innovation and reinforcing its commitment to operational excellence and sustainable growth.

Human resource management policies

EPCL's Human Resource policy is designed to attract, induct, develop, retain and motivate high caliber talent who are qualified, capable and willing to contribute towards the company's long-term and short-term objectives. To accomplish this, the HR policies have been developed encompassing following principles:

- Equal Opportunity
- Training and Development
- Performance Management
- Compensation and Benefits
- Diversity and Non-Discrimination

succession planning

Engro Polymer & Chemicals Limited conducts annual Talent Review Sessions as a core component of its succession planning framework. The objective of this process is to assess and align departmental succession requirements with the capability, potential, and development needs of employees, enabling a structured and forward-looking Talent Management Plan.

The talent review process comprises structured and facilitated discussions through which employees are assessed on key strengths, career aspirations, readiness levels, and development priorities. These discussions support informed decision-making and the formulation of focused development and action plans. The outcomes of the Talent Review Sessions continue to strengthen internal mobility and support effective succession through the identification and preparation of internal talent for critical roles.

diversity at EPCL

At EPCL, diversity and inclusion form an integral part of how we build teams and strengthen organizational performance. We value diversity in all its forms and recognize the role it plays in enabling better decision-making, innovation, and sustainable growth. In line with our workforce demographics, our current focus remains on increasing gender diversity.

During the year, focused efforts were made to strengthen women representation across the organization, including trainees, graduate engineers, and contractual staff. Progress achieved reflects a deliberate and sustained approach towards building a more balanced workforce. Our diversity agenda is supported by consistent and transparent communication, reinforcing accountability and leadership commitment. These efforts have also received recognition from external platforms, further validating our approach.

Looking ahead, EPCL aims to build a workforce that reflects the broader external environment and evolving demographics. Internally, diversity and inclusion considerations are embedded across talent processes, including hiring, development, performance management, and engagement. Externally, the Company is strengthening partnerships with universities and relevant associations to broaden access to diverse talent pools and enhance long-term workforce sustainability.

social and environmental responsibility policy

The Company's community development and uplift policy focuses mainly on basic healthcare, education, environment and water conservation-related initiatives. It has various diversified programs in place and is on its way to create visible social impact on communities within which it operates. It invests in programs that address the environmental and social challenges faced by its business, thus mitigating impact of its operations through taking these initiatives.

It also focuses on the element of sustainable business development and that is what is most visible in its key social investments.

HSE policy

To be recognized as a world-class performer in the field of Health, Safety & Environmental Management.

Engro Polymer will:

- Conduct its business in a manner that protects the health and safety of employees, contractors, others involved in our operations and the community in which we operate.
- Continuously improve environmental performance to achieve sustainable development.
- Strengthen its business by making Health, Safety & Environment (HSE) considerations an integral part of all business activities.
- Comply with all laws & regulations.
- Practice transparent public reporting of the HSE performance.
- Ensure that HSE is a major responsibility of appropriately trained, empowered & accountable employees & management.
- Promote a culture of learning & practicing HSE management among employees and contractors.
- Encourage off the Job HSE awareness among employees and families.

To achieve these objectives, Engro Polymer Shall:

Health

- Identify and evaluate health risks related to its operations that potentially affect its employees, contractors or the public.
- Provide structured, risk based occupational health and industrial hygiene program, with a focus on health promotion and prevention, reporting and investigation of occupational illnesses.
- Implement programs and appropriate protective measures to control such risks, including appropriate monitoring of its potentially affected employees. Carry out pre-employment and periodic medical check-up of its employees.
- Provide or arrange for medical services necessary for the treatment of employee occupational illness or injuries and for handling medical emergencies.

Safety

- Implement a rigorous system of Process Safety Risk Management.
- Institutionalize behavioral safety practices using the Personnel Safety Management system.
- Keep abreast of the latest international codes, standards and practices and adopting the same where applicable.

Environment

- Comply with all applicable environmental laws, regulations and apply responsible standards where law and regulations does not exist.
- Conserve natural resources & energy by continuously improving our processes and measuring performance.
- Continuously improve our processes to minimize pollution and waste.

cardinal rules

- Mandatory to report all “On the job” unsafe act/ condition, Near miss and incident.
- Mandatory to follow Company Policies, Safety Rules and all applicable laws. Contractors engaged by the Company shall strictly adhere and cause its employees to strictly adhere to Company Policies, Safety Rules and all applicable laws.
- Work with a valid work permit.
- Wear mandatory PPEs in designated areas.
- Bypassing Safety Critical device without authorization is prohibited.
- Lighting a flame without authorization is prohibited.
- Carrying lighter is not permitted at the plant site.
- Smoking & vaping (e-cigarette) is not allowed inside vehicles, plant operating areas & office premises except designed approved areas.
- Walking under a suspended load is prohibited.
- Ensure that there is no violation of work at height protocols (not latching harness, not using protections like handrails, guards, nets, lifelines etc.).
- Engaging in or provoking horseplay or fighting within Company premises is prohibited.
- Damaging Company property intentionally is prohibited.
- Sleeping & carrying Mobile phones in Plant operating areas is prohibited.
- Mobile phones (even on airplane mode) are not allowed in operating areas. Use IS rated cameras for photography only.
- Bringing weapons or any form of intoxicants on site is prohibited.
- Making Video / Picture of plant site areas without permission is not allowed.

Willful negligence of all above protocols will be treated as misconduct and liable to penalties/accountability as per company’s progressive motivation principles or any other action as the Company may deem fit.

ethics & compliance

statement of ethics

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

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

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

ethics and compliance

Engro Polymer has a strong internal control system that encourages its employees, customers and suppliers to report any suspected misconduct, fraud and violation of law or ethical standards. There are a number of avenues to do so including the whistleblower complaint system called “Speak-Out”, a transparent system that reviews all complaints and guarantees confidentiality and protection from any form of retribution. Apart from this, Engro Polymer has an internal system of voluntary reporting called “Irregularity reporting” that allows employees to voluntarily disclose actual or suspected non-compliance through the Irregularity Reporting system. Employees are encouraged to raise red flags and help strengthen the control environment.

whistleblower policy – “Speak Out”

The Board of Directors of the Company have established a Whistleblower system which allows employees, suppliers, customers and contractors to speak out about any concerns they have regarding business ethics, safety, environmental performance, harassment and other employment-related matters or other possible breaches of compliance. The company also has specific procedures in place to increase awareness of the policy.

In order to further strengthen the Company’s Ethics compliance program and promote adherence to sound business conduct, all employees, customers, suppliers and contractors are encouraged to report serious concerns that could have a significant impact on these organizations, such as actions that:

- are unlawful or may damage the reputation of the Corporation or an affiliate.
- are fraudulent and lead to a loss of assets.
- may be intended to result in incorrect financial reporting.
- are in violation of various corporate policies governing business conduct.
- are in violation of Safety Health & Environmental standards applicable to the business.
- give rise to harassment, discrimination, or other unfair employment practices.

As per the requirements of the policy, confidentiality of complainants is maintained to protect them from any form of retaliation or victimization for genuinely held concerns that are raised in good faith. Below is the number of whistleblows reported during the year 2025:

- No. of whistle-blower complaints investigated and closed during the year: 09 compared to 12 in 2024
- No. of whistle-blower complaints in progress: 01

governance

The Ethics and Compliance department is housed within the Internal Audit Function whereby all concerns reported are investigated confidentially by the Ethics & Compliance Department which are also presented on a quarterly basis to the Board Audit & Risk Committee (BARC). Further, the Ethics and Compliance department monitors compliance against all ethics related policies, interalia the following:

- Code of Conduct
- Fraud Risk Management
- Governance of Conflicts of Interest
- Statement of Ethics and Business Practices
- Whistleblower Policy
- Gift & Business Entertainment Policy
- Anti-corruption Policy
- Governance of transactions/contracts with related parties

internal audit

At EPCL, Internal Audit is an independent department functionally reporting to the Board Audit & Risk Committee and administratively to the CEO.

The Internal Audit department is responsible for impartially assessing the key risks of the Organization, appraising, and reporting on the adequacy and effectiveness of EPCL’s Risk Management and Internal Controls in financial, information systems, and other business and operational areas. Internal Audit at EPCL provides recommendations that are taken up by the Management to remediate control lapses. The observations are shared regularly with the Board Audit & Risk Committee, Chief Executive Officer, and the concerned Divisional Management. The role of the Internal Audit Function continues to change in reaction to events, risks, and regulations affecting the Company while ensuring that its mandate is aligned with the organizational objectives and risks.

salient features of internal audit charter

Internal Audit provides independent, objective assurance, and advisory services to evaluate and improve the effectiveness of the control environment, risk management, and compliance processes and assesses whether these are adequate and functioning appropriately as intended to ensure:

- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Significant statutory or regulatory issues impacting the Company are recognized and addressed appropriately.
- Resources are acquired economically, used efficiently, and protected adequately.
- Quality and continuous improvement are fostered in the Company’s control process.
- Risks are appropriately identified and managed.
- Employees’ actions comply with policies, standards, procedures, and applicable laws and regulations.

dear shareholder,

On behalf of the Board, I am pleased to present the Board Audit and Risk Committee’s Report for the financial year ended December 31, 2025. Our key focus was to assist the Board of Directors in fulfilling their governance and stewardship responsibilities, ensuring integrity of financial reporting and robustness of internal controls and risk management process at Engro Polymer & Chemicals Limited.

Composition of the Committee:

- Mr. Kamran Nishat (Chairperson) - Independent Director.
- Mr. Nazoor Ali Baig (Member) - Independent Director.
- Mr. Muhammad Bilal Ahmed (Member)- Non-Executive Director.
- Mr. Kalimuddin Ahmed Khan (Secretary)- Head of Internal Audit for 1H 2025 & Mr. Khawaja Haider Abbas (Secretary) - Head of Internal Audit for 2H 2025.

These Committee members possess sufficient business and commercial knowledge and have extensive experience in the field.

meetings of board audit & risk committee

The Committee meetings take place ahead of Board meetings and the Committee Chairperson provides an update to the Board on the key issues discussed during each Committee meeting. The minutes of the Committee meetings are provided to the Board on regular basis and also to the External Auditor on request. The CFO and other departmental Heads are invited on a need basis for matters pertaining to their respective areas.

charter of the committee

The terms of the Board Audit and Risk Committee mandate are governed by the Board of Directors and the Code of Corporate Governance. The terms of reference of the Committee are clearly defined in the Charter of the Committee which is duly approved by the Board of Directors. The salient features are stated below:

- To recommend to the Board the appointment, removal and remuneration of external auditors.
- To review quarterly, half-yearly and annual financial statements.
- To review the internal control systems and internal audit function.
- To monitor management’s compliance with all Company’s policies including complaints received through the Speak Out – Whistle Blower System.
- To monitor compliance of statutory requirements.
- To review and recommend Board for approval of annual sustainability report.
- To review the overall risk coverage and mitigation plans of the Company.

role of board audit & risk committee

The Committee assists the Board to effectively carry out its supervisory oversight responsibilities on risk management, internal controls, financial reporting, compliance, and internal & external audit functions. The Committee believes that it has carried out all its responsibilities, in accordance with the Terms of Reference approved by the Board. The evaluation of the Board performance, which also included members of the Board Audit and Risk Committee, was carried out separately.

During 2025, the following key responsibilities were satisfactorily carried out by the Board Audit and Risk Committee:

- Ensured compliance with the listed companies (Code of Corporate Governance) regulations, 2019.
- Reviewed quarterly, half-yearly, and annual financial statements of the Company prior to their approval by the Board of Directors, focusing on major judgmental areas, financial estimates, going concern assumption, compliance of accounting standards, local regulations, and other statutory / regulatory requirements.
- Reviewed Related Party Transactions, ensuring that the pricing methods used were on terms equivalent to those that prevail on arm's length basis or appropriately disclosed otherwise.
- Ensured that proper, accurate, and adequate accounting records have been maintained by the Company.
- Recommended the appointment of the external auditors to the Board to be confirmed by the Company shareholders in the Annual General Meeting.
- Reviewed new policies / modifications to existing policies and Management's compliance with all Company's policies, procedures, and guidelines.

- Reviewed and investigated whistleblower complaints lodged during the year.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- Closed periods were duly determined and announced by the Company, preventing the directors, executives and all employees of all Engro companies from dealing in the shares of the Company, prior to each Board meeting.

risk management and internal controls

The Company has developed a sound mechanism for identification of risks, assigning appropriate criticality level and devising appropriate mitigation measures, which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Board Audit and Risk Committee for information and review. The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function. The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with operations of the Company.

external audit

The statutory auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the statement of compliance with the Code of Corporate Governance for the year ended December 31, 2025 and shall retire on the conclusion of the 28th Annual General Meeting. Being eligible for reappointment under the Code of Corporate Governance, the Board Audit and Risk Committee has recommended to the Board the reappointment of A.F. Ferguson and Co., Chartered Accountants for the year 2026. A resolution to this effect has been proposed at the forthcoming Annual General Meeting.

The Committee has reviewed and discussed audit observations with the external auditors; a meeting was also held with the external auditors in the absence of the management.

The external auditors have direct access to the Committee and Internal Audit Department, thereby ensuring the effectiveness, independence, and objectivity of the audit process.

A.F. Ferguson & Co., Chartered Accountants also provided taxation services to the Company; the statutory auditors have no financial or other relationship of any kind with the Company except that of an External Auditor and Taxation Consultant. The performance, cost, and independence of the external auditors are reviewed annually by the Committee. The Committee obtained confirmation from the external auditors in its meeting that the engagement team, other partners and staff in the firm, and the firm have complied with the applicable requirements regarding independence.

enterprise risk management

risk management framework and methodology

EPCL launched Lean Enterprise Risk Management (ERM) in 2011. The Company embraces an ERM framework aligned with globally recognized practices, positioning risk management as a cornerstone for creating, safeguarding, and enhancing shareholder value. This is achieved through proactive identification, assessment, and management of uncertainties that may impact corporate objectives, while also enabling informed risk-taking and opportunity realization.

Operating in a dynamic and complex business environment requires continuous evaluation of strategic direction and the level of risk the Company is prepared to accept. Responsibilities are clearly defined across all levels to ensure effective risk ownership. Risks across the organization are categorized into Strategic, Safety & Operational, Legal & Compliance, and Financial & Reporting risks to support effective oversight and alignment with the Company's Risk Appetite Statements (RAS).

EPCL systematically assesses risks by evaluating their likelihood and impact and assigning inherent, residual, and target risk ratings. These assessments support prioritization and enable leadership to implement appropriate mitigation strategies aligned with the Company's risk appetite.

The effectiveness of the risk management framework, key risk exposures, and mitigation actions are actively monitored by Management and reviewed by the Board. The Board Audit and Risk Committee assists the Board in overseeing the adequacy and effectiveness of risk management and internal control systems and reviews significant risk exposures and management responses.

The Company continues to foster a strong risk-aware culture through regular training, communication, and reinforcement of risk management principles, ensuring integration into day-to-day operations and strengthening accountability across the organization. The ERM framework also incorporates emerging risks including climate-related and sustainability risks to support long-term resilience.

The ERM framework also considers emerging risks, including climate-related and sustainability risks, to support long-term resilience.

board's assessment of the principal risks

The Board has reviewed the risks facing the Company, including but not limited to those that would threaten the business model, future performance, solvency or liquidity.

principal risks facing the business and mitigating strategies

Following are the major risks which may affect the Company's operations, including their nature, source and impact on capital, and mitigating strategies for controlling these risks.

Risk	Capital Impacted	Nature	Source	Mitigating Action
Disruptions in plant operations Disruptions in plant operations will impact availability of product and profitability.	Manufactured	Short-term	External	The Company has a strong maintenance framework to ensure the smooth operation of plant activities. In addition, we have a Business Interruption Insurance policy in place to offset the adverse effects of unforeseen disruptions.
Dumping of PVC in Pakistan Unfair practices by global PVC producers, including PVC dumping, pose a threat to market stability in Pakistan.	Financial	Long-term	External	The Company works closely with regulatory authorities, including NTC, to ensure that protective measures remain in place. Consequently, Anti Dumping Duty was imposed on China, Taiwan, South Korea, and Thailand in 2018. The sunset review for Anti-dumping duty was concluded in 2025 with ADD extended for another 3 years.
Availability of gas for captive power production / competitive power price Uncertainty regarding the availability of gas for captive power generation at competitive rates.	Financial, Manufactured	Medium-term	External	The Company continues to pursue alternative power sources at competitive rates and implement energy efficiency initiatives, helping to partially shield the bottom line from the impact of rising energy costs.
Volatility in international commodity prices The Company's profitability is tied to global PVC and ethylene price trends, where any decline in the international core delta will have a direct impact on profitability.	Financial	Long-term	External	The Company actively monitors global market trends to make informed procurement and pricing decisions. It maintains strong relationships with international market analysts to gain timely insights on international market dynamics.
Rationalization of tariff on PVC products A reduction in import duties on PVC resin products may lead to increased imports, negatively affecting EPCL's market position.	Financial	Medium-term	External	Custom duty on PVC was reduced in the budget FY 2025-26. The Company actively engages with stakeholders, including the Pakistan Business Council (PBC) and OICCI, to ensure that protective duties on PVC products remain in place.
Impact of weather / climate change Disruption in road network due to heavy rainfall – affecting both incoming and outgoing transportation from the plant.	Manufactured	Long-term	External	The Company monitors adequate inventory levels in central and north regions prior to Monsoon season. Alternate routes have been identified within Karachi for movement within the city.

financial risk management

liquidity risk management / strategy to overcome liquidity problem

Liquidity management is a critical aspect of EPCL's financial strategy, influenced by external factors such as volatility in international commodity prices, currency exchange rates and gas prices. To mitigate liquidity risk, the Company diligently monitors its current and future cash position, ensuring financial stability despite challenges.

Cash flow projections are regularly analysed to identify short-term and long-term financing needs and investment opportunities. The Company employs frequent cash forecasting to determine liquidity requirements, making a clear distinction between short-term and long-term financing needs. Long-term requirements are assessed within the Corporate Planning Cycle over a five-year horizon, incorporating scenario analysis and stress testing to ensure resilience against financial shocks. Peak cash cycles are managed through approved lines of credit with partner banks, and short-term liquidity gaps are addressed by leveraging these facilities. Additionally, long-term financing arrangements are in place to support upcoming projects and capital expenditure (CAPEX) needs. The Company has recently entered into financing agreements with multiple banks for additional facilities to substitute short-term financing and have funds available for CAPEX requirements. To optimize liquidity, the options of getting extended supplier credit and discounting the customer credit have been tested and integrated into a regular feature of the business.

Excess cash is strategically placed in Board approved investment instruments to maximize returns, including savings accounts, TDRs, T-Bills, government securities and mutual fund units. The Company's working capital cycle remains positive, as sales are predominantly cash-based, while raw material procurement benefits from supplier credit arrangements. Operating cash flows are robust, ensuring smooth debt-servicing and financial stability.

foreign exchange risk management

EPCL's revenue and import liabilities are subject to foreign exchange fluctuations. Since PVC revenue is determined in USD with reference to international PVC pricing, the revenue model provides a natural hedge against foreign exchange risk, specifically exposure on USD denominated liabilities. The Company closely monitors its net foreign currency liability exposure and takes necessary actions to mitigate risks associated with foreign currency devaluation. This includes hedging foreign currency loans and booking forward contracts on usance import LCs, where available, to limit potential downsides arising from exchange rate fluctuations.

interest rate risk management

EPCL's capital structure includes a significant level of leverage, which exposes the Company to interest rate risk. As of December 31, 2025, outstanding KIBOR based borrowings stood at PKR 49,420 Mn, whereas outstanding long-term SOFR based borrowings stood at PKR 3,546 Mn. The Company actively evaluates hedging options, where available, to mitigate interest rate risks. A portion of its borrowings is secured under concessionary financing schemes such as the Islamic Long-Term Financing Facility (ILTFF) and Islamic Temporary Economic Refinance Facility (ITERF), totalling PKR 4,001 Mn. These measures help stabilize borrowing costs and manage financial exposure effectively.

credit risk management

EPCL diligently monitors and manages the credit quality of its financial assets. Exposure to credit risk is minimal due to the Company's policy of restricting unsecured receivables from customers

and advances to vendors. Trade debt is largely secured through bank guarantees, accepted only from financial institutions with strong credit ratings. Credit risk with regards to investments is limited, as the Company places its surplus funds Board-approved financial institutions possessing the requisite credit ratings. This prudent approach ensures that EPCL’s investments remain secure while optimizing returns.

opportunities

Opportunity	Capital Impacted	Nature	Source	Strategy to Materialize
Expand domestic PVC market Per capita PVC consumption in Pakistan is lower compared to other South Asian countries, signalling significant growth potential.	Financial	Short-term	External	The Company continues to invest in its ‘thinkPVC’ retail outlet which acts as a forum to raise awareness and promote new PVC products to stakeholders of the downstream PVC market.
Diversify allied chemicals’ portfolio The Company continues to diversify its chemicals portfolio beyond polymers.	Financial, Manufactured	Medium-term	External	The Company aims to make a mark not only in the polymer market but also in allied chemicals. In 2025, Hydrogen Peroxide plant became operational as part of efforts to diversify the company’s portfolio.
Alternative energy sources & energy efficiency The Company aims to reduce energy costs and improve energy efficiency.	Financial, Manufactured, Intellectual, Natural	Long-term	External	The Company is evaluating alternative energy solutions to reduce energy costs and find a sustainable power solution. Meanwhile, EPCL continues to invest in efficiency projects (e.g., HTDC) to reduce power consumption in manufacturing.

composition of local versus imported material and sensitivity analysis due to foreign exchange fluctuations

Ethylene and EDC are key primary raw materials used in PVC production, which are imported, making their cost highly sensitive to foreign exchange movements. However, the effect of exchange rate volatility on raw material costs and net profit is partially offset as our PVC prices are benchmarked against international PVC pricing. Imported primary raw materials accounted for roughly 80% of total raw material consumption during the year. Conversely, caustic soda production is largely dependent on locally sourced inputs, protecting it from foreign exchange fluctuations. Still, future commitments such as FX based letters of credit (LCs) and foreign currency denominated debt remain exposed to exchange rate volatility.





business review and
strategy

chairman's review

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Engro Polymer & Chemicals for the year ended 2025.

In 2025, the global PVC industry continued to operate in a challenging environment, marked by persistent oversupply, uneven demand recovery and increased cost competition among producers. Capacity expansions kept global supply ahead of demand, exerting pressure on international prices and margins. Producers in North America benefitted from low-price feedstock, while higher energy and naphtha cost placed producers in Southeast and Northeast Asia at the upper end of the cost curve. Demand in major economies such as China and US remained subdued, while South Asia demonstrated robust demand momentum, fueled by infrastructure and housing activity across the region.

On the domestic front, the economy continued to stabilize, growing by 3% during the year, coupled with moderate inflation of 4% and ease in policy rate to 10.5% by year-end. Major sectors driving our demand, such as cement and textiles, posted a growth of 9% and 2.5% in demand, while improvements across the fiscal and financial sectors provided a supportive backdrop for construction-linked demand, a key driver for our business. On the Chlor-Alkali front, rising energy costs kept margins under pressure.

Against this landscape, the Company sustained its market share at 82%, with revenue increasing by 3% versus last year on the back of increased sales of PVC, caustic soda and addition of hydrogen peroxide. However, lower PVC prices and elevated energy costs exerted margin pressure, resulting in a higher loss after tax of PKR 3.9 Bn.

Throughout the year, the Company remained focused on operational discipline and strategic initiatives to sustain market confidence. The industry itself is evolving, with PVC applications expanding into diverse downstream products, opening avenues for innovation and value creation. With Pakistan's per capita PVC consumption currently below regional benchmarks and multiple downstream avenues available locally, significant growth potential still exists.

Operational efficiency and sustainability remained central to our strategy. The Company progressed well on key efficiency initiatives including successful commissioning of High Temperature Direct Chlorination (HTDC), strengthened its environmental stewardship, and reinforced its commitment to responsible, sustainable growth. In 2025, the Company contributed PKR 4,402 million to the national exchequer and generated foreign exchange savings of approximately USD 99 million through import substitution, alongside USD 1.6 million in exports, reflecting our broader contribution to Pakistan's economy.

A milestone achievement during the year was the successful commissioning and ramp-up of our Hydrogen Peroxide (HPO) plant. This strategic expansion underscores

EPCL's dedication to diversification, operational excellence, and long-term value creation, positioning the Company for sustainable growth in evolving markets.

As we look ahead, the path will undoubtedly bring new challenges. Yet, it is through the resilience, discipline, and steadfast character of our people, together with the continued trust and support of our Board of Directors, shareholders, employees, customers, business partners, regulators, and the Government of Pakistan, that we will navigate uncertainty and turn challenges into opportunities. The strength of EPCL lies not only in its operations or financial performance, but in this collective commitment, integrity, and perseverance, which will continue to advance our journey and enable us to build enduring value and a legacy of resilience, responsibility, and shared purpose.



Ahsan Zafar Syed
Chairman



چیرمین کا پیغام برائے سالانہ رپورٹ 2025

محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ (EPCL) کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

سال 2025 میں، عالمی پی وی سی (PVC) انڈسٹری مشکل ماحول میں کام کرتی رہی، جس کی نمایاں وجوہات ضرورت سے زیادہ سپلائی، طلب میں اتار چڑھاؤ اور پروڈیوسرز کے درمیان لاگت کا بڑھتا ہوا مقابلہ رہیں۔ پیداواری صلاحیت میں اضافے کی وجہ سے عالمی رسد طلب سے زیادہ رہی، جس نے بین الاقوامی قیمتوں اور منافع کی شرح پر دباؤ برقرار رکھا۔ شمالی امریکہ کے پروڈیوسرز کو خام مال کی کم قیمتوں کا فائدہ ملا جبکہ توانائی اور نیفتہ کی زائد قیمتوں نے جنوب مشرقی اور شمال مشرقی ایشیا کے پروڈیوسرز کو لاگت کے لحاظ سے مشکل صورتحال سے دوچار رکھا۔ چین اور امریکہ جیسی بڑی معیشتوں میں طلب کم رہی، جبکہ جنوبی ایشیا نے خطے میں انفراسٹرکچر اور ہاؤسنگ کی سرگرمیوں کی بدولت طلب میں بھرپور تیزی دکھائی۔

ملکی سطح پر، معیشت میں استحکام کا عمل جاری رہا اور سال کے دوران شرح نمو 3 فیصد رہی، جبکہ مہنگائی کی شرح 4 فیصد کی درمیانی سطح پر رہی اور سال کے آخر تک پالیسی ریٹ کم ہو کر 10.5 فیصد پر آ گیا۔ ہماری پروڈکٹس کی طلب سے وابستہ بڑے شعبوں، مثلاً سیمنٹ اور ٹیکسٹائل کی طلب میں بالترتیب 9 فیصد اور 2.5 فیصد اضافہ ریکارڈ کیا گیا۔ مالیاتی شعبے میں بہتری نے تعمیرات سے وابستہ طلب کے لیے ایک سازگار ماحول فراہم کیا، جو ہمارے کاروبار کے لیے انتہائی اہمیت رکھتا ہے۔ کلورالکھی کے شعبے میں توانائی کی بڑھتی ہوئی قیمتوں نے منافع کو دباؤ میں رکھا۔

اس صورتحال کے باوجود، کمپنی نے مارکیٹ میں اپنا 82 فیصد حصہ برقرار رکھا۔ پی وی سی، کاسٹک سوڈا کی فروخت میں اضافے اور ہائیڈروجن پر آکسائیڈ کی شمولیت کی بدولت آمدنی میں گزشتہ سال کے مقابلے میں 3 فیصد اضافہ ہوا۔ تاہم، پی وی سی کی کم قیمتوں اور توانائی کی زیادہ لاگت کے باعث منافع پر دباؤ رہا، جس کے نتیجے میں بعد ازاں 3.9 ارب روپے کا خسارہ برداشت کرنا پڑا۔

پورے سال کے دوران، کمپنی نے مارکیٹ کے اعتماد کو برقرار رکھنے کے لیے آپریشنل نظم و ضبط اور اسٹریٹجک اقدامات پر توجہ مرکوز رکھی۔ صنعت تیزی سے ارتقائی مراحل طے کر رہی ہے اور پی وی سی کا استعمال مختلف ڈاؤن اسٹریم پروڈکٹس میں بڑھ رہا ہے، جس سے جدت اور منافع کے نئے راستے کھل رہے ہیں۔ پاکستان میں پی وی سی کی فی کس کھپت فی الحال علاقائی سطح سے کم ہے اور مقامی سطح پر متعدد نئے شعبوں کی موجودگی کی وجہ سے ترقی کے وسیع امکانات موجود ہیں۔

آپریشنل کارکردگی اور استحکام ہماری حکمت عملی کا محور رہے۔ کمپنی نے کارکردگی بڑھانے کے کلیدی منصوبوں سمیت ہائی ٹمبر پچ ڈائریکٹ کلورینیشن (HTDC) کی کامیاب شروعات کی۔ ہم نے ماحولیاتی ذمہ داریوں کو بہتر بنایا اور پائیدار ترقی کے عزم کو مزید مستحکم کیا۔ سال 2025 میں، کمپنی نے قومی خزانے میں 4,402 ملین روپے کا حصہ ڈالا اور درآمدی متبادل کے ذریعے تقریباً 99 ملین امریکی ڈالر کے زرمبادلہ کی بچت کی، جبکہ 1.6 ملین امریکی ڈالر کی برآمدات بھی کیں، جو پاکستانی معیشت میں ہمارے وسیع تر کردار کی عکاس ہیں۔

رواں سال کا ایک سنگ میل ہائیڈروجن پر آکسائیڈ (HPO) پلانٹ کی کامیاب شروعات اور پیداواری صلاحیت میں اضافہ تھا۔ یہ اسٹریٹجک توسیع EPCL کے تنوع، بہترین آپریشنل کارکردگی اور طویل مدتی قدر کی تخلیق کے عزم کو ظاہر کرتی ہے، جو کمپنی کو نئی مارکیٹوں میں مستحکم ترقی کے لیے تیار کرتی ہے۔

مستقبل پر نظر ڈالیں تو بلاشبہ ہمیں نئے چیلنجز کا سامنا ہوگا۔ تاہم، ہمارے لوگوں کی لگن، نظم و ضبط اور ثابت قدمی کے ساتھ ساتھ ہمارے بورڈ آف ڈائریکٹرز، شیئر ہولڈرز، ملازمین، صارفین، کاروباری شراکت داروں، ریگولیٹرز اور حکومت پاکستان کے مسلسل اعتماد اور تعاون کے ساتھ مل کر ہم غیر یقینی صورتحال سے نمٹنے اور چیلنجز کو مواقع میں بدلنے کی بھرپور صلاحیت رکھتے ہیں۔ EPCL کی اصل طاقت صرف اس کے آپریشنز یا مالیاتی کارکردگی میں نہیں، بلکہ اس اجتماعی عزم، دیانتداری اور مستقل مزاجی میں ہے، جو ہمیں ایک مضبوط اور ذمہ دار مستقبل کی تعمیر کی جانب گامزن رکھے گی۔



Ahsan Zafar Syed
Chairman

ceo's statement

The year 2025 tested the foundations of the global chemical industry. Structural oversupply, margin compression, energy volatility, and competitive pricing reshaped market dynamics across regions. In such an environment, performance is not defined by industry cycles, it is defined by discipline, resilience, and clarity of purpose.

At Engro Polymer & Chemicals Limited (EPCL/the "Company"), we approached the year with measured resolve. While external headwinds impacted industry profitability, our focus remained unwavering: operational excellence, prudent capital management, and long-term value creation anchored in our People, Planet, and Profit philosophy. We did not merely navigate volatility, we strengthened the fundamentals that will define our competitiveness in the years ahead.

The global PVC industry operated under challenging conditions during the year. Demand grew modestly by around 2%, while new capacity additions across multiple regions outpaced consumption growth, resulting in sustained pressure on prices and margins. China remained structurally oversupplied and continued to act as a swing supplier to regional markets. Despite these headwinds, South Asia demonstrated healthy demand growth of approximately 9%, reflecting continued infrastructure and housing activity across the region.

In Pakistan, the domestic PVC market showed strong recovery, growing by 19% during 2025, supported by improved macroeconomic conditions and construction-linked demand. The Company maintained a robust market share of 82% by ensuring consistent product availability and customer engagement. While local pricing remained under pressure due to declining international prices, the underlying demand momentum in pipes, fittings, and downstream applications remained encouraging.

A major milestone during the year was the successful commissioning and ramp-up of our Hydrogen Peroxide (HPO) plant. The facility achieved full design capacity of 84 MT/day during its June test run and delivered a record single-day production of 93.24 MT in November, translating into annual production capacity of 31 KT, underscoring strong operational execution. This strategic investment enhances value extraction from our chlor-alkali chain, supports import substitution, and strengthens our product and long-term margin diversification strategy.

The Company recorded revenue of PKR 78,017 million in 2025. Profitability remained under pressure, with a loss after tax of PKR 3,898 million, primarily reflecting lower global PVC prices and elevated energy costs.

Despite margin compression, EPCL generated strong operating cash flows of PKR 17,471 million on the back of strategic cost management and proactively strengthened liquidity through financing arrangements of approximately PKR 30 billion with leading financial institutions. Our long-term credit rating of AA and short-term rating of A1+ with a Stable outlook were reaffirmed, underscoring institutional confidence in our financial fundamentals and governance standards.

During the year, EPCL contributed PKR 4,402 million to the national exchequer. Through import substitution and exports, we generated foreign exchange savings of approximately USD 99 million, alongside USD 1.6 million in export earnings, reinforcing our role in supporting Pakistan's industrial depth and external account stability.

Safety remains foundational to how we operate. In 2025, EPCL crossed 50 million safe man-hours without a lost workday injury and secured an 'Outstanding' rating (97%) in the NEPRA HSE Performance Evaluation.

Operational excellence and cost discipline remained key focus areas. The Company progressed on multiple efficiency initiatives, including successful commissioning of High Temperature Direct Chlorination (HTDC), sustained operation of Oxy Vent Recycle (OVR), and plant-wide energy conservation drives. We also achieved a new single-day PVC production record of 977 MT and completed 100 days of uninterrupted operations at the Chlor-Alkali plant, reflecting improving asset reliability and execution discipline.

Energy remains a key area of focus for the Company, particularly in light of the continued impact of the captive gas levy on our cost structure and operational predictability. In response, we have made steady progress in advancing alternate power solutions to diversify our energy mix and enhance resilience. As part of this strategic shift, grid power is being evaluated as a serious and viable option alongside renewable initiatives, with the aim of ensuring greater energy security and long-term cost efficiency.

Digital transformation continued to mature into a measurable value driver. EPCL secured wins in all four contested categories at the Pakistan Digital Awards 2025 and received global recognition at the ATD Excellence in Practice Awards (USA) for our Integrated Capability Development Framework, reinforcing our position as a technology-enabled manufacturing leader. The Company was also recognized for Best Corporate Report 2024 at the ICMA Pakistan & ICAP Awards, reflecting continued strengthening of governance and reporting quality.

Our decarbonization roadmap continues to translate ambition into measurable progress. Between 2022 and 2025, we achieved an estimated reduction of 22,000 metric tons of CO₂ through energy efficiency and process optimization initiatives. Our people remain at the heart of our progress. Employee engagement remained strong, with the Employee Experience Survey reaching 79%. We advanced our inclusion agenda through targeted initiatives and were recognized with the Diamond Category at the EFP Women Empowerment & Gender Equality Awards and 2nd position at the PBC-IFC Employer of Choice Gender Diversity Awards. EPCL was also ranked among the 4th most inclusive organizations in Pakistan at the GDEIB Awards, reflecting sustained progress in building an equitable workplace.

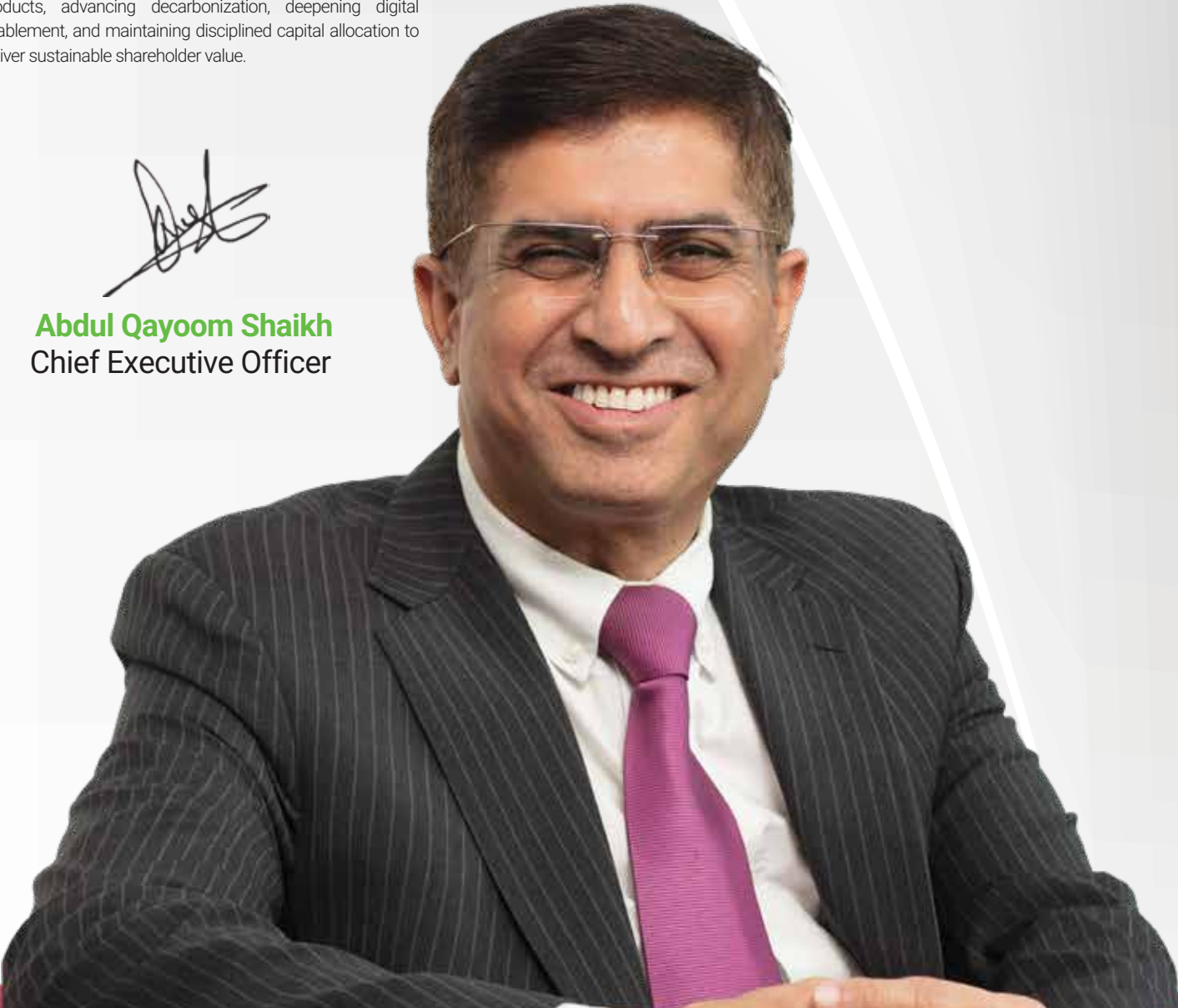
Looking ahead, improving macroeconomic stability in Pakistan, easing financial conditions, and continued infrastructure development across South Asia are expected to support gradual recovery in PVC demand. However, global vinyl markets are likely to remain structurally competitive in the near term. Against this backdrop, our priorities remain clear: strengthening cost competitiveness, scaling value-added products, advancing decarbonization, deepening digital enablement, and maintaining disciplined capital allocation to deliver sustainable shareholder value.

The true measure of an organization is not how it performs in favorable cycles, but how it prepares during challenging ones. In 2025, EPCL chose discipline over complacency, investment over hesitation, and long-term value over short-term relief. We strengthened our balance sheet, enhanced operational reliability, diversified our portfolio, and deepened our commitment to safety, sustainability, and inclusion.

We remain deeply grateful for the continued trust of our shareholders, customers, employees, lenders, partners, regulators, and the Government of Pakistan. Their confidence enables us to move forward with conviction.

As we look to the future, we do so with clarity and confidence, committed to operating responsibly, competing intelligently, and building a stronger, more resilient EPCL that creates enduring value for all stakeholders.

Abdul Qayoom Shaikh
Chief Executive Officer



سی ای او کا پیغام

سال 2025 میں عالمی کیمیکل انڈسٹری کو مشکل کا سامنا رہا۔ ضرورت سے زیادہ سپلائی، منافع پر دباؤ، بجلی کی عدم استحکام اور مسابقتی قیمتوں نے تمام خطوں میں مارکیٹ کی صورتحال کو نئے سرے سے تشکیل دیا۔ ایسے ماحول میں، کارکردگی کا تعین صنعتی متوازن سے نہیں ہوتا، بلکہ اس کا تعین نظم و ضبط، ثابت قدمی اور مقصد کی شفافیت سے ہوتا ہے۔

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ (EPCL) میں، ہم نے اس سال کا سامنا ایک محتاط عزم کے ساتھ کیا۔ اگرچہ بیرونی مشکلات نے صنعت کی منافع بخش صورتحال کو متاثر کیا، لیکن آپریشنل مددگی محتاط سرمایہ کاری کا نظم و نسق اور ہمارے ”پیپل، پلیٹ اور پرافٹ“ کے فلسفے پر مبنی طویل مدتی قدر کی تخلیق پر ہماری توجہ برقرار رہی۔ ہم نے شخص اتار چڑھاؤ کا سامنا نہیں کیا بلکہ ہم نے ان بنیادی اصولوں کو مضبوط کیا جو آنے والے سالوں میں ہماری مسابقت کا تعین کریں گے۔

پی وی سی انڈسٹری نے سال بھر عالمی سطح پر دشوار حالات میں کام کیا۔ طلب میں تقریباً 2% کا معمولی اضافہ ہوا، جبکہ متعدد خطوں میں نئی پیداواری صلاحیتوں کا اضافہ طلب میں اضافے سے تجاؤ کر گیا، نتیجے میں قیمتوں اور منافع پر مسلسل دباؤ رہا۔ چین بدستور ضرورت سے زیادہ رسد کی حالت میں رہا اور بجٹل مارکیٹوں کے لیے ایک عارضی سپلائر کے طور پر کام کرتا رہا۔ اس صورتحال کے باوجود، جنوبی ایشیا نے تقریباً 9% کی بہتر طلب کا اضافہ ظاہر کیا، جو پورے خطے میں انفراسٹرکچر اور ہاؤسنگ کی سرگرمیوں میں اضافے کی عکاسی کرتا ہے۔

پاکستان میں، مقامی پی وی سی مارکیٹ نے مضبوط بحالی کا مظاہرہ کیا اور 2025 کے دوران 19% اضافہ ریکارڈ کیا۔ اس ترقی کو بہتر میکرو اکنامک حالات اور تعمیرات سے وابستہ طلب کی حمایت حاصل رہی۔ کمپنی نے پروڈکشن کی مسلسل دستیابی اور صارفین سے تعلق کو یقینی بنا کر مارکیٹ میں اپنا 82% کا مضبوط حصہ برقرار رکھا۔ اگرچہ چین الاقوامی قیمتوں میں کمی کی وجہ سے مقامی قیمتیں دباؤ میں رہیں، لیکن پائپ، فٹنگ اور دیگر ایپلی کیشنز میں بنیادی طلب کی رفتار حوصلہ افزاری۔

سال کے دوران ایک اہم سنگ میل ہمارے ہائیڈروجن پراکسائیڈ (HPO) پلانٹ کا کامیاب آغاز اور اس کی پیداوار میں اضافہ تھا۔ اس تنصیب نے جون کے ٹیسٹ رن کے دوران اپنی مکمل ڈیزائن کردہ گنجائش 84 میٹرک ٹن یومیہ حاصل کی اور نومبر میں 93.24 میٹرک ٹن کی ریکارڈ یومیہ پروڈکشن فراہم کی نتیجے میں سالانہ پروڈکشن 31 کلوٹن بنتی ہے، جو مضبوط آپریشنل کارکردگی کو اجاگر کرتی ہے۔ یہ ترویجی سرمایہ کاری ہماری کلور-الکلی چین سے بہتر قدر نکالنے، درآمدی متبادل حاصل کرنے کے ساتھ ساتھ مصنوعات اور طویل مدتی منافعات کے درائع کو متنوع بنانے کی ہماری حکمت عملی کو مضبوط کرنے میں مدد دیتی ہے۔

کمپنی نے 2025 میں 78,017 ملین روپے کی آمدنی ریکارڈ کی، منافع دباؤ میں رہا، نتیجے میں بعد از ٹیکس نقصان 3,898 ملین روپے رہا، جو بنیادی طور پر عالمی سطح پر پی وی سی کی کم قیمتوں اور توانائی کے زائد اخراجات کا عکاس تھا۔

منافع اور نقصان کی تفاوت میں تغلیظ کے باوجود، EPCL نے لاگت کے بہتر انتظام کی بدولت 17,471 ملین روپے کا مضبوط آپریٹنگ کیش فلو پیدا کیا اور معروف مالیاتی اداروں کے ساتھ تقریباً 30 ارب روپے کے فنڈنگ انتظامات کے ذریعے فعال طور پر اپنی لیکویڈیٹی کو مستحکم کیا۔ ہماری طویل مدتی کریڈٹ ریٹنگ 'AA' اور قلیل مدتی ریٹنگ 'A1+' مستحکم آؤٹ لک کے ساتھ دوبارہ تصدیق کی گئی جو ہمارے مالیاتی بنیادی اصولوں اور گورننس کے معیارات پر اداروں کے اعتماد کو ظاہر کرتی ہے۔

سال کے دوران، EPCL نے قومی خزانے میں 4,402 ملین روپے کی مدداری رجحان دیا۔ درآمدی متبادل اور برآمدات کے ذریعے، ہم نے تقریباً 99 ملین امریکی ڈالر زر مبادلہ کی بچت پیدا کی، اس کے ساتھ ساتھ 1.6 ملین امریکی ڈالر کی ایکسپورٹ آمدنی حاصل کی، جو پاکستان کی صنعتی وسعت اور بیرونی اکاؤنٹ کے استحکام میں ہمارے کردار کو تقویت دیتی ہے۔

امان ہماری سرگرمیوں کا بنیادی ستون ہے۔ 2025 میں، EPCL نے کسی بھی کام کے دن کسی حادثہ کے بغیر 50 ملین محفوظ مین آؤرز کا سنگ میل عبور کیا اور NEPRA کی HSE پرفارمنس ایویلیویشن میں 97% کے ساتھ شاندار ریٹنگ حاصل کی۔

کاروباری برتری اور لاگت میں نظم و ضبط ہماری توجہ کے اہم ترجیحی شعبے رہے۔ کمپنی نے کارکردگی بڑھانے کے متعدد اقدامات پر پیش رفت کی، جن میں ہائی ٹیرپچر ڈائریکٹ کلورینیشن (HTDC) کا کامیاب آغاز، آکسی وینٹری سائیکل (OVR) کا مستحکم آپریشن، اور پورے پلانٹ میں توانائی کی بچت کے امور شامل ہیں۔ ہم نے 977 میٹرک ٹن پی وی سی یومیہ کی پیداوار کا نیار ریکارڈ قائم کیا اور کلور-الکلی پلانٹ پر 100 دن کے بلا تھقل آپریشنز مکمل کئے، جو اثاثوں کی بہتر ہوتی ہوئی پائیداری اور تادہجی عمل درآمد کی عکاسی کرتا ہے۔

کمپنی کے لیے توانائی بدستور کا ایک اہم ترجیح ہے، خاص طور پر ہمارے اخراجات اور آپریشنل استحکام پر کپیٹوگیس لیوی کے مسلسل دباؤ کو کم کرنے کی حکمت عملی کی موافقت ضروری ہے۔

اس کے جواب میں، ہم نے توانائی کے متبادل ذرائع کو حاصل کرنے میں مسلسل پیش رفت کی ہے تاکہ قابل تجدید ذرائع کو وسعت دے کر توانائی میں استحکام پیدا کر سکیں۔ اس اسٹریٹجک تبدیلی کے پیش نظر گرڈ پاؤ کو قابل تجدید توانائی کے اقدامات کے ساتھ ساتھ ایک سنجیدہ اور قابل عمل آپشن کے طور پر دیکھا جا رہا ہے، جس کا مقصد توانائی کے تحفظ اور طویل مدتی لاگت میں بچت کو یقینی بنانا ہے۔

ڈیجیٹل طور پر تبدیلی کی پیش رفت اب پیمائش کے قابل شکل اختیار کر چکی ہے۔ EPCL نے پاکستان ڈیجیٹل ایوارڈز 2025 میں چاروں مقابلہ جاتی کینگز میں کامیابی حاصل کی اور ہمارے انٹیکریٹڈ کپیلٹی ڈویلپمنٹ فریم ورک کے لیے ATD ایکسی لینس ان پریکٹس ایوارڈز (امریکہ) میں عالمی سطح پر پذیرائی حاصل کی، جس نے ٹیکنالوجی سے لیس مینوفیکچرنگ لیڈر کے طور پر ہماری پوزیشن کو مزید مستحکم کیا۔ مزید برآں، ICMA پاکستان اور ICAP ایوارڈز میں بہترین کارپوریٹ رپورٹ 2024 کا اعزاز بھی حاصل ہوا، جو گورننس اور پورٹنگ کے اعلیٰ معیار کی عکاسی کرتا ہے۔

کاربن کے اخراج میں کمی کے روڈ میپ پر عملدرآمد، اپنے عزم پر کاربند رہنے کے ہمارے عزم کی عکاسی کرتی ہے۔ 2022 سے 2025 کے درمیان، ہم نے توانائی کی موزونیت اور پریسیس کو بہتر بنانے کے اقدامات کے ذریعے CO2 میں تخفیف کے مطابق تقریباً 22,000 میٹرک ٹن کی کمی حاصل کی۔

ہمارے لوگ ہماری ترقی کا مرکز ہیں۔ ملازمین کی شمولیت اور تعلق کو مضبوط رکھا گیا، جس کی وجہ سے ایمپلائی ایکسچینجس سروے 79 فیصد تک پہنچ گیا۔ ہم نے اپنے شمولیت کے ایجنڈے کو آگے بڑھایا اور متعدد ایوارڈز حاصل کئے، جس میں ویبن ایپا ورمنٹ میں ڈائمنڈ کیلگری اور جینیڈر ڈائورسٹی میں دوسری پوزیشن شامل ہے۔ EPCL کو پاکستان کی چوتھی سب سے زیادہ تنوع پذیر کمپنی کے طور پر بھی درجہ دیا گیا جو ایک منصفانہ کام کی جگہ بنانے میں مسلسل ترقی کی عکاسی کرتا ہے۔

علاوہ ازیں، پاکستانی معیشت کے استحکام، مالیاتی حالات میں بہتری اور جنوبی ایشیا میں انفراسٹرکچر ڈیولپمنٹ کی مسلسل ترقی سے پی وی سی کی طلب میں بتدریج بحالی کی توقع ہے۔ تاہم، عالمی وٹائل مارکیٹس قریبی مدت میں مسابقتی رہنے کا امکان ہے۔ اس پس منظر میں بھی ہماری ترجیحات واضح رہیں، جن میں لاگت سے منسلک اخراجات پر قابو پانا، ویلیو ایڈڈ مصنوعات پیداوار میں اضافہ کرنا، کاربن کے اخراج میں مزید کمی کرنا، ڈیجیٹل بااختیاری کو بڑھانا اور شیئر ہولڈرز کا منافع بڑھانے کے لیے محتاط سرمائے کے نظم و ضبط کو برقرار رکھنا قابل ذکر ہیں۔

کسی ادارے کی اصل آزمائش یہ نہیں ہے کہ وہ سازگار حالات میں کیسی کارکردگی دکھاتا ہے، بلکہ یہ ہے کہ وہ مشکل حالات کے لیے خود کو کیسے تیار کرتا ہے۔ 2025 میں، EPCL نے اطمینان پر نظم و ضبط کو، تدبیر پر سرمایہ کاری کو اور قلیل مدتی ریلیف پر طویل مدتی قدر کو ترجیح دی۔ ہم نے اپنے ہیملنس شیٹ کو مضبوط کیا، آپریشنل پائیداری کو بڑھایا، اپنے پورٹ فولیو کو بڑھایا، اور حفاظت، پائیداری اور شمولیت کے لیے اپنے عزم کو مستحکم کیا۔

ہم اپنے شیئر ہولڈرز، صارفین، ملازمین، قرض دہندگان، شرکاء داروں، ریگولیٹرز اور حکومت پاکستان کے مسلسل اعتماد کے لیے تہہ دل سے مشکور ہیں۔ ان کا اعتماد ہی ہمیں اطمینان اور یقین کے ساتھ آگے بڑھنے کے قابل بناتا ہے۔

مستقبل کے حوالے سے ہم واضح سمت اور اعتماد کے ساتھ آگے بڑھنے پر یقین رکھتے ہیں، اس کے لیے ہم ذمہ داری سے کام کرنے، ذہانت سے مقابلہ کرنے اور ایک مضبوط اور زیادہ پائیدار EPCL بنانے کے لیے عزم ہیں جو تمام اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کی صلاحیت رکھتی ہو۔



Abdul Qayoom Shaikh
Chief Executive Officer

strategy

objective and strategy

At EPCL, we believe that strategy is the core of any business. In this regard, extensive deliberations are done at management and board levels. In line with the strategy, objectives are developed and cascaded down to divisions.

corporate objectives

Manage and utilize resources and operations in a way that ensures the health and safety of our people, neighbours, customers and visitors, whilst maximizing shareholder value.

- Enhance site reliability and ensure product availability.
- Execute board approved capital structure.
- Execute expansion, diversification, sustainability and operational efficiency projects successfully within Board-approved timelines.
- Create value for Pakistan by increasing opportunity for import substitution and exporting PVC and Caustic after meeting domestic requirement.
- Ensure availability of talent base and motivated employees for achieving organizational objectives.
- Deliver a common set of business processes, standard master data and quality information in a timely fashion, all of which will improve the speed of decision-making.

Nature	Strategic Objectives	Strategic Actions
Short-term	Continuity of safe operations	Focus on process safety improvement initiatives
	Develop marketing strategies for additional PVC sales and other products, particularly HPO	Remain in constant touch with potential customers and apprise them of product quality and benefits
	Optimize sales mix to ensure maximum value creation for all stakeholders	Continuously monitor product margins and recalibrate product mix as per business needs
	Enhance cost efficiencies through optimization of overheads, raw material sourcing and storage	Conduct in-depth analysis of cost structure to identify potential saving opportunities and realize them in a timely manner
Medium-term	Enter new markets to diversify product base	The Company is entering into new products, as evident by the recent commissioning of Hydrogen Peroxide, while evaluation of other business opportunities is underway
	Develop domestic PVC markets by introducing the latest applications	Expand PVC branded outlets, a concept which showcases the latest PVC applications to retail customers and promotes downstream customers' PVC products with the aim of increasing their acceptance in the Pakistani market

Nature	Strategic Objectives	Strategic Actions
	Maintain and enhance plant reliability by ensuring regular maintenance	Conduct plant turnaround within aligned time frames and allocated resources. Preventive maintenance and testing of critical equipment are done
	Ensure manufacturing excellence	Introduce efficient processes in our manufacturing to ensure maximum utilization of resources. Work on earlier announced efficiency projects is on track
Long-term	Identify and monitor enterprise risks. Also implement adequate mitigating measures	Remain cognizant of changes in internal and external environment to identify key risks being faced by the entity and develop effective mitigation strategies to eliminate or reduce risk to an acceptable level
	Evaluate alternative power sources	Explore alternative energy solutions to optimize energy costs which make up a significant portion of the cost of sales
	Automation and digitization of business processes	A dedicated digital transformation team continues to explore new areas for AI & Digital Transformation implementation
	Develop and retain talent, and increase workforce diversity	Attrition rates and diversity ratios are monitored and reported regularly. Job rotation / enrichment is planned to ensure talent retention, and cultivate a diverse and inclusive workplace
	Corporate social responsibility	Focus on improving the quality of life of communities residing near Port Qasim

significant changes in objectives and strategies from prior years

EPCL employs a clear and well-defined framework for business objectives and strategies, regularly evaluating them in line with micro and macro environmental developments. The Company remains cognizant of changes in the internal and external environment, which may call for changes in objectives or strategic adjustments. There were no significant changes in objectives and strategies this year.

resource allocation plan

The Company is committed to achieving its strategic objectives through the efficient utilization of available resources. This involves leveraging the Engro brand, effectively managing financial capital, harnessing the skills of a competent human resource, ensuring manufacturing excellence and maintaining robust Health, Safety and Environment (HSE) standards.

The Company’s resource allocation approach ensures that financial, human and operational resources are deployed efficiently to drive business growth, enhance customer satisfaction and support long-term value creation. To achieve this, a structured process is employed to evaluate the criticality, availability and potential synergies of each resource before allocation. Additionally, the management continuously monitors changes in the internal and external environment to capitalize on better resource allocation opportunities.

By leveraging the strength of the Engro brand and its expertise in chemical manufacturing, the Company aims to expand its footprint in both local and international markets. Furthermore, it remains committed to upholding the highest HSE standards while integrating sustainable practices across its operations.

- Human capital
- Natural capital
- Manufactured capital
- Intellectual capital
- Financial capital
- Social and relationship capital

capabilities and resources which provide us sustainable competitive edge.

strong market footprint in the domestic PVC market

As Pakistan’s only PVC producer, EPCL commands a leading position in the local market, providing a dependable supply of domestically manufactured PVC. With a production capacity of 295 KT, the Company can sufficiently cater to national demand. This strong local presence not only minimizes dependence on imported PVC but also enhances Pakistan’s industrial self-reliance within the chlor-vinyl sector.

integrated production facility

EPCL benefits from an integrated production facility, manufacturing both VCM and PVC. Since PVC is derived from VCM, in-house production offers significant advantages, including cost efficiencies and reduced external dependency.

energy efficiency

At EPCL, resource conservation and operational efficiency remain key priorities to maximize stakeholder value and support the broader sustainability agenda. In this regard, the Company has undertaken major initiatives such as the Oxy Vent Recycle project and the implementation of Zero Gap Technology, both aimed at optimizing operations and promoting environmental responsibility. Likewise, High-Temperature Direct Chlorination (HTDC), is aimed at improving energy efficiency and reduce EPCL’s carbon footprint.

human resources

A highly skilled and experienced workforce provides EPCL with a strong competitive advantage. The Company possesses deep technical expertise in the chlor-vinyl business, enabling innovation, operational excellence, and continuous improvement. Through focused investments in capacity and capability development, EPCL equips its employees with future-ready skills to support business objectives and perform effectively in their roles.

initiatives to promote and enable innovation

In 2025, EPCL extended its digital transformation beyond operations into the commercial domain, embedding intelligent digital solutions across its sales, financing, and payment ecosystem to enhance customer experience, streamline transactions, and unlock new value across the commercial value chain. The following highlights reflect the Company's progress in digitizing its commercial operations:

EPCL Drives Digital Financing Integration with Meezan Bank (DSCP)

In 2025, EPCL successfully launched a Shariah-compliant (MURABAHA) Digital Supply Chain Financing Solution for its nationwide customer network, in strategic collaboration with Meezan Bank. The solution is powered by Meezan Bank’s Digital Supply Chain Platform (DSCP) and is seamlessly integrated within EPCL’s Salesforce-enabled digital sales gateway.

By embedding financing directly into the transaction lifecycle, EPCL has enabled a fully digital, end-to-end process that connects sales and financing in a single unified flow. This integration eliminates manual interventions, enhances transparency, and delivers a faster, more customer-centric experience aligned with real business cycles.

Since its launch, the platform has facilitated PKR 2+ billion in digital supply chain financing, reflecting strong customer adoption and validating the effectiveness of integrated, Shariah-compliant digital financing within EPCL’s commercial ecosystem.

Online Payment Gateway

The Commercial PVC team successfully achieved PKR 6+ billion in sales through the Salesforce Online Payment Gateway (OPG), leveraging integrations with HBL, MBL, BAFL, and UBL. This milestone reflects strong digital adoption and enhanced efficiency in customer transactions.

Technology & Digital Transformation

Technology remains a cornerstone of EPCL's operational excellence. In 2025, the Company's digital transformation journey accelerated from foundational deployments into enterprise-scale programs recognized both nationally and globally. The corporate plan continued to advance four strategic priorities: strengthening workplace safety, enhancing operational reliability, advancing customer experience, and empowering the workforce with innovative tools and capabilities.

The year was defined by structured adoption, measurable outcomes, and external validation. By deepening its commitment to emerging technologies including Generative AI, Digital Twins, predictive analytics, and intelligent automation, the Company further improved efficiency, reliability, and sustainability while building long-term organizational capability. Key highlights are as follows:

National Recognition: Pakistan Digital Awards 2025

EPCL participated in four categories at the Pakistan Digital Awards 2025 and received recognition in all four, reflecting the breadth and maturity of its digital portfolio. The EdTech of the Year award recognized

the Technology-Enabled Integrated Capability Development program, which established a competency-driven learning ecosystem supported by digital platforms and analytics, transforming workforce development from periodic compliance into a continuous, measurable process. The Generative AI Visionary award honored the Skunk Works program for structured enterprise adoption of Generative AI in industrial operations, establishing ideation and qualification processes to prioritize high-impact use cases across reliability, energy efficiency, and operational excellence. The GreenTech Solutions award recognized the Self-Optimization via Digital Twin initiative, combining Digital Twin technology, Adaptive Advanced Process Control, and multivariate analytics to stabilize operations, reduce energy losses, and accelerate troubleshooting. The Best Wearable Innovation award acknowledged the deployment of RealWear Smart Glasses for hands-free remote support and frontline collaboration, improving operational responsiveness while strengthening safety.

Global Engagement

EPCL expanded its global visibility and strategic partnerships in 2025. The Company hosted a structured engagement with Baidu leadership, demonstrating digital initiatives including computer vision applications and advanced operations visibility systems. Post-Davos action planning from World Economic Forum streams mobilized internal teams for Smart Manufacturing and Industrial Decarbonization initiatives, with direct engagement with WEF experts to align with Net Zero pathways. EPCL also participated in the 2nd International Conference on AI Sensors and Transducers (AIS 2025), presenting an integrated AIoT and GenAI predictive maintenance framework, and achieved publication of research on a Multimodal AI Visual Analyzer for petrochemical safety in an international engineering journal, reinforcing its applied research capability in AI-enabled HSE monitoring.

Strategic Partnerships: University Collaboration

In support of long-term capability sustainability, EPCL formalized a collaboration model connecting industry-grade AspenTech platforms with Pakistan's leading engineering universities, NED and NUST. A Memorandum of Understanding enables students and early-career engineers to access industrial training and real-world process modeling challenges. This initiative addresses a critical constraint in Pakistan's industrial ecosystem, the limited availability of talent trained on advanced process optimization tools, while reducing EPCL's dependency on scarce niche expertise and supporting broader industry development.

Golden Batch PVC & Catalyst Optimization

The Company advanced data-driven manufacturing through its Golden Batch PVC initiative, which identifies optimal operating conditions for PVC catalyst performance and enables repeatable best settings across production campaigns. By leveraging historical production data and advanced analytics, this approach delivers more consistent product quality, improved yield, and faster troubleshooting at the plant level, reinforcing EPCL's position as a leader in precision chemical manufacturing.

Generative AI & Agentic AI Adoption

EPCL deepened its enterprise-wide adoption of Generative AI and Agentic AI across multiple operational domains. A Planning Chatbot was deployed to digitize turnaround and pitstop planning by guiding scope, timelines, and sequencing using past shutdown learnings, reducing manual effort and improving multi-team coordination. A Machinery and MTBF Chatbot was introduced to provide rapid access to machinery knowledge, troubleshooting guidance, and reliability performance insights, reducing dependency on individuals and enabling faster, standardized decisions. A Compliance Chatbot was deployed to automate regulatory gap analysis, improving accuracy and audit readiness while reducing reliance on external consultants.

Daily Production Report Revamp

The Company modernized its Daily Production Report process to improve accuracy, timeliness, and usability of production insights. The revamp simplified reporting workflows, reduced manual compilation overhead, and improved decision speed by standardizing content and consumption. This initiative is part of a broader shift from paper-based, manually compiled reporting toward real-time, digitally enabled operational visibility.

Digital Log & Digital Intelligent Station

EPCL scaled digital logging across operations to improve shift handover quality, anomaly spotting, and operational visibility, moving decisively from paper-based logs toward real-time monitoring and structured reporting. Complementing this, a Digital Intelligent Station was deployed to centralize access to operational and maintenance information and workflows, reducing friction in frontline execution and supporting quicker response and better governance of routine tasks.

Thickness Monitoring & Asset Integrity

The Company digitized its inspection thickness monitoring processes to improve trending, visibility, and integrity decision-making. This solution supports better corrosion management, prioritization of maintenance actions, and reduced manual file handling while strengthening audit readiness, directly contributing to improved process safety and asset life management.

AI-Based Warehouse Inventory Optimization

An AI-based Warehouse Inventory Optimization solution was deployed, improving reorder points and reducing excess inventory while avoiding stockouts. The initiative reduces manual planning errors, improves service levels through better demand handling, and delivers working capital reduction alongside operational reliability benefits. Complementing this, a PM&S Bag Tracking system was implemented to improve traceability and accountability across operations and logistics.

AI-Enabled Safety & Leadership Analytics

The Company scaled safe work practice learning through AI-enabled short video modules tailored to shopfloor needs, reinforcing critical behaviors through repeatable, easy-to-consume content that supports incident reduction and stronger safety culture adoption. A Leadership Density Model was also introduced, converting leadership safety engagement into measurable metrics using analytics-driven logging, helping correlate leadership presence with closure rates and incident reduction while driving accountability and follow-through on HSE actions.

OT Cybersecurity

The Company strengthened its cyber posture for manufacturing systems and critical operations, focusing on governance, controls, and risk treatment aligned with Operational Technology needs. A formal OT Cybersecurity Risk Treatment Plan was advanced, covering training, policy, and deployment of tools such as USB kiosks, data diodes, and network segmentation, providing governance visibility to leadership on critical gaps and closure timelines while supporting long-term process safety.

Industrial Decarbonization Roadmap

EPCL defined a practical roadmap for decarbonization initiatives, aligning projects to impact, feasibility, and execution horizon. This initiative supports the Company's ESG commitments while targeting efficiency and energy improvements across manufacturing, building on the foundation laid by earlier Digital Twin and energy optimization work.

Unit Rate Analysis & Planning Dashboards

A Unit Rate Analysis and Planning & Control Dashboard was developed to build transparency on unit rates and key planning metrics, improving budgeting and decision quality. These dashboards standardize reporting, replace manual analysis, and support cost stewardship by highlighting cost drivers and variances early.

significant plans and decisions

In 2025, the Company successfully commissioned the Hydrogen Peroxide plant and the HTDC project. Moving forward, the focus will be to further develop the market for HPO, strengthen the Company's position in the market and building partnerships with key stakeholders.

Having built a strong base in the upstream PVC sector over the years, the Company now aims to use its experience and expertise to promote the growth of downstream PVC market in Pakistan. This downstream segment has a lot of potential due to the country's low per capita PVC consumption and even lower adoption of diverse PVC applications. To advance this plan, the Company will continue using the 'thinkPVC' outlet as a platform to introduce and promote various PVC applications for downstream stakeholders, including consumers, builders, and interior designers.



contribution to the UN sustainable development goals (UN SDGs)

The United Nations' Sustainable Development Goals (SDGs) aim to address critical global challenges. EPCL has incorporated several key targets into its operations to contribute to these objectives. While governments lead the way in setting priorities and executing strategies for SDG achievement, businesses like EPCL also play a vital role in driving progress. Achieving these goals requires a united and cooperative approach. In line with this, EPCL is committed to supporting the SDGs and acknowledges its responsibility in this global effort. The Company recognizes that all SDGs are relevant to its business in some way and is already actively contributing to several of them.

goal 1: no poverty goal 2: zero hunger

EPCL's Expansion, Efficiency, and Diversification projects continue to contribute to inclusive economic growth and livelihood generation, directly supporting SDG 1: No Poverty. These initiatives have created employment opportunities for diverse labour groups and technical specialists, while strengthening income stability across the value chain.

Through its Market Development initiatives, the Company is enabling the growth of a more resilient domestic PVC ecosystem. By supporting over 10 manufacturers in diversifying into value-added products such as WPC doors, wall cladding, edge banding, and PVC window and door profiles, EPCL is fostering entrepreneurship, enhancing local industrial capability, and unlocking new income streams for small and medium enterprises.

In parallel, EPCL conducted 20+ OSHA-based training sessions for over 200 downstream operators and engineers, improving workforce skills, safety standards, and long-term employability, further reinforcing pathways out of poverty.

Aligned with SDG 2: Zero Hunger, the Company's efforts in promoting PVC applications in water supply and sanitation infrastructure contribute to improved access to safe and reliable water systems, an essential enabler of agricultural productivity and food security. Additionally, the development of healthcare-grade PVC compounds supports stronger public health outcomes, which are intrinsically linked to community well-being and nutritional resilience.



goal 3: good healthcare and well-being goal 8: decent work & economic growth

Guided by EPCL's People, Planet, and Profit philosophy, the Company continues to advance community health, employee wellbeing, and safe workplace practices as core enablers of sustainable economic growth. Investments during the year remained focused on strengthening healthcare access in surrounding communities while reinforcing a deeply embedded safety culture across operations.



The Company, in partnership with SINA Welfare Trust, has established a healthcare facility in the Ghaggar Phattak area by constructing a hospital at a cost of PKR 15.7 million. The clinic provides various services, including consultation, OPD, ultrasound, vaccination, lab testing, and free medication, to the community at no charge as all the expenses are borne by EPCL. Furthermore, the Company has a Community Engagement Team in place to 02 ZERO HUNGER educate the nearby villages about the availability of free healthcare services at the SINA Clinic. Furthermore, medical camps are regularly conducted to encourage check-ups and address health concerns. The medical facility is staffed by three doctors, one family health consultant, and four community health workers.



Key highlights from 2025:

- 31,000+ patients were treated
- Over 12,000 children were treated at the facility, 40% of the total patient population
- 14,000+ women patients were treated at the facility
- 87 patients treated per day
- 108 children (including 61 girls) received ready to use therapeutic food (RUTF) in collaboration with The Trust for Malnutrition and Stunted Growth (TMSG) at the clinic.

The Company also recognized and identified the mental health needs of Ghaggar Phattak and its neighbouring communities. Therefore, to address psychological challenges in the community, the Company



established a mental health clinic with its execution partner 'Karwan-e-Hayat'. This clinic not only provides free therapy and medicines to the patients but also conducts regular awareness sessions to educate the local community on the need to get medical help when challenged with various mental health conditions.

Key highlights from 2025:

- 3900+ patients were treated
- Women amounted to 57% of the patient population

In addition to safe work practices, special focus is given to occupational health by monitoring acute and chronic impacts of workplace activities and chemicals on employees' health. OHIH programs mentioned

below are in place to ensure that the wellbeing of the employees is ensured through timely hazard identification, risk assessment and then by implementing adequate controls and monitoring regimes.

- Annual Medical check-up of employees
- Cyclic HRA covering health risk assessment of all plant activities
- Periodic Environment and OHIH audits.

We are committed to fostering a culture of continuous learning and integrating HSE management into the daily activities of both employees and contractors. Additionally, we actively promote off-the-job safety awareness, extending the reach of HSE practices to our employees' families. Our comprehensive HSE policies and manuals are introduced during the onboarding process and reinforced through regular training sessions and roadshows.

Employee health, safety, and wellbeing remain central to EPCL's operational philosophy. Achieving over 50 million safe work hours reflects not only compliance but a deeply embedded safety culture supported by visible leadership, workforce engagement, and system-based controls. EPCL sustained zero occupational illness cases, potable water quality assurance, and gender responsive programs. The newly launched Women Health Assessment Program introduced confidential gender specific screenings for early detection of breast and cervical cancer, ensuring inclusive and proactive health management.

A major milestone of the year was EPCL's transition to fully asbestos free site. Eliminating all asbestos containing materials removes a globally recognized long latency occupational health hazard and demonstrates a strong commitment to hazard elimination at the source in line with international industrial hygiene standards, greatly strengthening long term employee health protection. EPCL also introduced a Legionella monitoring program for cooling water systems, further enhancing occupational health risk controls.

Emergency readiness improved significantly with the establishment of a backup clinic equipped with beds, oxygen supply, emergency medicines, a cardiac monitor and AED, and vital sign monitoring devices, along with a backup Emergency Control Cell containing P&IDs, pre-incident fire and toxic release plans, headcount systems, CCTV, and communication tools. A comprehensive heat stress management plan incorporating hydration strategy, real time monitoring, and administrative controls resulted in zero heat stress cases in 2025 compared to 27 cases in 2024.

The Self Reporting Star of the Month program encouraged proactive safety behaviors by recognizing individuals using dashboards and quality scoring to promote early hazard identification. Leadership accountability was strengthened through area presence monitoring and helmet color identification to promote visible leadership and close engagement with frontline teams.

EPCL maintains a strong Process Safety Resource Pool, comprising Certified HAZOP and PHA Leads, QRA experts, Associate Safety Professionals, and an AWS Credential Specialist. This internal capability enables thorough risk identification, quantitative assessment, and proactive mitigation across operational lifecycles. In line with updated RBHSE requirements, EPCL completed baseline Process Hazard Analyses and continued cyclic Health Risk Assessments, resulting in zero occupational health concerns throughout the year.

The company delivered 9,654 HSE training work hours, including a structured two-day safety orientation for more than 150 personnel, certification programs for fire watchers and standby person, and targeted sessions on audits, work permit systems, and fire safety. Leadership focused learning was delivered through the Leadership Academy, and team members earned professional certifications such as ASP and NEBOSH IGC, strengthening internal capability and long-term HSE performance.

The Annual HSE Excellence Awards recognized high performance in process safety, occupational health and hygiene, environmental management, investigation quality, reporting, emergency response readiness, contractor performance, fleet safety, and health improvement, reinforcing continuous improvement and a culture of excellence. Safety culture maturity was further strengthened

through campaigns on self-reporting, hand safety, heat stress management, and the introduction of inherent safety tools. Leadership accountability was again reinforced through area presence monitoring supported by helmet color identification, promoting visible and consistent engagement with operational teams

Employment and employee well-being

Employee well-being remains central to all people-related initiatives at EPCL. In 2025, the Company continued to strengthen its focus on fostering an inclusive, supportive, and engaging work environment that enables our home-grown talent to thrive. Our objective is to attract, engage, and retain employees by ensuring their holistic well-being and recognizing their continued commitment to EPCL.

Key interventions undertaken during the year include:

EPCL cares:

EPCL continues to celebrate the personal milestones of employees, including birthdays of employees and their immediate family members, childbirth, anniversaries, and work anniversaries. Through EPCL Cares, the Company acknowledges these meaningful moments with thoughtful gestures and tokens of appreciation, reinforcing a culture that values and celebrates its people. This year, 3,056 smiles were delivered.



Travel facility

Recognizing the importance of safe and reliable commuting, EPCL continued to facilitate secure travel arrangements for employees. Plant-based employees continued to benefit from company-provided transport, while eligible women employees at corporate offices were supported through the monthly Careem wallet facility. For women employees at plant locations, the door-to-door pick-and-drop service remained in place to further enhance safety and convenience.

Accommodation facility

EPCL maintained its commitment to providing subsidized, safe, and secure housing to single outstation Graduate Trainees and M1 employees at plant locations. The guesthouses are fully equipped, monitored by dedicated security personnel, and operated in line with EPCL's HSE standards to ensure a comfortable and secure living environment.

Mental well-being program

In collaboration with Saaya Health, EPCL sustained its mental health support program by providing confidential consultation sessions with certified professionals to employees and their immediate family members. These services remained available free of charge, reinforcing the Company’s commitment to holistic employee well-being.

Benefits and policies

Engro’s compensation policies ensure competitive and appropriate employee remuneration based on their role, experience, and performance. Payment for management employees is determined by relevant competitive markets and guided by company policies. Our rewards structure also includes an array of benefits to boost morale and enrich employee experience and satisfaction.

Following are some of the key benefits offered to permanent employees:

- Health & Life Insurance
- Car & Fuel Allowance
- Medical & Dental Benefits
- Parental Leaves & Sabbatical leaves
- Retirement & Separation Benefits
- Allowance for Home Ownership Assistance & Service Incentive
- Performance Bonus
- Interest Free Loans
- Education Assistance
- Travel & Transport Benefits
- Child Education Assistance Program
- Subsidized accommodation for outstation employees
- Club Membership

goal 4: quality education

On the education front, the Company continues to strengthen access to quality learning opportunities in underserved communities. In partnership with The Citizens Foundation (TCF), EPCL supports three primary schools comprising four units located in Ghaggar Phattak, Hummer Goth, and Ibrahim Goth, currently benefiting 757 students with an equal gender split. In addition, EPCL operates two digital micro schools in collaboration with Teach The World Foundation (TTWF) at Razzakabad and Railway Colony, within the catchment area of the TDF MagnifiScience Center, enrolling 166 students.



These initiatives continue to serve populations that previously had limited access to structured education. The primary schools supported through TCF remain part of Engro’s long term commitment to improving literacy and uplifting the socio-economic conditions of surrounding communities. The digital micro schools focus on foundational literacy and numeracy, enabling out of school children to transition into formal education, vocational pathways, or self-employment. To date, 108 students from the micro school program have successfully mainstreamed into formal schools, vocational training, or employment.

During the year, EPCL’s leadership also contributed to the national education dialogue through participation in the Pathways to Success: Employee Training and Education webinar, hosted by the Centre for Excellence in Responsible Business in collaboration with Engro Polymer & Chemicals. The session invited cross sector perspectives on how companies in Pakistan can rethink investments in people and strengthen workforce readiness. The dialogue directly aligned with SDG 4, highlighting the private sector’s role in enabling inclusive and lifelong learning opportunities and reinforcing EPCL’s commitment to advancing quality education beyond its immediate community footprint.

EPCL views education as a critical driver of sustainable economic development and social progress. By expanding access to quality education and supporting ecosystem level dialogue, the Company continues to invest in the future of its communities, equipping young learners with the knowledge and skills needed to succeed. EPCL’s sustained commitment reflects its strong belief in education as a powerful catalyst for long term community transformation.

Key highlights from 2025:

- 923 students are currently receiving education across all supported schools, with near gender parity
- 108 students from digital micro-schools have transitioned into formal education, vocational training, or employment

goal 5: gender equality
goal 10: reduced inequalities

EPCL remains committed to advancing gender equality and reducing inequalities by fostering an equitable and inclusive workplace where all individuals have fair opportunities for growth, development, and leadership. Guided by its Diversity, Equity and Inclusion (DE&I) framework and overseen by the Board People Committee, the Company continues to embed inclusive practices across recruitment, capability development, rewards, and employee engagement. These efforts contribute directly to the advancement of SDG 5 by strengthening women’s participation in the workforce and to SDG 10 by ensuring equitable access to opportunities for all employees.



During 2025, DE&I priorities remained closely aligned with EPCL’s human capital strategy, reinforcing the development of a productive, engaged, technically competent, and diverse workforce. The Company maintained a gender diversity ratio of 13%, with a forward target of 16% by 2027, reflecting steady progress toward building a more balanced and inclusive workforce.



Recruitment

EPCL continues to prioritize diversity within its talent acquisition strategy, supported by structured campus outreach, academic collaborations, and nationwide trainee programs. These initiatives aim to expand access to employment opportunities and strengthen gender representation across technical and leadership pipelines.



Early career hiring continued to demonstrate encouraging diversity trends:

- Interns: 40% women
- Trade Apprentices: 19% women
- Trade Apprentice Engineers: 28% women
- Graduate Trainee Engineers: 30% women
- Management Trainees: 67% women

These outcomes reflect sustained progress toward advancing gender inclusion and broadening access to employment opportunities across the talent pipeline. The Company's employer value proposition, supported by family-friendly policies, safe mobility initiatives, and inclusive workplace practices, continues to strengthen EPCL's position as an employer of choice.

Retention and workplace inclusion

EPCL continued to institutionalize DE&I awareness through targeted sensitization sessions delivered to early-career cohorts and new joiners, reinforcing inclusive behaviors from the outset of the employee lifecycle. Mandatory quarterly orientation sessions further embed values of equity, respect, and belonging across the organization.

The Company's comprehensive benefits framework supports employee well-being and retention while enabling greater workforce participation for women. Key initiatives include:

- Six months paid maternity leave
- Daycare allowance support
- Safe commute for all women employees
- Access to women hygiene products at the workplace
- Flexible and family-friendly policies

These measures help address structural barriers that often limit women's participation in the workforce, supporting greater equality and inclusion.

Employee engagement platforms such as Leadership Connects, EPCL UNCUT, and Qayoom & Co. continued to enhance leadership visibility, transparency, and two-way dialogue, reinforcing a culture of openness and belonging.

Development and Inclusive Opportunities

EPCL continues to strengthen opportunities for underrepresented groups through its structured talent development framework. Initiatives such as LEAP and the Talent Development Program (TDP) focus on building capabilities across employee bands and preparing individuals for future leadership roles. These programs support the Company's objective of cultivating a diverse and future-ready leadership pipeline.



The Company's commitment to gender equality and inclusive economic participation extends beyond the workplace. Through the Umeed-e-Nouh program, EPCL enables women's participation in non-traditional roles by providing forklift operations training in collaboration with Engro Foundation and Descon Training Institute. The program promotes financial independence, technical capability development, and long-term workforce inclusion.

EPCL also reaffirmed its commitment to gender-responsive climate action by signing the Climate2Equal Pledge under the IFC–PBC initiative, positioning the Company to advance green opportunities for women across value chains.

In parallel, EPCL convened a multi-stakeholder dialogue through the Baithak on the International Day for the Elimination of Violence Against Women, bringing together leaders from across industries to discuss practical actions for creating safer and more equitable workplaces.

Gender pay gap

EPCL maintains a fair, transparent, and merit-based compensation framework, with remuneration linked to role requirements, experience, and performance. Compensation structures are regularly benchmarked against market data and internal equity standards.

For 2025 reporting, the Men-to-Women pay ratio stands at:

mean: 1: 1.01

median: 1:1.03

Grade	L1	M4	M3	M2	M1	P6	P5	P4	P3	Average
Mean	1.14	1.01	0.92	1.08	0.96	1.15	1.00	0.95	0.86	1.01
Median	1.20	0.98	0.94	1.05	0.90	1.16	0.92	0.93	1.00	1.03

These outcomes demonstrate continued progress toward pay parity across comparable roles and grades. the ceo and leadership team remain committed to ensuring pay equity regardless of gender, reinforcing a culture where employees are recognized and rewarded fairly for their contributions.

goal 6: clean water & sanitation
goal 11: sustainable cities & communities

EPCL continues to advance water quality, safety performance, and community-focused stewardship across its operations. Effluent Treatment Plant performance was strengthened through process optimization and enhanced monitoring, reducing environmental discharge impacts and aligning with AWS-aligned consumption–discharge–risk management. Cooling water systems were placed under a structured Legionella monitoring program to strengthen occupational health protections and maintain water hygiene standards. Provision of potable water and sanitation remained an essential part of OHIH measures, ensuring consistent water safety for the workforce.

Emergency readiness was further enhanced through cross industry mega emergency drills, an expanded mutual aid program, and the establishment of backup emergency control facilities, collectively improving resilience beyond site boundaries.

Water stewardship remains a strategic priority in a water-stressed operating environment. In 2025, EPCL upgraded its Effluent Treatment Plant to recycle up to 70% of treated effluent at peak capacity, significantly reducing freshwater abstraction and minimizing discharge-related risks.

Beyond operational improvements, EPCL partnered with Engro Foundation to support solar-powered water filtration and RO plants that collectively provide over 25,000 liters of clean drinking water daily to nearby communities, schools, and healthcare facilities. These systems are designed to operate during power outages, ensuring uninterrupted access during climate-related disruptions.

EPCL also contributed to national platforms focused on corporate water stewardship and water-risk planning, promoting sector-wide learning and proactive risk management.

goal 9: industry, innovation & infrastructure
goal 7: affordable & clean energy

Digitalization and engineering rigor continued to strengthen asset integrity, process safety, and operational reliability across EPCL's manufacturing ecosystem. these initiatives collectively advance epcl's transition toward a digitally enabled, energy efficient, and future ready manufacturing ecosystem. centralized 3d plant models and isometric drawings were integrated into a unified digital platform to enhance change control, accessibility, and configuration discipline. leadership density analytics, enabled through helmet color telemetry, provided deeper visibility into field presence, supervision ratios, and risk-based footfall heatmaps, reinforcing frontline governance.



During the year, EPCL advanced its structured Smart Manufacturing roadmap, designed to transition operations from reactive decision making toward progressively autonomous, data driven workflows. The roadmap organizes digital use cases into a phased smart plant maturity pathway, prioritizing reliability improvement, energy efficiency, and continuous learning loops across manufacturing functions.

Process safety capability was further strengthened through the transition from DuPont PSM to the more robust ECHSE framework, enabling the development of more than ten process safety standards across L1 to L3 and incorporating guidance from E2G, OSHA, and ANSI. Baseline PHA completions and SIL studies reinforced Major Accident Hazard identification and control. Performance standards and the ITPM system were upgraded following gap analysis of over 157 MATs, resulting in updates to 67 procedures and 116 checklists through more than 30 focused sessions. A Critical Activity Catalogue for the CA plant established minimum competency frameworks informed by human risk evaluation and fatigue analysis.

Reliability initiatives remained a key focus. A long-term Loss of Primary Containment (LOPC) reduction program brought cases down to 143 in 2025. Predictive maintenance capabilities were expanded through GR301 equipment health monitoring and Machine Spectrum Analysis, enabling earlier anomaly detection and supporting improvements in Mean Time Between Failures (MTBF).

EPCL continued to scale enterprise intelligence through targeted adoption of Generative AI and Agentic AI. A dedicated Ops Agentic AI drive established awareness programs and practical use cases, including AI supported Job Safety Analyses and enhanced operator training modules. Deployment of specialized chatbots including Planning, Machinery and MTBF, and Compliance assistants improved turnaround planning, equipment troubleshooting, and regulatory readiness while reducing reliance on manual expertise.

Digital enablement across operations accelerated during the year. The Company modernized its Daily Production Report process to improve accuracy and decision speed, expanded digital logging and Digital Intelligent Stations to strengthen shift handovers and frontline visibility, and digitized thickness monitoring to enhance corrosion management and asset life decisions. Supply chain intelligence was improved through AI based warehouse inventory optimization, while digital upgrades to Motor Pool Management, PM&S bag tracking, and Gate pass systems enhanced traceability, security, and logistics efficiency.

Innovation efforts received strong external recognition, with EPCL earning multiple Pakistan Digital Awards, including accolades for Green Tech Solution through itself optimizing plant enabled by digital twin technology, GenAI Visionary recognition, Best Wearable Initiative for RealWear, and Best EdTech of the Year.

The Company also strengthened its global technology positioning during 2025. EPCL hosted a structured dialogue with Baidu leadership, showcasing computer vision applications and advanced operations visibility systems. Building on World Economic Forum WEF engagements, post Davos priorities were translated into actionable programs around Smart Manufacturing and Industrial Decarbonization, with continued alignment toward Net Zero pathways. EPCL further presented its integrated AIoT and Generative AI predictive maintenance framework at the 2nd International Conference on AI Sensors and Transducers AIS 2025 and secured publication of its Multimodal AI Visual Analyzer for petrochemical safety in an international engineering journal.

To support long term capability sustainability, EPCL formalized university collaborations with NED University and NUST, providing students and early career engineers access to industrial AspenTech platforms and real-world process modeling challenges. This initiative supports the development of a future ready talent pipeline while addressing the industry's shortage of advanced process optimization skills.

From a manufacturing excellence standpoint, the Golden Batch PVC initiative advanced data driven production by identifying optimal catalyst operating conditions and enabling repeatable best setting performance across campaigns. Leveraging historical production data and advanced analytics, the initiative is improving product consistency, enhancing yields, and enabling faster root cause diagnostics.

Energy efficiency remained a central pillar of operational discipline. Gas turbine performance restoration improved efficiency by 1.1% for GTA and 1.26% for GTB, while steam network insulation repairs recovered 1.7 TPH of low-pressure steam and delivered annual savings of approximately 35,000 MMBTU. Optimization of cooling water pumps generated nearly 1 MW of electricity savings, and Tornado GT optimization and shutdown strategies reduced fuel gas consumption by approximately 1 MMSCFD. Compressed air and nitrogen leak management yielded recurring savings of approximately PKR 11 million per year.

Building on these gains, EPCL continued to advance its Industrial Decarbonization roadmap, prioritizing solar, wind, biomass boiler solutions, and hydrogen firing in gas turbines for the 2026 to 2029 horizon. Gas turbine restoration alone contributed roughly 172,000 MMBTU in annual fuel savings. Additional improvements including steam system optimization, insulation enhancements, steam trap rectification, and utility rationalization further reduced energy losses while maintaining operational reliability.

Digital tools such as Aspen Digital Twin, Adaptive APC, and ProMV enabled real time monitoring, predictive insights, and data driven optimization across the manufacturing landscape. To further support long term energy diversification and resilience, EPCL approved a 2 MW onsite solar project, reinforcing its transition toward cleaner energy sources.

Complementing operational initiatives, the Company strengthened its cybersecurity posture across manufacturing and critical systems through its OT Cybersecurity Risk Treatment Plan, including deployment of controls such as USB kiosks, data diodes, and network segmentation. These measures enhance protection of critical infrastructure while supporting long term process safety and digital resilience.

Through these integrated initiatives, EPCL continues to build a smarter, safer, and more energy efficient manufacturing ecosystem aligned with the objectives of SDG 9 and SDG 7.

goal 12: responsible consumption & production

A major sustainability milestone was the elimination of approximately 5,000 tons of hazardous waste by repurposing leftover heavy hydrocarbon byproduct as a fuel source, significantly reducing landfill dependency, third party incineration, and associated emissions.



Under the Waste Reduction Roadmap, priority waste streams such as salt sludge, plastics, and food waste are systematically addressed. Ongoing circular economy initiatives include the conversion of salt sludge into construction grade bricks and the recycling of plastic waste into durable onsite products, supporting long-term material circularity.

Resource efficiency was further strengthened through optimized ethylene to VCM conversion, allowing greater product yield from the same feedstock while conserving raw materials.

EPCL also leveraged in-house fabrication capabilities to produce drain covers, safety railings, and more than 30 fire hydrants using existing resources. The introduction of inherent safety tools, including chisel, drum, and pipe holders; whip checks; and nail holders, simultaneously enhanced worker safety and reduced the need for externally sourced materials.

Additionally, the company's modernized Work Permit System improved risk visibility, control of high-risk tasks, and process efficiency, reinforcing responsible and safe operational practices.

Environmental awareness efforts were amplified through Environment Day and Earth Day engagements.

goal 13: climate action

EPCL's enterprise Decarbonization Roadmap consolidates historical performance, baseline assessments, and future technology pathways to support sustained reductions in carbon intensity. Building on prior efficiency gains, the roadmap outlines forward looking projects for 2026 to 2029, including the continuation of Zero Gap initiatives, hydrogen firing, solar and wind integration, and biomass utilization.



Environmental stewardship is further reinforced through continuous monitoring and reporting of SEQs parameters, which were delivered consistently without nonconformities during the year. Sitewide engagement campaigns, including Earth Day and Environment Day pledges involving leadership and employees' families, continued to strengthen ownership and awareness across the organization.

Developed in close collaboration with the Technical and Digitalization teams and aligned with the World Economic Forum's Global Lighthouse Network, EPCL's climate strategy remains focused on direct and verifiable emissions reduction at source. Through sustained energy efficiency measures, process optimization, and disciplined operational control, the Company achieved an estimated reduction of 22,000 metric tons of CO₂ between 2022 and 2025.



During the year, EPCL further strengthened its commitment to inclusive climate action through the Climate2Equal pledge in collaboration with the Pakistan Business Council PBC. This commitment advances the integration of gender responsive climate practices and supports the Company's broader ambitions under SDG 5 (Gender Equality), ensuring that the transition toward a lower carbon future remains equitable and inclusive.

Complementing these operational measures, EPCL continues to advance nature based solutions, including extensive tree plantation within plant boundaries and mangrove restoration in coastal regions, thereby strengthening climate resilience and supporting local ecosystems.

goal 15: life on land

EPCL continued to demonstrate its commitment to biodiversity stewardship and national sustainability priorities through active participation in key policy platforms. Building on prior engagement with the Government of Sindh and the United Nations Development Programme (UNDP), the Company remained aligned with evolving national biodiversity objectives and continued to support dialogue between the public and private sectors on environmental conservation.



EPCL's participation in such forums reflects its intent to contribute constructively to Pakistan's biodiversity agenda while ensuring that its own environmental management practices remain consistent with emerging national and international expectations.

Afforestation and ecosystem restoration project

As part of its ongoing commitment to ecological preservation, Engro, in partnership with the World Wildlife Fund (WWF), continued to advance its afforestation and ecosystem restoration initiatives across project sites.

During 2025, the program remained focused on plantation health, protection, and long-term carbon sequestration potential. Key progress during the year included:

- Hand-watering activities were conducted across plantation sites to support plant survival during periods of limited rainfall.
- Weekly WWF field visits were carried out to monitor grazing pressure and enforce site protection measures, helping preserve plantation integrity.
- Comprehensive signboard installations were completed at four major plantation locations in Jhelum, Chabbar Syedan, Rakh Paki Qabar Site 1, Rakh Paki Qabar Site 2, and Padhari, improving site visibility and boundary protection.
- Plantation survival rates reached approximately 75–80%, reflecting strengthened site management and maintenance practices.

In addition, maintenance and restocking activities were undertaken across 20 hectares of earlier plantation sites to address density gaps and enhance long-term ecosystem resilience.

A structured monsoon action plan was implemented to optimize field activities and resource deployment; however, floods impacted approximately 30 hectares of plantation areas, which are planned for restocking in the Spring 2026 season.

Community engagement remained an important component of the initiative. During the monsoon plantation campaign, local landowners and community members were mobilized, and 12,000 seed balls were dispersed to promote natural regeneration across barren land.

goal 16: peace, justice and strong institutions

EPCL remains committed to upholding the highest standards of corporate governance, ethical conduct, and institutional transparency. The Company's governance framework is designed to ensure that business operations are conducted in a responsible, accountable, and compliant manner, supported by clearly defined roles, robust internal controls, and independent oversight mechanisms.



Oversight of ethical conduct and compliance is anchored through the Ethics and Compliance (E&C) function, which continues to strengthen awareness and reinforce expected behaviors across the organization. Periodic awareness roadshows and structured communications covering the Code of Conduct, anti-corruption practices, and Speak Out mechanisms are conducted to embed a strong culture of integrity and responsible business conduct.

EPCL's Code of Conduct outlines the Group's position across key risk and compliance areas and applies to all employees, regardless of employment status, as well as to members of the Board. The Code is reviewed periodically and remains publicly accessible, reinforcing transparency and accountability.

The Company maintains a robust grievance management framework that enables both internal and external stakeholders to report concerns confidentially. The Speak Out platform, supported by an independent reporting channel, allows anonymous submission of concerns related to business ethics, safety, human rights, employment practices, or environmental matters. All reported cases are assessed and investigated through a structured Internal Investigation Procedure led by the Ethics and Compliance function. Where required, independent investigation teams are appointed, and outcomes may include corrective, remedial, or disciplinary actions, along with formal feedback to the complainant at case closure. This structured approach reinforces EPCL's zero tolerance stance toward misconduct and strengthens stakeholder trust.

The Company continues to strengthen its broader governance ecosystem through active Board oversight, including the Board People Committee's review of key human capital policies and practices. During the year, EPCL also progressed its Operational Technology OT cybersecurity risk treatment plan, enhancing controls around critical manufacturing systems and further safeguarding digital and operational integrity.

Through these integrated measures, EPCL continues to reinforce a culture grounded in truth, trust, and transparency, ensuring that strong institutions, ethical conduct, and responsible governance remain central to sustainable value creation.

goal 17: partnerships for the goals

Collaboration played a central role in accelerating progress across safety, biodiversity, inclusion, and emergency preparedness. EPCL expanded its Mutual Aid Program across the Port Qasim Industrial Area, enabling coordinated medical, fire, environmental, and HazMat response with neighboring industries. Joint emergency drills and Rescue 1122's advanced training further strengthened the Emergency Response Team's capabilities, enhancing preparedness and response resilience across the industrial cluster.



Beyond operational safety, EPCL also fostered cross sector dialogue on social sustainability. To mark the International Day for the Elimination of Violence Against Women, the Company convened a Baithak bringing together leaders from across industries, including Reckitt, Jazz, K-Electric, Shirkat Gah, AMAN, Khaadi, British Council, EBM, foodpanda, Pakistan Cables, HBL, and others. The dialogue was grounded in honesty, empathy, and shared responsibility, focusing on what safer and more equitable workplaces truly require. Participants examined challenges faced by women, including harassment, discrimination, and the often-unspoken impact of domestic violence that extends into professional environments. Discussions emphasized strengthening organizational policies, identifying immediate actions, and enabling cultural shifts to

ensure safety is practiced consistently rather than remaining a formal commitment. One discussion circle highlighted the importance of partnerships with NGOs, helplines, shelters, and legal institutions, recognizing that effective protection depends on a connected ecosystem of support. The Baithak marked the beginning of sustained action toward workplaces where women are protected, supported, and able to thrive.



In biodiversity and reforestation, EPCL partnered with WWF Pakistan to support large scale plantation efforts, contributing to tree plantation across more than 740 hectares in Jhelum over the past three years, alongside continued plantation activities around operational locations. Ongoing maintenance, protection measures, and community engagement have strengthened plantation survival and long-term ecosystem resilience.

During the year, Engro Polymer & Chemicals Limited was also recognized as the SDG Leader for Goal 8: Decent Work and Economic Growth by the Centre of Excellence in Responsible Business under its flagship SDG Leadership Program. This recognition positions EPCL to share best practices and support peer learning through workshops and training focused on advancing decent work across value chains, further reinforcing the Company's commitment to collective progress on the SDGs.

The Company's performance earned notable external recognition. EPCL achieved 5th position in NEPRA's Annual Report, reflecting strong HSE performance, robust governance, regulatory compliance, and transparent reporting. The Company was also acknowledged by OICCI for its contributions to biodiversity and was internationally recognized as a finalist by the British Safety Council for its employee wellbeing initiatives.

Strong governance, inclusive dialogue, and disciplined reporting remain central to EPCL's sustainability approach, reinforcing its commitment to responsible energy management, institutional transparency, and social responsibility. Collaboration with organizations such as Engro Foundation, WWF Pakistan, CERB, Hisaar Foundation, and neighboring industries further demonstrates the impact of collective action in addressing complex environmental, community, and workplace challenges.

We are members and signatories to the following, reflecting our commitment to long-term sustainable value creation and global collaboration:

- Overseas Investors Chamber of Commerce & Industry.
- Pakistan Chemical Manufacturers Association.
- Asis Pacific Vinyl Network.
- World Economic Forum.
- Bin Qasim Association of Trade & Industry.
- Centre of Excellence in Responsible Business / Pakistan Business Council.
- Pakistan Society for Training and Development.
- Management Association of Pakistan.
- Pakistan Institute of Corporate Governance.

social and relationship capital (CSR)

At EPCL, our approach to social responsibility is rooted in the belief that doing good and doing well go hand in hand. We are committed to ensuring that our business success translates into meaningful, lasting value for the communities around us. This means moving beyond traditional philanthropy toward purposeful investments that strengthen local ecosystems, enable economic opportunity, and contribute to long-term, inclusive growth.

Working closely with Engro Foundation, we focus on initiatives that create sustainable impact by addressing core development needs and unlocking economic opportunity. Our efforts are designed to move beyond short-term interventions toward programs that build resilience, enhance livelihoods, and support inclusive growth.

As an industrial organization operating in close proximity to communities, we recognize our responsibility to play an active role in improving quality of life. Through targeted investments in education, healthcare, skills development, and environmental stewardship, we aim to support communities in building more secure and self-reliant futures.

The strength of our CSR initiatives lies in collaboration. We actively partner with government institutions, development organizations, and local stakeholders to ensure our programs are relevant, scalable, and impactful. Equally important is the role of our employees, whose continued engagement and volunteerism bring these initiatives to life on the ground.

statement of charity contribution

In line with its commitment to responsible corporate citizenship, the Company contributed PKR 60 million during the year to support initiatives across education, healthcare, environmental sustainability, community well-being, and infrastructure development.

focus areas

EPCL's CSR and community investment initiatives are structured around the following key areas:

- Healthcare
- Education
- Environmental Sustainability

healthcare

community healthcare, nutrition, and mental wellbeing

EPCL continued to enhance access to primary healthcare through its partnership with SINA Welfare. During the fourth quarter of 2025 alone, 7,353 patients received treatment through the supported clinic, bringing the year-to-date total to 31,993 beneficiaries. The patient mix remained inclusive, with women and children constituting a significant proportion of those served.

In collaboration with The Trust for Malnutrition and Stunted Growth, the clinic also provided Ready-to-Use Therapeutic Food (RUTF) to malnourished children. During the year, 108 children, including 61 girls, benefited from this nutritional support, contributing to improved child health outcomes in the community. Recognizing the growing importance of mental wellbeing, EPCL also supported community mental health camps in partnership with Karwan-e-Hayat. During the reporting period, 957 clients benefited from screening and treatment services, including both new and follow-up cases. On a cumulative basis, the program reached 3,995 patients during the year, with a higher proportion of women beneficiaries, highlighting both need and improved access to care.



safe drinking water

Access to safe drinking water remains a critical community need in EPCL’s operating areas. In partnership with The Water Foundation, the Company continued to operate four water filtration plants and one reverse osmosis (RO) facility serving more than 180,000 beneficiaries.

During the fourth quarter of 2025, these facilities collectively dispensed 1.62 million liters of safe drinking water, taking the year-to-date volume to 9.62 million liters. The plants are strategically located at key community sites including Razzakabad, Ghaggar Phatak, and EPCL-supported schools and healthcare facilities, ensuring reliable and convenient access for surrounding populations.

education

In the area of formal education, EPCL sustained its partnership with The Citizens Foundation (TCF) to support three primary schools comprising four units located in Ghaggar Phatak, Hummer Goth, and Ibrahim Goth. These schools collectively served 757 students during the year, maintaining an encouraging gender balance with equal participation of girls and boys. The initiative continues to play an important role in strengthening foundational learning opportunities in EPCL’s catchment communities.

Complementing formal schooling, the Company supported digital micro schools in partnership with the Teach the World Foundation to expand access to flexible learning pathways. During 2025, a total of 166 students were enrolled across two campuses located in Razzakabad and Railway Colony. Importantly, the program continues to demonstrate strong transition outcomes. To date, 78 students from the Razzakabad campus and 30 students from the Railway Colony campus have successfully mainstreamed into formal education, vocational training, or self-employment pathways, reflecting the program’s effectiveness in enabling upward mobility.



environmental sustainability afforestation and ecosystem restoration

In line with our commitment to environmental responsibility, EPCL continued implementation of its afforestation and ecosystem restoration initiative in partnership with WWF. The program aims to enhance biodiversity, improve carbon sequestration potential, and strengthen ecological resilience in targeted areas.

Throughout the year, regular hand-watering activities were carried out across plantation sites to support healthy plant growth despite limited rainfall. The WWF field team maintained close oversight through weekly monitoring visits in Jhelum, assessing grazing pressure and enforcing protection measures to safeguard young plantations. To further strengthen site management, comprehensive signboards were installed across four major plantation locations, Chabbar Syedan, Rakh Paki Qabar Site 1, Rakh Paki Qabar Site 2, and Padhari, clearly marking plantation boundaries and enhancing site visibility.

These efforts resulted in a healthy plantation survival rate of approximately 75–80%, reflecting effective protection and maintenance protocols. Earlier in the year, maintenance and restocking activities were also conducted across 20 hectares of existing plantation sites to address gaps in plant density and further enhance carbon sequestration potential.

A structured monsoon action plan was developed and implemented to optimize field activities and resource deployment during the rainy season. While flooding impacted approximately 30 hectares of plantation area, the affected sites have been scheduled for restocking during the Spring 2026 season. Community engagement remained a central pillar of the initiative, with local landowners and residents participating in the monsoon plantation campaign during which 12,000 seedballs were dispersed to promote natural regeneration.

circular economy and research initiatives

Through the Circular Plastics Institute (CPI), EPCL continued to advance research, policy dialogue, and ecosystem development to support Pakistan’s transition toward circularity and sustainable materials management. The Institute plays an important role in generating evidence-based insights, fostering multi-stakeholder collaboration, and building awareness around responsible resource use.

During the year, CPI submitted several strategic project proposals covering areas such as AI-enabled land information systems for fiscal reform and urban planning, baseline research on decent work in cotton cultivation, and comprehensive environmental and economic footprint analysis of finished bovine leather in Pakistan. These proposals reflect CPI’s expanding technical scope and its focus on linking environmental sustainability with economic value creation.

The Institute also successfully secured new collaborations, including a Rice Dynamics Study with the Asian Development Bank Institute in partnership with Pakistan Agriculture Research, as well as a Waste for Value baseline project in collaboration with the Akhtar Hameed Khan Foundation. These engagements further strengthen CPI’s positioning as a credible research and knowledge partner.

CPI maintained an active thought leadership presence during 2025. The team conducted focused discussions on mapping Pakistan’s textile supply chain and enabling sustainability in start-ups, while also participating in the IFAT Eurasia Conference in Turkey, where Pakistan’s textile value chain dynamics were presented to an international audience. Additional outreach included a workshop on mapping open burning of waste and a climate change awareness session delivered to 160 participants under WWF’s eco-internship program.

The Institute also contributed to the national knowledge base through the publication of a report on the landscape of waste pickers in Pakistan and a white paper on Pakistan’s textile supply chain. Complementing these efforts, CPI published two news features on its digital platforms and advanced production of awareness videos focused on detecting and preventing open waste burning.

health, safety & environment

At EPCL, Health, Safety, and Environment (HSE) stewardship remains a foundational pillar of our corporate philosophy, reflecting our core commitment to protecting people, communities, and the environment. In 2025, we further strengthened our HSE framework by integrating risk-based management systems, digital reporting tools, and proactive workforce engagement to elevate both performance and transparency. Our site surpassed 50 million safe workhours, demonstrating the maturity of our safety culture and the effectiveness of structured initiatives such as leadership field presence monitoring, hand-safety campaigns, heat-stress management programs, and self-reporting drives that encourage early hazard identification. During the year, EPCL also maintained a Zero Fleet Accident Frequency Rate (FAFR) for the seventh consecutive year, reflecting sustained discipline in transport and fleet safety management.

Our HSE policy continues to guide EPCL toward industry leadership through systematic risk management and continuous improvement. During the year, we enhanced our technical capability through a dedicated Process Safety Resource Pool, comprising certified HAZOP leaders, QRA specialists, PHA experts, and water stewardship credential holders. Completion of baseline Process Hazard Analyses in line with updated RBHSE requirements further strengthened hazard identification and mitigation across operations. Emergency preparedness was also elevated through cross-industry mega drills, establishment of backup clinic and emergency control facilities, and expansion of the Mutual Aid Program to improve coordinated response capacity within the industrial zone.

A significant milestone achieved in 2025 was the successful transition to an asbestos-free site, the first within the Engro Group, reflecting EPCL’s proactive approach to eliminating legacy occupational health risks and safeguarding long-term workforce wellbeing. This achievement complements our ongoing cyclic Health Risk Assessments, zero occupational illness cases, and targeted health initiatives including contractor welfare, sanitation standards, potable water provision, and specialized programs addressing women health needs.

EPCL also introduced a dedicated Women Health Assessment Program to support the wellbeing of women employees through gender-specific medical screening and preventive health testing tailored to occupational and physiological needs. The program promotes early detection of breast and cervical cancer, confidential medical support, and inclusive workplace health management aligned with our commitment to holistic employee care.

Our integrated management system certifications — ISO 9001, ISO 14001, and ISO 45001 — remain central to our governance framework, ensuring structured performance monitoring, regulatory compliance, and continual improvement. Recognition of our progress is reflected in our 5th position ranking in the NEPRA Annual Report, underscoring the effectiveness of our systems in delivering safe, responsible, and sustainable operations.



Strategic Theme	Goal	Progress in 2025
HSE Systems	Ensure zero lost work injuries and overall reduction in injury number	• EPCL Surpassed 50 million safe workhours without LWI/LTI. • 1 recordable injury in 2025 Vs 7 in 2024 • 16 FAC's in 2025 Vs 114 FAC's in 2024
	ERP Enhancement Projects Implementation	• Back-up Emergency Control Cell, equipped with ◦ P&IDs ◦ Pre Fire & toxic plans ◦ Headcount system ◦ CCTV ◦ Communications means. • Back-up Clinic Facility, equipped with ◦ Patient Bed (5 Nos.) ◦ Oxygen Cylinder ◦ Emergency Required Medicines ◦ Cardiac Monitor / AED ◦ Patient Vital Monitor • HSE Orientation Room was established as a dedicated facility for comprehensive safety induction • Fire Hydrant In-house Fabrication More than 30 Fire Hydrants have been manufactured in-house • Fire-retardant suits introduced at site. • Cross-industry mega emergency drill conducted
	Mutual Aid Program	• Expanded Mutual Aid Program through structured collaboration with neighboring industries and consortium partners for coordinated response to medical, fire, environmental, and hazardous material emergencies
	EPCL Safety Culture Improvement	• A detailed program launched by the name "Beyond Compliance League". HSE Cultural KPIs, developed and implemented. i. MSA Quality ii. JCC Quality iii. Action Item Closure Quality iv. Investigations quality v. Self-Reporting Quality

Strategic Theme	Goal	Progress in 2025
HSE Systems		- Ontime Incident closure rate improved by 50% 100% MSA Compliance achieved in consecutive 3 months - JCC Quality improved by 50% - Action Item Tracking and Ownership enhanced by Departments - Self-reporting trend Increases
	Inherent Safety Tools introduction	- Chisel, drum, & pipe holder in house fabricated to eliminate hand injury - Whip checks/arrestors were introduced in the warehouse. - Introduction of nail holder for carpenter
	In-house Fabrication Capability developed	In-house drain covers and safety railings fabricated using scrap material to manage maintenance support and budget constraints
	Work Permit System	- Work Permit System has been upgraded in line with industry best practices to improve safety and efficiency - The enhancement resulted in compact permits, improved risk and CCR visibility, better control of high-risk activities, and faster processing
	HSE Excellence Awards Rewards & Recognition system	- Annual excellence awards are distributed to the best HSE performers in all aspects including, Safe work practices, Process Safety, Environment & OHIH. Awards categories were: - Best D-Level Committee - Best B-Level Committee - Best RMA & JCC Compliance - Best ERT Members - Best MSA Observer - Best Investigation Report - Best Self report - Best HSE LIs Coordinator - Most Value added initiative - Everyday Role model - Representation in International Awards - HSE Unsung Hero - Best NMHSE Safety Facilitator - Risk Champions - Best Safety Culture Demonstration Award - Best Coordination in Mega Drill - Safest Fleet of the year - Best BMI Improvement - Best supporting staff - Safest Contractor employee - Best Field HSE Supervisor - Quit Smoking Champion - Most Active family off the job

Strategic Theme	Goal	Progress in 2025
HSE & Technology	Leadership Density program with Potential KPIs	- Management area presence monitoring via utilization of helmet color - Off hours maintenance jobs profiling via utilization of helmet color - Supervisor to manpower ratio monitoring via utilization of helmet color - Operators’ area field presence via utilization of helmet color - Resource classification based on helmet color - Management footfall in respective areas (heatmap) - Helmet color based heatmap based on footfall - Risk based area classification - Risk based footfall
	Plant 3D model and isometric Centralization	Successful centralization of all 3D models and isometric drawings into a unified digital platform
Safety Campaigns of the year	Self-Reporting Start of the Month	- Launched the “Self-Reporting Star of the Month” initiative to recognize proactive safety behavior. - Dashboard developed - Quality scoring criteria - Cap on Housekeeping concern
	Badal Do Housekeeping Improvement Drive	- Rolled out a sitewide housekeeping drive for improved cleanliness and safety. - Conducted month-long area audits via the MSA platform - Recognized top-scoring areas for best housekeeping performance
	JCC Revamp Campaign	- Performed on-ground JCC audits, rectified SOP gaps, and provided hands-on support to site for effective compliance 2025 JCC Findings Rate: 46.09% vs +36.09%
	Heat Stress Management Plan	- Developed and implemented a comprehensive Heat Stress Management Plan. - Zero Cases in 2025 Vs 27 Cases in 2024
	Hand Safety Drive Boltay Hath	Hand Safety Drive enhancing awareness and promoting safe hand practices
Workforce Competency & HSE Skill Development	Manpower Training	- Mandatory HSE trainings conducted on schedule to ensure workforce competence. Total training work-hours recorded are 9,654 150 + 2 - day safety orientation. - Fire Watchers: 100 trained, 30 certified - Standby Man: 40 trained, 30 certified

Strategic Theme	Goal	Progress in 2025
	HSE Competence Through International Certifications	As part of EPCL's commitment to building internal HSE capability and technical excellence, team members successfully attained globally recognized professional qualifications, including the Associate Safety Professional (ASP) certification and the NEBOSH International General Certificate (IGC)
	Leadership Academy	- Executive training program inspired from TED talk. - Executive session conducted with GLs & GM
	Rescue 1122 Training for Emergency Response Team	A specialized collaboration and certification program conducted for ERT to enhance advanced rescue techniques and strengthen coordinated emergency response capabilities
	Contractor Skill Enhancement	- Contractor HSE Skill enhancement done through training sessions on: - Management Safety Audit - Fire Safety Awareness - Work Permit System - Fire Watcher Awareness
Risk Based HSE Deployment at EPCL	Base line PHA and SIL Study	Continuing with the Base line PHA plan, Successful completion of CA plant Baseline PHA was done based on Risk based philosophy, led by independent 3rd Party Lead. EPCL strong commitment to MAH identification since 2022 proved fruitful and only 04 improvements were recommended.
	SECE Management	- Transition from Dupont PSM system to a ROBUST ECHSE standard system. The transition involved development of more than 10 process safety standards including L1 to L3 modules of each standard - The transition included upgradation to include safety and O&M guidelines from E2G, OSHA, PSM, & ANSI Standard etc. to ensure all elements of Health, Safety, Environment, OHIH & Transport are looked after
	Critical Activity Catalogue Development	The CAC of the CA plant has been successfully completed and presented in MHSE. The activity included deep analysis of human risk and fatigue factors as well as their current competency and knowledge index. A minimum required competency framework has been developed, presented and communicated to the site.
	Performance Standards Benchmarking	Implementation of Performance Standards to benchmark maintenance and inspection practices benchmarked with highest

Strategic Theme	Goal	Progress in 2025
		international standards to ensure critical equipment for safety are ever green. ITPM was upgraded after rigorous gap analysis of more than 157+ MATs against existing procedures and checklists. The team has done a wonderful job by updating 67 maintenance and inspection procedures and 116 checklists. To achieve the targets and accomplishments, more than 30 individual and focus group sessions were conducted
	Continuous improvement through training	More than 20+ sessions were conducted delivering well-crafted process safety trainings to appraise engineers and assistant engineers on process safety concepts of Risk Assessments, MAH identification, PHA techniques, Risk Based Assessments and Safeguards evaluation etc
	Process Safety Resource Development	02 individuals were trained and certified in QRA studies & assessments 02 individuals were trained and certified in dispersion modelling
Long Term Reliability Improvement Projects	LOPC Reduction Program Implementation	Reduction of LOPC to 143 in Year 2025
Environment & OHIH	Environment & Earth Day Celebration	- EPCL marked Environment Day with a leadership-led pledge signing ceremony, where senior management reaffirmed the organization's commitment to environmental stewardship and sustainable operations. - To promote environmental awareness beyond the workplace, EPCL engaged employees' families in Earth Day celebrations by inviting children to participate in a themed drawing activity
	Environment KPI monitoring and reporting	Continued monitoring and reporting of all SEQs defined parameters without any non-conformity throughout the year
	Tree plantation	EPCL has reinforced its commitment to environmental sustainability by partnering with WWF-Pakistan to plant trees across 740 hectares in the Jhelum region, over the last 3 years. Additionally, tree plantation is also done in the surrounding areas of plant's operational facilities

Strategic Theme	Goal	Progress in 2025
EPCL Sustainability Projects	Employee Health Assessment Program improvement	EPCL enhanced its Employee Health Assessment Program by introducing specialized medical screening protocols tailored to evolving workplace risks and workforce needs, this included • Women-specific health assessments for early detection of breast and cervical cancer • Dedicated medical tests for personnel working in the HPO unit to monitor potential exposure to strong oxidizing agents and ensure proactive occupational health protection
	Cooling Water Legionella Risk Prevention & Monitoring Initiative	• EPCL introduced a proactive Legionella monitoring program for cooling water systems to strengthen preventive health risk management and water hygiene controls
	De-Carbonization Roadmap Development	• Developed a comprehensive decarbonization roadmap based on analysis of historical performance, energy trends, and emissions baselines to identify priority reduction opportunities. • Integrated past efficiency gains with future targets and technology initiatives to establish a structured pathway for sustained carbon intensity reduction. • Projects are Highlighted for the period of 2026-2029, such as: ◦ Zero Gap Project Continuation ◦ Hydrogen firing in gas turbine ◦ Solar Power Installation ◦ Wind Power Project ◦ Biomass Boiler.
	Waste Reduction Roadmap	Detailed waste reduction roadmap is developed aligned with global practices of improving reuse and recycling of the waste generated. The waste category targeted for reduction are: • Salt Sludge • Plastic Waste • Food Waste Hazardous waste control is also improved by utilizing left-over byproduct of heavy hydrocarbons as a fuel sources instead of incineration at third party.
	Water stewardship Strategy	• EPCL enhanced the operational efficiency of its Effluent Treatment Plant through process optimization and improved monitoring controls, strengthening compliance and reducing

Strategic Theme	Goal	Progress in 2025
		environmental discharge impact. In parallel, the Company initiated alignment with Alliance for Water Stewardship (AWS) standards to advance its water stewardship practices. This effort has led to efforts for development of a comprehensive water monitoring and management framework focusing on consumption, discharge, and risk assessment
	Adoption of hydrogen in HPO, reducing fossil fuel dependency	• EPCL has successfully implemented a value-recovery initiative to utilize hydrogen previously vented to the atmosphere as a feedstock for on-site hydrogen peroxide production. The facility now produces over 80 tons per day of hydrogen peroxide, supporting both domestic supply and export markets. This initiative simultaneously reduces emissions, improves resource efficiency, and contributes positively to the national economy.
	Energy Conservation	EPCL has implemented a comprehensive set of energy efficiency measures across its site: • Gas turbine performance was restored through planned outages and targeted interventions. These actions improved efficiency by 1.1% at Gas Turbine-A and 1.26% at Gas Turbine-B • Efficiency gains in the steam network were achieved through insulation repairs on HRSGs, waste heat boilers, furnaces, and steam lines, increasing low-pressure steam by 1.7 TPH and saving 35,000 MMBTU/year • Cooling water pumps optimization resulting in saving approximately 1 MW • Furthermore, optimization and shutdown potential of the Tornado Gas Turbine resulted in fuel gas savings of approximately 1 MMSCFD • Efficiency improvements were achieved through compressed air and nitrogen leak management, reducing nitrogen consumption resulting in savings of approximately PKR 11 Million/year • In addition to the above initiatives, EPCL has invested in multi-million-rupee capital projects such as the OVR (Oxygen Vent Recovery) system and HTDC (High-Temperature Direct Chlorination) at the site
	Improved ethylene-to-VCM ratio, conserving ethylene resources	• Optimized process controls and operating parameters improved the ethylene-to-VCM conversion ratio, enabling higher yield from the same quantity of feedstock. This enhancement conserves ethylene resources, reduces raw material losses, and improves overall production efficiency and cost effectiveness

Strategic Theme	Goal	Progress in 2025
	Green Office Initiatives	Green Office Certification maintained for EPCL Head Office
Maintenance Turnaround 2025 Safe Execution	TA-2025 planning and safe execution	Successful completion of TA-2025 without LWI and no occupational heat stress incident
Global and National Recognitions	British Safety Council Awards Finalists	Recognized by British Safety Council for "Employees Well-being Initiatives" taken at site for improvement of Occupational health
	OICCI Awards Winner	Recognized by Overseas Investors Chamber of Commerce & Industry (OICCI) for excellent performance in supporting Biodiversity
	NEPRA Annual Recognition	Achieved 5th Position out of 149 companies for OUTSTANDING performance in the field of excellent HSE Performance reflecting strong commitment to HSE Excellence
	Pakistan Digital Awards	- Green Tech Solution Awards for self-optimizing plant via digital twin - GenAI Visionary Award for GenAI Drive - Best Wearable Initiative Award for RealWear Smart Glasses - Best EdTech of the year Award for Integrated Capability Model.

water
At EPCL, our unwavering commitment to sustainable water and energy management drives our efforts to optimize resource utilization and minimize environmental impact. Highlighted below are key initiatives demonstrating our progress in water conservation and energy efficiency:

Optimization of cooling water system through chemical treatment
Reducing freshwater intake through technological innovation remains a cornerstone of our sustainability strategy. To support this objective, EPCL operates closed-circulation cooling towers equipped with advanced chemical treatment programs that enhance cooling system performance while significantly reducing freshwater consumption.

Building on this foundation, we have implemented NexGen 3D TRASAR technology, a state-of-the-art solution that enables precise monitoring and optimization of chemical dosing. This system reduces chemical consumption while maintaining optimal performance and improves blowdown control, resulting in substantial savings in both water and chemicals. The full benefits of this initiative are expected to be realized by 2026.

Furthermore, EPCL plans to implement Ackumen technology at Cooling Tower-II, which has the highest recirculation volume among all cooling towers. This system will further enhance dosing precision and operational control, delivering additional reductions in chemical use while maintaining system efficiency. The projected benefits of this implementation are expected to materialize by 2027.

Optimized operation of cooling tower fans
EPCL has adopted a strategic approach to optimize cooling tower fan operations by adjusting performance

based on ambient temperature and process heat load. This adaptive operational strategy has resulted in significant water savings and improved overall resource efficiency.

Effluent treatment plants (ETP)
Our commitment to sustainability is reflected in our efforts to reuse treated water, significantly reducing freshwater intake. through the reuse of treated water, significantly reducing freshwater withdrawal and minimizing environmental discharge.

The Effluent Treatment Plant incorporates advanced technologies, including:

- Dual-train Coagulation-Flocculation Systems (CFS)
- Activated Carbon Filters (ACF)
- Ultrafiltration (UF)
- Reverse Osmosis (RO)

The complete unit was recently revamped and recommissioned. The associated water savings benefits are expected to be fully realized by 2027.

Enhancement of wastewater treatment unit
Ongoing refurbishment and enhancement of the wastewater treatment unit aim to improve treated water quality and convert wastewater into a reusable resource within industrial operations.

Aligned with our Zero Liquid Discharge (ZLD) strategy, this initiative focuses on maximizing wastewater recovery and recycling. Specific wastewater streams are being treated to meet the feed quality requirements of the ETP, enabling phased rehabilitation and supporting a comprehensive system upgrade. This project reinforces EPCL’s dedication to environmental stewardship, long-term sustainability objectives, and alignment with global sustainable development goals.

Chlorine dioxide utilization for chemical treatment
Following a detailed techno-commercial evaluation, EPCL reinstated the Chlorine Dioxide treatment program for cooling towers. This initiative achieved a blowdown reduction of 7 m³/hr, translating into annual water savings of approximately 56,000 m³.

The program enhanced cooling water chemistry, reduced water withdrawal, and improved overall system efficiency while maintaining operational reliability. However, due to limited availability of specialized chemical reserves within Pakistan, the program could only be sustained for approximately two months. Despite this constraint, the initiative clearly demonstrated EPCL’s commitment to innovative water conservation solutions and operational excellence.

planet
EPCL’s commitment to the Planet is anchored in a forward-looking climate strategy, strong governance, and a disciplined approach to environmental stewardship. Our focus extends beyond compliance, ensuring that climate resilience, responsible resource management, and ecological protection are fully integrated into business decision-making and long-term planning.

EPCL embeds climate considerations into core operations through annual measurement and disclosure of Scope 1 and Scope 2 emissions, a dedicated sustainability function, and board-level governance for climate-related risks and opportunities. Climate action is further strengthened through a structured Decarbonization Roadmap, transparent progress reporting via the KPMG assured Sustainability Report, and global benchmarking through the World Economic Forum Lighthouse Network.

Robust environmental governance remains central to the organization. EPCL maintains comprehensive risk management and technical controls, including HAZOP, LOPA, dispersion modelling, aspect, impact evaluations, and qualitative risk screening, to proactively identify and manage environmental and climate related risks across assets. These are complemented by regular audits, emergency preparedness programs for storms, cyclones, flash floods, and systematic air quality monitoring around operations.

To enhance long-term climate resilience, EPCL has instituted strong frameworks for water stewardship, waste management, circularity, and habitat restoration. Our climate strategy also extends to communities through afforestation programs restoring 740 hectares of degraded land, climate education sessions, and climate-adaptive water solutions in surrounding areas. Occupational health considerations remain embedded through advanced Health Risk Assessments (HRA) to safeguard employees from environment linked health impacts.

As environmental challenges grow more complex, EPCL remains committed to safeguarding natural systems through responsible operations, transparent reporting, and continuous improvement. By integrating climate readiness into governance, investing in sustainable technologies, and fostering employee and community awareness, the company continues to strengthen its position as a responsible and resilient steward of the environment.

energy

At EPCL, energy stewardship is a core pillar of our sustainability strategy and operational excellence framework. Our approach focuses on reducing energy intensity, optimizing fuel consumption, advancing digital efficiency tools, and preparing for a structured transition to renewable energy. These commitments directly support both our decarbonization roadmap and our long-term resilience goals.
Energy Efficiency & Operational Optimization

EPCL implemented extensive energy efficiency measures across turbines, boilers, steam systems, utilities, and process units. Gas turbine performance restoration—including hot gas path inspections, blade replacements, and filter upgrades—improved efficiency by 1.1% on GTA and 1.26% on GTB, enabling fuel savings of ~172,000 MMBTU/year.



Significant improvements were also achieved in steam network efficiency. Insulation repairs on HRSGs, waste heat boilers, and steam lines increased low pressure steam generation by 1.7 TPH, saving 35,000 MMBTU/year, with additional gains from insulation upgrades and rectification of 22 leaking steam traps, translating into annual savings of PKR 6.3 million.

Cooling water optimization delivered further reductions in energy intensity, including the shutdown of pumps at Cooling Tower II and IV, generating combined savings of ~1.4 MW, while optimization of the Tornado Gas Turbine saved nearly 1 MMSCFD of fuel gas.

Process enhancements & high-impact projects

Major capital investments strengthened long term energy performance. The OVR (Oxygen Vent Recovery) system and HTDC (High-Temperature Direct Chlorination) significantly improved energy and steam efficiency by optimizing process conditions and increasing material recovery. In the electrolysis unit, the upgrade to ZeroGap electrolyzers contributed substantial power savings, building on earlier cell replacements that collectively helped reduce site-wide emissions.

Digital enablement & ai-driven energy optimization

EPCL leverages advanced digital tools to optimize energy use in real time. AspenTech Digital Twin and Adaptive Advanced Process Control enable proactive identification of energy inefficiencies and stabilization of energy-intensive processes. Multivariate analytics through Aspen ProMV support continuous monitoring of energy trends across EDC, VCM, PVC, and utilities.

Predictive maintenance enhancements through SAP S/4HANA, AI-based maintenance chatbots, and RiskAlive analytics reduce equipment downtime, prevent inefficient operations, and sustain asset performance at optimal energy levels. Live Power BI dashboards further enable operations teams to maintain equipment at peak energy efficiency.

Renewable energy transition

While no on-site renewables were commissioned during the review period, EPCL completed all technical, financial, and safety assessments for future renewable integration. As part of our forwardlooking strategy, a 2 MW on-site solar power plant has been approved, representing an investment of USD 1.5 million. Once operational, this project will offset ~4% of EPCL’s total energy demand, reduce dependence on natural gas turbines, and enhance resilience during peak daylight hours.Training & Capacity Building

Energy conservation knowledge was strengthened across the workforce through targeted programs on steam system efficiency, Zero-Gap optimization, energy audit methodologies, and GHG accounting. These initiatives equipped teams with the skills required to identify losses, optimize operating parameters, and support site-wide energy reduction goals.

Evidence of GHG reduction

	Total Energy Consumption (GJ)	
EPCL	2025	2024
Total Energy Consumed (GJ)	6,506,848.47	6,133,497
Energy Intensity Ratio (GJ/Ton) (Energy Consumed per Ton of Product)	15.9	16.1

emissions

EPCL continues to strengthen its commitment to transparent, accurate, and responsible emissions reporting as part of its climate action strategy. Building on previous years’ Scope 1 and Scope 2 disclosures, the company has taken a significant step forward in 2025 by voluntarily reporting Scope 3

emissions for the first time—a major milestone demonstrating leadership, transparency, and alignment with global best practices.

Comprehensive & transparent emission accounting

EPCL follows a structured, scope-based approach aligned with the Greenhouse Gas Protocol for quantifying its emissions. In 2025, the company has reported:

- Scope 1: 326,175.34 tCO₂e—primarily from fuel combustion in gas turbines, boilers, furnaces, and other process equipment
- Scope 2: 80 tCO₂e (0.03%)—from purchased electricity. A reduction of more than 10% from previous year showing a more conscious approach towards electricity usage at off-site locations including Head office, Commercial Office and Product Warehouses.

In the emissions, natural gas is the major emission source which is being used for energy generation.

Reinforcing its commitment to accountability across the value chain, EPCL voluntarily reports emissions associated with below transportation sources in scope 1:

- Dedicated employee transport fleets (company-provided buses, vans, and hired transport)
- Hazardous chemical transportation (Caustic Soda and Ethylene Dichloride)
- Employee entitlement vehicles under company policy
- On-site operational vehicles, including cranes, forklifts, trailers, payloaders, and maintenance vehicles

This expanded boundary demonstrates EPCL’s leadership in capturing all material emission sources from operations to mobility and logistics—far beyond regulatory requirements in Pakistan.

Strengthened monitoring & verification

EPCL maintains a robust environmental monitoring system that includes:

- Monthly reporting of plant emissions (Critical Air Pollutants – CAPs) to SEPA, ensuring regulatory compliance
- Independent assurance of sustainability disclosures by KPMG
- Qualitative Analysis of plant vehicles emissions
- Integration of emissions monitoring with energy audits and decarbonization planning

Continuous improvement through decarbonization

- Under its fiveyear Decarbonization Roadmap, EPCL achieved a total reduction of ~22,000 tCO₂e between 2022–2025 through energy efficiency and optimization initiatives such as gas turbine restoration, steam system improvements, insulation upgrades, cooling water optimization, and electrolyzer modernization.
- The roadmap continues to evolve with planned integration of a 2 MW solar installation, more efficient process technologies, and future electrification opportunities.

GHG Emissions						
	2025			2024		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
TCO ₂ e	326,095	80.40	326,175	312,846	90	312,396
Intensity Ratio*	0.797			0.82		

*Tons TCO₂e emitted per Ton of Product

waste

EPCL’s waste management strategy is driven by the principles of circularity, resource efficiency, and regulatory compliance, ensuring minimal environmental impact across all operations. Waste minimization efforts are integrated into core processes, long-term planning, and daily operational practices, reinforcing our commitment to environmental stewardship and sustainability

Structured waste reduction roadmap

EPCL has developed and implemented a comprehensive Waste Reduction Roadmap that enables systematic waste quantification, analysis, and reduction. This roadmap focuses on minimizing waste generation at source, optimizing reuse and recycling streams, and ensuring responsible disposal practices in line with environmental regulations. In 2024, EPCL achieved a waste intensity of 0.017 tons of waste per ton of product, which has now improved to 0.0155 in 2025 reflecting ongoing efficiency gains.

A major milestone during the review period was the elimination of hazardous “heavies” waste, traditionally requiring disposal via landfill or incineration. EPCL successfully integrated this waste into the production process as an alternative fuel, in compliance with Sindh Environmental Quality Standards (SEQS)

Circular economy initiatives

EPCL continues to explore and implement circular solutions for non-hazardous waste streams. Key initiatives included in the future roadmap are:

- Salt sludge conversion to construction bricks, reducing solid waste and supporting sustainable building materials
- Recycling plastic waste into durable on-site furniture and utility items

Strengthened compliance & monitoring

EPCL maintains stringent adherence to legal and environmental requirements, including regular reporting to the Sindh Environmental Protection Agency (SEPA). Waste streams—hazardous, nonhazardous, liquid, and solid—are tracked through a robust monitoring system that aligns with internal HSE standards. Regular audits, inspections, and thirdparty verifications further ensure that waste handling practices meet the highest standards of safety and environmental protection.

Hazardous Waste (tons)	
2025	2024
4,630	5,399

Non- Hazardous Waste (tons)	
2025	2024
1,738	1,097

Total Waste (tons)	
2025	2024
6,369	6,496

biodiversity

Biodiversity conservation remains a fundamental pillar of EPCL’s sustainability vision, guiding the company’s efforts to protect natural ecosystems, reduce pressure on forests, and enable nature positive practices across industrial, agricultural, and community landscapes. Through innovative product applications, ecological restoration partnerships, and water-efficient agricultural solutions, EPCL continues to contribute meaningfully to strengthening climate resilience and preserving environmental resources.

Nature positive material solutions

EPCL advanced several initiatives that directly and indirectly support biodiversity. A key intervention has been the introduction and promotion of Wood Plastic Composite (WPC) doors, which serve as a sustainable alternative to natural wood. By reducing demand for timber, WPC adoption helps curb deforestation, preserve natural habitats, and support long-term forest conservation.

This intervention aligns with circular economy principles by incorporating recycled materials, improving product durability, and minimizing lifecycle environmental impacts.

Water conservation as a driver of ecosystem protection

EPCL has played a critical role in improving water-use efficiency in agriculture—a key enabler of soil health, watershed balance, and biodiversity protection. Through partnerships with irrigation departments, On-Farm Water Management (OFWM) units, and farming communities, EPCL facilitated the transition from traditional earthen channels to PVC geomembrane-lined canals—including installations in the MakkiFarsh canal system. These interventions reduce seepage, limit waterlogging, and prevent soil salinity, resulting in healthier soils and more stable agroecosystems.

EPCL also promoted PVC piping systems for agricultural boring and irrigation conveyance, which reduce evaporation losses and soil erosion, improve water distribution uniformity, and enhance long-term land productivity. These solutions indirectly contribute to biodiversity by protecting soil structure and reducing land degradation.

Supporting Regenerative Agriculture & Climate Resilience

By enabling water efficiency and modern irrigation infrastructure, EPCL’s interventions support regenerative agriculture practices that enhance soil health and ecosystem resilience. Though EPCL does not manage farmland directly, its material solutions promote:

- Reduced water extraction pressure.
- Improved soil moisture balance.
- Lower risk of salinity and waterlogging.
- Improved crop stability under variable climate conditions.

In addition, EPCL’s WPC product line contributes to climate smart agricultural practices by reducing reliance on wood resources and lowering the ecological footprint of rural housing and farm structures.

Community engagement & stakeholder collaboration

EPCL’s biodiversity efforts are strongly tied to community empowerment and technical capacity-building. The company actively collaborates with:

- Provincial irrigation departments.
- Local farmers and water-user associations.
- Contractors, plumbers, and carpenters.
- Agricultural extension networks.

Through demonstrations, training, and technical support, EPCL strengthens local capacity to adopt water-efficient and environmentally responsible solutions. These engagements help reduce soil degradation, improve irrigation reliability, and support healthier rural ecosystems.

Landscape restoration & reforestation through partnerships

Beyond material innovation, EPCL contributes to ecosystem restoration through large-scale afforestation initiatives executed by Engro Foundation and WWF-Pakistan. Together, these partners have restored and conserved over 740 hectares of degraded land in District Jhelum through assisted natural regeneration, long-term protection, and community-led stewardship programs.

The initiative directly enhances biodiversity by restoring vegetation cover, improving soil fertility, and expanding habitats for native species, while supporting local farmers with livelihood tools and climate-resilient inputs.

Respecting indigenous practices

EPCL’s approach to biodiversity conservation respects traditional water-use patterns and community irrigation systems. By adapting PVC piping and geomembrane linings to existing canal routes rather than replacing them, EPCL preserves indigenous water-sharing arrangements and local ecological knowledge—strengthening long-term acceptance and sustainability.

Commitment to continuous ecological stewardship

EPCL remains committed to enhancing biodiversity through innovative materials, ecological restoration, and community partnerships. By linking sustainable product solutions with regenerative practices and climate adaptation, EPCL continues to contribute to healthier ecosystems, resilient landscapes, and improved environmental outcomes for the communities it serves.

forward looking statement

analysis of last year's forward-looking statement

The year 2025 was marked by persistent volatility and challenges at both global and domestic levels. The global economy slowed slightly but remained resilient, with growth at 3%, easing from the previous year. This reflected a mix of opposing forces: trade and policy uncertainty weighed on activity, while easier financial conditions, technology and AI driven investment, and private sector adaptation helped keep momentum going.

The domestic economy continued to stabilize in fiscal year 2025, with real GDP rising by 3%, supported by broad-based improvements across the fiscal, financial, and external sectors. Inflation was moderate, averaging 4% for the calendar year. In line with this, the policy rate also eased, moving from 12% at the start of the year to 10.5% at year end, signalling a sustained shift towards more accommodative financial conditions. External balances also improved over the year, with the current account deficit narrowing from US\$420 million in January 2025 to US\$244 million by December 2025, supported by resilient remittance inflows.

The domestic PVC market moved through a period of persistent pricing pressure driven by declining international prices. As a result, local pricing remained weak in order to compete with imports. However, the domestic market exhibited growth of 19% in 2025, with construction linked channels showing improvement amid improving macro-economic conditions and rehabilitation work post floods.

The global Chlor-Alkali market remained under pressure for most of the year due to persistent oversupply and weak chlorine netbacks. This prompted upstream producers to lean on caustic to support overall chlor-alkali chain margins. As a result, prices remained largely stable rather than trending higher towards year end. On the Hydrogen Peroxide domestic front, imports under the Export Facilitation Scheme (EFS) continued to pose a significant challenge. Budgetary changes in custom and regulatory duties, and dismissal of the anti-dumping duty on HPO also increased competitive pressure on domestic producers.

status of projects

In 2025, EPCL continued to make significant progress in executing its previously announced strategic projects, successfully commissioning two major facilities that strengthen operational capabilities, enhance sustainability, and support long-term growth.

- Hydrogen Peroxide (HPO): The Company successfully commenced commercial operations of its state-of-the-art Hydrogen Peroxide production facility on February 17, 2025. With a production capacity of 28 KT and a project investment of USD 45 million, the facility represents a key milestone in EPCL's growth journey and supports the Company's strategy of product diversification within the chemical sector.

The project set a benchmark for execution excellence and safety performance, completing more than 4.6 million man-hours without any fatalities and recording only one Lost Workday Injury (LWI), resulting in an outstanding Total Recordable Injury Rate (TRIR) of 0.04. Quality assurance remained a critical focus throughout the project, with over 100,000 weld inch-dia inspections, more than 11,000 radiographs, and a low repair rate of approximately 3%, alongside the successful closure of more than 400 test packages. The successful commissioning of the Hydrogen Peroxide plant reinforces EPCL's strong project execution capabilities while positioning the Company for sustained growth through a more diversified and value-enhanced product portfolio.

- High Temperature Direct Chlorination (HTDC): The Company also successfully commissioned its High Temperature Direct Chlorination (HTDC) plant in March 2025 as part of its ongoing commitment to operational efficiency and environmental stewardship. The project incorporates patented heat recovery technology designed to improve process efficiency, reduce gas consumption, and lower the plant's overall carbon footprint.

The HTDC project was delivered with an exceptional safety record, achieving 1.5 million safe man-hours with zero major incidents. The project scope included installation of critical heavy equipment, including a 160-ton column and a 100-ton reactor. Quality control remained a key focus during execution, with over 50,000 weld inch-dia inspections, more than 25,000 radiographs, and an impressive repair rate of approximately 2.5%. The successful commissioning of the HTDC plant further demonstrates EPCL's strong execution capabilities while advancing its commitment to operational excellence and sustainable growth.

looking towards FY 2026

The Company remains committed to delivering strong shareholder value by investing in the long-term reliability of its existing operations. It will continue to identify and resolve key safety, reliability, operability, and maintenance concerns, leading to safer plant performance, consistent service, fewer unplanned outages, and reduced unforeseen costs. Furthermore, the Digital Transformation department will continue to drive tangible value by optimizing operations and strengthening safety measures.

With the successful commissioning of the Hydrogen Peroxide plant in 2025, the Company will continue its market development efforts in 2026. HPO marks a strategic diversification for EPCL, creating new opportunities within the domestic market. The Company's focus will remain on strengthening its market position and building partnerships with key stakeholders.

Furthermore, recognizing the influence of government policies and regulations, we continue to stay engaged with governmental bodies and stakeholders at multiple levels. This ongoing interaction allows us to share insights on business dynamics and industry challenges, helping shape sustainable and progressive policies for the country.

The Company also remains committed to pursuing targeted sustainability initiatives that create value for all stakeholders in the coming year. As part of this commitment, the Company is exploring avenues to lower carbon emissions. In addition, efforts are focused on water conservation through optimizing current usage, managing groundwater consumption, and enhancing water recycling capabilities. With continued government support and the dedication of its people, EPCL remains committed to unlocking new opportunities in the domestic PVC, Caustic Soda and Hydrogen Peroxide markets while maximizing value for its shareholders.

source of information and assumptions used for projections / forecasts

EPCL recognizes the importance of proactive planning to support sustainable growth. To achieve this, the Company follows a structured process to review and evaluate the assumptions used in both quantitative and qualitative analysis and forecasts. It has established a strong network with international olefins analysts to obtain deeper insights into global market dynamics. Macroeconomic assumptions are primarily sourced from publications issued by the State Bank of Pakistan and the Pakistan Bureau of Statistics. The Company also relies extensively on primary data collection, conducting customer surveys, market visits, and other activities, to understand domestic market dynamics and incorporate these insights into its forecasts.

All assumptions used in projections and forecasts are closely monitored and thoroughly discussed by senior management as part of the decision making process.

organization's capability in responding to potential critical challenges and uncertainties

EPCL remains cognizant of the evolving internal and external environment, recognizing potential challenges and uncertainties that may impact its operations. To address these risks, the Company has put in place a comprehensive Enterprise Risk Management framework which enables the Company in the identification, assessment and mitigations of key risks. These risks and their mitigation plans are regularly reviewed and presented to the Board of Directors. Additionally, to ensure business resilience, the Company initiated its Business Continuity Plan in 2013 and has been regularly updating it since 2018, reinforcing its commitment to safeguarding business operations against potential disruptions.





human capital &
culture

our people

Human capital remains a strategic priority for EPCL as we continue to strengthen our ability to attract, develop, and retain high-caliber talent in an increasingly dynamic business environment. Our people are central to sustained value creation and operational excellence, and we remain committed to fostering a high-performance culture anchored in our “People-First” philosophy. During the year, the Company further reinforced its talent management practices, leadership development focus, and employee engagement platforms to ensure our workforce remains future-ready. Through structured learning opportunities, transparent performance management, and enhanced digital HR systems, EPCL continues to build organizational capability while promoting a culture of ownership, collaboration, and continuous improvement. Our focus remains on creating an inclusive workplace where employees feel respected, empowered, and aligned with the Company’s long-term strategic objectives.

character & good manners (cgm)

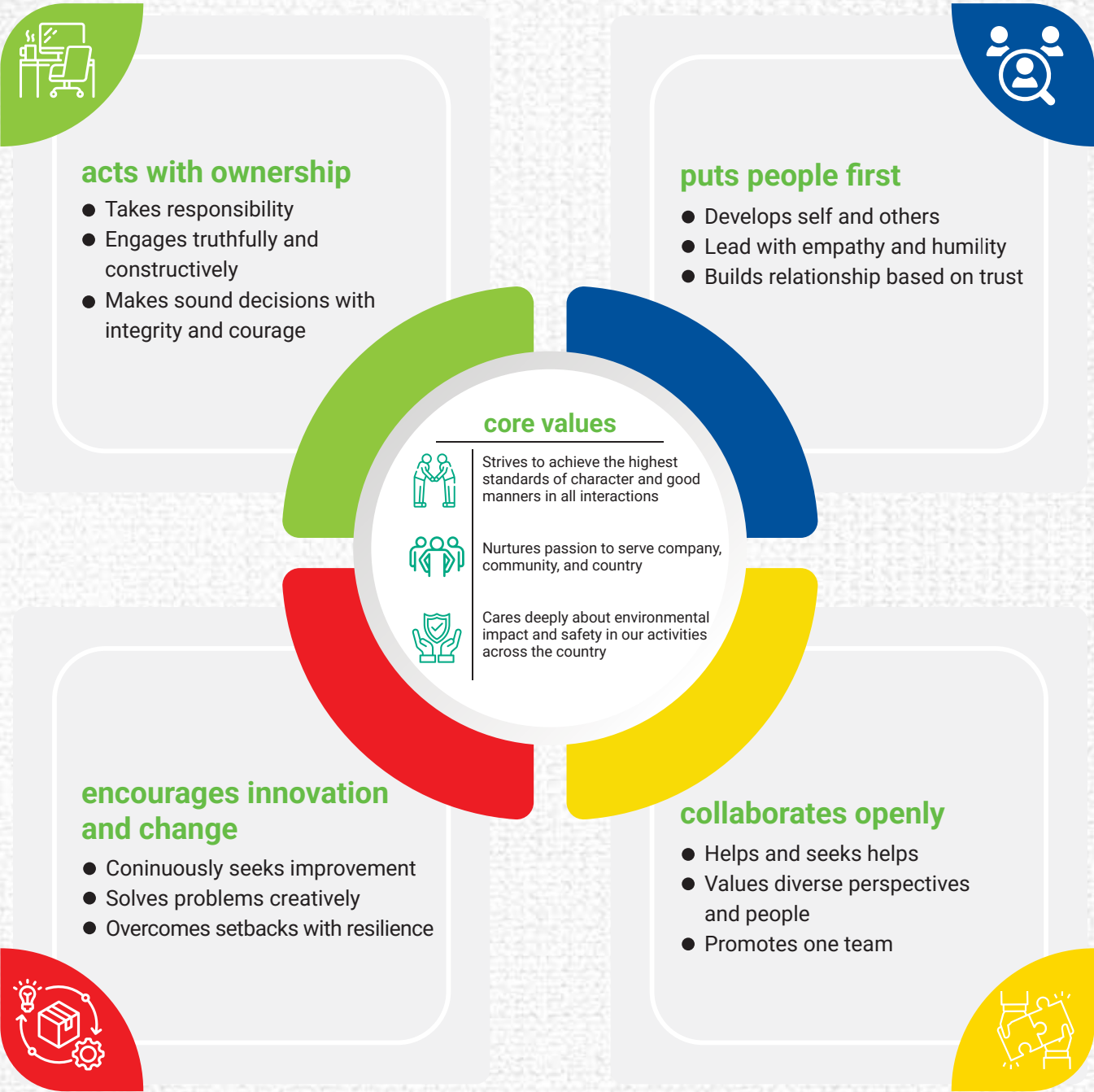
Character & Good Manners (CGM) is a values-driven initiative inspired by the vision of Engro’s Chairman, Mr. Hussain Dawood. It is founded on the belief that strong businesses and trusted leadership are built on strong moral foundations, and that values must first be lived within our own people. At EPCL, CGM serves as a cultural cornerstone, shaping behaviors, decision-making, and leadership expectations across the organization. The framework embeds moral principles and trust-based leadership into everyday work and life, reflecting Engro’s core values of integrity, accountability, respect for people, and responsibility toward safety and the environment. These values are further reinforced through Engro’s Leadership Competency Model, with CGM providing the foundation for authentic leadership behaviors.

The CGM framework is anchored in the TTHIS model, Truth, Trust, Humility, Integrity, and Strive in Hardship, which directly guides how values are manifested in daily conduct. Truth emphasizes honesty, accuracy, and the courage to communicate openly even in challenging situations. Trust is built through consistent reliability and accountability, creating an environment where individuals can collaborate and perform at their best. Humility fosters respect for diverse perspectives, openness to learning, and service-oriented leadership. Integrity ensures alignment between words and actions, reinforcing ethical conduct at all levels. Strive in Hardship reflects resilience, patience, and the determination to persevere with focus and composure in the face of challenges.

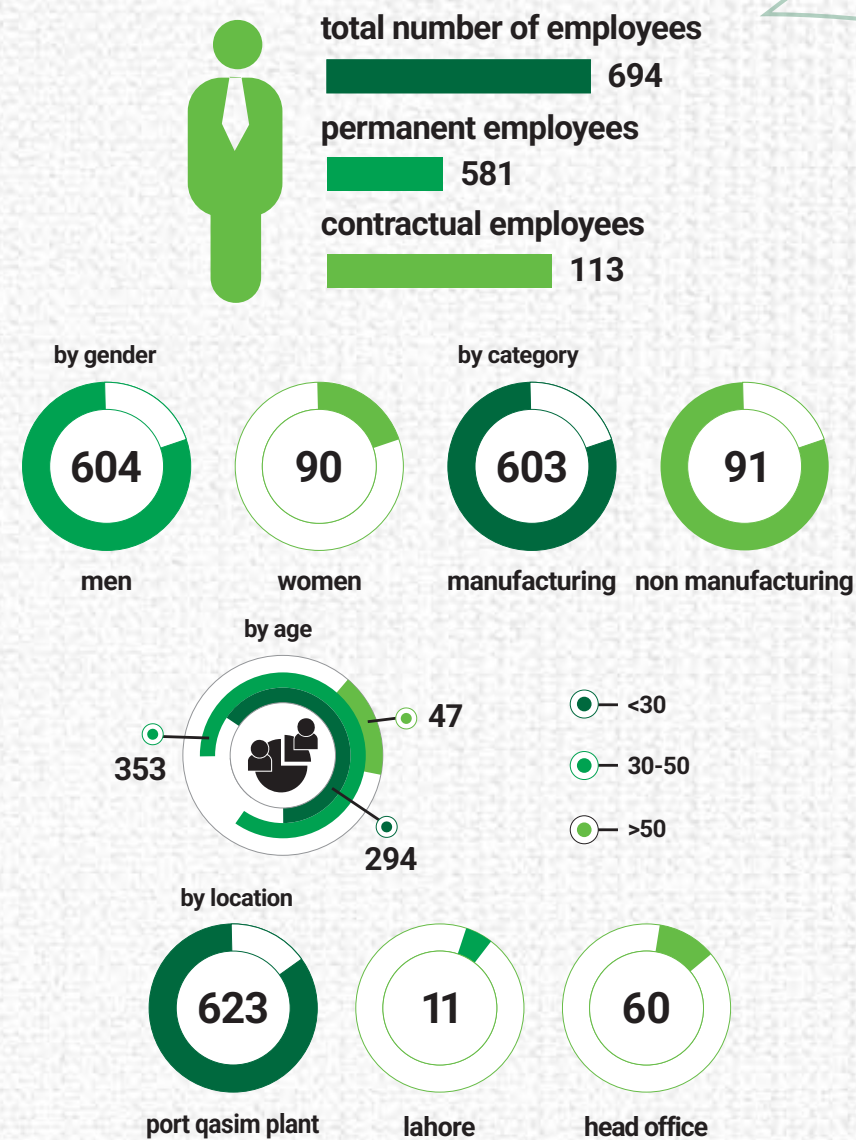
During the year, the Company further embedded CGM across the employee lifecycle through leadership messaging, employee engagement forums, and the active involvement of CGM Ambassadors who champion these behaviors across functions. This continued emphasis strengthens EPCL’s values-driven culture and supports the development of a cohesive, accountable, and future-ready workforce.



engro leadership competency model



employee data by location in 2025



- The overall gender diversity ratio stands at 13%.
- C-1 (Women Employees): Beenish Kajani, Head of HR & Corporate Communication and Rabia Wafah Khan, Chief Financial Officer.
- Employee turnover decreased to 13.6% in 2025 (79 leavers), from 19% in 2024 (106 leavers).

HR governance process

EPCL recognizes its people as its most valuable asset, and their development continues to remain a strategic priority for the Company. We believe that engaged, capable, and motivated employees embody the Company’s values and are fundamental to sustaining operational excellence and long-term growth. Our continued focus on strengthening human capital reflects our commitment to building a resilient organization and a strong corporate ecosystem that creates lasting value for all stakeholders.

Accordingly, the Board places significant emphasis on people development and the policies and processes that support it, which remain closely aligned with our core values and People Leadership Competency framework. To ensure focused oversight of human capital matters, the Board People Committee (BPC) continues to provide governance over HR policies, systems, and practices, including the review of performance evaluation outcomes, leadership development, and succession planning for the Company’s talent pipeline.

At the management level, the People function works in close coordination with leadership to drive effective stewardship of all HR matters, including compensation, organizational capability building, training, and workforce development initiatives.

The Company maintains a comprehensive Human Resource Management framework designed to attract, onboard, develop, retain, and motivate high-caliber talent capable of delivering on both short- and long-term business objectives. This framework is supported by a suite of policies covering recruitment, compensation, performance management, and organizational development.

EPCL’s HR policies continue to be guided by the following core principles:

- **equal opportunity**
The Company is committed to providing equal opportunity to all job applicants through clearly defined and consistently applied recruitment and induction standards. EPCL strives to maintain a work environment where every employee has a fair opportunity to develop their skills and realize their full potential.
- **Training and Development**
To meet evolving organizational and employee needs, the Company provides structured opportunities for capability building across both technical and managerial domains. Learning is enabled through a combination of classroom-based programs, digital learning, and on-the-job development to strengthen individual and organizational effectiveness.
- **Compensation and Benefits**
The Company maintains market-aligned reward practices designed to attract and retain high-quality talent. Compensation frameworks are structured to ensure a clear linkage between rewards, performance, and potential, reinforcing a performance-driven culture.
- **Diversity and Non-Discrimination**
EPCL is committed to fostering a workplace that is free from discrimination and harassment in all forms. The Company actively promotes gender diversity and inclusion across all levels and continues to strengthen policies that support flexible and enabling work arrangements.
- **Performance Management**
The Company maintains a transparent, merit-based performance management system that aligns individual objectives with organizational priorities. Structured career development and succession planning processes are in place to support talent progression based on merit and demonstrated potential.

talent

Our people strategy is guided by our central idea, which positions people as the organization’s key growth imperative. As the Company advances its focus on new and emerging business opportunities, we strengthen an entrepreneurial and innovation-driven mindset across our workforce to support business success.

Our core competencies, supported by a robust and forward-looking people strategy, enable us to navigate the evolving business landscape and remain focused on attracting, retaining, and developing high-caliber talent aligned with our strategic priorities.

hiring: talent acquisition

Talent acquisition remains a critical enabler of EPCL’s long-term growth strategy, focused on attracting, assessing, and hiring individuals who align with the Company’s technical requirements, cultural values, and future capability needs. The function plays a key role in strengthening workforce quality, supporting strategic objectives, enhancing team productivity, and promoting diversity across talent pipelines.

Key programs under the Talent Acquisition umbrella during the year included:

Academic collaborations and job fairs

The Company continued to strengthen its employer brand through active engagement with leading universities and participation in targeted campus outreach initiatives to attract high-potential early-career talent.

Graduate trainee engineers (GTE)

EPCL onboarded 23 Graduate Trainee Engineers during the year, comprising 16 men (70%) and 7 women (30%). The program remains a key pipeline for developing future technical leadership capability within the organization.

Trade apprentices and trade apprentice engineers

To strengthen frontline technical capability, the Company inducted 43 Trade Apprentices (35 men and 8 women) and 18 Trade Apprentice Engineers (13 men and 5 women). These structured programs support capability building aligned with plant and operations requirements.

Management trainee program

As part of building commercial and functional bench strength, the Company onboarded 3 Management Trainees during the year, including 2 Women and 1 men, reflecting continued focus on improving gender diversity within early-career pipelines.

Summer internship program

EPCL inducted 35 interns for its six-week summer internship program, with representation across the Karachi Head Office (13), Plant Site (21), and Lahore Office (1). The cohort included 21 men (60%) and 14 Women (40%), supporting early talent engagement and employer brand visibility.

Internal job posting (IJP)

The Company continued to strengthen internal mobility through its digitized Internal Job Posting platform, enabling mid-career employees to access opportunities across the Engro Group. Awareness sessions and manager enablement initiatives were conducted to drive adoption and reinforce a transparent, merit-based internal movement framework.



Collectively, these initiatives reflect EPCL’s continued commitment to building a strong, diverse, and future-ready talent pipeline aligned with the Company’s strategic priorities.

employee remuneration policies and processes

The Company’s human resource policies are designed to ensure fair, competitive, and performance-linked compensation aligned with employees’ roles, experience, and contributions. Remuneration for management employees is periodically benchmarked through market surveys and peer comparisons to maintain competitiveness within relevant talent markets and is administered in accordance with approved Company policies.

EPCL remains committed to maintaining a balanced and comprehensive employee benefits framework to support employee well-being and long-term financial security. Key benefit programs currently available to employees include:

- Defined benefit gratuity fund
- Contributory provident fund

These programs collectively support the Company’s objective of attracting, retaining, and motivating high-caliber talent while reinforcing a performance-oriented culture.

employee benefits and policies

EPCL’s compensation philosophy is designed to ensure fair, competitive, and performance-linked remuneration aligned with employees’ roles, experience, and contributions. Compensation for management employees is periodically benchmarked against relevant market data and administered in accordance with approved Company policies.

The Company’s total rewards framework is complemented by a comprehensive suite of benefits aimed at enhancing employee well-being, motivation, and overall experience, thereby supporting EPCL’s ability to attract and retain high-quality talent.

Following are some of the key benefits offered to permanent employees:

- Health & Life Insurance
- Car & Fuel Allowance
- Medical & Dental Benefits

- Parental Leaves & Sabbatical leaves
- Retirement & Separation Benefits
- Allowance for Home Ownership Assistance & Service Incentive
- Performance Bonus
- Interest Free Loans
- Education Assistance
- Travel & Transport Benefits
- Child Education Assistance Program
- Subsidized accommodation for outstation employees
- Club Membership

details of retirals and long-term benefits are as follows

The Company maintains a funded gratuity scheme for its eligible employees. Participation in the scheme is subject to completion of the prescribed vesting period, and the Fund is administered by independent trustees. Annual contributions to the gratuity and management staff fund are determined based on actuarial valuations.

These benefits are available to full-time permanent employees, including management and staff, and are not extended to contractual employees. The Company also contributes to a defined contribution provident fund for its permanent employees, with both the Company and employees contributing monthly at the rate of 10% of basic salary.

gender pay gap

At Engro, we are committed to fostering an inclusive and equitable workplace where all employees have equal opportunities to grow and succeed. Our compensation philosophy is built on fairness, transparency, and meritocracy, ensuring that pay is determined by an individual's competence, years of experience, and performance. We believe in rewarding employees for their contributions and the value they bring to our organization. To uphold our commitment to fairness, we regularly review our compensation structures to ensure alignment with industry standards and internal equity. For reporting gender parity, we have used the following calculation assumptions to determine the Men-to-Women pay ratio, which stands at 1:1.01 (mean) and 1:1.03 (median).

The CEO and leadership endorse these numbers and remain committed to ensuring pay equity –regardless of gender– so that all employees are recognized and rewarded equitably for their contributions.

rewards – policy

job evaluation

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

transport for women staff

The Company continues to strengthen workplace inclusion by implementing initiatives that support safe and convenient mobility for women employees. In this regard, EPCL provides a monthly mobility allowance of PKR 20,000 to women employees who are not assigned a company vehicle. This initiative is designed to facilitate secure and reliable commuting options, enabling greater ease of travel to and from the workplace.

This initiative forms part of the Company's broader Diversity, Equity, and Inclusion (DE&I) agenda and complements ongoing efforts to build a more gender-diverse and enabling work environment.

daycare allowance

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

maternity leaves & paternity leaves

Engro offers women employees 6 months of paid maternity leave and men 15 working days of paid paternity leaves.

access to women hygiene products

Engro also provides women with access to Women hygiene products free of cost at the workplace.

long service benefits

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

policy roadshow

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

talent development & capability building

people and talent development

At Engro Polymer & Chemicals Limited (EPCL), we recognize that future business challenges will differ from the past, and we continue to invest in the leadership competencies needed to meet them. Our talent development is anchored in Engro’s Leadership Competency Model (LCM) and Characters & Good Manners (CGM), which together cultivate the values, behaviours and mindset that underpin responsible leadership.

Central to development is our year-round performance management system, PMGM. Beginning with clear goal-setting and including mid-year reviews and appraisal dialogues, PMGM combines objective achievement with behavioural assessment, as measured through LCM and CGM manifestations and is reinforced by frequent manager–employee feedback throughout the year.

Our Development Forums provide a structured, benchmarked environment to evaluate the senior incumbents against these standards. Through rigorous discussion, 360° insights and targeted assessments, the forums identify strengths, pinpoint development priorities and translate findings into individualized development plans and succession actions.

bridge talk

Recognizing that strong leadership and engagement are built through meaningful conversations, we introduced BridgeTalk, a dedicated platform designed to institutionalize monthly one-on-one check-ins between line managers and their direct reports. Tailored to strengthen feedback communication across our teams, BridgeTalk helps transform routine discussions into purposeful conversations that drive development and accountability.

We complemented the platform with practical toolkits for both employees and line managers to support effective one-on-one dialogue. These include guided agendas, communication tips, guidance on giving and receiving feedback, and clear follow-up actions.

By making regular check-ins consistent and action-oriented, Bridgetalk strengthens trust between managers and employees and ensures feedback remains timely, constructive, transparent, and two-way, while aligning individual growth with organizational goals.

talent development program (TDP)

The Company continued to strengthen its Talent Development Program (TDP), a structured and documented framework designed to identify and develop future leaders from within the organization. The program provides high-performing employees — identified through clearly defined eligibility criteria — with focused development opportunities aligned with EPCL’s long-term strategic priorities.

During the year, eight EPCL employees were inducted into the program, with 21% of Cohort 2 participants representing EPCL, reflecting the Company’s growing contribution to the broader leadership pipeline within the Engro ecosystem.

Participants are supported through tailored Individual Development Plans (IDPs) aimed at preparing them for critical roles and strengthening leadership readiness across the business. The TDP serves as an important feeder for the Company’s succession planning pipeline, supporting talent engagement and ensuring continuity of leadership capability.

Anchored in the principles of truth, trust, and transparency, the program reflects EPCL’s continued commitment to fostering an environment that enables both professional growth and organizational resilience.



succession planning

At EPCL, we maintain a robust succession planning process that builds a strong leadership pipeline across the organization. Through our annual Talent Review Session (TRS), company leadership including the Management Committee (MC), General Managers, and the HR team comes together to review succession pipelines and talent grids for critical leadership roles.

TRS is a key component of the Company’s talent governance framework and enables structured alignment on future-ready talent, role criticality, and targeted development priorities across the leadership pipeline. During the year, the Company conducted TRS for 53 leadership roles, ensuring focused succession planning and the continued development of a strong and resilient leadership pipeline.

Talent is assessed through a comprehensive framework that considers career aspirations, key strengths, development areas, and targeted development actions aligned with succession roles. This process results in well-defined succession plans and individualized development plans designed to enhance leadership readiness.

potential at recruitment session (PAR)

The annual PAR session immerses incoming talent in real-world business challenges through cross-functional problem-solving, reverse-mentoring and direct dialogue with senior leadership (Management Committee and GMs). Designed to accelerate workplace readiness, the program tasks participants with translating academic learning into practical solutions, prioritizing work in dynamic contexts, and presenting insights to leaders while giving leadership fresh perspectives from early-career talent. The experience strengthens commercial acumen, sharpens decision-making and fast-tracks integration into the business.

This year’s session involved 3 Management Trainees (MTs) and 23 Graduate Trainee Engineers (GTEs).



leadership connects

During the year, Engro Polymer & Chemicals Limited (EPCL) continued to strengthen leadership visibility and employee engagement through a series of Leadership Connect sessions held across the organization.

These engagements provided employees direct airtime with senior leadership, enabling a culture of safe, open, candid and forward-looking conversations.

These session helped leadership cascade timely communication of business priorities, strategic direction, and key organizational developments. The sessions also created structured opportunities for leadership to hear employee perspectives, address queries, and reinforce alignment on the Company’s goals and values.

Feedback and insights gathered through these interactions were reviewed and, where relevant, translated into focused actions to enhance the overall employee experience.

EPCL uncut – ceo townhall



EPCL UNCUT serves as the Company’s flagship CEO townhall platform during the year, conducted on a quarterly basis to strengthen leadership visibility, transparency, and organizational alignment. The sessions provided employees with direct access to the Chief Executive Officer and Management Committee through open and interactive dialogue.

During 2025, the format of CEO Townhall was further refreshed to enhance engagement and encourage more meaningful two-way communication. The townhalls covered key business updates, progress against strategic priorities, and the Company’s growth agenda, while also enabling employees to raise questions and share feedback directly with leadership.

These engagements continue to reinforce a culture of openness and trust, strengthen alignment across teams, and ensure employees remain connected to EPCL’s strategic direction and performance priorities.

qayoom & co.



During the year, EPCL introduced Qayoom & Co, a series of in-person, agenda-free conversations with AQS. Conducted in small cohorts (two-hour sessions, up to 25 participants), the program gives employees across bands and divisions a safe space to share ideas, questions, and real workplace challenges directly with the CEO.

Designed to promote candid dialogue and reverse-mentoring, Qayoom & Co enables leaders to hear frontline perspectives that don’t always surface through formal channels, while participants receive coaching, insight and visibility. By encouraging two-way learning and personalized engagement, the program humanizes leadership, builds trust and amplifies employee voice in shaping the company’s culture and strategy.

women’s day iftar with the leadership



During the year, we hosted a Women’s Day Iftar, bringing together women employees and leadership in an inclusive setting to celebrate and strengthen the Company’s commitment to women’s engagement and empowerment. The session brought together women employees and leadership allies in an inclusive setting designed to strengthen dialogue, visibility, and shared ownership of the Company’s inclusion agenda.

The engagement combined interactive elements with candid conversations between leadership and employees on the evolving role of women at EPCL and the progress of the Company’s Diversity, Equity, and Inclusion (DE&I) journey. The discussion also reflected on the impact of flagship initiatives such as Breaking the Glass Ceiling and the continued focus on expanding opportunities for women across the organization.

learning and development

Total training hours:	39,500 hours
Average training hours per employee:	40 hours

character and good manners

As part of our core values, Character and Good Manners (CGM) was refreshed at Engro Polymer and Chemicals in 2025 as a focused initiative to further strengthen employee character and conduct in line with the highest standards of integrity and accountability. The execution was a strong organizational achievement whereby 85% of CGM sessions were conducted at the plant site in order to ensure maximum employee participation. A total of 631 employees completed the program, achieving 100% completion in 4 months, that started in April. This was made possible by 22 accomplished trainers who facilitated over 30 sessions.

CGM has proven to be a highly impactful learning initiative. By embedding the principles of TTHIS, it is actively improving employees’ decision making, relationships, and leadership conduct. Its influence extends beyond the workplace, helping employees live with stronger values at home and in the community, and reinforcing Engro’s commitment to character based, trust led leadership.

leap initiative

The LEAP program, standing for Learn, Empower, Adapt Progress, is a structured learning space designed to support the professional growth and development of Engro employees across all levels. It was built on the principle that learning must be practical, role relevant, and aligned with both business needs and individual capability gaps. Each LEAP program was developed based on key development themes identified by Engro Corp through the Learning Needs Analysis (LNA), Employee Engagement Survey (EES), and PMGM outcomes. These themes were structured into band wise development priorities and subsequently reviewed and validated in consultation with General Managers before being finalized for each employee segment.

For P1 to P5 employees, LEAP built strong individual contributors by enhancing problem solving, ethics, communication, trust, and self-management. Employees learned structured problem solving, ethical decision-making, collaboration, and discipline in task ownership, time management, and productivity. At P6 to P7, the focus shifted to execution and accountability, with programs on operational efficiency, workflow optimization, prioritization, coordination, and ownership of team performance.

For M1 to M2 leaders, LEAP supported the transition to people leadership, emphasizing design thinking, emotional intelligence, resilience, collaboration, networking, and achievement-oriented leadership. At M3 to M4, programs refined strategic, trust-based leadership through advanced decision-making, governance, ethical leadership, and results-driven execution, strengthening transparency, accountability, coaching, and enterprise collaboration.



LEAP played a critical role in strengthening EPCL’s learning culture by ensuring that every employee, regardless of level, received targeted and meaningful development. By aligning learning with employee bands and real performance needs, the program empowered employees to grow with confidence, adapt to evolving roles, and contribute more effectively to Engro’s long term success.

learnathon

Learnathon was a high energy, four week learning competition inspired by Formula 1, designed to bring excitement, creativity, and fun into learning at EPCL. Using the F1 theme, participants formed teams of 4 known as pit crews, competing through weekly learning challenges, called circuits, while earning bonus points for cross functional, cross location, and cross band collaboration. The format moved learning beyond traditional methods, creating momentum, friendly competition, and a shared sense of purpose around continuous development.

EPCL Learnathon 2025 created a strong ripple effect that went well beyond participation. A total of 124 employees took part, with an average of 75 participants actively posting every week. Engagement peaked with over 600 interactions on a single Workvivo post, with #EPCLLearnathon2025 used 350+ times in those 4 weeks, and over 180 interactions on a single LinkedIn post, whereas @Engro Polymer and Chemicals was tagged 50+ times. The impact was further celebrated by recognizing over 40 participants during the closing ceremony, reinforcing visibility, appreciation, and collective achievement.

The learning scope of Learnathon was intentionally broad, covering a wide range of technical, creative, and interpersonal skills. Participants explored areas such as news reporting, film critique, public speaking, teaching and presentation delivery, creative writing, literature, and astronomy, alongside global languages, world cultures, cultural intelligence, diversity and inclusion, and sign language. These subjects encouraged curiosity, self-discovery, and learning beyond traditional role boundaries.

Learnathon also stood out for the values it embedded and the creativity it brought into the learning space. By combining unconventional topics with experiential challenges, digital engagement, and peer learning, it introduced a fresh energy into learning and development. The program reinforced collaboration, confidence, inclusivity, and global awareness, while proving that learning can be engaging, expressive, and deeply meaningful when designed with creativity at its core.



learning over latte

Learning Over Latte was a new learning initiative, launched in September 2025, designed to make knowledge sharing informal, engaging, and easy to consume at Engro, while intentionally utilizing and showcasing internal talent across the Engro Group. It creates a relaxed yet purposeful space where colleagues share practical insights, business knowledge, and real-life skills in short, open sessions. The idea was simple, learning should feel like caffeine, an addition to your day, energizing rather than overwhelming.

These 1-hour sessions were optional, interactive, and conducted across both the Head Office and the EPCL plant site, reinforcing accessibility and inclusivity. The sessions covered a wide range of relevant and practical topics led by internal subject matter experts from across the Group.

During the year, EPCL conducted four internal training programs aimed at strengthening commercial, analytical, and personal capability across the workforce. These sessions focused on entrepreneurship and moving from concepts to execution, relationship-based selling and customer value creation, personal financial decision-making and investment fundamentals, and practical Excel capability building for smarter data utilization. Together, these targeted interventions enhanced employees' ability to apply practical business skills and make informed, value-driven decisions.

Learning Over Latte created strong value by making learning accessible and relevant. The sessions embedded learning naturally into the flow of work. They encouraged peer to peer learning and knowledge sharing across companies. Employees gained exposure to expertise beyond their immediate teams. The informal and optional format reduced learning fatigue while increasing curiosity and engagement. Participants built practical skills and confidence in new areas.



ViBE talks

By launching the ViBE (Vision, Inspire, Build, Empower) talks platform, EPCL advanced its learning and engagement agenda by providing employees with exposure to diverse leadership perspectives and practical insights. During the year, the platform featured senior leaders from across Engro as well as an external thought leader.



Mr. Ali Rathore, Chief Executive Officer of Engro Fertilizers, engaged employees in an interactive session emphasizing the importance of curiosity, consistency, and disciplined execution as key enablers of professional growth. The session included an open dialogue with employees on personal and career development.

The series also featured Mr. Kaleem Asghar, Chief Executive Officer of Engro Eximp FZE, who shared perspectives from his experience in international trading, highlighting the role of adaptability, resilience, and balanced decision-making in navigating complex business environments.

Further enriching the dialogue, Mr. Zeshan Taj Khan conducted an interactive session focused on the principle that leadership is demonstrated through ownership, influence, and everyday actions rather than formal authority. As part of his engagement, he also visited the EPCL plant and held one-on-one discussions with plant employees, extending the reach of the platform to frontline teams.

In a notable expansion of the series, EPCL hosted Ms. Sidra Iqbal, award-winning journalist and strategic communications leader, marking the platform's first engagement with an external speaker. Her session highlighted the power of purposeful storytelling in building influence, authentic connection, and leadership impact, and saw strong participation from employees across the Engro Group.

diversity, equity & inclusion

EPCL's commitment to Diversity, Equity and Inclusion (DE&I) continues to reinforce its position as an employer of choice, fostering a workplace culture anchored in inclusivity, innovation, and high performance. The inclusion of diverse talent remains central to the Company's DE&I vision, as varied perspectives enhance creativity, strengthen collaboration, and support more informed decision-making. In 2025, the Company maintained a gender diversity ratio of 13%, reflecting steady progress in strengthening gender representation across the organization. DE&I principles remain firmly embedded within human resource practices, with continued focus on equal-opportunity recruitment, equitable remuneration, and merit-based progression. The Company has set a forward target to achieve a 16% diversity ratio by 2027.

Beyond internal representation, EPCLs' structured DE&I agenda continues to enhance its reputation and brand equity, positioning the Company as a progressive industry leader. By expanding access to opportunity and creating equitable growth pathways, Engro contributes to greater economic participation, particularly for women, while supporting broader societal progress toward gender equality and inclusive development.

Recruitment and early-career development continued to show encouraging diversity trends across the talent pipeline. Women represented 40% of the internship program, 19% of Trade Apprentices (TAs), 28% of Trade Apprentice Engineers (TAEs), 30% of Graduate Trainee Engineers (GTEs), and 67% of the Management Trainee (MT) cohort, reflecting steady progress toward building a more balanced and future-ready workforce.

In parallel, EPCL continued to strengthen its sensitization agenda by embedding inclusive behaviors across key employee touchpoints. Targeted DE&I sensitization sessions were conducted for early-career cohorts including Trade Apprentices, Trade Apprentice Engineers, Graduate Trainee Engineers, and Management Trainees, reinforcing inclusive mindsets at the start of their professional journeys. Mandatory DE&I orientation sessions for all new joiners also continued on a quarterly basis, further strengthening the Company's inclusive culture foundation.

minds that matter — neurodiversity internship

During the year, the Company advanced its inclusion journey through the launch of Minds That Matter, Engro's first neurodiversity internship program, delivered in partnership with nowPDP. Designed to expand access to meaningful employment and foster a more inclusive workplace, the four-week pilot onboarded two neurodiverse interns and provided structured learning combined with practical exposure. The program began with dedicated orientation sessions and sensitization interventions for both interns and host teams, ensuring readiness and psychological safety from the outset.

The curriculum focused on building future-relevant capabilities, including exposure to AI tools and digital productivity platforms, enabling participants to develop practical, industry-aligned skills. At the same time, the initiative strengthened internal awareness and inclusive mindsets across teams. Minds That Matter represents an important step in broadening the Company's approach to workplace inclusion and reflects its commitment to evolving the DE&I agenda in line with emerging workforce needs.

Our commitment to inclusion:

As of 2025, PWDs make up 0.3% of our workforce, and we are committed to increase this representation by 3X by 2026.



baithak – international day for the elimination of violence against women

To mark the International Day for the Elimination of Violence Against Women, EPCL convened a Baithak with leaders from across industries, including Reckitt, Jazz, K-Electric, Shirkat Gah, AMAN, Khaadi, British Council, EBM, foodpanda, Pakistan Cables, HBL, and others for a conversation grounded in honesty, empathy, and shared responsibility.

In small-group dialogues, participants examined what safer and more equitable workplaces truly require, particularly for women navigating harassment, discrimination, and the often-unspoken realities of domestic violence that follow them into their professional lives. Discussions focused on strengthening policies, identifying immediate organizational actions, and enabling the cultural shifts required to make safety a lived practice rather than a written promise. One discussion circle emphasized the importance of partnerships with NGOs, helplines, shelters, and legal bodies, recognizing that meaningful protection requires a connected ecosystem of support.

The Baithak served not as a closing conversation, but as a starting point for sustained action toward workplaces where every woman is protected, supported, and able to thrive.



mother's day engagement – the “dual force”

EPCL also marked Women's Day through a special engagement themed the “Dual Force,” celebrating the strength of women who lead at work and at home. The session opened with a message from Ahsan Zafar Syed, President & CEO of Engro Corporation, who set the tone for a dialogue grounded in empathy, inclusion, and shared leadership. This was followed by reflections from Muhammad Saad Khan, VP Manufacturing at EPCL, on “The Other Half of Leadership,” offering a personal perspective on allyship and the importance of support systems that begin at home.

The event featured a candid and heartfelt panel comprising working mothers and allies, including Kashan Hasan (CEO, FrieslandCampina), Ehsan Saya (Managing Director, Daraz), Lalarukh Hussain (Legal & Compliance Director, Wafi Energy Pakistan), Syra Yousuf (actor), and Sara Ali (entrepreneur), who shared lived experiences of navigating leadership across professional and personal spheres. The engagement concluded with closing remarks from Abdul Qayoom Shaikh, CEO of EPCL, reaffirming the Company's commitment to enabling truly inclusive leadership that recognizes the full realities of its people's lives.



umeed-e-nouh

EPCL's dedication to advancing equity extends beyond organizational boundaries into the broader community. Building on the momentum of Umeed-e-Nouh, the women forklift operators program, the Company continues to champion initiatives that break traditional barriers and open non-traditional career pathways for women in manufacturing and supply chain domains. These efforts support financial independence, technical skill development, and long-term workforce inclusion, reinforcing the Company's role in driving meaningful societal impact.



climate2equal pledge

Further reinforcing its external commitment, the Company signed the Climate2Equal Pledge under the IFC–PBC initiative. Climate2Equal is a private-sector platform designed to build business capacity for gender-inclusive climate action and to place women at the center of climate-smart solutions. Through this pledge, participating companies commit to developing gender-responsive climate strategies, strengthening women’s participation in climate decision-making, and building green skills and opportunities for women across value chains.



employee engagement & culture

At Engro Polymer & Chemicals Limited (EPCL), culture and engagement are recognized as critical enablers of sustainable performance and organizational resilience. The Company remains committed to fostering a workplace environment that promotes openness, accountability, collaboration, and a strong sense of belonging across all levels of the organization.

During the year, EPCL continued to strengthen structured engagement platforms, leadership visibility, and feedback mechanisms to ensure employees remain connected to the Company’s strategy and values. Through targeted initiatives focused on communication, well-being, capability development, and inclusion, the Company aims to enhance the overall employee experience while reinforcing a high-performance and values-driven culture.

employee engagement highlights during the year
family day



EPCL hosted its annual Family Day during the year, bringing together employees and their families for an afternoon focused on connection, appreciation, and shared celebration. The event featured a range of engaging activities for children and families, creating an enjoyable and inclusive environment that strengthened bonds beyond the workplace.

Senior leadership, including the President of Engro Corporation, Mr. Ahsan Zafar Syed, joined the event alongside the EPCL leadership team and their families, reflecting the Company’s continued emphasis on building a close-knit and people-centric culture.

Family Day remains an important engagement initiative that reinforces EPCL’s commitment to employee well-being, community spirit, and fostering a workplace culture where employees and their families feel valued and connected.

father’s day – abbu & me

In celebration of Father’s Day, we organized Abbu & Me, a family engagement initiative designed to strengthen bonds between employees and their children or fathers. The event was hosted at the TDF MagnifiScience Centre and provided an interactive and enjoyable experience for participating families.

Through shared exploration of the science exhibits and dedicated family time, the initiative created meaningful moments of connection and engagement beyond the workplace. The activity reflects EPCL's continued focus on employee well-being and its commitment to fostering a family-inclusive culture.



sports fest 2025

The Annual Sports Fest was hosted during the year as a week dedicated to sports, bringing together employees and their families to celebrate teamwork, healthy competition, and community spirit. The event featured a wide range of outdoor and indoor sporting activities, including cricket, badminton, padel, volleyball, table tennis, throwball, chess, and other recreational games.



The Sports Fest saw participation from eight teams and 189 players across 15 sporting categories, culminating in a well-attended grand finale that further strengthened camaraderie across the organization.

epcl took over danzoo with their families

EPCL organized a family outing at Danzoo, bringing together employees and their families for a day of recreation and connection outside the workplace. The event featured a vibrant seasonal Mango Party, which added a festive and culturally engaging element to the overall experience.

Participants enjoyed a range of fun-filled activities, including boating and interactive attractions for children, creating meaningful opportunities for families to bond in a relaxed and enjoyable environment while further strengthening the sense of community within the EPCL family.



epcl arena takeover

EPCL organized a dedicated recreational engagement where employees and their families came together for a day of connection, recreation, and friendly competition. The initiative was designed to provide employees an opportunity to unwind while strengthening bonds across the EPCL community.

Participants took part in a variety of activities, including padel, bowling, arcade games, bounce challenges, and cricket, creating an energetic and family-inclusive environment.



departmental away days

To strengthen team cohesion and celebrate key milestones, EPCL continued to organize departmental away days across functions during the year. These engagements provided employees with opportunities to connect beyond the workplace, reinforce collaboration, and build stronger cross-functional relationships.

Key initiatives included the Head Office Beach Day, the Commercial team's away day at Dreamworld Resort, the Production team's day out, and the I&E Sports Mania event. In addition, the VCM team participated in a dedicated team engagement session at the Omni Karting Circuit.



yum stop

During the year, we introduced EPCL Yum Stop, a new employee engagement initiative designed to create informal moments of connection and relaxation within the workplace. The pop-up food experience provides employees with an opportunity to take a short break, enjoy curated food offerings, and interact with colleagues in a casual setting.



The first Yum Stop featured a waffle and pancake bar and received strong employee participation. Building on this momentum, additional themed pop-ups, including the Desi Gali experience and YoFroYo were rolled out during the year, further enhancing the vibrancy of the workplace.

independence day



Independence Day was celebrated across both the plant and Head Office, bringing employees and their families together in a spirit of patriotism, unity, and shared pride.

At the plant site, the occasion was particularly significant as the flag hoisting ceremony was reinstated after a decade. Employees and their families gathered to commemorate the moment, reflecting collective pride and a strong sense of community.

At the Head Office, the celebration took on a festive and engaging tone, featuring traditional food, karaoke, and themed activities that encouraged employee participation and camaraderie. The event created an energizing atmosphere while reinforcing shared national pride.

gratitude day

On World Gratitude Day, EPCL recognized and appreciated the invaluable contributions of employees and support staff who work behind the scenes to keep daily operations running smoothly. The initiative highlighted the often-unseen efforts of colleagues across functions, from front desk and security teams to administrative and IT support; whose consistent dedication enables organizational effectiveness.



EPCL cares

EPCL believes that the personal milestones of employees (birthdays of employees and immediate family members, childbirth, anniversaries, and work anniversaries) are momentous occasions that need to be celebrated. EPCL Cares allows us the opportunity to mark these moments that matter through gifts and other various tokens helping us be part of the celebrations. This year 3,056 smiles were delivered.



listening to our employees

EPCL places strong emphasis on actively listening to its employees and incorporating their feedback into workplace and organizational improvements. Structured feedback mechanisms remain a key component of the Company’s employee engagement framework, enabling timely insight into employee sentiment, priorities, and areas of opportunity.

During the year, employee feedback was gathered through multiple formal and informal channels, including engagement surveys, leadership interactions, and focused dialogue platforms. The insights obtained were systematically reviewed by management and translated into targeted action plans to enhance the overall employee experience.

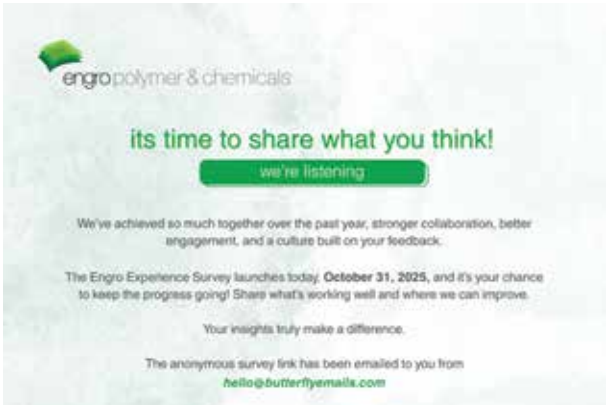
engro experience survey (EES 2025)

The Company recognizes that its people are its greatest asset and that sustained success depends on building high-performance teams within a culture of inclusiveness, professionalism, and excellence. The Company continues to strengthen its human capital practices to enhance its ability to attract, engage, and retain high-quality talent in an increasingly competitive environment.

Employee engagement remains a key focus area, given its direct linkage to talent retention, productivity, and overall employee experience. EPCL measures its progress through a defined set of engagement parameters tailored to its operating context.

The Company conducts the Engro Experience Survey (EES) annually, the results of which are shared with employees and the Board. Findings are carefully analyzed, and targeted action plans are developed to address identified opportunities and sustain areas of strength. The survey evaluates multiple dimensions, including:

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



Our 2025 Engro Experience Survey (EES) recorded a score of 79.2% versus 62.5% in 2024, an increase of 17 percentage points, with each measured dimension improving by at least nine percentage points. Alongside a 98% response rate, this significant uplift reflects stronger employee engagement, deeper organizational connection and growing confidence in the Company’s workplace environment. The result also places us well above the 2024 global average of 68%, as reported by Qualtrics.

EES insights and results are systematically reviewed by divisional HR Business Partners and division heads to identify engagement drivers and prioritise targeted interventions and action plans. To ensure a comprehensive response, the survey findings are complemented by targeted group discussions that provide deeper qualitative insight into employee experiences, concerns and expectations. These structured sessions bring together representative employees across functions and levels for open, facilitated dialogue.

As part of our continuous listening strategy, we run mid-year Pulse surveys focused on the lowest-scoring EES areas and deploy post-initiative feedback surveys after key programs to refine interventions. Findings are translated into concrete action plans and tracked for impact.

Beyond surveys, we sustain employee connection through regular townhalls and a calendar of engagement activities, including beach days, departmental away days, family events and on-site fun days. All designed to foster camaraderie and reinforce our One Engro Family values.

employee recognition

At EPCL, employee recognition is taken up as responsibility not as a good to have. It reinforces the behaviors we value, deepens belonging, and motivates sustained high performance and ties achievement to purpose.

Our recognition ecosystem is multi-faceted and designed to celebrate both everyday excellence and long-term commitment. Initiatives include Spot Awards, Townhall Awards, Long-Service recognition and the EPCL Cares program.

Together, these initiatives ensure recognition is regular, meaningful and aligned to our strategy helping us attract, retain and inspire the people who drive EPCL forward.

ceo townhall awards

In 2025 we also launched the quarterly CEO Townhall Award an elevated recognition platform that acknowledges colleagues who demonstrate exceptional performance, leadership and alignment with our core values.



Employees were recognized across categories celebrating Functional Excellence and Leadership Excellence to celebrate and recognise behaviours displayed by employees that reinforce our Leadership Competencies. The platform acknowledges and celebrate employees who exemplify exceptional performance, leadership, and alignment with our core values. Employees are recognized across categories celebrating Functional and Leadership Excellence, highlighting individuals who exemplify outstanding performance, leadership and values-driven conduct.

long-service recognition

We honour colleagues who have given years of loyal service and helped build the company we are today. Long-service recipients are publicly acknowledged in formal ceremonies and presented with a commemorative gold coin and certificate, a tangible token of gratitude for their dedication and the role their sustained contributions play in our long-term success.





directors' report &
financial review

director’s report & financial review

The Directors of Engro Polymer & Chemicals Limited (“the Company”) are pleased to present their Annual Report and audited financial statements for the year ended December 31, 2025.

financial statement

During the year, the Company generated Revenue of PKR 78,017 million and recorded a Loss after Tax of PKR 3,898 million, compared to Revenue of PKR 75,708 million and a Loss after Tax of PKR 161 million in the previous year. This translates into Loss per Share of PKR 4.29 in 2025 versus PKR 0.40 last year.

principal activities

The Company is a subsidiary of Engro Corporation Limited which in turn is a subsidiary of Engro Holdings Limited (formerly known as Dawood Hercules Corporation). The company was established in 1997 as a Public Limited Company under the repealed Companies’ Ordinance, 1984 and commenced commercial operations in 1997. The shares of the Company are listed on the Pakistan Stock Exchange.

The Company is primarily engaged in the production and distribution of chlor-vinyl products, including Polyvinyl Chloride (PVC), Caustic Soda Liquid, Caustic Soda Flakes and Hydrogen Peroxide along with a range of industrial chemicals such as Hydrochloric Acid and Sodium Hypochlorite. Our flagship brand, SABZ, continues to serve as a benchmark for superior PVC quality and has earned nationwide recognition.

Guided by a sustainable business philosophy, the Company remains committed to creating long-term value by balancing three strategic priorities: People, Planet, and Profit.

nature of business & business model

The Company operates in the chlor-vinyl and industrial chemicals segments, with its performance shaped by prevailing market dynamics and the broader business environment.



macroeconomic environment

In 2025, the global economy slowed slightly but remained resilient, with growth at 3%, easing from the previous year. This reflected a mix of opposing forces: trade and policy uncertainty weighed on activity, while easier financial conditions, technology and AI driven investment, and private sector adaptation helped keep momentum going. Even so, medium term growth remains below pre-pandemic norms, with risks tilted to the downside due to renewed trade restrictions, geopolitical tensions, and the possibility of market corrections.

The domestic economy continued to stabilize in fiscal year 2025, with real GDP rising by 3%, supported by broad-based improvements across the fiscal, financial, and external sectors. Inflation was moderate, with headline CPI reaching a low of 0.5% in April 2025 and averaging 4% for the calendar year. In line with this, the policy rate also eased, moving from 12% at the start of the year to 10.5% at year end, signaling a sustained shift towards more accommodative financial conditions.

External balances also improved over the year, with the current account deficit narrowing from US\$420 million in January 2025 to US\$244 million by December 2025, supported by resilient remittance inflows. This improvement was consistent with earlier trends, as remittances remained strong, technology related export earnings expanded, and foreign exchange reserves posted steady gains, helping maintain orderly conditions in the external account.

Industry dynamics in 2025 were mixed but improved within important segments. In manufacturing, overall large-scale manufacturing remained soft, but textiles and apparel outperformed, with textiles up by 2.5% and wearing apparel up by 6%, signaling resilience in export-oriented sectors. The cement sector, a major driver of domestic construction demand, also posted a growth of 9% YoY in domestic dispatches during 2025, reflecting improving momentum for the construction sector.

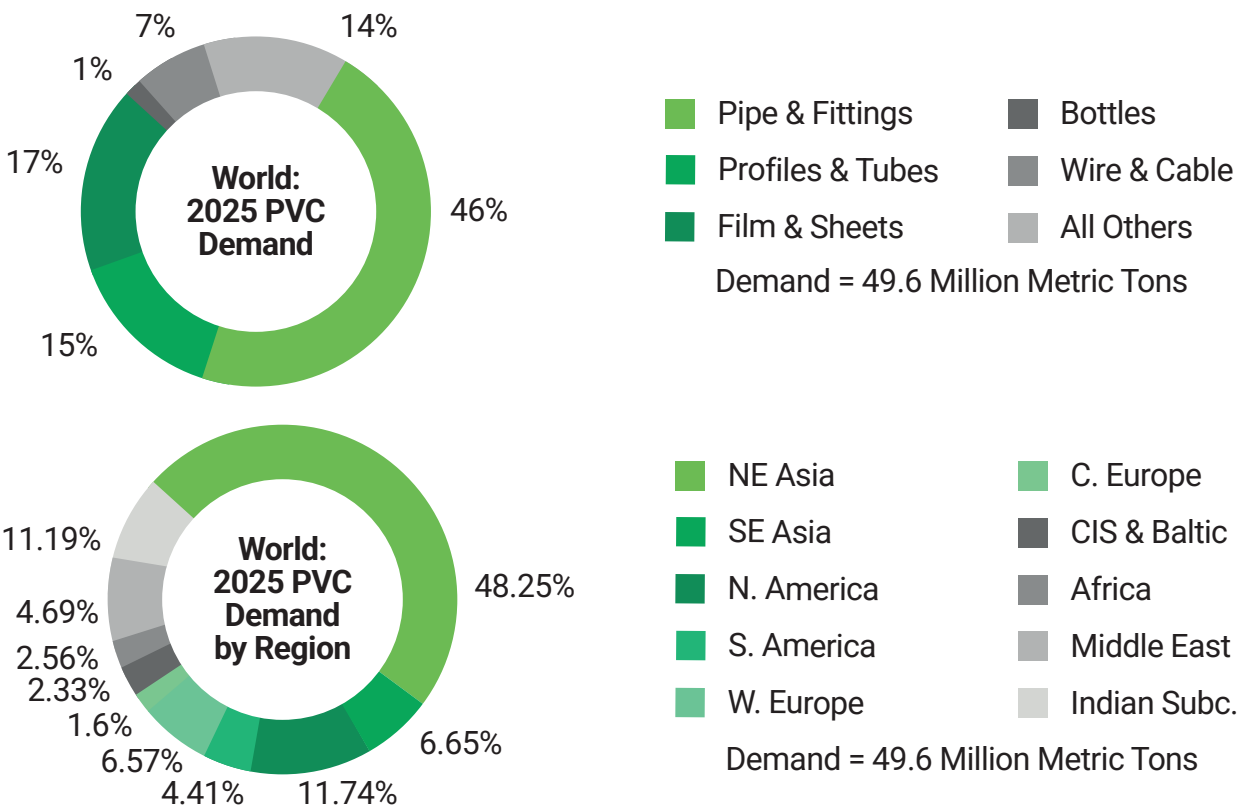
Looking ahead, a medium-term path anchored in structural reforms and investment friendly policies is expected, with GDP growth for 2026 projected at 3%. Sustaining this growth will require a supportive environment, including strategic tariff protection for key industries such as textiles, which play an important role in the country’s economic growth, contributing to both import substitution and export-led development.

vinyl market overview

In 2025, the global polyvinyl chloride (PVC) industry operated under challenging conditions as economic uncertainty and geopolitical factors continued to influence market dynamics. With 24% of global PVC production traded internationally in 2025, competition across regions remained strong. PVC demand grew modestly by ~2%, while new capacities coming online across multiple regions outpaced consumption growth. As a result, supply exceeded demand, keeping operating rates at 77%, well below historical levels.

This imbalance compressed prices and margins. PVC prices troughed in 2025, while producer margins in major regions, especially Northeast and Southeast Asia, significantly dropped, as producers competed amid oversupply. Export markets remained essential to clear surplus volumes, but trade alone could not fully balance the market.

End use patterns were broadly stable. Rigid applications (especially pipe and fittings) retained the largest share at 46%, driven by construction and infrastructure; however, a slowdown in construction and real-estate sectors in several major economies, coupled with material competition in specific segments limited the upside for demand.



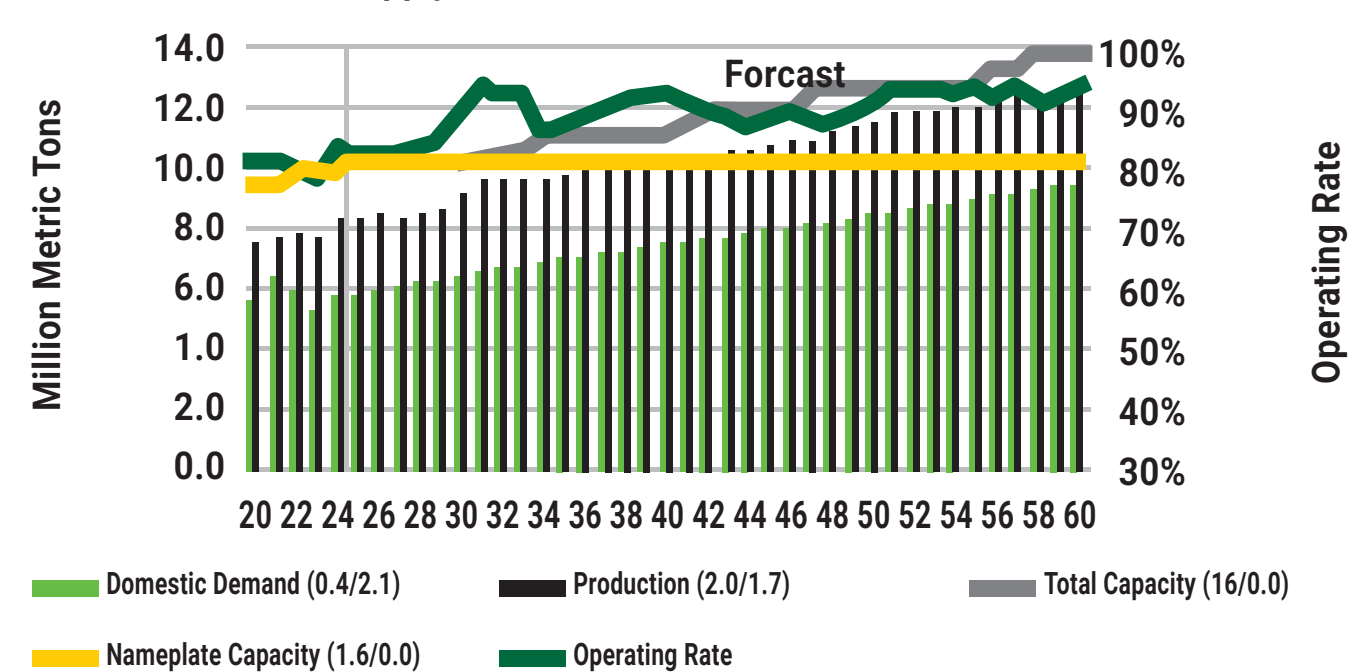
North America: In 2025, PVC demand in North America grew modestly, with domestic consumption rising 2% YoY, against a slower macroeconomic backdrop. Demand was supported mainly by maintenance, repair, and infrastructure activity, as new residential construction remained constrained by financing conditions and a sluggish housing market.

Supply growth outpaced demand, with nameplate capacity increasing 3%, lifting North America’s share of global PVC capacity to 16%. New capacity additions were primarily in suspension grades, while dispersion capacity remained limited, supporting continued imports of specialty resins. Average operating rates declined to 82% from 84% in 2024, as producers adjusted output to manage inventories in an oversupplied market. The year also saw capacity rationalization across the region, with major producers, like Westlake Corporation announcing the rationalization of about 0.5 Mn MT of PVC Capacity due to cost pressures.

Trade conditions remained competitive. Imports increased by 5%, supported by delivered cost advantages and specialty grade availability, while export opportunities were constrained after outlets in Europe and Asia enhanced antidumping investigations on U.S. PVC and with the implementation of new U.S. reciprocal tariffs covering PVC resin, compounds, and finished vinyl goods.

Domestic demand in the U.S. is expected to grow modestly by 2%, with interest rate cuts potentially aiding new housing by mid-2026. Plant rationalizations may help support prices. However, the export market will continue to remain of importance, with India and Southeast Asia remaining viable destinations with respect to demand and trade regulations.

North America: PVC Supply & Demand



china

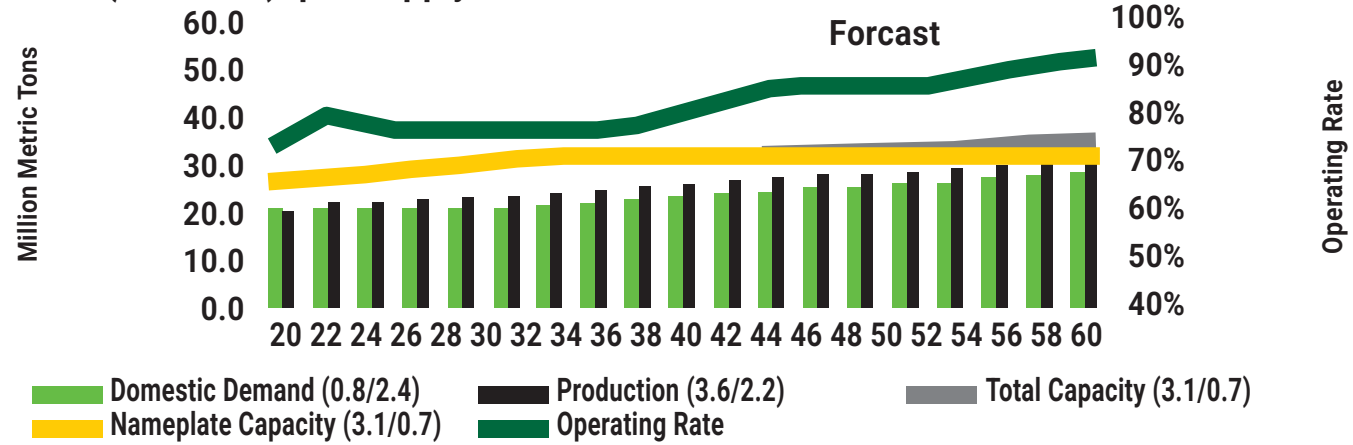
In 2025, China's PVC market continued to face an imbalance between demand and supply led by an oversupplied market and sluggish recovery in demand. Capacity increased 3%, while domestic demand showed modest growth of 1%. Real estate linked segments remained uneven, whereas municipal and industrial projects offered steadier offtake.

Average operating rates remained low at 78%, similar to 2024 levels. China continued to function as a swing supplier in the region, using exports to manage domestic imbalance. PVC production capacity reached 31 Mn MT, representing 48% of global PVC capacity, with China expected to add another 1 Mn MT of capacity in 2026, adding continued pressure on supply.

On the cost side, the configuration continued to evolve. Ethylene based projects gained importance as policy and environmental requirements increased, while a portion of smaller, nonintegrated carbide-based units faced sustained margin pressure and intermittent restrictions.

Going forward, regulatory changes in China focused on anti-involution measures, such as removal of export rebates and capacity rationalizations, are expected to support prices. Producers are expected to focus on integration, selective exports, and cost reductions while monitoring any rationalization signals from high-cost assets.

China (mainland): pvc supply & demand



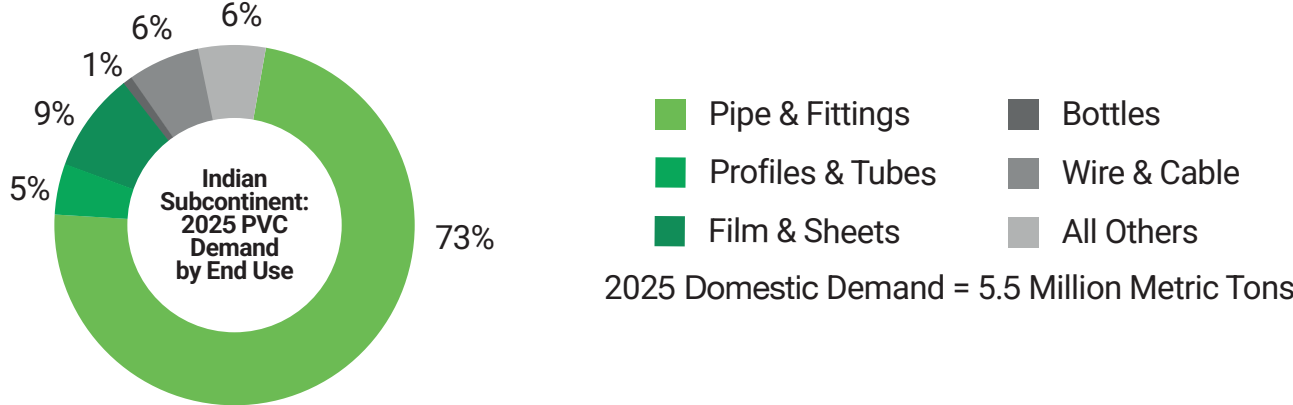
south asia

Regional demand accelerated in 2025, increasing by 9% YoY, with growth projected to increase by a further 7% next year. This was fueled by growing demand from water, sanitation, electrification, and housing activity alongside 6% GDP growth.

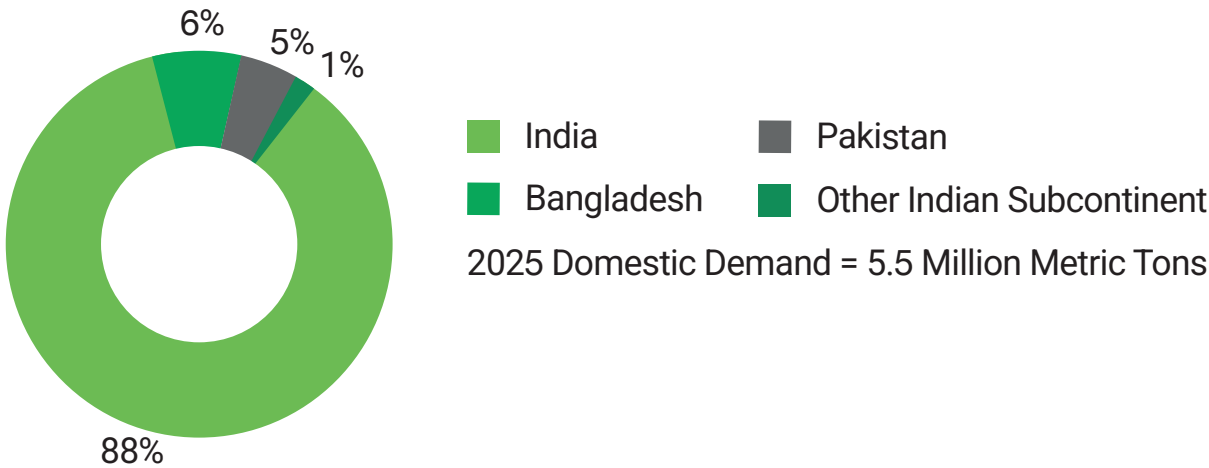
While domestic consumption remained healthy, there were no capacity additions in 2025, therefore, producers increased utilization rates to 85% vs 83% in 2024. The shortfall was covered by imports, with India remaining a viable export destination for producers across U.S., China and the Middle East.

India held the largest share of regional demand and production with per capita PVC consumption of 3.8 kg, while Bangladesh and Pakistan continued to operate with one major PVC producer in each country. Policy developments shaped market sentiment for most of 2025, but the proposed BIS certification requirement was rescinded in late 2025, and an antidumping investigation into s-PVC imports remained pending in India, with expectations that it will be revoked.

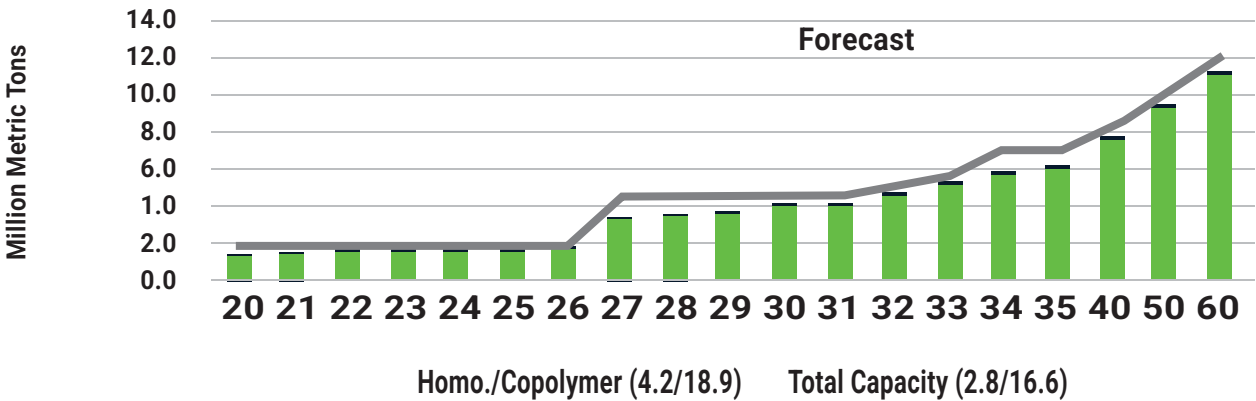
The outlook for the South Asia market includes the addition of 2.5 Mn Mt of new capacities in India by 2028, intended to raise self sufficiency and reduce import exposure. India will also continue to remain a major driver of demand in the coming years, with the demand outlook looking promising as the per capita PVC consumption remains below global average of 6 kg.



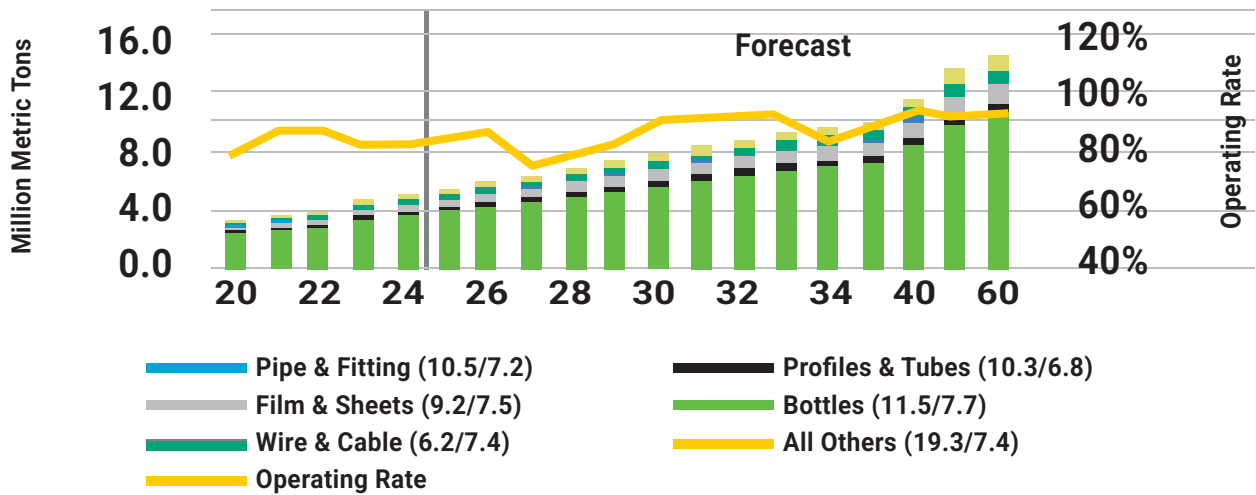
Indian Subcontinent: pvc demand by geography



Indian Subcontinent: PVC Capacity by Process



Indian Subcontinent: PVC Demand



pakistan

The domestic PVC market moved through a period of persistent pricing pressure driven by declining international prices. As a result, local pricing remained weak in order to compete with imports. However, the domestic market exhibited growth of 19% in 2025, with construction linked channels showing improvement amid improving macro-economic conditions and rehabilitation work post floods, linked channels showing improvement amid.

Demand remained anchored in pipes and fittings for building, municipal water systems, and irrigation, while diversification into calendared film, rigid and flexible profiles, and downstream goods such as flooring, roofing, and wall panels continued to progress gradually.

Trade dynamics continued to shape the market, but with a domestic anchor; Engro Polymer & Chemicals sustained its market share at 82%. Unlike the Indian Subcontinent as a whole, where about 67% of domestic PVC demand was met by imports in 2025, Pakistan does not rely heavily on external supply. Instead, imports are used to supplement local availability and grade mix, often sourced from surplus Northeast Asian hubs that help balance the market.

Overall, the outlook for the following year is promising. Recovery in construction activity is expected to support domestic demand, while government policies across various regions emphasizing on rationalization of older plants are expected to support prices despite the global vinyls markets being weighed down by oversupply, with margins and prices expected to improve gradually from 2026 onward.

market development activities

During the year, the Market Development team continued to strengthen its role as a catalyst for innovation and capability enhancement within the domestic PVC industry, advancing its commitment to import substitution, product development, and downstream growth.

Significant progress was made in import substitution and new product development, including introducing locally engineered compounds such as the Nebulization Mask Compound and LED Rope Compound through machine optimization, formulation improvements, and inhouse R&D.

Efforts to broaden the application of PVC continued within the construction sector with support to existing customers for WPC doors, wall cladding, edge banding, and PVC door and window profiles, enabling ten manufacturers to diversify product offerings and improve operational performance.

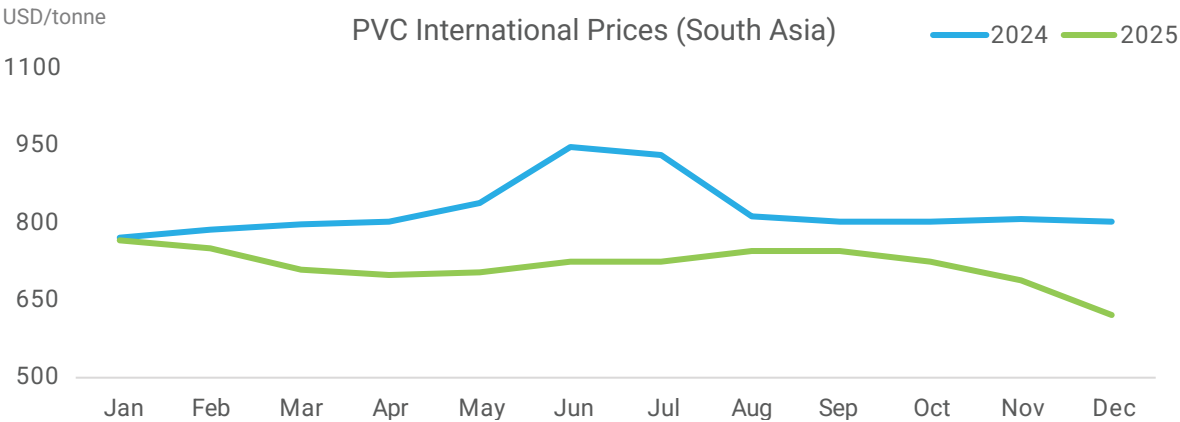
Targeted efforts were made towards workforce development, delivering more than 20 OSHA based safety and operational training sessions for 200+ downstream operators and site engineers across public and private sector organizations.

The Company also advanced its standardization agenda by drafting and presenting updated PVC standards for mandatory inclusion in national regulatory frameworks. This effort addressed the industry's need for clear, modernized technical guidelines to ensure consistent product performance, enhance safety, and improve the global competitiveness of domestic manufacturers.

Collectively, these initiatives reflect EPCL’s sustained dedication to enabling downstream sector growth, fostering innovation, and driving long-term value for both industry partners and the broader manufacturing ecosystem.

international vinyl chain prices

Despite being a globally traded commodity, PVC prices vary across regions. For Pakistan, the relevant pricing benchmark is CFR South Asia. In 2025, prices declined sharply due to ample supply and lackluster demand across construction related sectors. Prices started the year at around \$765 and fell steadily for most of the year, reaching \$620 by year-end. There was a brief uptick in Q3 which was largely driven by market sentiment following the conclusion of ADDs investigation in India. With no clarity on implementation date provided, sentiment slowly turned cautious and prices returned to normal. Overall, the year ended with weak momentum. However, expectations for 2026 are optimistic.



Ethylene, the primary raw material for PVC, eased cost pressures in 2025 as prices declined through the year. CFR Southeast Asia ethylene prices reduced steadily amid global oversupply and weak demand from downstream polymers. Around 6 Mn MT of new capacity, mainly in China, came online during the year, adding to supply pressure.

In 2025, prices started at \$928/MT and fell consistently, reaching \$735/MT by December, ending the year about \$200 lower than the start. The decline reflected ample availability, cautious cracker operating rates, weak demand from derivative markets such as polyethylene which makes up more than 60% of demand, and volatility in crude oil and naphtha prices due to geopolitical turmoil and increased non-OPEC+ supply.

outlook

Going forward, we expect PVC prices to remain stable-to-firm, with prices expected to remain slightly on the higher side following the Chinese government’s plans to remove export tax rebate and expectations of a hardline stance on supply-side structural reforms to stabilize the long-term fundamentals of the PVC industry. On the cost side, Ethylene prices are expected to be below the 2025 average, influenced by lower feedstock prices and persistent oversupply. However, rationalization measures being adopted across various regions will offer some support to prices. Stable PVC prices, coupled with lower Ethylene prices, will keep core delta and margins firm.

chlor-alkali market

On the global front, the Caustic market remained under pressure for most of the year due to persistent oversupply and weak chlorine netbacks. This prompted upstream producers to lean on caustic to support overall chlor-alkali chain margins. As a result, prices remained largely stable rather than trending higher towards year end.

The oversupply situation is expected to persist through 2026, largely driven by China, where new capacities totaling ~800 KT which commenced operations in 2025 are likely to continue weighing on global balances in the near term. In contrast, Europe and North America are moving towards rationalization e.g., Westlake closed its 410 KT chlor-alkali plant at the end of 2025.

In Pakistan, caustic soda remains a key input for the textile sector and its demand is largely linked to the performance of the textile industry. Company’s margins were negatively affected due to higher captive gas prices post implementation of gas levy, which remained a critical concern for industries. However, overall caustic demand improved, especially in the export-oriented textile sector, which recorded a growth of 7% in exports during FY2025.

The Company’s chlor-alkali portfolio also comprises sodium hypochlorite and hydrochloric acid. Sodium hypochlorite is primarily used as a bleaching agent in textiles, with additional applications in disinfection and water treatment. Hydrochloric acid serves a range of industries, including steel galvanizing, wastewater treatment, power generation, and gelatin, among others. The Company sees attractive growth opportunities in downstream uses for both, particularly water purification for sodium hypochlorite and power sector applications for hydrochloric acid.

outlook

The chlor-alkali business is primarily influenced by energy costs. Demand prospects are constructive, supported by a gradual revival in large scale manufacturing and increased focus on boosting textile exports. Caustic soda consumption is set to improve in line with textile growth; however, the sector’s trajectory will continue to depend on consistent gas availability at affordable prices which remains a challenge.

hydrogen peroxide

The Company successfully commissioned its Hydrogen Peroxide (HPO) plant on February 17, 2025, diverting by product hydrogen from chlor-alkali operations to value added HPO for industrial consumption, primarily in the textile sector.

During the year, global HPO prices remained subdued, with excess supply prompting producers to pursue aggressive export strategies. South Asia, especially Bangladesh, continued to exert

downward pressure on regional pricing, supported by structurally lower energy costs and surplus production. Overall market sentiment remained cautious, with margins continuing to remain under pressure.

On the domestic front, imports under the Export Facilitation Scheme (EFS) continued to pose a significant challenge. Budgetary changes in custom and regulatory duties, and dismissal of the anti-dumping duty on HPO also intensified competitive pressure on domestic producers, limiting pricing headroom.

Despite these headwinds, the Company demonstrated strong commercial and operational resilience. Sales volumes improved sequentially during the previous quarter, supported by customer conversion efforts and improved market penetration. Operationally, the hydrogen peroxide plant operated smoothly with no plant-related issues.

Going forward, the Company will continue to focus on customer retention and strengthening long-term relationships with key customers. Enhancing product consistency and quality to align with prevailing market standards remains a priority. The Company will also actively engage with relevant authorities for a fair competitive framework, ensuring the long-term sustainability of the domestic hydrogen peroxide industry.

operational efficiencies

Resource conservation and operational efficiency remain core priorities for the Company, both to maximize stakeholder value and to advance its sustainability commitments. Accordingly, the Company has invested in Oxy Vent Recycle (OVR) and Zero Gap Technology, initiatives designed to streamline operations while demonstrating environmental stewardship.

In parallel, the Company has commissioned its High Temperature Direct Chlorination (HTDC) project, which will deliver meaningful energy cost savings and help lower the Company's carbon footprint on the energy front in the long run. The Company also focused on variable cost optimization, supporting cash flow preservation in 2025, and progressed in various key digitization initiatives to optimize plant performance and improve efficiency through data-driven insights.

financial overview & management
sales review

In 2025, the Company's revenue increased by 3% compared to 2024, on the back of increased domestic sales volume of PVC and Caustic. The increase in volumes was partially offset by lower PVC prices, which continued to fall in 2025 due to adverse global macroeconomic and geopolitical developments.

profitability

The Company reported a net loss of PKR 3,898 million on the back of lower PVC prices and higher cost of sales following a surge in energy costs.

contribution to the national exchequer

During 2025, the Company contributed PKR 4,402 Mn to the government treasury in the form of taxes,

including excise duty, custom duty, income tax and sales tax. Additionally, the Company generated foreign exchange savings through \$99 million in import substitution and \$1.6 million in exports.

liquidity and cash flows

During the year, the Company generated a net cash inflow of PKR 17,471 million from its operating activities. Any excess short-term cash was prudently managed by investing in debt market instruments, mutual funds and TDRs.

financing

The Company has successfully entered into agreements with MCB Islamic Bank Limited, Meezan Bank Limited, Faysal Bank Limited, The Bank of Punjab, MCB Bank Limited, Allied Bank Limited, Bank Alfalah Limited, Bank Islami Pakistan Limited, Askari Bank Limited, and The Bank of Khyber for a financing facility amounting to approximately PKR 30 billion.

credit rating

In 2025, Pakistan Credit Rating Agency (PACRA) maintained the Company's long-term credit rating at AA and its short-term rating at A1+. The credit rating agency evaluated the Company's rating as 'Stable', highlighting its good credit worthiness. The agency based the ratings on the Company's ability to enhance its business, financial profile and maintain stable operations.

capital structure

The assets of the Company were financed by long-term debt and equity in the ratio of 70:30 in 2025, compared to 52:48 in 2024. During the year, the Company saw a major shift towards debt as new loans obtained exceeded the amount of loan repayment, leading to a major increase in the Company's leverage.

risk assessment and management

The Company embraces the Enterprise Risk Management (ERM) framework, aligning with globally acclaimed standards to proactively assess and manage risks. Engro Polymer and Chemicals Limited's (EPCL) policy ensures risk management as a cornerstone of creating, safeguarding, and amplifying shareholder value. This is achieved by strategically mitigating critical uncertainties and potential threats that could impede corporate ambitions while astutely seizing opportunities with vision and foresight. The Company employs Enterprise Risk Management framework to systematically assess and manage risks. This framework underscores the importance of risk management in creating, protecting and enhancing shareholder value by managing uncertainties that may impact the achievement of corporate goals and objectives. The Company recognizes the complexity of the business environment it operates in and believes it is necessary to regularly assess the organization's strategy and the risk appetite while clearly defining responsibilities across all levels. For the purpose of effective oversight and alignment with the Company's risk appetite, risks across the organization are broadly categorized into Strategic Risks, Safety and Operational Risks, Legal & Compliance Risks, and Financial & Reporting Risks.

The Company systematically assesses the likelihood and impact of its risks, assigning scores at various levels—*inherent*, *residual*, and *target*. These scores form the basis for prioritizing risks and assigning ownership to the respective leadership for ongoing management. Risks are identified across the organization and ranked based on their impact and probability. Once identified, mitigation strategies are developed to minimize their impact, while simultaneously aligning these strategies with the Risk Appetite Statements (RAS) to define the appropriate approach.

The effectiveness of the risk management framework, including key risk exposures and mitigation measures, is actively monitored and reviewed by Management Committee and the Board. The Board Audit and Risk Committee assists the Board in overseeing the adequacy and effectiveness of the Company's risk management and internal control systems and reviews significant risk exposures along with management's actions to mitigate such risks.

The Company places strong emphasis on fostering a sound risk management culture. Regular training sessions and ongoing communication are conducted to ensure that management and employees understand risk management principles and integrate them into day-to-day operations. This approach strengthens accountability and promotes a proactive approach to managing risks across the organization.

assessment & management of sustainability-related risks

At Engro Polymer & Chemicals Limited, sustainability is not treated as a parallel function but as a core enabler of operational excellence, business resilience, and stakeholder trust. During the year, the Company strengthened its Health, Safety, Environment, Energy, and Climate frameworks through system-driven improvements, capability building, and long-term investments aligned with the United Nations Sustainable Development Goals (SDGs).

The Company believes environmental consideration is critical in upholding responsible business operations. The Company strives to manage and utilize its resources and operations in a way that the health safety & environment of its people, neighbors, customers and visitors is consistently ensured. We believe our HSE responsibilities extend beyond the protection and enhancement of our own facilities. As environmental challenges become more complex and demanding, the Company ensures that appropriate processes and controls are in place to ascertain, measure and manage the risk involved. We use a precautionary approach to identify risks and take preventive measures to mitigate the potential harm to the people and the environment and continuously monitor resource optimization opportunities.

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

Major environment risks are included in the Enterprise Risk Management process and are managed and stewarded on a regular basis. Environmental performance is monitored and reported regularly, internally on a periodic basis and externally on a monthly basis to Sindh Environmental Protection Agency (SEPA) and as part of our Sustainability Reporting on an annual basis.

financial risks and opportunities due to climate change

The Company recognizes that climate change presents both physical and financial risks, as well as opportunities, which may impact its operations, profitability, long-term growth, and overall enterprise value. In recognition of the significance of climate-related risks and their potential implications, EPCL has embedded decarbonization within its strategic objectives. In this regard, the Company has identified and is implementing various initiatives aimed at improving environmental performance, with the overarching objective of progressively reducing its greenhouse gas (GHG) footprint.

To better capture these, we have assessed climate related risks and opportunities and classified them as physical or transition risk, guided by the Task Force on Climate-related Financial Disclosure (TCFD) framework. This exercise is cross-cutting across businesses and is aimed at providing insights to broaden our understanding of climate-related risks and opportunities and preparing strategies and action plans to be put in place. Extensive data with respect to financial implications based on scenario planning and cost of actions needed to mitigate the risk of benefit from the opportunity will be prepared as a corollary to the preliminary exercise which will help us align our methodology and reporting with the TCFD framework requirements, which we intend to implement in the future. As a responsible corporate organization, we monitor our emission levels and their carbon footprint and regularly make investments in environmental protection through programs such as plantations, water conservation, technological improvements, awareness sessions, enriching biodiversity etc.

We are mindful of the growing importance of reporting climate related disclosures through credible frameworks such as the IFRS standards and will align our climate related reporting in due course.

business continuity plan

The Company has put in place a comprehensive Business Continuity Plan (BCP) outlining policies and procedures aimed at mitigating the potential impact of any disruptive event. The plan was launched in 2013 and has been regularly updated since 2018 to ensure its effectiveness. Its primary objectives are as follows:

- To provide a framework for building resilience and capability for an effective response that safeguards the interests of key stakeholders, company reputation and brand image, and protects value-creating activities.
- To assess the risks to the Company's operations and understand the impact of those risks, if they materialize, while considering business priorities and organizational interdependencies.
- To ensure financial stability by ensuring the business can overcome any catastrophic event in a cost-effective manner.
- To effectively manage the response in case of any potential disruption and minimize the impact on business operations.
- To recover business operations to an acceptable level in the shortest possible time, in the event of an incident that results in disruption to critical business operations or support services.
- To regularly test and review the plans supporting Business Continuity and revise them as needed.

Since 2013, the Business Continuity Plan (BCP) has been successfully implemented and tested by the management to ensure seamless and safe continuity of operations.

As part of the Company's response strategy, the BCP includes minimum operating requirements, team organization, damage assessment, and primary site restoration activities. It ensures the preservation of critical data and outlines key elements of disaster recovery. The management regularly evaluates potential threats to its business and infrastructure and develops strategies to respond to any unforeseen challenges effectively.

responsible citizenship & csr activities

The Corporate Social Responsibility (CSR) approach of the Company prioritizes education, healthcare,

environmental preservation, water conservation, and community engagement in alignment with its foundational values. The program upholds the Company's reputation as a responsible business leader in environmental conservation and sustainable development and to support the communities it operates in. To further our cause, we partner with Engro Foundation to conduct our CSR activities, investing in sustainable projects that drive positive social and economic change.

The Company is committed to promoting a safe, healthy, and enabling environment beyond its boundaries, to empower underprivileged communities by imparting education. The Company has set its goal to transform the areas of Ghaggar Pathak, located in the vicinity of the Company's manufacturing plant, into model towns.

education

On the education front, the Company operates four primary school units in partnership with "The Citizens Foundation (TCF)" and two digital micro-schools with "Teach the World Foundation (TTWF)" in the areas of Ghaggar Pathak and Railway Colony, near 'The Dawood Foundation' (TDF) MagnifiScience Center (MSC). These schools serve a population that previously did not have access to quality education in the area. The primary schools with TCF are part of Engro's long-term plan to develop and improve the socio-economic conditions of the residents by improving literacy rates in the area. The digital micro-schools aim to help out-of-school children integrate back into the formal education system by providing basic literacy till the fifth-grade level.

The Company's efforts to promote education are more than just a corporate responsibility. The Company views education as a key driver of sustainable economic development and social progress. By providing access to quality education, the Company is investing in the future of the communities it serves, empowering them with the knowledge and skills they need to succeed and thrive. The Company's commitment to promoting education and empowering communities is a testament to the Company's values and its belief in the power of education to transform lives and communities.

Key highlights from 2025 are:

- 920+ students received education from these schools, of which 49% were girls
- Roughly PKR 32.8mn funding was provided during 2025 across all campuses

healthcare

The Company, in partnership with SINA Welfare Trust, provides primary healthcare services at its clinic in Ghaggar Phatak, Karachi. The services include OPD, ultrasound, basic lab testing, immunization, and medication, to the community at a nominal fee of PKR 50 for adults and PKR 20 for children, while the remaining expenses are borne by Engro Polymer and Chemicals. Furthermore, the Company has a Community Engagement Team in place to educate nearby villages about the availability of healthcare services at the SINA Clinic, while regularly conducting medical camps to encourage regular check-ups and address health concerns. The medical facility is staffed by three doctors, one family health consultant, and four community health workers.

Key highlights from 2025 are:

- 31,900+ patients were treated

- Over 12,654 children were treated at the facility, 40% of the total patient population
- 14,000+ women patients were treated at the facility
- ~107 patients were treated per day
- 108 children (including 61 girls) received ready-to-use therapeutic food (RUTF) at the clinic

The Company also recognized the lack of mental health facilities available in Ghaggar Phattak and its neighboring communities. To address this critical need, the Company established a mental health clinic with its execution partner 'Karwan-e-Hayat'. This clinic not only provides free therapy and medicines to the patients but also conducts regular awareness sessions to educate the local community on the importance of seeking medical help for mental health condition. Previously, diseases such as depression and anxiety were often dismissed as social taboos. However, the clinic has played a pivotal role in improving the well-being of the people in the community.

Key highlights from 2025 are:

- 3,900+ patients were treated
- Women amounted to 57% of the patient population
- 55 community awareness sessions were conducted which were attended by over 1,900 residents of Ghaggar Phattak

Approximately PKR 31.8mn funding was provided during 2025 across healthcare facilities

access to safe and clean drinking water

The Company addressed major health concern in the Ghaggar Pathak community: the lack of clean and safe drinking water. The public water supply system was unreliable, scarce and contaminated with dangerous bacteria such as e-coli and fecal e-coli, posing serious risks to public health. This resulted in the loss of millions of working hours and increased healthcare costs. To combat this issue, the Company, in partnership with "The Water Foundation", now operates 4 water filtration plants, and 1 reverse osmosis plant to provide safe drinking water to the community. These facilities play a crucial role in preventing the spread of waterborne diseases within the community, while also promoting the efficient use of water resources in the locality.

Key highlights from the facility include:

- Over 9.6 million liters of clean drinking water were processed and provided in 2025
- ~180,000 members of the community benefited from the water filtration plants
- An average of 25,000 liters of clean water is provided per day to the communities
- PKR 5.9mn funding was provided to maintain the 5 plants.

environmental initiatives

Afforestation and ecosystem restoration project

As part of our commitment to the environment, Engro engages in the plantation of key tree and plant species all over Pakistan through our afforestation program with the World Wildlife Fund (WWF).

Key highlights from 2025 include:

- The WWF team conducted hand watering across all plantation sites to support healthy plant growth and survival amid limited rainfall

- The WWF team conducted weekly field visits across all plantation sites in Jhelum to monitor grazing pressure and enforce protection measures. These efforts are ensuring site integrity and preventing unauthorized grazing
- Comprehensive Sign Board Installation activities were carried out across four major plantation sites in Jhelum, including Chabbar Syedan, Rakh Paki Qabar Site 1, Rakh Paki Qabar Site 2, and Padhari, to mark plantation boundaries clearly, enhance site visibility, and provide essential information regarding the purpose and status of each plantation area
- The overall survival rate of plantations has been recorded at 75–80%, reflecting effective site management and protection measures
- Approximately PKR 15mn was spent on this initiative

The Company also funds the Circular Plastics Institute (CPI) at the Karachi School of Business and Leadership (KSBL) which focuses on researching and promoting sustainability through circular economy.

In a short span, CPI has achieved substantial progress, some examples of projects include:

- Asian Development Bank Institute – Rice Dynamics Study in collaboration with Pakistan Agriculture Research
- Baseline of Transition to Scale: Waste for Value, Pakistan in collaboration with Akhtar Hameed Khan Foundation (AHKF)
- CPI attended IFAT Eurasia Conference in Turkey, presenting in a session on Textile Value Chain in Pakistan
- Conducted a workshop on the ‘Mapping of open burning of waste’
- Conducted a session on climate change for WWF’s eco-internship program for 160 students
- Published report on “Mapping the Landscape of Waste Pickers in Pakistan: Challenges, Opportunities, “Strategies”
- White paper on FGD regarding ‘Mapping Pakistan’s Textile Supply Chain: Upstream and Second-Hand Flows’

business ethics & anti-corruption measures

Transparency and accountability are cornerstones of the Company’s approach to governance. We have implemented a robust framework of policies and standards, rigorously monitored by high-level committees, fostering a culture rooted in character, integrity, and trustworthiness. This ensures every action aligns with ethical and operational best practices, guided by truthfulness, humility, and a commitment to striving responsibly even in challenging times. Such policies include:

- Code of Conduct
- Fraud Risk Management
- Governance of Conflicts of Interest
- Statement of Ethics and Business Practices
- Whistleblower Policy
- Gift & Business Entertainment Policy
- Anti-corruption Policy
- Governance of transactions/contracts with related parties

During the year, detailed sessions were held on Ethics and Compliance at the Company which focused on our “Speak Out” platform, anti-corruption practices, conflict of interest and gifts policy.

sustainability, health, safety and environment

At Engro Polymer & Chemicals Limited (EPCL), sustainability is not treated as a parallel function but as a core enabler of operational excellence, business resilience, and stakeholder trust. During the year, EPCL strengthened its Health, Safety, Environment, Energy, and Climate frameworks through system-driven improvements, capability building, and long-term investments aligned with the United Nations Sustainable Development Goals (SDGs).

sdg 3: good health & well-being sdg 8: decent work & economic growth

Employee health, safety, and well-being remain the cornerstone of EPCL’s operational philosophy. Achieving over 50 million safe work hours reflects not only compliance, but a deeply embedded safety culture supported by visible leadership, workforce engagement, and system-based controls.

A major milestone during the year was EPCL’s successful transition to a fully Asbestos-Free Site. The complete elimination of asbestos-containing materials removes a globally recognized long-latency occupational health hazard and demonstrates EPCL’s commitment to hazard elimination at source, in line with international industrial hygiene standards. This achievement significantly strengthens long-term employee health protection.

EPCL maintains a highly capable Process Safety Resource Pool, including Certified HAZOP and PHA Leads, QRA experts, Associate Safety Professionals (ASP), and an AWS Credential Specialist. This internal capability enables robust risk identification, quantitative assessment, and proactive mitigation across the lifecycle of operations. In alignment with updated RBHSE requirements, EPCL completed baseline Process Hazard Analyses (PHA) and continued cyclic Health Risk Assessments (HRA), resulting in zero employee occupational health concerns during the year.

Safety culture maturity was further reinforced through targeted campaigns such as self-reporting initiatives, hand safety drives, heat stress management plans, and introduction of inherent safety tools. Leadership accountability was strengthened through management area presence monitoring using helmet color identification, reinforcing visible leadership and frontline engagement.

sdg 7: affordable & clean energy sdg 9: industry, innovation & infrastructure

EPCL continued to invest in resilient, efficient, and digitally enabled infrastructure. Energy efficiency improvements were achieved through gas turbine performance restoration, delivering fuel savings of approximately 172,000 MMBTU annually. Steam system optimization, insulation upgrades, and steam trap rectification further reduced energy losses and improved system reliability.

Utility rationalization initiatives, including shutdown of excess cooling water pumps, contributed to meaningful electricity savings without compromising operational integrity. These initiatives reflect EPCL’s focus on extracting maximum efficiency from existing assets before pursuing capacity expansion.

Digitalization underpins these improvements through the use of Aspen Digital Twin, Adaptive APC, and ProMV, enabling real-time performance monitoring, predictive insights, and data-driven optimization. In support of energy transition, EPCL approved a 2 MW on-site solar power project, reinforcing long-term energy diversification and resilience.

sdg 13: climate action

EPCL’s climate strategy is guided by a structured Decarbonization Roadmap, developed in coordination with Technical and Digitalization teams and aligned with the World Economic Forum Global Lighthouse Network. Through energy efficiency, process optimization, and disciplined operational control, EPCL achieved an estimated 22,000 metric tons of CO₂ reduction between 2022 and 2025.

Rather than relying on market-based offsets, EPCL prioritizes direct, measurable emissions reduction at source. Complementary nature-based solutions, including large-scale tree plantation within the plant boundary and mangrove restoration in coastal areas, further strengthen climate resilience and ecosystem protection.

sdg 6: clean water & sanitation
sdg 11: sustainable cities & communities

Water stewardship remains a strategic priority in a water-stressed operating environment. EPCL upgraded its Effluent Treatment Plant in 2025, enabling recycling of up to 70% of treated effluent at peak capacity, reducing freshwater abstraction and minimizing environmental discharge risks.

Beyond operational controls, EPCL contributes to community resilience through partnership with Engro Foundation, supporting solar-powered water filtration and RO plants that provide over 25,000 liters of clean drinking water daily to nearby communities, schools, and healthcare facilities. These installations are designed to operate during power outages, ensuring water access during climate-related disruptions.

EPCL also strengthened institutional capacity through participation in national platforms on corporate water stewardship and water risk management, reinforcing proactive planning and sector-wide learning.

sdg 12: responsible consumption & production

EPCL continued to advance responsible resource management through a structured Waste Management Roadmap, achieving a waste intensity of 0.017 tons per ton of product. A major achievement was the elimination of approximately 5,000 tons of hazardous waste by repurposing it as fuel, reducing landfill disposal, incineration emissions, and secondary waste generation.

Circular economy initiatives under development include conversion of salt sludge into construction bricks and recycling of plastic waste into durable on-site products. Environmental awareness is actively promoted through Environment Day and Earth Day engagements involving employees and neighboring industries.

sdg 17: Partnerships for the Goals

Strong governance and transparent reporting are integral to EPCL’s sustainability performance. EPCL achieved 5th position in NEPRA’s Annual Report, reflecting excellence in regulatory compliance, operational

transparency, power management, and reporting discipline at the national level. This recognition underscores EPCL’s commitment to strong institutional governance and responsible energy management.

Moreover, EPCL’s performance in the well-being of the employees was internationally recognized by British Safety Council as EPCL was one of the finalists in the British Safety Awards category of “Employee Well-Being Initiatives”.

EPCL strengthened collaboration through Mutual Aid Programs across the Port Qasim Industrial Area, cross-company emergency drills, and partnerships with Engro Foundation, WWF-Pakistan, CERB, and Hisaar Foundation demonstrating the power of collective action in addressing complex sustainability challenges.

information systems

In 2025, EPCL’s Digital Transformation program matured from foundational digitization into an integrated, enterprise-wide capability delivering measurable operational and financial outcomes. The year was defined by three strategic themes: translating digital investments into tangible cost and efficiency improvements, establishing global credibility through partnerships and external recognition, and building sustainable internal capabilities to support long-term innovation.

This report summarizes key achievements across operational excellence, customer experience, technology deployment, workforce enablement, and external engagement.

national recognition: pakistan digital awards 2025

EPCL participated in four categories at the Pakistan Digital Awards 2025 and received recognition in all four, reflecting the breadth and maturity of the Company’s digital portfolio:

EdTech of the Year was awarded for the Technology-Enabled Integrated Capability Development (ICD) program, which established a structured, competency-driven learning ecosystem supported by digital platforms and analytics. The initiative enables systematic identification of technical skill gaps and transforms workforce development from periodic compliance into a continuous, measurable process.

Generative AI Visionary recognized EPCL’s Skunk Works program for structured enterprise adoption of Generative AI in industrial operations. The program established ideation and qualification processes to identify and prioritize high-impact use cases across reliability, energy efficiency, and operational excellence.

GreenTech Solutions honored the Self-Optimization via Digital Twin initiative, which combines Digital Twin technology, Adaptive Advanced Process Control, and multivariate analytics to stabilize plant operations, reduce energy losses, and accelerate troubleshooting through simulation-supported decision-making.

Best Wearable Innovation recognized the deployment of RealWear Smart Glasses for hands-free remote support and frontline collaboration, improving operational responsiveness while strengthening safety by reducing unnecessary site mobilizations.

customer experience: salesforce customer connect

In 2025, EPCL expanded its Salesforce Customer Connect platform beyond digital payments by scaling Online Payment Gateway (OPG) capabilities and enabling anchor financing options for customers. The platform exceeded its collection targets for the year, demonstrating strong customer adoption and transaction throughput.

These enhancements delivered meaningful improvements across multiple dimensions: payment visibility and reconciliation efficiency increased, transaction governance strengthened through standardized digital workflows, and overall customer experience improved through process digitization and real-time tracking features. The platform now serves as a foundation for continued customer-facing digital innovation and supports EPCL's broader objective of building differentiated, technology-enabled customer relationships.

operational excellence: variable cost optimization

A significant operational achievement in 2025 was the plant-wide Energy Conservation Drive executed across the VCM/EVCM chain, targeting utility loss elimination in Nitrogen, Instrument Air, Steam, and Condensate systems.

The program employed a dual-horizon approach: immediate interventions to arrest ongoing losses, combined with permanent repairs incorporated into planned outages to prevent recurrence. This structured methodology establishes utility loss elimination as a repeatable operating discipline rather than reactive maintenance.

The initiative also supports EPCL's broader sustainability objectives by reducing energy consumption and associated emissions. The program's success has positioned it as a scalable model for future phases, with digital analytics integration planned to shift the approach from reactive to predictive.

ai and analytics: skunk works program

EPCL's Skunk Works initiative advanced from ideation into execution of quantified use cases with defined operational targets:

PVC Stripper & Dryer Optimization focuses on reducing steam demand and improving energy efficiency in PVC operations, directly addressing variable cost reduction.

Gas Turbine Optimization targets wash schedules and air filter replacement frequency to improve efficiency, reduce fouling impact, and optimize maintenance costs.

Energy Indices Forecasting combines historical data, real-time operational metrics, and external factors to improve planning precision and reduce manual monitoring overhead.

Machine Spectrum Analysis applies AI-driven vibration analysis to improve equipment reliability and enable earlier detection of potential failure modes.

Maintenance Knowledge Systems deploy chatbot and knowledge center tools to reduce troubleshooting time and standardize decision quality across teams.

technology platform expansion: aspentech industrial stack

EPCL continued scaling its AspenTech-enabled operational excellence by formalizing rollout plans across multiple plant areas and expanding multivariate analytics usage beyond process engineering into inspection, mechanical technical services, and related functions.

A notable milestone was the development of a data-driven catalyst optimization framework for PVC operations, demonstrating the capability to build and sustain industrial-grade predictive models. This represents a meaningful step toward self-optimizing operations across critical processes.

value realization

EPCL strengthened its transformation accountability in 2025 by documenting value captured through deployed digital capabilities:

3D Intelligent Modelling delivered capital investment avoidance through design validation and engineering reliability improvements, including applications such as Cold Vent Header relocation and relief/vent design validations.

Process Safety Risk Management through the Risk Alive platform enabled prioritization of Process Hazard Analysis recommendations, rationalizing deferred recommendation costs through a structured value calculator approach.

These documented outcomes support the positioning of digital investments as measurable economic levers with demonstrable returns.

outlook

EPCL's digital transformation has reached an inflection point where deployed capabilities are generating documented operational and financial outcomes across operations, customer experience, and workforce enablement. The focus for the coming period will be on scaling proven initiatives, deepening analytics integration across functions, and sustaining the capability pipeline through partnership and workforce development investments.

The Company remains committed to transparent reporting of digital program outcomes and will continue to refine value realization methodologies to support investor visibility into transformation returns.

human resources

The Company is committed to fostering an inclusive and high-performing workplace as an equal opportunity employer. We continue to strengthen our culture, policies and people practices to ensure a secure, respectful and enabling environment for all employees.

As the only fully integrated chlor-vinyl complex in Pakistan, the Company operates within a highly specialized talent landscape. Accordingly, our people strategy focuses on the in-house development of technical and leadership capability through structured trainee and early-career programs, which form a critical pipeline for future roles.

During the year, we invested in targeted capability-building initiatives to align skills with operational complexity, sustainability priorities and long-term business needs, while maintaining a strong emphasis on employee engagement and well-being.

talent and leadership

The Company recognizes the importance of aligning technological advancement with effective leadership and continues to strengthen a performance-driven culture that supports accountability, capability, and responsible decision-making. During the year, employee engagement within Manufacturing showed improvement, supported by positive shifts in site culture and timely follow-up actions arising from employee feedback.

Performance & Goal Management (PMGM) continues to support alignment between individual performance and the Company's strategic priorities. Greater discipline was maintained around review timelines and the quality of PMGM documentation, enabling a more balanced assessment of both performance outcomes and underlying behaviors. During the year, the behavioral component of the Leadership Competency Model (LCM) was updated to reflect Character and Good Manners (CGM), ensuring continued alignment between leadership expectations, performance management, and the Company's values.

In addition, Development Forums serve as a key platform for evaluating and enhancing the leadership potential of our talent. These forums provide a structured approach to assessing performance and development needs, supporting succession planning and the preparation of talent for future leadership roles. In parallel, the Talent Development Program continues to focus on identifying high-potential employees and supporting their development through targeted learning and exposure opportunities.

The Company also continued to strengthen its approach to workforce planning and capability development, with a focus on addressing critical skill requirements across the business. Learning initiatives, including CGM-aligned training delivered at plant locations, supported capability building at site level, while organizational structures across Manufacturing and Commercial functions continued to evolve to remain fit for purpose.

Overall, these efforts reflect the Company's continued focus on disciplined performance management, leadership development, and the sustainable growth of its talent pipeline

culture & engagement

During 2025, the Company strengthened its focus on employee connection, dialogue, and action-oriented engagement. Leadership engagement with employees became more frequent and structured through platforms such as EPCL UNCUT townhalls, CEO Connects, Qayoom & Co sessions, and manufacturing huddles. These forums, supported by the annual engagement survey, enabled systematic collection of employee feedback and identification of priority action areas, contributing to an Employee Experience Survey (EES) score of 79% during the year.

Employee insights continued to inform the Synergy Symposium, a structured engagement platform organized around five core employee experience streams: Career Development, Culture, Leadership & Systems, Wellness, and Compensation & Benefits. Each stream is sponsored by a Management Committee executive and is responsible for implementing defined action plans aligned with engagement outcomes.

Employee engagement initiatives during the year increased by more than double, supported by strategically planned initiatives aligned with the feedback received from the previous year's Employee Engagement Survey (EES) results. These initiatives encompassed leadership connect forums, wellness and wellbeing programs, learning-led engagement, family-inclusive activities such as Family Day, and collaboration-focused initiatives including Department Away Days and Sports Fest, strengthening connection, inclusion, and a sense of belonging across the organization.

The Human Resources function continued to provide regular updates to the Board of Directors, ensuring

governance oversight and alignment, while leadership appointments and promotions remained anchored in the Company's values and cultural priorities.

capacity and capability development

During 2025, the Company continued to strengthen its focus on building a future-ready talent pipeline with the depth and capability required to support operations in a complex environment. Emphasis remained on enhancing technical excellence and leadership capability across the organization.

The Integrated Capability Model (ICM) continued to serve as the foundation of the Company's technical talent development framework, enabling structured skill development, leadership readiness, and succession continuity aligned with business needs. Capability building was further supported through focused Subject Matter Expert (SME) programs, strengthening frontline technical leadership and operational accountability.

Learning and development during the year adopted a targeted and outcome-driven approach. Structured learning continued through LEAP (Learn, Empower, Adapt, Progress), delivering role-relevant learning pathways with a focus on quality and business impact. Experiential learning was promoted by encouraging collaboration, innovation, and practical problem-solving, while learning was further enriched through ViBE sessions, featuring external speakers to broaden perspectives and enable knowledge exchange.

Collectively, these initiatives reflect the Company's continued commitment to developing an agile, skilled, and resilient workforce capable of meeting future operational and leadership challenges.

diversity, equity & inclusion

The inclusion of diverse talent remains central to the Company's Diversity, Equity and Inclusion (DE&I) vision. In 2025, the Company maintained a gender diversity ratio of 13%, reflecting steady progress in strengthening gender representation across the organization. DE&I principles continue to be embedded across human resource practices, with a focus on equal-opportunity recruitment, equitable remuneration, and merit-based progression. The Company has set a target to achieve a 16% diversity ratio by 2027.

During the year, the Company further broadened its inclusion agenda through the launch of Minds That Matter, a neurodiversity internship program aimed at expanding access to meaningful employment and fostering an inclusive workplace culture. Recruitment and early-career development continued to reflect growing diversity across talent pipelines, with women representation of 40% within the internship program, 19% among Trade Apprentices, 28% among Trade Apprentice Engineers, 30% within Graduate Trainee Engineers, and 67% within the Management Trainee cohort.

The Company also strengthened its external commitment to inclusion by signing the Climate2Equal Pledge under the PBC-IFC Climate2Equal Program, reinforcing its support for gender-inclusive climate action. These efforts build on the momentum established through earlier initiatives such as Umeed-e-Nouh, the women forklift operators' program, and Breaking the Glass Ceiling, reflecting the Company's continued evolution towards a more inclusive and equitable workplace. The Company's DE&I initiatives and outcomes during the year were further recognized through multiple awards and commendations.

stakeholder engagement & relations

The Company is dedicated to engaging with its stakeholders at all levels, and we have used various platforms over the past year to communicate and collaborate with them. This includes periodic analyst briefings, press releases, plant visits, disclosure to the stock exchange regarding strategic matters, and informal conversations.

To comply with all regulatory requirements, the Company has maintained close coordination with relevant authorities, including tax agencies, Pakistan Stock Exchange, and the Securities and Exchange Commission of Pakistan. We engage with our vendors and customers through formal and informal media, including meetings and conferences, to provide technical assistance and business development services.

As employees play a vital role in the Company's growth, we regularly evaluate their motivation and compare our findings with industry standards. We then share this information with relevant managers and HR to develop appropriate strategies.

support required from government

The Company requests support from the government in the following areas:

- Gas Price Levies: Over the past few years, the domestic industry has faced multiple rounds of gas price hikes, including significant levies on captive gas in 2025, which have eroded shareholder value. To keep local industries competitive against international players and support the sustained growth of the domestic industrial base, it is vital for the government to control the continued rise in energy levies, particularly on captive gas.
- Gas Availability: Uncertainty regarding gas supply, particularly during the winter season, exposes the Company and downstream industries to major operational risks. Therefore, it is crucial for the government to develop a long-term solution to ensure uninterrupted operations of the local industry.
- GIDC Case: In 2020, the Supreme Court of Pakistan issued its judgment in the matter of the Gas Infrastructure Development Cess Act, 2015 (GIDC), pursuant to which the Company became liable to settle the outstanding GIDC in 48 monthly instalments.
The Company did not pass on the financial impact of GIDC to its customers, as PVC prices are linked to international benchmarks and Caustic prices are driven by domestic demand–supply dynamics. On this basis, EPCL obtained a stay order from the Sindh High Court, which remains in effect. The Company continues to request the Government to consider intervening in the matter and to engage with all relevant stakeholders to facilitate a fair, commercially viable, and mutually acceptable resolution.
- Duty on PVC Imports: Preserving the current level of import duty on PVC is vital for the domestic PVC industry. The Company has made significant investments to expand production capacity beyond local demand. In the Federal budget FY 2025-26, the custom duty on PVC was reduced by 1%, while the additional custom duty was completely abolished. These changes to the tariff structure have adversely impacted profitability and any further changes in these could impact on the Company's investment plans and its goal of achieving global competitiveness. Import substitution also helps conserve valuable foreign exchange for the country.

corporate review

Categories of Shareholding as at December 31, 2025

S.No	Category of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	6	18,004	0.00
2	Associated Companies, Undertakings and related Parties	4	703,009,679	77.35
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	3	7,678,726	0.84
5	Insurance Companies	5	40,439,465	4.45
6	Modarabas and Mutual Funds	8	5,245,241	0.58
7	Shareholders holding 10% or more	3	701,968,834	77.23
8	General Public:			
	a. local	32,789	138,232,771	15.21
	b. Foreign	-	-	-
9	Others	121	14,299,447	1.57
Total		32,939	908,923,333	100.00

Information of shareholding required under reporting framework is as follows:

1. directors, chief executive officer, and their spouse and minor children

S.No.	Name	No. of Shares Held
1	Mr. Ahsan Zafar Syed	1
2	Mr. Tariq Nisar	5,000
3	Ms. Ayesha Aziz	501
4	Mr. Nazoor Ali Baig	1
5	Mr. Kamran Nishat	1
6	Mr. Abdul Qayoom	12,500
	Total	18,004

2. associated companies, undertakings and related parties

S.No.	Name	No. of Shares Held
1	Engro Corporation Limited	510,733,454
2	Mitsubishi Corporation	100,053,564
3	Mr. Nadeem Nisar	91,181,821
4	EPCL Employees' Trust	1,040,840
	Total	703,009,679

3. NIT and ICP

S.No.	Name	No. of Shares Held
	Total	-

4. banks, development financial institutions, non-banking financial institutions

S.No.	Name	No. of Shares Held
	Total	7,678,726

5. insurance companies

S.No.	Name	No. of Shares Held
	Total	40,439,465

6. mutual funds and modarabas

S.No.	Name	No. of Shares Held
1	TRUST MODARABA	75,000
2	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	2,000,000
3	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1,500,000
4	CDC - TRUSTEE HBL EQUITY FUND	1,400,000
5	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	200,000
6	DCCL - TRUSTEE AKD ISLAMIC INCOME FUND	10,000
7	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	25,000
8	CDC - TRUSTEE PAK QATAR IPF - EQUITY SUB FUND	35,241
	Total	5,245,241

7. shareholder holding 10% or more voting rights in the company

S.No.	Name	No. of Shares Held
1	Engro Corporation Limited	510,733,454
2	Mitsubishi Corporation	100,053,564
3	Mr. Nadeem Nisar	91,181,821
	Total	701,968,839

8. general public (local)

S.No.	Name	No. of Shares Held
	Total	138,232,771

9. others

S.No.	Name	No. of Shares Held
	Total	14,299,447

pattern of shareholding as at december 31, 2025

No. of Shares Holders	No. of Shareholdings		Total Shares
	From	To	
2,527	1	100	92,288
18,039	101	500	8,250,040
5,735	501	1,000	4,312,206
3,804	1,001	5,000	9,782,242
1,108	5,001	10,000	8,611,830
438	10,001	15,000	5,656,242
275	15,001	20,000	5,026,021
195	20,001	25,000	4,524,271
120	25,001	30,000	3,394,279
91	30,001	35,000	3,029,235
57	35,001	40,000	2,181,566
44	40,001	45,000	1,877,108
84	45,001	50,000	4,109,648
35	50,001	55,000	1,859,229
25	55,001	60,000	1,452,968
18	60,001	65,000	1,139,502
19	65,001	70,000	1,312,677

No. of Shares Holders	No. of Shareholdings		Total Shares
	From	To	
15	70,001	75,000	1,102,664
21	75,001	80,000	1,651,796
11	80,001	85,000	907,515
17	85,001	90,000	1,506,183
7	90,001	95,000	655,196
45	95,001	100,000	4,486,791
10	100,001	105,000	1,019,246
7	105,001	110,000	757,792
4	110,001	115,000	449,220
13	115,001	120,000	1,525,330
4	120,001	125,000	493,307
2	125,001	130,000	257,500
1	130,001	135,000	135,000
8	135,001	140,000	1,106,069
4	140,001	145,000	575,322
5	145,001	150,000	748,000
4	150,001	155,000	611,713
1	155,001	160,000	157,788
3	160,001	165,000	490,612
1	165,001	170,000	169,000
3	170,001	175,000	524,113
3	175,001	180,000	535,328
3	180,001	185,000	550,848
1	185,001	190,000	190,000
15	195,001	200,000	2,999,413
4	200,001	205,000	808,785
1	210,001	215,000	215,000
1	220,001	225,000	222,000
2	225,001	230,000	457,305
1	230,001	235,000	232,892
2	235,001	240,000	477,272
1	240,001	245,000	242,500
6	245,001	250,000	1,495,415

No. of Shares Holders	No. of Shareholdings		Total Shares
	From	To	
3	250,001	255,000	753,250
3	255,001	260,000	773,957
1	260,001	265,000	264,700
1	265,001	270,000	270,000
3	270,001	275,000	820,982
1	275,001	280,000	276,390
1	285,001	290,000	287,162
1	290,001	295,000	294,939
3	295,001	300,000	900,000
1	310,001	315,000	315,000
1	315,001	320,000	320,000
1	320,001	325,000	320,766
1	325,001	330,000	325,500
1	330,001	335,000	332,200
3	335,001	340,000	1,010,499
1	345,001	350,000	350,000
3	355,001	360,000	1,077,011
2	360,001	365,000	729,550
1	365,001	370,000	370,000
1	370,001	375,000	375,000
1	390,001	395,000	391,035
2	395,001	400,000	800,000
1	400,001	405,000	401,000
1	405,001	410,000	410,000
2	410,001	415,000	822,950
1	415,001	420,000	420,000
1	420,001	425,000	423,519
2	425,001	430,000	851,688
3	430,001	435,000	1,298,321
2	445,001	450,000	897,920
1	455,001	460,000	458,147
1	460,001	465,000	464,733
2	485,001	490,000	974,056

No. of Shares Holders	No. of Shareholdings		Total Shares
	From	To	
5	495,001	500,000	2,500,000
1	560,001	565,000	565,000
1	570,001	575,000	573,018
1	575,001	580,000	577,286
1	580,001	585,000	582,000
2	595,001	600,000	1,200,000
1	640,001	645,000	642,288
1	650,001	655,000	655,000
1	660,001	665,000	660,541
1	675,001	680,000	677,726
1	685,001	690,000	688,500
1	745,001	750,000	750,000
1	845,001	850,000	846,905
1	875,001	880,000	875,754
1	910,001	915,000	914,462
1	950,001	955,000	954,440
4	995,001	1,000,000	4,000,000
2	1,015,001	1,020,000	2,040,000
1	1,040,001	1,045,000	1,040,840
1	1,150,001	1,155,000	1,150,500
1	1,365,001	1,370,000	1,369,956
2	1,395,001	1,400,000	2,797,214
1	1,445,001	1,450,000	1,450,000
1	1,495,001	1,500,000	1,500,000
1	1,785,001	1,790,000	1,788,500
3	1,995,001	2,000,000	6,000,000
1	2,985,001	2,990,000	2,985,700
1	3,255,001	3,260,000	3,260,000
1	4,270,001	4,275,000	4,272,862
1	6,995,001	7,000,000	7,000,000
1	39,485,001	39,490,000	39,487,465

No. of Shares Holders	No. of Shareholdings		Total Shares
	From	To	
1	91,180,001	91,185,000	91,181,821
1	100,050,001	100,055,000	100,053,562
1	510,730,001	510,735,000	510,733,451
32,939			908,923,33

board meetings and attendance

In 2025, the Board of Directors held 4 meetings to cover the complete cycle of activities. The attendance record of the Directors is as follows:

Director's Name	Meeting Attended
Ahsan Zafar Syed	4
Ayesha Aziz	4
Nazoor Ali Baig	4
Tariq Nisar	4
Kamran Nishat	4
Athar Abrar Khwaja*	2
Muhammad Bilal Ahmed*	2
Abdul Qayoom Shaikh	4
Syed Shahzad Nabi	2
Masaaki Yokoyama	2

*Joined mid term

board composition

Men	7
Women	1

Categories	Names
Non-Executive Director	Mr. Ahsan Zafar Syed
	Mr. Tariq Nisar
	Mr. Athar Abrar Khwaja
	Mr. Muhammad Bilal Ahmed
Executive Director – CEO	Mr. Abdul Qayoom Shaikh
Independent Director	Mr. Nazoor Ali Baig
	Mr. Kamran Nishat
Independent Director – Women	Ms. Ayesha Aziz

Board Audit and Risk Committee	
Mr. Kamran Nishat	Chairman
Mr. Nazoor Ali Baig	Member
Mr. Muhammad Bilal Ahmed	Member

Board People Committee	
Ms. Ayesha Aziz	Chairperson
Mr. Tariq Nisar	Member
Mr. Nazoor Ali Baig	Member

compensation of directors

The Company has a formal policy and transparent procedures for the remuneration of its Directors in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The policy also provides travel and daily allowance entitlements for Non-Executive Directors for business-related travel.

The remuneration, including the director’s fee for attending the Board or Board Committee Meeting, paid to the Directors and Chief Executive Officer is disclosed on pages 401 and 402 (Note 40 to the standalone financial statements).

major judgment areas

The details regarding income taxes, provisions, contingencies and commitments, deferred tax assets, and other significant areas that involve subjective judgments and have a material impact on the financial statements can be found in the notes to the accounts.

accounting standards

The Company's statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- and Provisions of, directives and notifications issued under the Act.

Where provisions of, directives and notifications issued under the Act differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed.

provident fund

In the year 2013, the Company transitioned from its prior provident fund arrangement to a new provident fund administered and managed by Engro Corporation Limited, the parent company. The financial information pertaining to this fund is based on the most recent audited financial statements of the fund as of June 30, 2025, and unaudited financial statements as of December 31, 2025, which are maintained by Engro Corporation Limited.

Details of the fund are as follows:

(in PKR)	31-Dec-25	30-Jun-25
Total Assets	8,200,426,371	7,907,520,622
Cost of Investments	6,482,888,469	6,148,054,405
Percentage of Investment made	95.39%	89.35%
Fair Value of Investments	7,822,605,834	7,065,405,226

board’s policy on gender diversity

The Board fosters gender diversity at all levels within the organization. In relation to this, Ms. Ayesha Aziz has been appointed as an Independent Director on the Company’s Board since 2020.

compliance with the code of corporate governance

The Board of Directors reviews all significant matters of the Company. These include, but are not limited to, the Company’s strategic direction, annual business plans and targets, decision on long-term investment and borrowings. The Board of Directors is committed to maintaining high standards of Corporate Governance.

The Board of Directors is pleased to report that:

- The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts on the ability of the Company to continue as a going concern.
- There have been no departures from the best practices of corporate governance, as detailed in the listing regulations.

board’s assessment of the principal risks

The Board has reviewed the risks facing the Company, including, but not limited to, those that would threaten the business model, future performance, solvency or liquidity.

training program for directors

The Directors Training program has been completed by Mr. Ahsan Zafar Syed, Mr. Kamran Nishat, Mr. Nazoor Ali Baig, Mr. Tariq Nisar, and Ms. Ayesha Aziz during the preceding years from recognized institutions of Pakistan, approved by the SECP. During the year, Mr. Athar Abrar Khwaja and Mr. Abdul Qayoom also completed the Directors Training Program. Mr. Muhammad Bilal Ahmed who was appointed in July 2025 will complete the training within stipulated timeframe as required under Listed Companies (Code of Corporate Governance) Regulations, 2019.

director orientation

The Company's Board of Directors comprises individuals from diverse professional backgrounds who

bring a wealth of experience to the Company. Upon the appointment of a new director, they receive an orientation to the market forces that affect the Company, its operations, and its long-term strategy. Additionally, they are made aware of their fiduciary responsibilities to all stakeholders.

security clearance of foreign director

The Company follows the SECP guidelines for appointment of any foreign director and subject to issuance of security clearance from the Ministry of Interior, foreign directors are appointed.

implementing governance practices exceeding legal requirements

Being a responsible corporate citizen, the Company has always conducted itself in a responsible and clear manner. To foster transparency, the Company:

- Benchmarks reporting requirements against ICAP/ICMAP and SAFA prescribed guidelines.
- Adopted a stringent insider trading policy, which goes beyond the legal requirement.
- Holds multiple analyst briefings and regularly interacts with all stakeholders.
- Implemented Health, Safety and Environment Policy as a testimony of its commitment to protect its people, community and environment.
- Undertook several health and education projects for improving the livelihood of surrounding communities.
- Imposed obligation on employees of group companies to follow the close period requirements.
- Ensured that privately-owned subsidiaries of the Company comply with benchmark governance practices.

board and management decision matrix

The Board of Directors of the Company is responsible for establishing the Company's strategic direction and monitoring its implementation and progress. The management team, on the other hand, is tasked with ensuring the successful execution of the strategies approved by the Board. The Board has delegated the authority to the management to make necessary decisions for the efficient management and operation of the Company and the implementation of its strategies.

shares traded and average prices

During the year, 487 million shares of the Company were traded on Pakistan Stock Exchange. The average price of the Company's shares based on daily closing rates was PKR 32.62. The 52-week low high during 2025 was PKR 26.60 – 39.58 per share, respectively.

auditors

The current auditors, M/s A. F. Ferguson & Co., are retiring and have offered to stand for reappointment. The Board Audit Committee has made a recommendation for their reappointment, which has been endorsed by the Board of Directors.



Abdul Qayoom Shaikh
Chief Executive



Kamran Nishat
Director

**statement of compliance with listed companies
(code of corporate governance)
regulations, 2019**

Engro Polymer & Chemicals Limited
For The Year Ended December 31, 2025

Engro Polymer & Chemicals Limited (hereinafter referred to as (the “Company”)) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, (“Regulations”) in the following manner:

1. The total number of directors are eight (8) in the following manner:

- a) Men: 7*
- b) Women: 1

*Including the Chief Executive Officer (CEO), who is deemed Director

2. The composition of the Board is as follows:

Category	Name
Independent directors	Mr. Nazoor Ali Baig Mr. Kamran Nishat
Independent Director - Female	Ms. Ayesha Aziz
Non-executive directors	Mr. Ahsan Zafar Syed - Chairman Mr. Tariq Nisar Mr. Athar Abrar Khwaja Mr. Muhammad Bilal Ahmed
Executive Director - CEO	Mr. Abdul Qayoom

- 3. The Directors have confirmed that none of them are serving as a director on more than seven (7) listed companies, including this Company.
- 4. The Company has prepared a ‘Code of Conduct’ and has ensured that appropriate steps have been taken to disseminate it throughout the Company, along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of significant policies alongwith their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and the Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. Out of the 8 directors, 7 directors have successfully completed the Director's Training program. Mr. Muhammad Bilal Ahmed, who was appointed during the year, shall take the training within the stipulated timeline as per the requirement of Regulation 19(2). Furthermore, the Board also arranged Directors' Training Program during the year for the following employees:
- Ms. Beenish Kajani, Head of HR and Corporate Communications;
 - Mr. Saqib Rafique, Company Secretary; and
 - Mr. Muhammad Zaghum Riaz, General Manager Technical.
10. The Board has approved appointment of Chief Internal Auditor, including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Board has also reviewed the remuneration of the existing Chief Financial Officer and Company Secretary along with the terms and conditions of their employment.
11. The Chief Executive Officer and the Chief Financial Officer duly endorsed the Company's financial statements, prior to approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Board Audit and Risk Committee

Mr. Kamran Nishat - Chairman
Mr. Nazoor Ali Baig
Mr. Muhammad Bilal Ahmed*

* Mr. Muhammad Bilal Ahmed was appointed a member of the Committee on July 21, 2025 upon resignation of Mr. Masaaki Yokoyama (former member) on June 6, 2025.

**b) Board People Committee
(HR & Remuneration Committee)**

Ms. Ayesha Aziz – Chairperson
Mr. Nazoor Ali Baig
Mr. Tariq Nisar

13. The terms of reference of the aforementioned committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as follows:
- a) Board Audit and Risk Committee – 6 meetings held during the year; and
b) Board People Committee – 5 meetings held during the year.
15. The Board has set up an effective internal audit function, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the auditors have also confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with a requirement, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 is stated below:

1. Nomination Committee and Risk Management Committee (regulations 29 and 30)

The responsibilities of the Nomination Committee and the Risk Management Committee are currently fulfilled by the Board and Board Audit and Risk Management Committee respectively. Therefore, establishing separate committees for Nomination and Risk Management are not required.



Mr. Ahsan Zafar Syed
Chairman



Abdul Qayoom Shaikh
Chief Executive Officer



A.F. FERGUSON & Co.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Polymer and Chemicals Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Engro Polymer and Chemicals Limited (the Company) for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: April 5, 2026

UDIN: CR202510080FovBC1teT

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD



quarterly analysis

(Based on consolidated session)

first quarter

Profit and loss – Rs in Mn	Q1-25	Q1-24
Net revenue	17,866	16,572
Cost of sales	(16,455)	(15,506)
Gross profit	1,412	1,066
Operating profit	717	396
(Loss)/profit before tax and levies	(786)	1,272
Net Loss	(825)	(901)

The global PVC market remained subdued at the start of 2025 due to weak demand, seasonal slowdowns across Asia, elevated inventory levels, and continued capacity expansions in China, which kept prices under pressure and margins thin. Buying activity stayed cautious amid weak downstream demand and trade policy uncertainty.

Domestically, PVC demand remained soft during the quarter, with cement sales declining by 10% YoY, reflecting slower construction activity. Low international prices led to increased PVC imports, limiting domestic offtake and pressuring local pricing and margins.

Ethylene prices remained rangebound between \$910/MT and \$940/MT, while EDC prices declined due to muted downstream PVC demand and ample supply; VCM demand followed a similar trend.

International caustic soda prices improved earlier in the quarter due to tight supply before stabilizing, with stable alumina demand and flat non-alumina demand. The domestic textile sector recorded 7% YoY growth in the first eight months of FY25, although rising gas prices created a cost disadvantage, while demand from export-oriented sectors increased.

During the period, the Company successfully commissioned its Hydrogen Peroxide plant in February 2025 and focused on promoting the product, strengthening market positioning, discouraging imports, and building partnerships with key stakeholders.

The Company recorded revenue of PKR 17,866 million in Q1 2025, an increase of approximately 8% compared to the same period last year, supported by higher sales volumes. The Company reported a loss after tax of PKR 825 million, primarily due to declining global PVC prices and lower core delta, translating into a basic loss per share of PKR 0.91, compared to a loss after tax of PKR 901 million and a basic loss per share of PKR 0.99 in the corresponding period last year.

Balance sheet – Rs in Mn	Mar-25	Dec-24
Total assets	105,098	100,851
Total equity	26,497	27,322
Total liabilities	78,601	73,530

Total assets increased to PKR 105,098 million from PKR 100,851 million, primarily driven by higher current

assets, including inventories, receivables, tax recoverable balances, and cash and bank balances, along with an increase in property, plant and equipment.

Equity declined to PKR 26,497 million from PKR 27,322 million due to losses during the period.

Total liabilities rose to PKR 78,601 million from PKR 73,530 million, mainly reflecting higher borrowings and trade and other payables.

second quarter

Profit and loss – Rs in Mn	Q2-25	Q2-24
Net revenue	19,744	17,812
Cost of sales	(19,706)	(16,376)
Gross profit	38	1,436
Operating (loss)/profit	(942)	798
Loss before tax and levies	(2,432)	(1,328)
Net loss	(2,406)	(688)

The global PVC market remained fundamentally long during the second quarter amid a sustained demand slowdown, resulting in continued pressure on prices. While Chinese producers reduced operating rates due to rising input costs and lower margins, the impact was offset by new regional capacities. Ethylene prices trended downward during the period, supported by improved supply following the startup of new crackers, particularly in Southeast Asia.

In the domestic market, PVC demand showed improvement during the period, supported by activity across pipes and fittings, cables, and profiles, along with recovery in the real estate sector and stable inflation. However, pressure from low-priced imports persisted, further intensified by the reduction in customs duty on PVC from 13% to 10%.

Globally, caustic prices followed a bearish trend due to excess supply as producers in China and Southeast Asia diverted more volumes to export markets. Domestically, caustic demand remained linked to textile sector performance, which recorded export growth despite rising energy costs. The increase in captive gas prices and higher energy costs continued to weigh on caustic margins, although overall domestic demand strengthened during the quarter.

In the Hydrogen Peroxide segment, the domestic market continued to face competition from low-priced imports from Bangladesh, alongside a reduction in customs duty on HPO from 16% to 10% and regulatory duty from 5% to 2.5%. Despite these pressures, the Company continued to strengthen its presence in the domestic HPO market following the commissioning of its new plant, with a focus on quality production and market positioning.

During the quarter, the Company recorded revenue of PKR 19,744 million. However, performance remained impacted by persistently low PVC prices and higher energy costs, resulting in a loss after tax of PKR 2,406 million.

Balance sheet – Rs in Mn	Jun-25	Dec-24
Total assets	101,109	100,851
Total equity	24,077	27,322
Total liabilities	77,032	73,530

Total assets increased to PKR 101,109 million from PKR 100,851 million, mainly due to an increase in property, plant and equipment.

Equity declined to PKR 24,077 million from PKR 27,322 million due to losses recorded during the period.

Total liabilities increased to PKR 77,032 million from PKR 73,530 million, primarily driven by higher borrowings and trade and other payables.

third quarter

Profit and loss – Rs in Mn	Q2-25	Q2-24
Net revenue	20,015	20,067
Cost of sales	(17,762)	(18,969)
Gross profit	2,254	1,098
Operating profit	1,337	517
Loss before tax and levies	(101)	(1,447)
Net loss	(222)	(698)

The global PVC market remained oversupplied during the third quarter, with Asian prices continuing to weaken amid soft demand and new capacity additions, particularly in China. Regional trade dynamics were influenced by increased Chinese exports and surplus US volumes, while ethylene prices eased, averaging around \$820/MT, providing partial relief on raw material costs.

The domestic PVC market showed resilience, supported by gradual recovery in construction and infrastructure activity, improved policy rates, stabilization in inflation, and recovery in the real estate sector. Demand for pipes, fittings, and profiles improved, while the Company’s PVC sales remained stable despite lower customs duties and the influx of low-cost imports, supported by strategic pricing and targeted market development.

Global caustic soda prices declined amid continued oversupply and weak regional demand, with additional capacities increasing spot availability. Domestically, textile demand remained subdued due to soft global apparel demand, although seasonal recovery in local processing provided some support. The global hydrogen peroxide market remained well supplied, with weak demand across pulp, paper, and textile sectors and surplus capacity in South Asia keeping prices under pressure. The domestic market faced similar challenges, particularly from imports from Bangladesh; however, the Company continued efforts to strengthen its position through onboarding key textile customers and focusing on quality differentiation and strategic measures to displace imports.

During the quarter, the Company recorded revenue of PKR 20,015 million. Despite improved gross and operating performance, persistently low PVC prices and higher energy costs resulted in a net loss of PKR 222 million for the period.

Balance sheet – Rs in Mn	Sep-25	Dec-24
Total assets	100,537	100,851
Total equity	23,849	27,322
Total liabilities	76,688	73,530

Total assets stood at PKR 100,537 million compared to PKR 100,851 million at year-end 2024, reflecting movements across both non-current and current assets, including inventories, receivables, tax recoverable balances, and cash and bank balances.

Equity decreased to PKR 23,849 million from PKR 27,322 million, primarily due to losses recorded during the period.

Total liabilities increased to PKR 76,688 million from PKR 73,530 million, mainly driven by higher borrowings and changes in trade and other payables and provisions.

fourth quarter

Profit and loss - Rs in Mn	Q4-25	Q4-24
Net revenue	20,391	21,257
Cost of sales	(19,269)	(18,266)
Gross profit	1,122	2,991
Operating profit	1,227	2,676
(Loss)/profit before tax and levies	(72)	901
Net (loss)/profit	(446)	2,128

Global PVC market conditions remained challenging during the quarter, with oversupply, modest demand growth, and continued capacity additions keeping prices and margins under pressure.

In Pakistan, PVC pricing remained weak due to declining international prices and import competition, although demand improved on the back of recovery in construction-related activity and infrastructure-linked applications.

International vinyl chain prices remained subdued amid ample supply and weak construction demand, while global caustic markets continued to face oversupply. Domestically, demand remained linked to the textile sector, though higher captive gas prices continued to weigh on margins.

In the Hydrogen Peroxide segment, global and regional oversupply and import competition continued to pressure pricing; however, the Company strengthened market penetration and maintained stable plant operations.

The Company recorded revenue of PKR 20,391 million in Q4 2025 and a net loss of PKR 446 million for the quarter, as continued pressure on PVC prices and margins impacted performance.

Balance sheet – Rs in Mn	Dec-25	Dec-24
Total assets	117,311	100,851
Total equity	23,399	27,322
Total liabilities	93,912	73,530

Total assets increased to PKR 117,311 million from PKR 100,851 million, mainly reflecting higher current assets, including stock-in-trade, tax recoverable balances, and cash and bank balances, along with movements in property, plant and equipment and other non-current assets.

Equity declined to PKR 23,399 million from PKR 27,322 million due to losses recorded during the year.

Total liabilities rose to PKR 93,912 million from PKR 73,530 million, primarily driven by higher long-term borrowings and increases in trade and other payables and provisions.

six-year summary of financial performance

with horizontal and vertical analysis

Statement of Financial Position

	Amount In Mn.	2025 Horizontal In %	Vertical	Amount In Mn.	2024 Horizontal In %	Vertical
ASSETS						
Property, plant and equipment	61,414	1	52	61,308	14	61
Right-of-use asset	213	(70)	-	712	(41)	1
Intangible assets	475	(8)	-	515	(17)	-
Investments at amortised cost	-	-	-	-	-	-
Long-term loans, advances and deposits	10	10	-	9	(60)	-
Deferred tax asset	-	-	-	-	-	-
Stores, spares and loose tools	4,977	1	4	4,911	48	5
Stock-in-trade	11,141	(23)	9	13,830	(19)	14
Trade debts	1,716	36	1	1,263	(22)	1
Loans, advances, deposits, prepayments and other receivables	3,581	(44)	3	6,387	16	6
Income tax recoverable	7,760	14	7	6,807	-	7
Short-term investments	21,517	1,266	18	1,575	(54)	2
Cash and bank balances	4,507	28	4	3,534	(14)	4
TOTAL ASSETS	117,311	18	100	100,851	12	100
EQUITY						
Ordinary share capital	9,089	-	8	9,089	-	9
Preference shares	3,000	-	3	3,000	-	3
Share premium	3,875	-	3	3,875	-	4
Hedging reserve	-	-	-	-	-	-
Unappropriated profits	7,435	(35)	6	11,357	(10)	11
	23,399	(14)	20	27,321	(4)	27
LIABILITIES						
Long-term borrowings	53,324	83	45	29,097	31	29
Government grant	754	(26)	1	1,015	(22)	1
Lease liabilities	188	(57)	-	438	(68)	-
Provisions	-	-	-	-	-	-
Deferred tax liability - net	1,781	-	2	1,783	(40)	2
Current portion of long-term borrowings	1,978	52	2	1,302	(58)	1
Current portion of lease liabilities	228	(73)	-	853	(27)	1
Provisions	7,071	16	6	6,111	-	6
Service benefit obligations	-	(100)	-	99	16	-
Short-term borrowings	675	(94)	1	11,849	57	12
Current portion of government grant	234	(1)	-	237	9	-
Trade and other payables	26,870	36	23	19,736	35	20
Unclaimed dividend	273	(4)	-	284	(60)	-
Income tax payable	-	-	-	-	(100)	-
Accrued interest / mark-up	536	(26)	-	726	38	1
	93,913	28	80	73,530	19	73
TOTAL EQUITY AND LIABILITIES	117,311	16	100	100,851	11	100

	Amount In Mn.	2023 Horizontal In %	Vertical	Amount In Mn.	2022 Horizontal In %	Vertical	Amount In Mn.	2021 Horizontal In %	Vertical	Amount In Mn.	2020 Horizontal In %	Vertical
Property, plant and equipment	53,734	19	59	45,287	17	53	38,703	3	50	37,614	20	54
Right-of-use asset	1,206	(28)	1	1,684	(17)	2	2,037	(12)	3	2,306	(16)	3
Intangible assets	620	(10)	1	686	(4)	1	712	598	1	102	29	-
Investments at amortised cost	-	(100)	-	1,318	(57)	2	3,093	(34)	4	4,661	(14)	7
Long-term loans, advances and deposits	23	2,164	-	1	49	-	1	(98)	-	29	(60)	-
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	(100)	-
Stores, spares and loose tools	3,312	34	4	2,464	21	3	2,042	14	3	1,785	6	3
Stock-in-trade	16,985	63	18	10,416	(17)	12	12,591	103	16	6,195	42	9
Trade debts	1,629	(39)	2	2,679	221	3	834	42	1	586	25	1
Loans, advances, deposits, prepayments and other receivables	5,528	57	6	3,515	87	4	1,877	496	2	315	(64)	1
Income tax recoverable	-	-	-	-	-	-	-	(100)	-	159	87	-
Short-term investments	3,460	(75)	4	14,059	(1)	16	14,143	(2)	18	14,396	100	21
Cash and bank balances	4,101	25	5	3,292	70	4	1,933	104	2	946	19	1
	90,598	6	100	85,401	10	100	77,966	13	100	69,094	20	100
Ordinary share capital	9,089	-	10	9,089	-	11	9,089	-	11	9,089	-	13
Preference shares	3,000	-	4	3,000	-	3	3,000	-	4	3,000	-	4
Share premium	3,875	-	4	3,875	-	5	3,875	-	5	3,875	-	6
Hedging reserve	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profits	12,628	13	14	11,158	(20)	13	14,004	38	18	10,162	111	15
	28,592	5	32	27,122	(9)	32	29,968	15	38	26,126	47	38
Long-term borrowings	22,138	12	24	19,835	15	23	17,177	(13)	22	19,790	2	29
Government grant	1,299	123	2	582	271	1	157	100	-	-	-	-
Lease liabilities	1,361	(28)	2	1,892	(30)	2	2,713	(25)	4	3,614	(20)	5
Provisions	-	(100)	-	637	(65)	1	1,809	(40)	2	2,991	100	4
Deferred tax liability - net	2,982	40	3	2,131	5	3	2,029	72	3	1,183	100	2
Current portion of long-term borrowings	3,071	(36)	3	4,826	23	6	3,930	114	5	1,837	100	3
Current portion of lease liabilities	1,173	(39)	1	1,913	29	2	1,481	37	2	1,081	10	1
Provisions	6,111	2	7	6,011	48	7	4,074	66	5	2,456	(57)	3
Service benefit obligations	85	15	-	74	(25)	-	98	23	-	80	31	-
Short-term borrowings	7,526	1,487	8	474	-	-	474	100	1	-	(100)	-
Current portion of government grant	217	123	-	97	261	-	27	100	-	-	-	-
Trade and other payables	14,661	(5)	16	15,353	33	18	11,551	22	15	9,483	45	14
Unclaimed dividend	706	(40)	1	1,174	14	1	1,030	3,579	1	28	(10)	-
Income tax payable	151	(95)	-	2,887	184	3	1,016	100	1	-	-	-
Accrued interest / mark-up	526	34	1	392	(9)	1	431	2	1	425	16	1
	62,006	6	68	58,279	21	68	47,998	12	62	42,968	8	62
	90,598	6	100	85,401	10	100	77,966	13	100	69,094	20	100

financial analysis of consolidated statement of financial position with graphical presentation

non-current assets

Non-current assets of the Company decreased by Rs. 431 million compared to last year, i.e., by 0.69%. The decrease is primarily due to depreciation on property, plant and equipment and amortisation of right-of-use and intangible assets amounting to Rs. 3,226 million, Rs. 478 million and Rs. 114 million, respectively, which was partially offset by additions to property, plant and equipment amounting to Rs. 3,446 million.

trend analysis

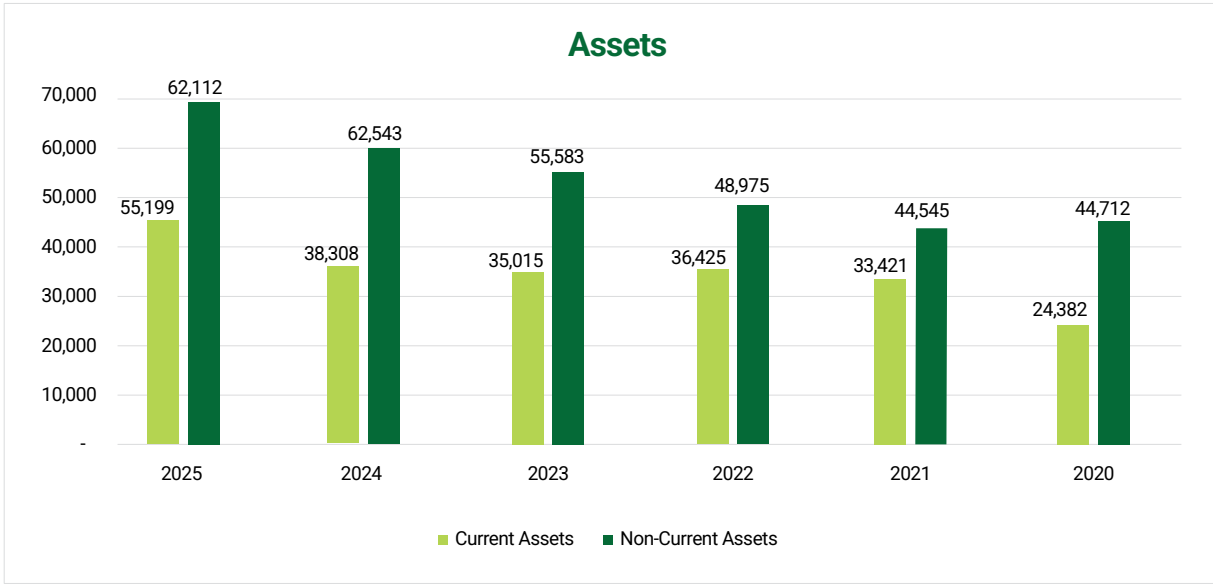
Over the period of six years, the non-current assets of the Company have been increasing due to expansion and diversification projects as well as CAPEX incurred to achieve enhanced reliability, greater efficiency and harness synergies.

current assets

The net increase in current assets amounting to Rs. 16,891 million over the previous year is mainly due to an increase in short-term investments amounting to Rs. 19,942 million, partially offset by a decrease in inventory levels amounting to Rs. 2,689 million.

trend analysis

Current assets have shown an overall increasing trend over the past six years, rising from Rs. 24,382 million in 2020 to Rs. 55,199 million in 2025. The increase was primarily driven by growth in short-term investments, tax recoverable balances, inventories, and receivables.



shareholders' equity

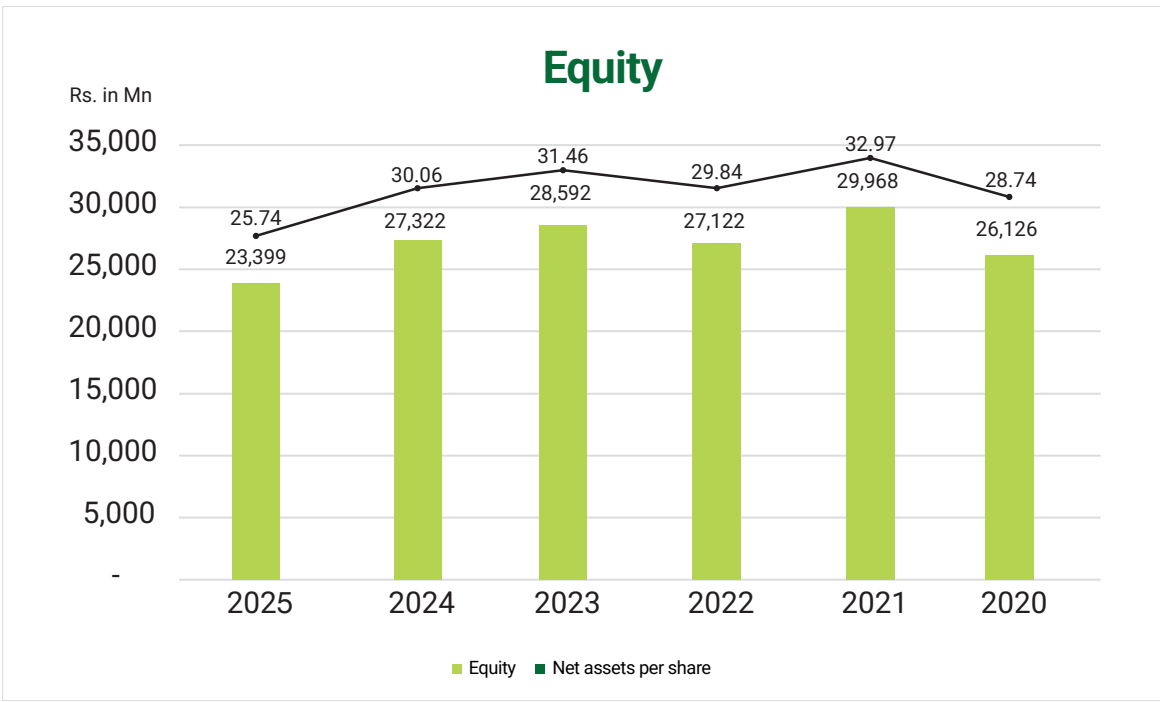
Shareholders' equity decreased during the year by Rs. 3,922 million. The variation is attributed to the following:

1. Net loss reported for the year amounted to Rs. 3,898 million, compared to a net loss of Rs. 160 million in the previous year.
2. Investment was made in shares of the subsidiary, for which share issuance costs amounted to Rs. 24 million

trend analysis

Equity decreased from Rs. 26,126 million in 2020 to Rs 23,999 million in 2025, primarily due to dividend distributions exceeding the profits generated during the period.

Over the last six years, the Company reported after-tax profits of Rs. 31,623 million and distributed dividends of Rs. 32,764 million to ordinary shareholders and Rs. 1,557 million to preference shareholders since 2020.



non-current liabilities

Non-current liabilities have increased over the past six years, rising by Rs. 28.4 billion from Rs. 27.5 billion in 2020 to Rs. 56 billion in 2025. This increase is mainly due to long-term borrowings obtained to finance capital expenditures for expansion, diversification, and efficiency projects.

trend analysis

The non-current liabilities remained stagnant during the years 2020-2023. However, these increased in 2024 & 2025 owing to the capital expenditures being made in respect of expansion, diversification and efficiency projects that were financed by long-term loans.

current liabilities

Current liabilities decreased from Rs. 41,197 million to Rs. 37,864 million in 2025, mainly due to a reduction in short-term borrowings of Rs. 11,174 million, partially offset by an increase in trade and other payables of Rs. 7,134 million.

trend analysis

Current liabilities increased from Rs. 15,388 million in 2020 to Rs. 37,864 million in 2025, reflecting an overall rising trend over the six-year period. The highest level was recorded in 2024 at Rs. 41,197 million, primarily due to elevated short-term borrowings and trade and other payables, before declining in 2025 following a significant reduction in short-term borrowings. Throughout the period, trade and other payables and provisions remained the major contributors to current liabilities.



financial analysis of consolidated statement of financial performance

revenue:

During the year, the Company’s revenue increased by Rs. 2,308 million compared to last year, primarily driven by higher domestic sales volumes of PVC and caustic soda. However, the positive impact of volume growth was partially offset by a continued decline in PVC prices in 2025, amid adverse global macroeconomic and geopolitical conditions.

trend analysis

Over the past six years, revenue has largely followed PVC price and volume trends. It grew strongly in 2021 and 2022 on the back of higher sales volumes and favorable pricing. However, revenue declined in 2023 and 2024 due to lower PVC prices despite stable domestic demand. In 2025, revenue showed modest recovery, increasing by 3%, supported by higher domestic sales volumes of PVC and caustic soda, though continued pressure on PVC prices limited overall growth.

cost of sales:

Cost of sales have increased by Rs. 4,074 Mn mainly because of higher utility prices, increasing the cost of production.

trend analysis

Over the period, fluctuations in raw material prices and rising gas costs put pressure on the Company’s cost of sales. Higher sales volumes and increased production also contributed to the rise in costs. However, the Company undertook efficiency improvement initiatives in its existing processes, which helped control the overall increase in cost of sales.

gross profit:

The Company’s gross profitability has experienced a decline of Rs. 1,765 Mn. This is mainly attributable to increased cost of production.

trend analysis

Gross profit margin is influenced by several factors, including international PVC and ethylene prices, gas tariffs, demand in domestic and export markets, and currency movements.

Over the past few years, gross profit increased up to 2021, supported by efficiency improvement projects undertaken by the Company along with relatively favorable international market conditions. However, margins declined in 2023, 2024, and 2025 due to lower PVC prices, higher input and energy costs, and overall challenging market conditions.

other income:

Interest income increased during 2020–2023 due to the effective utilization of funds generated from operations, along with a favorable interest rate environment. However, in 2024–2025, it declined primarily due to lower cash availability coupled with lower average yield rates during the year.

trend analysis

Interest income has been on an increasing trend during 2020 - 2023 due to effective utilization of funds generated from operations along with favorable interest rates trend.

finance cost:

Finance cost decreased significantly by Rs. 1,802 million compared to the previous year, mainly attributable to a decline in interest rates and the repayment of short-term borrowings. This was partially offset by additional long-term borrowings secured during the year.

trend analysis

Finance cost of the Company have kept on changing with the change in borrowing structure and fluctuation in prevailing interest rates.

taxation:

Tax charge is a function of profitability. Although the Company’s loss increased compared to the previous year, the tax charge for the year also increased, mainly due to prior-year adjustments arising from the finalization of income tax assessments/returns.

trend analysis

Since taxation is a function of profitability, it tends to vary accordingly with it.

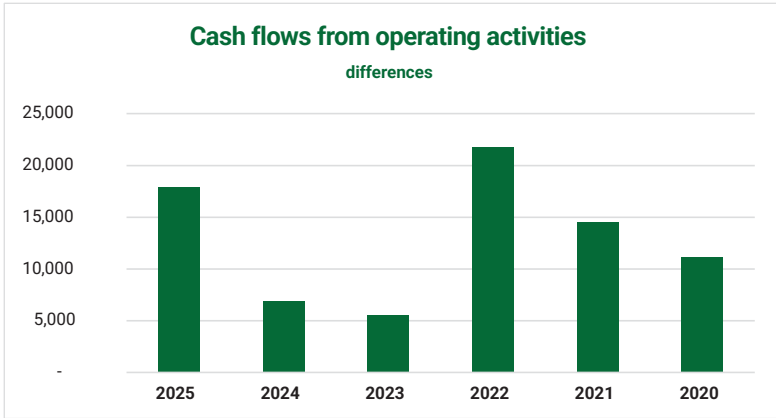
cash flows analysis

cash flows from operating activities

Cash flows from operating activities were recorded at Rs 17.49 billion, 9.95 billion higher compared to 2024, mainly due to:

- positive working capital impact of Rs. 11.96 billion as compared to positive Rs. 5.98 billion last year.
- reduction in tax payments by Rs. 2.33 billion and sale of tax loss of Rs 1.37 billion which was nil in 2024.

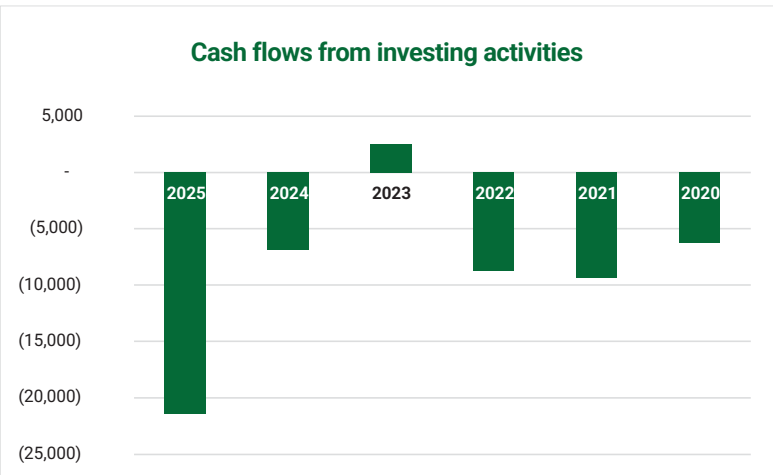
Cash flows from operating activities remained on an increasing trend since 2020 till 2022 due to improved profitability.



cash flows from investing activities

To maintain business continuity and ensure sustained operations, the Company continued its strategic investments in capital projects, incurring capital expenditure of Rs. 3.38 billion during the reporting year. The increase in investing activities was primarily due to an investment of Rs. 19 billion in mutual funds, representing deployment of excess cash available from financing activities near the reporting date. Cash flows were managed prudently, with investments and divestments aligned with available liquidity.

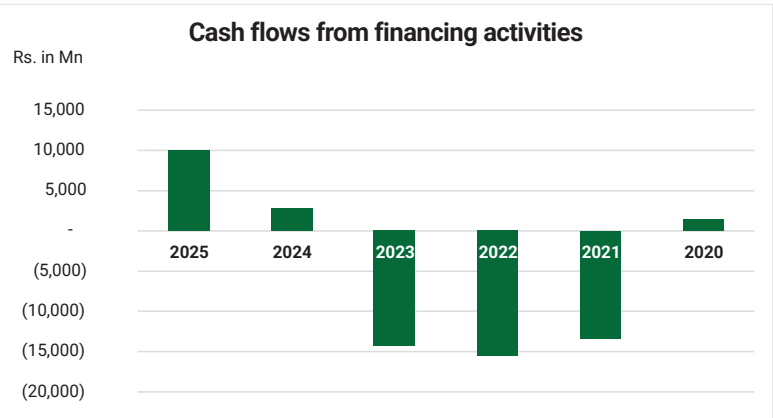
Over the past six years, the average annual net cash utilized in investing activities amounted to Rs. 8.46 billion, of which Rs. 7.3 billion was allocated to capital expenditure.



cash flows from financing activities

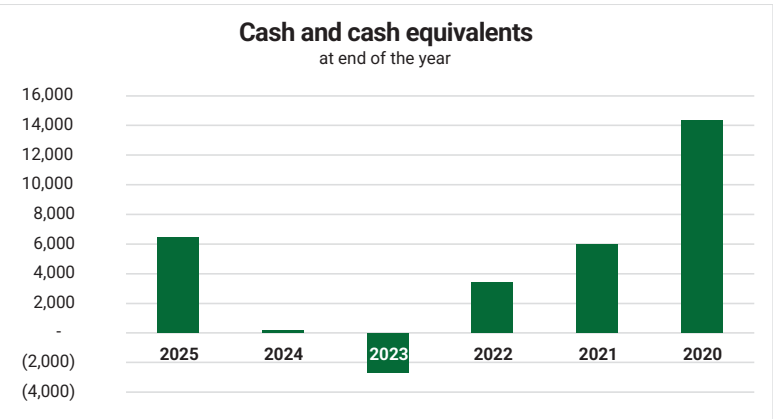
To meet its capital expenditure requirements, the Company secured long-term financing of Rs. 29.8 billion while repaying Rs. 5.22 billion of debt during the year. Additionally, short-term borrowings of Rs. 10.4 billion were obtained and Rs. 18 billion were repaid.

Over the past six years, the Company has recorded an average annual net cash outflow from financing activities of Rs. 4.8 billion, compared to a net inflow of Rs. 10 billion in the current year. Historically, cash flows from financing activities have generally moved inversely with the Company's profitability.

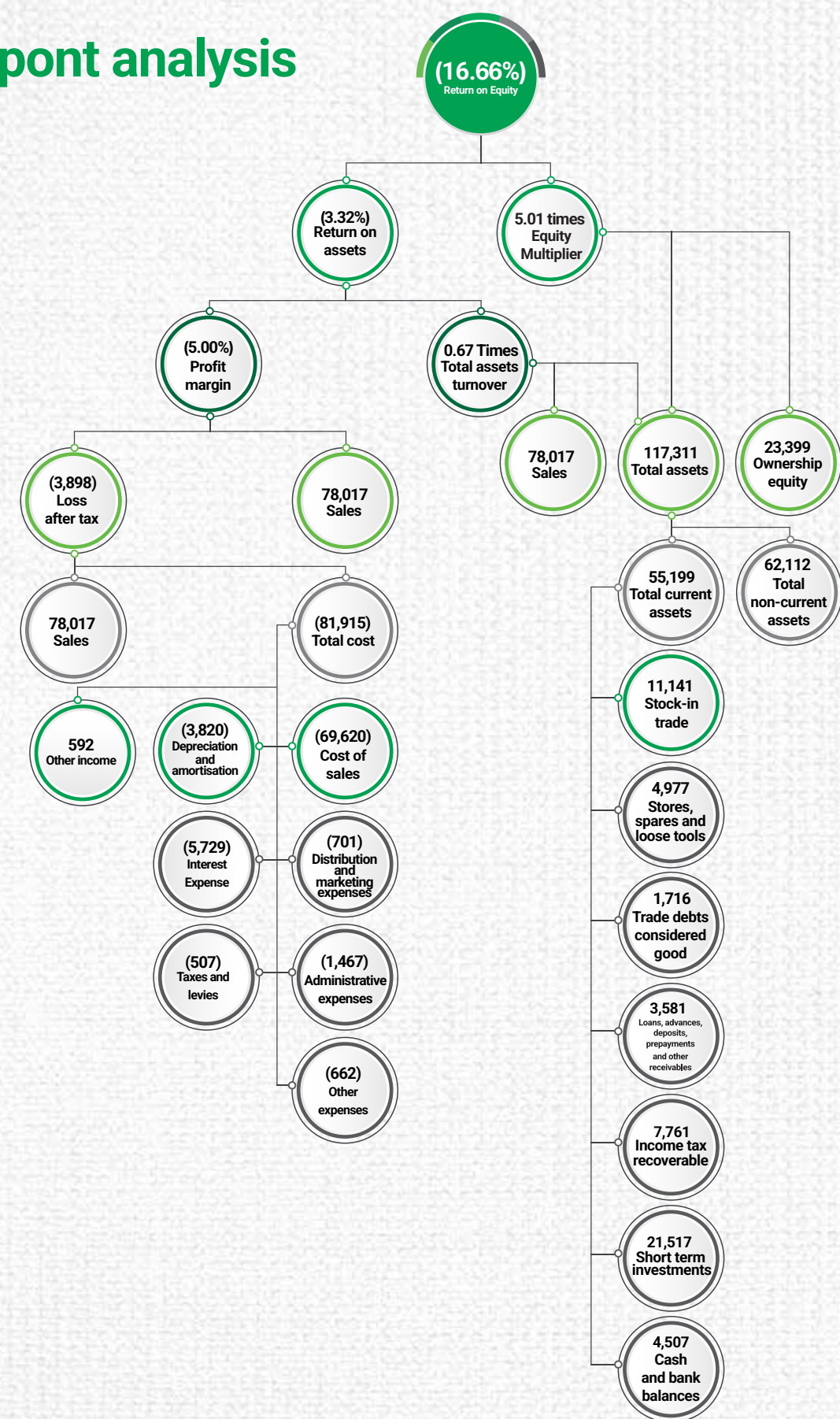


cash and cash equivalent

As of the end of 2025, cash and cash equivalents stood at Rs. 6.2 billion, marking a significant decline from the closing balance of Rs. 14.3 billion in 2020.



dupont analysis



key financial ratios

(Based on consolidated financial statements)

Profitability ratios	unit	formula
Gross Profit Ratio	%	Gross profit/Total revenue
Operating margin	%	Operating profit / total revenue
Net profit/(loss)/Total revenue	%	Net profit/(loss)/Total revenue
EBITDA	Rs. in M	Operating profit/(loss) - depreciation and amortisation
EBITDA to Sales	%	EBITDA/Total revenue
Operating leverage ratio	No. of Times	% change in EBIT/% change in sales
Return on Equity (after tax)	%	PAT/Shareholder's equity
Return on Equity (before tax)	%	PBT/Shareholder's equity
Return on Capital Employed	%	PBT/average debt liabilities + average shareholder' equity
Shareholders' funds	%	Total Shareholders equity / Total assets
Liquidity ratios		
Current Ratio	No. of Times	Current assets/Current liabilities
Quick Ratio	No. of Times	(Current assets - Inventories)/Current liabilities
Cash to current liabilities	No. of Times	(Cash + Cah equivalents)/Current liabilities
Cash flow from operations to current liabilities	No. of Times	Cash flow from operations/current liabilities
Cash flow from operations to Sales	No. of Times	Cash flow from operations/Sales
Cash flow to capital expenditures	No. of Times	Cash flow from operations/Capital Expenditure
Cash flow coverage ratio	No. of Times	Cash flow from operations/Total Debt
Capital structure		
Interest Cover Ratio	No. of Times	EBIT/Finance cost
Long term Debt to Equity Ratio	%	Long-term debt/shareholders' equity
Long term debt to equity ratio at market value	%	Long-term debt/(Total number of shares * Market value per share)
Weighted average cost of debt	%	Interest on debt/weighted average loan balance
Financial leverage	%	Total debt/shareholders' equity
Net assets per share	Rs.	Net assets/No. of shares outstanding
Employee Productivity ratio		
Production per employee	No. of Times	Total production/total number of employees
Revenue per employee	No. of Times	Total revenue/total number of employees
Staff turnover ratio	No. of Times	Employee who left/average no. of employees
Others		
Spares inventory as of assets cost	%	Total spares inventory/Total assets
Maintenance cost as % of operating expense	%	Total maintenance cost/Total operating expense

2025	2024	2023	2022	2021	2020
6.19	8.71	25.29	28.89	34.33	30.99
3.00	5.79	22.11	24.11	31.26	29.51
(5.00)	(0.21)	10.99	14.24	21.51	16.22
6,158	7,125	21,508	22,242	24,176	12,190
7.90	9.41	26.47	27.10	34.53	34.50
(15.31)	11.05	9.54	(0.56)	1.12	(7.94)
(16.66)	(0.59)	31.24	43.10	50.26	21.93
(14.39)	(11.37)	47.32	60.93	66.09	30.93
(4.45)	(4.65)	23.37	31.58	39.82	18.56
19.95	27.09	31.56	31.76	38.44	37.81
1.46	0.93	1.02	1.10	1.39	1.58
1.03	0.47	0.43	0.71	0.78	1.07
0.165	0.0040	(0.08)	0.10	0.25	0.93
0.50	0.31	0.35	0.75	0.71	0.81
0.24	0.17	0.15	0.30	0.25	0.35
5.52	1.31	1.05	2.73	4.77	1.70
0.33	0.29	0.35	0.96	0.79	0.58
0.53	0.71	4.39	9.67	16.42	6.01
70:30	52:48	45:55	43:57	37:63	43:57
65:35	47:53	36:64	35:65	26:74	31:69
8.86	15.95	13.62	8.60	6.16	7.89
243.46	159.21	119.79	95.18	72.62	82.78
25.74	30.06	31.45	29.84	32.97	28.74
1.17	1.18	1.14	1.11	1.07	1.08
134	140	139	137	117	63
0.18	0.23	0.12	0.14	0.09	0.07
4.24	4.87	3.66	2.89	2.62	2.58
5.76	8.07	5.71	8.95	5.95	6.28

key financial ratios

(Based on consolidated financial statements)

Activity/turnover	unit	formula
Fixed Assets Turnover	No. of Times	Revenue/Operating assets
Total Assets Turnover	No. of Times	Revenue/Total assets
Inventory Turnover	No. of Times	Cost of goods sold/Average inventory
Inventory Turnover Days	No. of days	365/Inventory turnover
Debtor Turnover	No. of Times	Total sales/Average accounts receivable
Debtor Turnover Days	No. of days	365/debtor turnover
Creditor Turnover	No. of Times	Raw and packing materials/Average accounts payable
Creditor Turnover Days	No. of days	365/creditor turnover
Operating cycle	No. of days	Inventory turnover days + Debtor turnover days - Creditor turnover days
Investment/market ratios		
Number of outstanding shares at year end	No. in M	
Earnings Per Share - Basic	Rs.	PAT- dividend on preference shares/ weighted average no. of ordinary shares
Earnings Per Share - diluted	Rs.	PAT- dividend on preference shares/ weighted average no. of ordinary shares
Price Earning Ratio	No. of Times	Market value of share/Basic EPS
Market Value at the end of the year	Rs.	
Market value per share (highest during the year)	Rs.	
Market value per share (lowest during the year)	Rs.	
Price to book ratio	%	Market value of share/(Total Assets - Intangible Assets)
Break up value per share	Rs.	Total shareholders' equity/total ordinary share outstanding
Dividend payout ratio	%	Dividend per ordinary share/Basic EPS
Total shareholder return	%	Capital gain + dividend yield
Free float shares ratio	%	Free float share/total ordinary shares
Dividend cover ratio	No. of Times	Basic EPS/Annual total dividend per share
Dividend yield ratio	%	Annual dividend per share/market value per ordinary shares
Cash dividend per ordinary shares	Rs.	Cash dividend/number of shares
Cash dividend per preference shares	Rs.	Cash dividend/number of shares
Preference dividend yield ratio	%	Annual preference dividend per share/market value per preference share
Sustainable growth rate	%	Retention ratio x return on equity

2025	2024	2023	2022	2021	2020
1.33	2.00	2.35	2.39	2.23	1.83
0.67	0.75	0.90	0.96	0.90	0.51
5.86	4.49	4.43	5.69	6.42	6.18
62.26	81.37	82.36	64.18	56.84	59.03
62.20	61.69	45.18	55.53	115.96	79.55
5.87	5.92	8.08	6.57	3.15	4.59
3.17	6.68	11.86	13.42	17.04	5.63
115.11	54.60	30.77	27.21	21.42	64.88
(46.98)	32.68	59.67	43.55	38.57	(1.26)
909	909	909	909	909	909
(4.29)	(0.40)	9.12	12.37	16.28	6.30
(4.29)	(0.40)	7.39	9.67	12.46	6.23
(7.60)	(92.68)	5.11	3.42	3.33	7.54
32.60	37.07	46.59	42.32	54.21	47.51
40.85	49.79	52.39	90.73	65.45	49.17
25.50	30.01	38.50	40.90	42.84	22.47
25.36	33.58	47.06	45.41	63.79	62.60
25.74	30.06	31.46	29.84	32.97	28.74
-	-	65.79	101.05	100.12	19.79
(12.06)	(20.43)	22.97	8.07	44.10	46.06
21.58	21.59	21.62	31.64	31.62	31.59
-	-	1.52	0.99	1.00	5.05
-	-	12.88	30.00	30.00	3.00
-	-	6.00	12.50	16.30	1.25
-	-	2.32	1.72	1.11	0.04
-	-	23.2	12.20	11.1	-
(14.39)	(11.37)	16.19	(0.64)	(0.08)	24.81

consolidated statement of cash flows

direct method

	2025	2024
Cash flows from operating activities		
Cash flows from customers	93,395	89,751
Cash payments to suppliers and others	(74,343)	(76,981)
Cash generated from operations	19,053	12,770
Long-term loans and advances	(1)	13
Retirement benefits paid	(99)	(70)
Income tax and levies paid	(2,838)	(5,173)
Proceed from sale of tax loss	1,375	-
Net cash flow from operating activities	17,490	7,540
Cash flows from investing activities		
Purchases of property, plant & equipment and intangibles	(3,446)	(9,784)
Proceeds from disposal of PPE	59	95
Income on investments and bank deposits	161	511
Purchase of short-term investments	(20,980)	(2,286)
Proceeds on sale/maturity of short-term investments	2,653	3,968
Investment in term deposit receipts	-	-
Maturity of term deposit receipts	-	-
Net cash flow from investing activities	(21,553)	(7,496)
Cash flows from financing activities		
Proceeds from long-term borrowings – net	29,805	8,000
Proceeds from short-term borrowings	10,475	15,160
Repayments of long-term borrowings	(5,229)	(3,061)
Repayments of short-term borrowings	(18,105)	(7,180)
Proceeds of subordinated loan	1,000	1,500
Repayment of subordinated loan	(1,000)	(1,500)
Finance costs paid	(5,824)	(7,228)
Lease rentals paid	(913)	(1,358)
Dividend paid	(12)	(1,531)
Proceeds under Musharaka Agreement	-	-
Shares issuance cost	(24)	-
Issuance of preference shares	-	-
Net cash flow from financing activities	10,173	2,802
Net increase / (decrease) in cash & cash equivalents	6,110	2,846
Cash & cash equivalents at beginning of the year	150	(2,696)
Cash & cash equivalents at end of the year	6,260	150

	2023	2022	2021	2020
	95,791	93,403	80,889	41,333
	(83,403)	(68,512)	(63,671)	(28,869)
	12,388	24,891	17,218	12,464
	(22)	-	29	43
	(67)	(93)	(42)	(35)
	(6,708)	(3,035)	(2,905)	(1,279)
	-	-	-	-
	5,591	21,763	14,300	11,193
	(11,366)	(9,096)	(3,601)	(7,318)
	44	29	3	-
	-	1,312	1,295	1,071
	(40,754)	(340,467)	(10,950)	-
	53,929	337,210	3,000	-
	-	-	(23)	(6)
	731	2,258	935	-
	2,584	(8,754)	(9,341)	(6,253)
	5,910	9,784	1,061	1,925
	324	-	474	-
	(5,163)	(12,876)	(1,927)	-
	(474)	-	-	-
	1,700	-	-	-
	(1,700)	-	-	-
	(4,596)	(2,331)	(1,354)	(1,891)
	(2,394)	(1,738)	(1,372)	(1,337)
	(7,931)	(14,390)	(10,213)	(185)
	-	6,000	-	94
	-	-	(4)	(199)
	-	-	-	3,000
	(14,324)	(15,551)	(13,335)	1,407
	(6,149)	(2,542)	(8,376)	6,347
	3,453	5,994	14,371	9,160
	(2,696)	3,453	5,993	8,024

ratio analysis

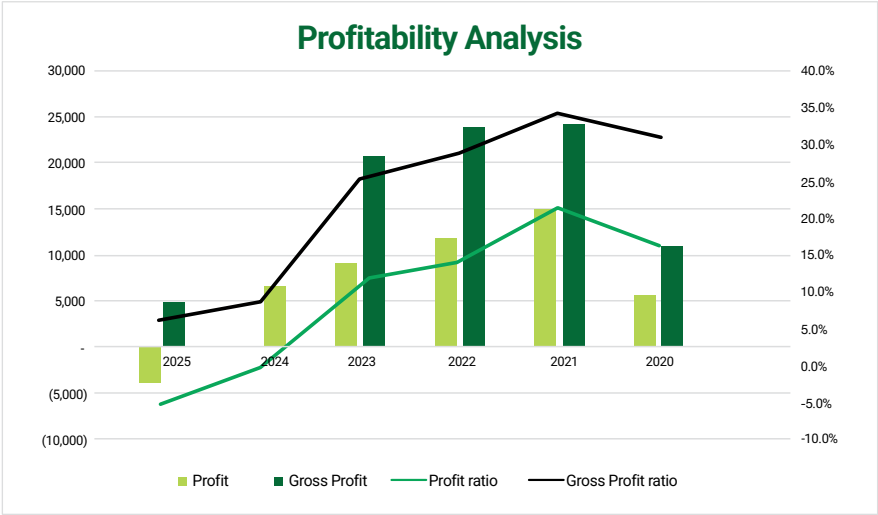
Profitability ratios

The Company recorded a net loss in 2025, resulting in a net profit margin of (5.0%) compared to (0.2%) in 2024. Gross profit margin declined to 6.2% from 8.7% last year, reflecting continued pressure on PVC prices and elevated energy costs. The contraction in margins is consistent with challenging market conditions and weaker spreads during the year.

trend analysis

Over the six-year period, profitability ratios peaked during 2021–2022, with gross profit margins reaching 34.3% in 2021 and 28.9% in 2022, supported by strong pricing and spreads. Margins moderated in 2023 and declined sharply in 2024–2025 amid falling international PVC prices, rising energy costs, and compressed deltas.

Overall, profitability ratios have followed the industry cycle, improving during periods of favorable pricing and contracting during downturns, with recent years reflecting pressure from global oversupply and cost inflation.



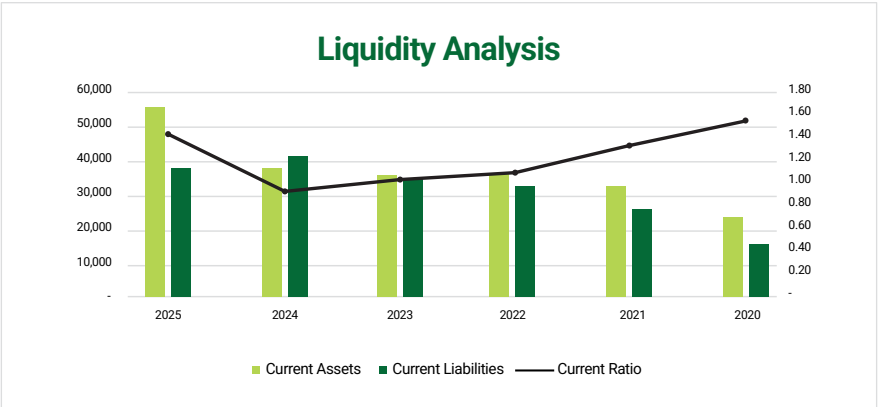
liquidity ratios

The Company maintained a stable liquidity position, with a current ratio of 1.46x and a quick ratio of 1.03x, indicating adequate coverage of short-term obligations through current assets. The cash-to-current liabilities ratio stood at 0.165x, reflecting moderate reliance on operational cash generation and working capital management.

trend analysis

Over the years, liquidity ratios have broadly tracked the Company's earnings cycle. Despite a moderation in profitability in the most recent year, liquidity strengthened, reflecting effective working capital management and, potentially, financing inflows.

The current ratio remained above 1.0x in most years and improved to 1.46x in 2025 after moderating in 2024, indicating adequate short-term solvency, with the quick ratio following a similar trend. Cash flow-based ratios moved in line with profitability, while overall liquidity remained supported by operating cash flows.

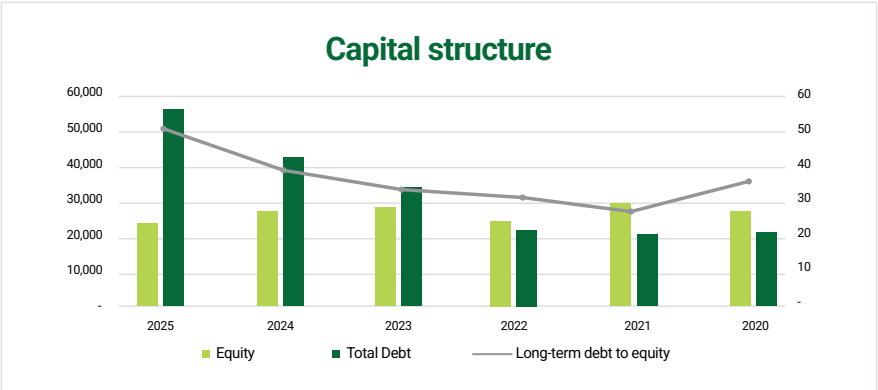


capital structure ratios

During the year, the Company placed reliance on short-term borrowings due to reduced profitability & operational cash flows. The Company also secured long-term borrowings to finance capital expenditures. Resultantly, capital structure ratios swung on account of increased debt and loss after tax.

trend analysis

The Company's debt-to-equity ratio was 43:57 in 2020, after which additional long-term and short-term borrowings were secured, resulting in an increase to 70:30 in 2025. The financial leverage ratio followed a similar trend. Net asset value per share also declined during 2020–2025, primarily due to losses incurred in 2024 and 2025.

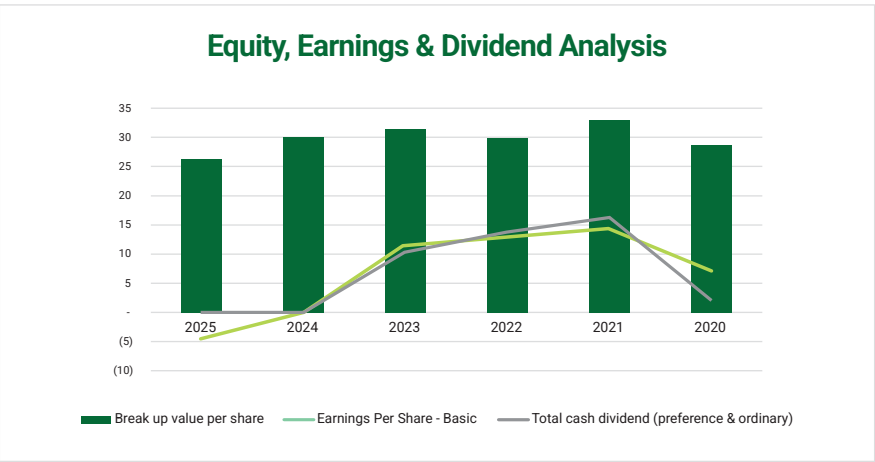


investment / market ratios

LPS-basic for the current year is Rs. 4.92 / share as compared to Rs. 0.40 / share in the previous year. Market value of shares traded remained between Rs. 25.5 / share (2024: Rs. 30.01 / share) to Rs. 40.85 / share (2024: Rs 49.59 / share) whereas the closing price was Rs. 32.6 / share (2024: Rs. 37.07 / share). During the year, on account of reduced profitability, the Company did not declare any dividends .

trend analysis

These ratios depend on internal performance of the Company as well as external market dynamics. Since these factors have been fluctuating over the years because of foreseen and unforeseen circumstances, the ratios have changed accordingly.



activity/turnover ratios

The cash operating cycle has changed on account of:

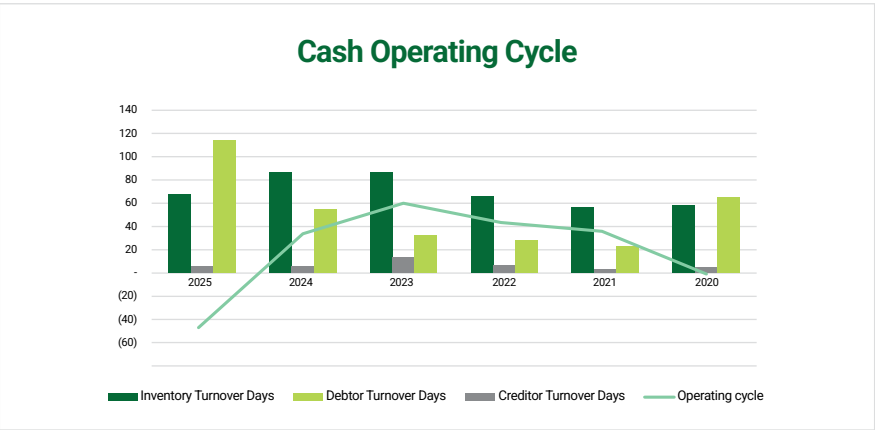
- Creditor turnover days have increased from 54.60 to 115.11 because of change in credit terms of primary raw materials procurement.
- Effective collections this year has consequently reduced debtor days to 5.87 as compared to 5.92 last year.

trend analysis

- The inventory days have increased from 59.03 in 2020 to 62.26 days in 2025.
- The debtor turnover days have slightly increased from 4.59 in 2020 to 8.08 days in 2023 and subsequently falling to 5.87 in 2025 depicting strong products' demand and efficient debtors' management controls respectively.
- The creditor days were 64.88 in 2020 and then subsequently fallen in 2021 & 2022 on account of high profits and improved operational cash flows. Owing to liquidity challenges faced in 2024 and 2025 on account of loss, the creditor days witnessed an increase in line with Company's operational circumstances.

explanation of negative change in the performance as compared to last year.

Negative changes in performance over the past six years, including the vertical and horizontal analysis of the statement of profit or loss, statement of financial position, statement of cash flows, and ratios, have been explained in the relevant sections of this report, tables and graphs.



segment analysis

The Company is organized into three business segments based on the products as follows:

poly vinyl chloride (PVC) and allied chemicals

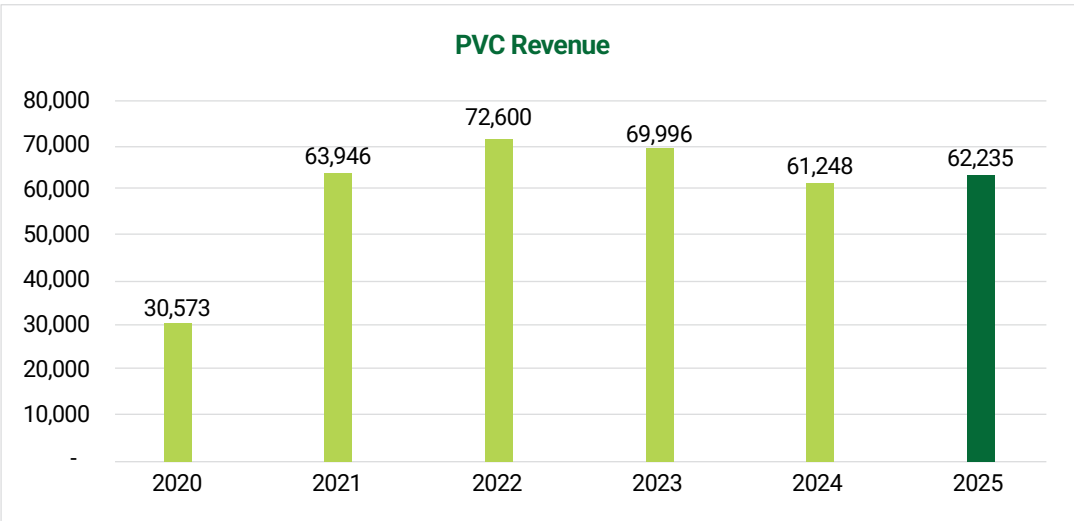
PVC and Allied Chemicals segment was formed to manufacture and sell PVC and allied chemicals to various industrial customers including pipe manufacturers, cable, shoe and packaging industry. The Company supplies PVC domestically as well as through exports.

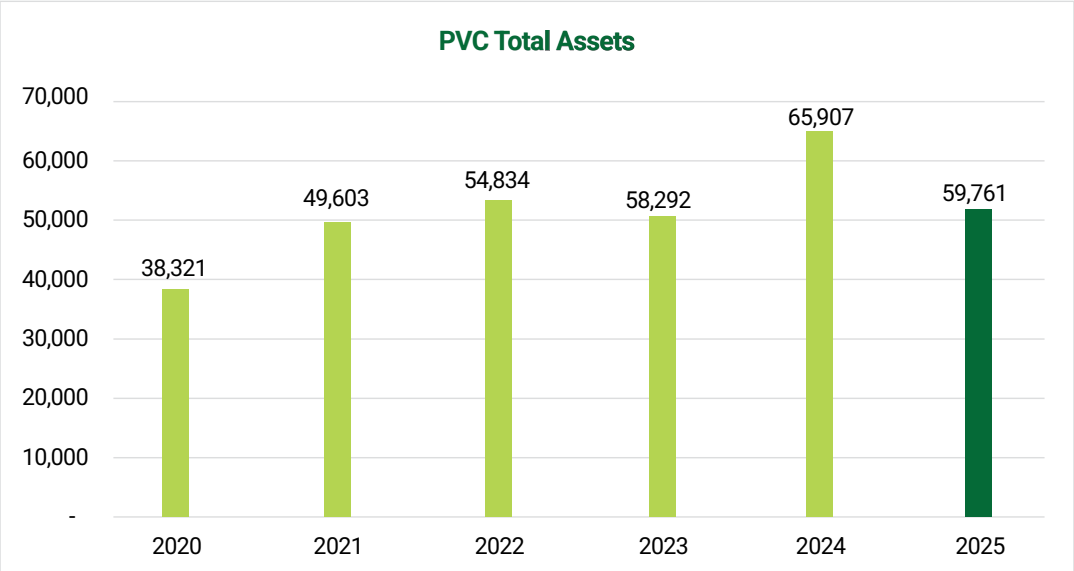
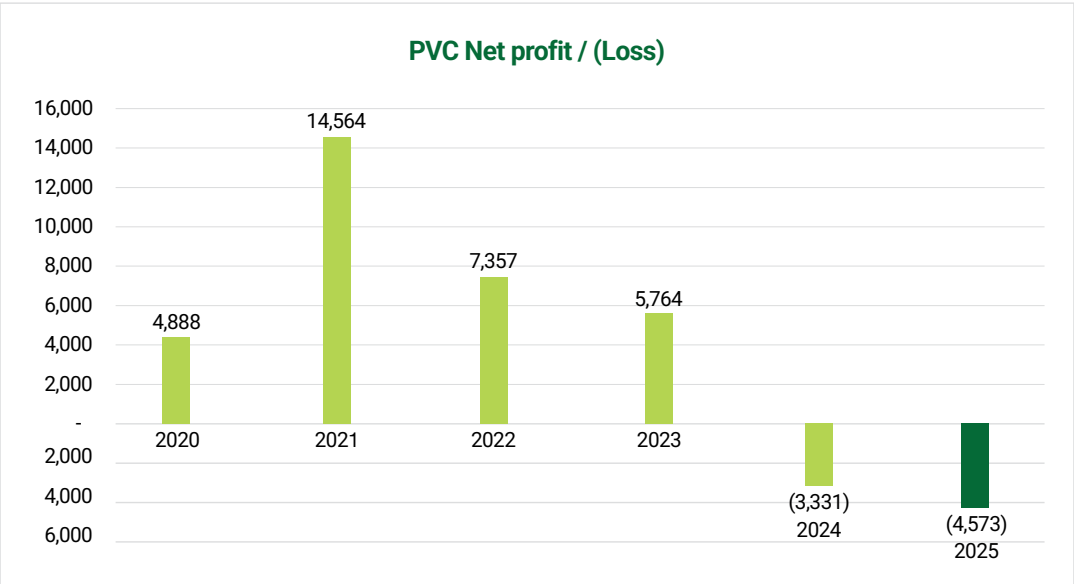
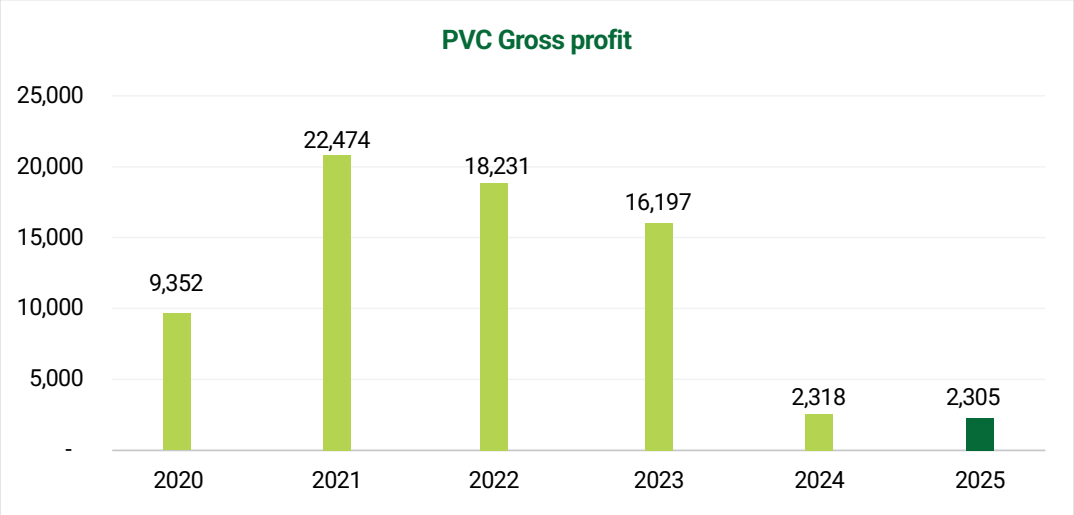
During the year, the Company recorded a 2% increase in PVC sales to Rs. 987 million, primarily driven by higher domestic sales volumes. However, the impact of volume growth was partly offset by declining international PVC prices, which kept local pricing under pressure. Cost of sales increased due to higher ethylene and gas prices, leading to an increase in production costs and a reduction in gross profit by Rs. 14 million.

The domestic PVC market remained under pricing pressure due to falling international prices and import competition; however, demand showed improvement, particularly in construction-linked applications such as pipes and fittings for building, municipal water systems, and irrigation. The market also witnessed gradual diversification into downstream applications including profiles, flooring, roofing, and wall panels, supporting overall demand momentum..

The six years of production and sales trend are given below:

in KT	2025	2024	2023	2022	2021	2020
Production	230	212	230	239	243	153
Sales	230	212	221	241	227	163





caustic soda & allied chemicals

The Caustic Soda and Allied Chemicals segment manufactures and supplies caustic soda and related chemicals, primarily serving the textile and soap industries.

During the year, segment revenue increased by Rs. 334 million. In Pakistan, caustic soda remains a key input for the textile sector, and demand is closely linked to the sector's performance. While overall demand improved, particularly in the export-oriented textile segment, margins were adversely affected by higher captive gas prices following the implementation of the gas levy, which remained a significant concern for the industry. As a result, gross profit declined by 30%, decreasing from Rs. 4.2 billion to Rs. 2.9 billion.

The six years production and sales trend are tabulated below:

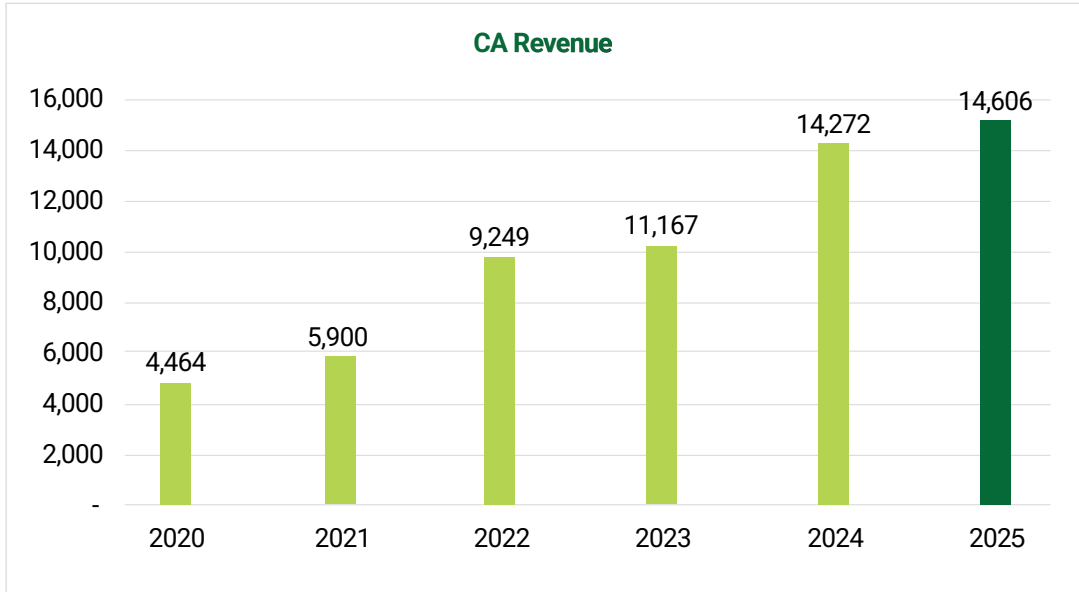
caustic soda liquid – in KT

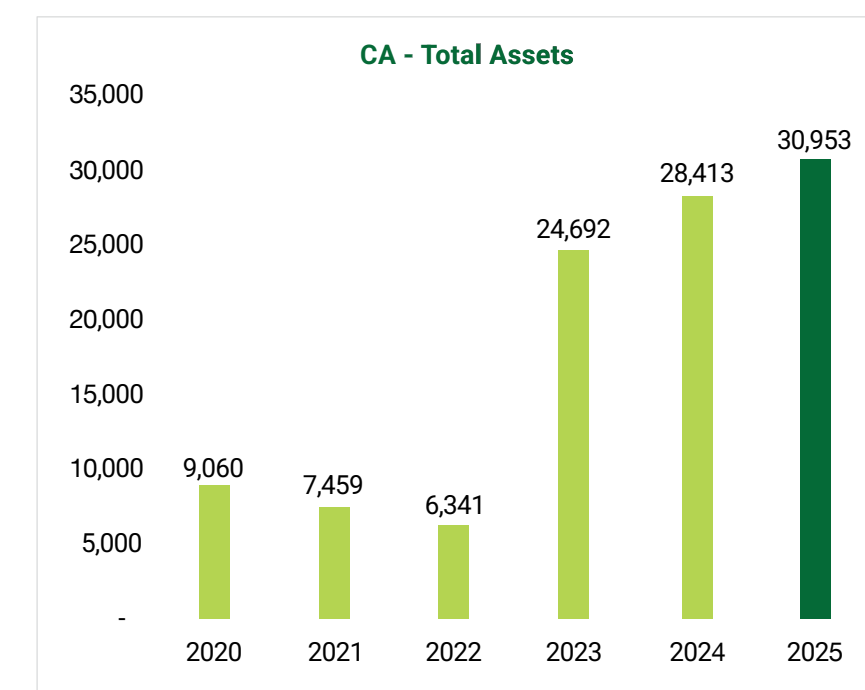
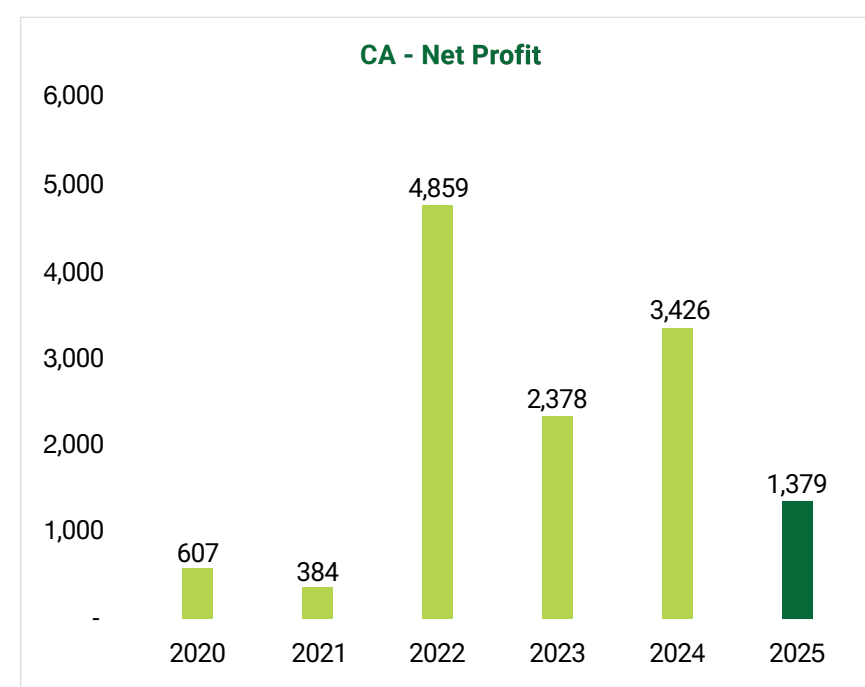
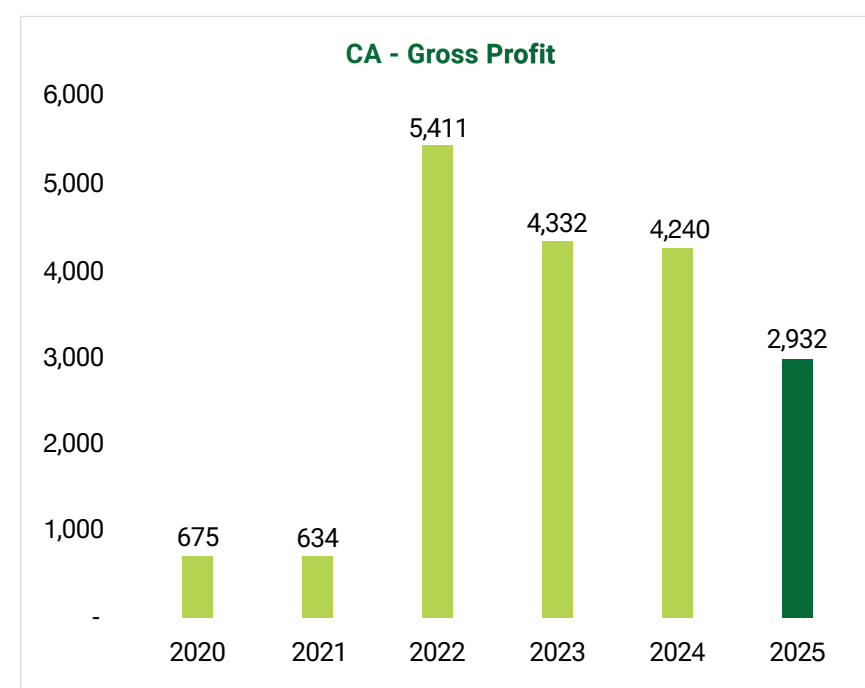
in KT	2025	2024	2023	2022	2021	2020
Production	93	95	96	97	92	77
Sales	93	73	66	67	72	61

caustic flakes – in KT

in KT	2025	2024	2023	2022	2021	2020
Production	13	14	13	9	8	2
Sales	12	15	12	9	8	2

The asset base of this segment has been expanding because of the diversification and efficiency capital projects that have been undertaken.



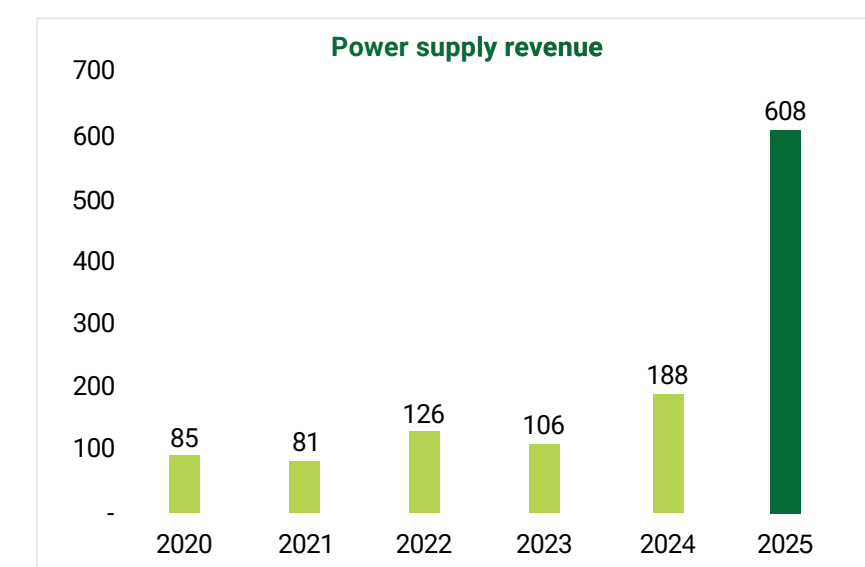


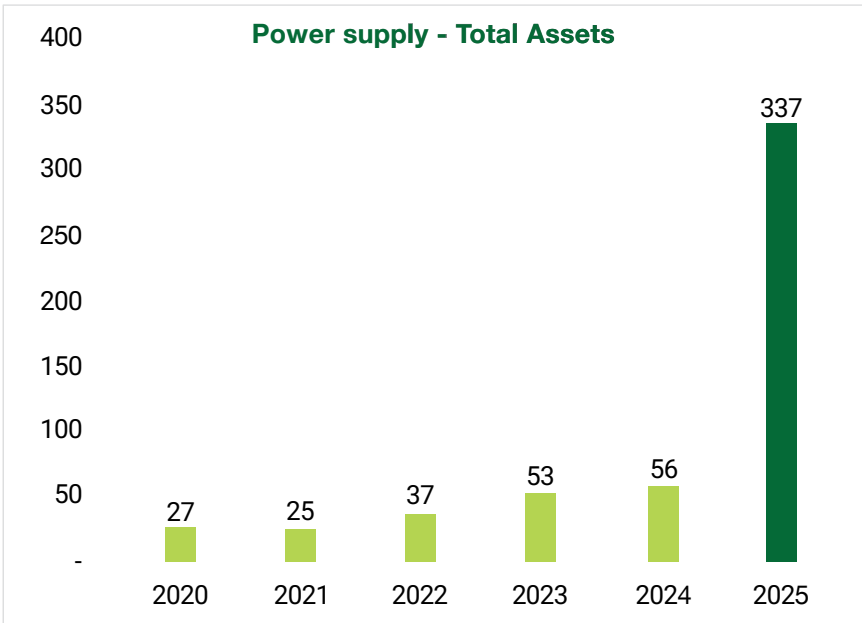
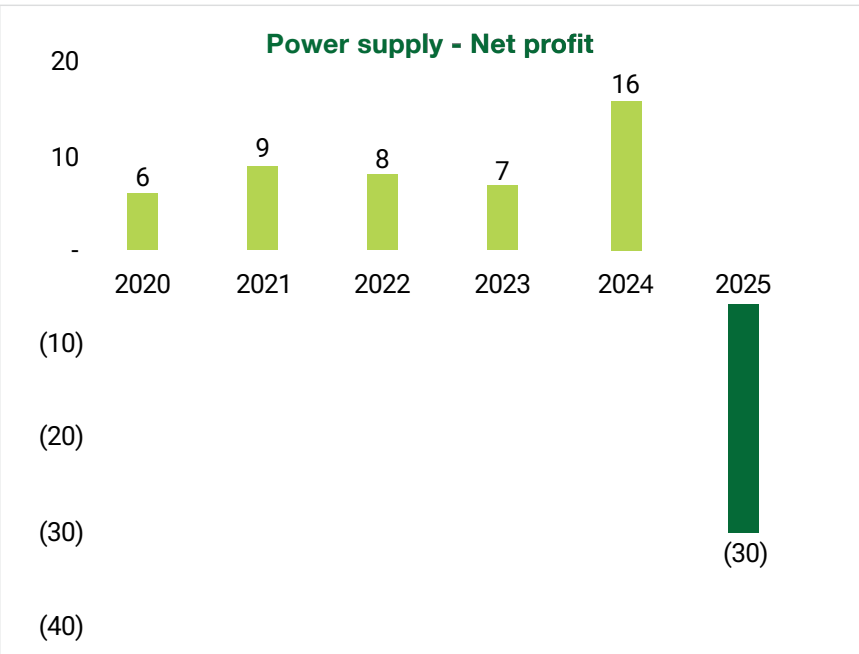
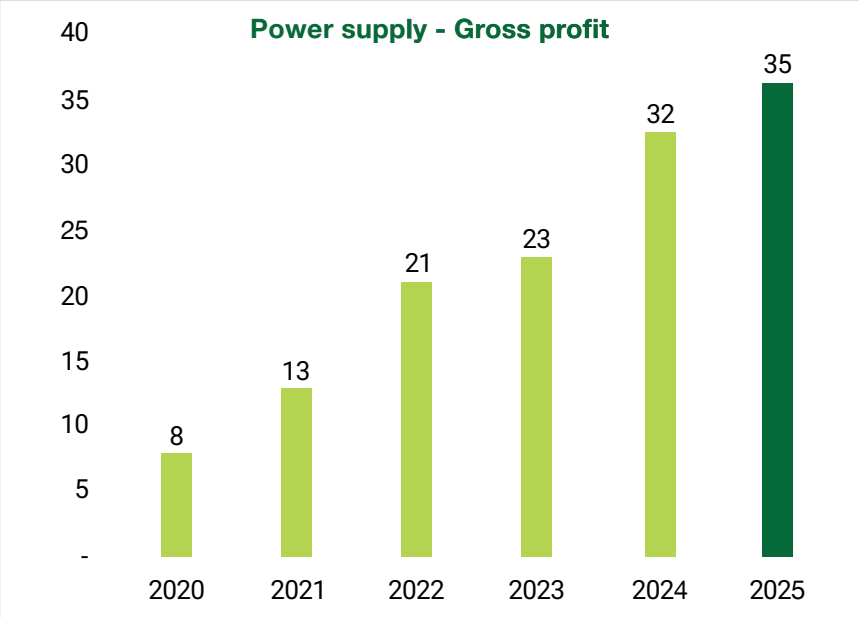
power supply

The segment supplies surplus power generated from its power plants to Engro Fertilizers Limited Engro Peroxide (Private) Limited. The Company has managed to increase its supply during the current year. The supply transacted in last six years are given below:

In mega watts	2025	2024	2023	2022	2021	2020
Power	44	42	45	55	55	48

The segment's asset base mainly includes operating assets and trade receivables.



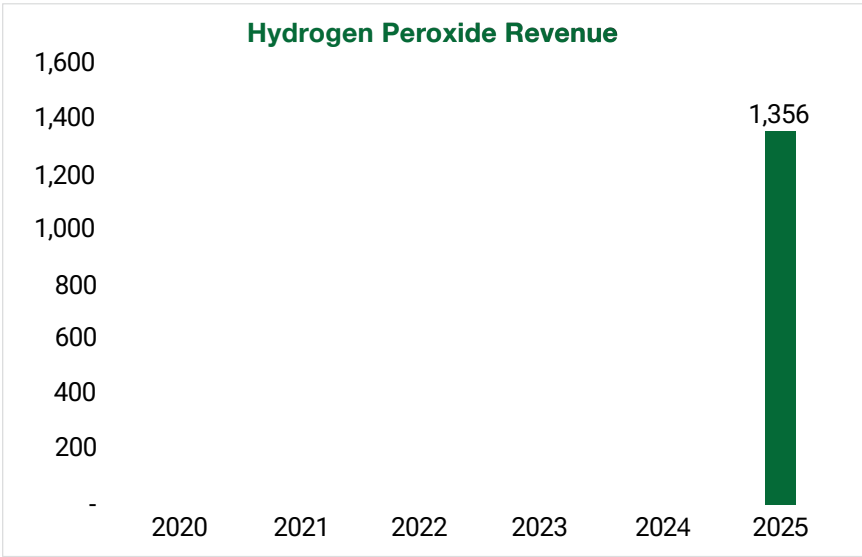


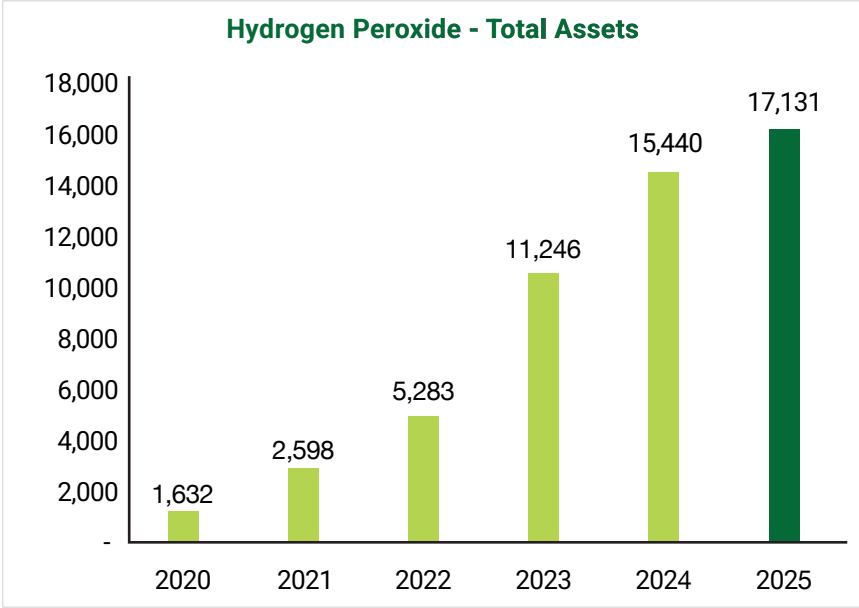
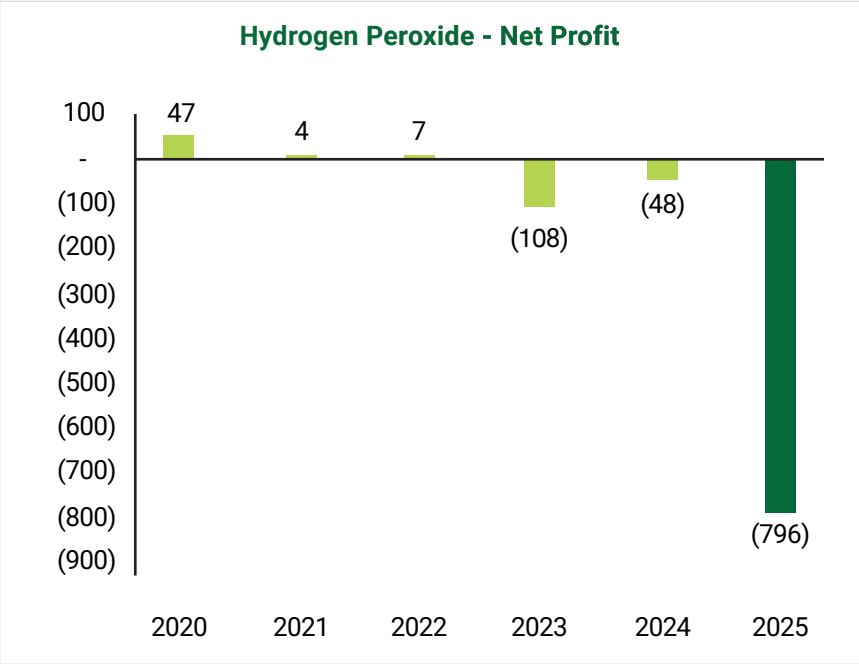
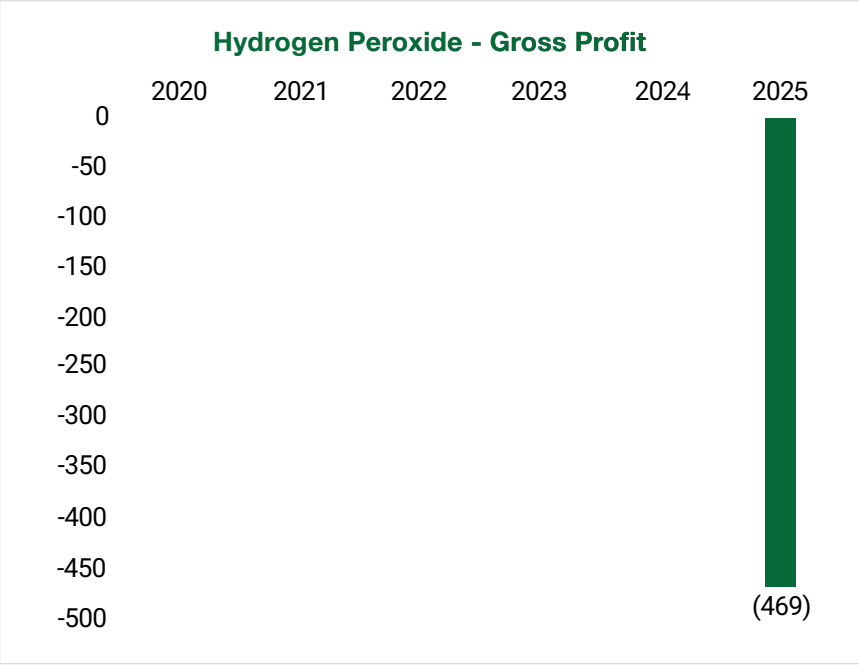
hydrogen peroxide

The Hydrogen Peroxide segment produces and supplies hydrogen peroxide primarily to the textile sector and other downstream industries. The plant was successfully commissioned on February 17, 2025, utilizing by-product hydrogen from chlor-alkali operations to manufacture value-added HPO.

During the year, global HPO prices remained subdued due to excess supply and aggressive export strategies by regional producers, particularly in South Asia. Domestic market conditions were also challenging, as imports under the Export Facilitation Scheme, changes in customs and regulatory duties, and the withdrawal of anti-dumping duty intensified pricing pressure and constrained margins.

Despite these headwinds, the Company demonstrated operational resilience and commercial progress, with improving sales volumes driven by customer conversion efforts and enhanced market penetration. The plant operated smoothly throughout the year without any operational issues.





summary of consolidated statement of cash flows

indirect method

	2025	2024	2023	2022	2021	2020
Net cash generated from operating activities	17,490	7,540	5,590	21,763	14,300	11,193
Net cash (utilised in)/generated from investing activities	(21,553)	(7,496)	2,584	(8,754)	(9,341)	(6,253)
Net cash generated from/(utilised in) financing activities	10,173	2,802	(14,323)	(15,550)	(13,335)	1,407
Net change in cash and cash equivalents	6,110	2,846	(6,149)	(2,541)	(8,376)	6,347
Cash and cash equivalents at end of the year	6,260	150	(2,696)	3,453	5,995	14,371

free cash flows

Free cash flows to equity shareholders represent the cash a company can generate after required investment to maintain or expand its asset base and net repayment of debt. It is a measurement of a company's financial performance and health.

	2025	2024	2023	2022	2021	2020
Net cash generated from operating activities	17,490	7,540	5,590	21,763	14,300	11,193
Capital expenditures – net	(3,387)	(9,689)	(11,322)	(9,067)	(3,598)	(7,318)
Rentals paid	(913)	(1,358)	(2,394)	(1,738)	(1,372)	(1,337)
Free cash flows	(13,190)	(3,507)	(8,126)	10,958	9,330	2,538
Long term borrowings – net	24,576	4,939	747	2,908	(866)	128
Free cash flows available to equity shareholders	37,766	1,432	(7,379)	13,866	8,464	2,666

The cash flows generated from operations are directly linked to profitability. Since 2020, management has actively focused on expanding and diversifying production capacities and product ranges, restructuring the debt profile, and optimizing the working capital cycle. During the year, free cash flow to equity shareholders improved despite reduced profitability, supported by long-term borrowings of Rs. 29.8 billion to fund capital expenditure projects.

economic value added

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

	2025	2024
	Rupees in million	
NOPAT	1,831	7,371
Less: cost of capital	(11,653)	(10,269)
Economic value added	(9,822)	(2,898)

share price sensitivity

During the year 487 Mn shares of the Company were traded on Pakistan Stock Exchange. The average price of the Company's share based on daily closing rates was Rs. 32.62. The 52-week low high during 2025 was Rs. 25.5 – 40.85 per share, respectively. The script performed below the KSE100 Index due to challenging macroeconomic conditions on account of lower margins on PVC coupled with increasing production and financing costs in 2025.



interest rates

The Company finances its projects and operations through a combination of long-term and short-term borrowings. Approximately 90% of its debt is linked to prevailing interest rates. In 2025, interest rates peaked at 13% at the beginning of the year but gradually declined to 10.5% in the second half, contributing to improved profitability.

exchange rate sensitivity

EPCL's revenues and import liabilities are subject to foreign exchange volatility. PVC revenue is determined in US Dollars with reference to international PVC pricing.

However, PVC revenue determination mechanism provides a natural hedge against foreign exchange fluctuation exposure on USD denominated liabilities.

selling price

The Company's revenue for PVC business is determined by international PVC prices and core delta. Whereas, caustic price is based on local market dynamics. During the year, PVC prices and core delta were on a downward trend resulting in low gross profit margins, thus negatively impacting share prices.

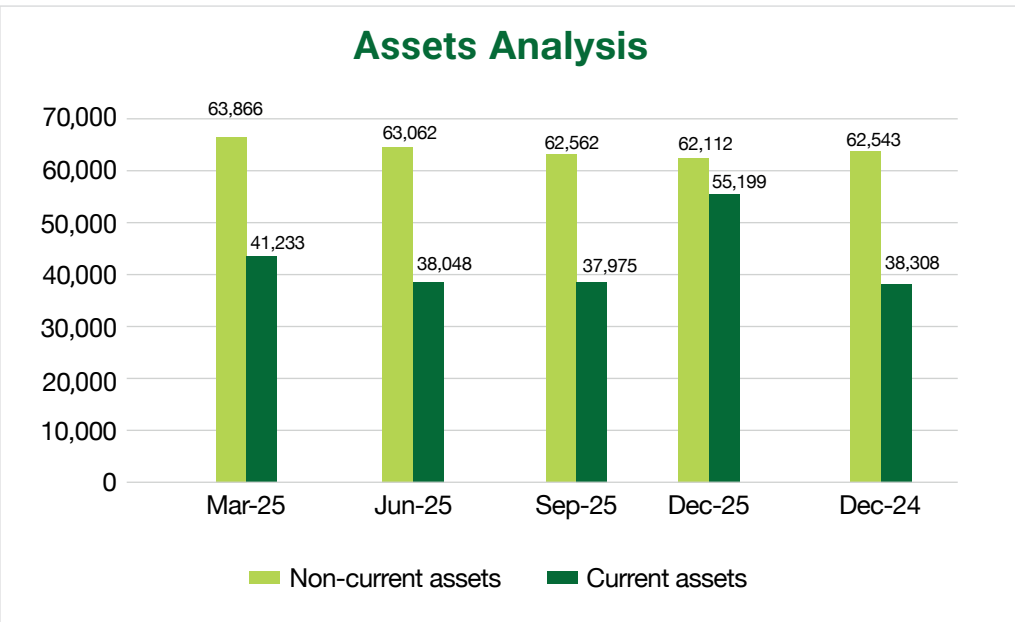
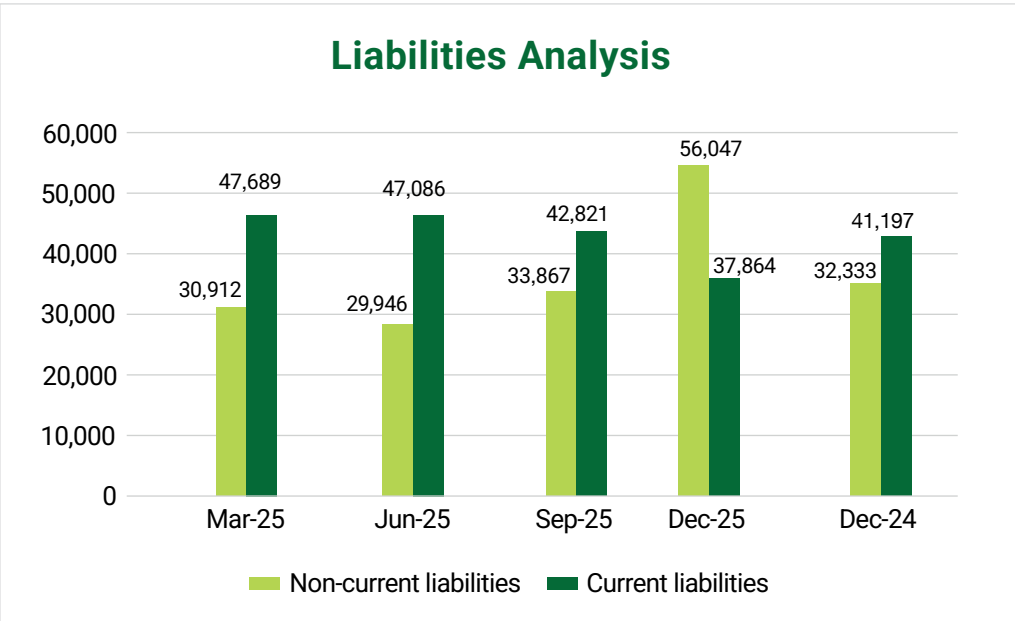
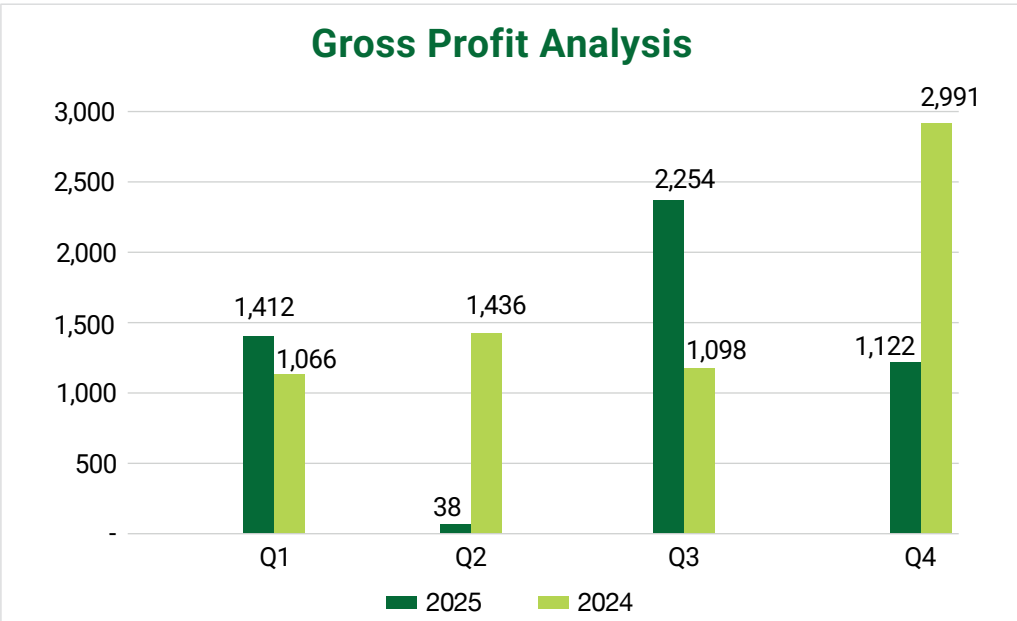
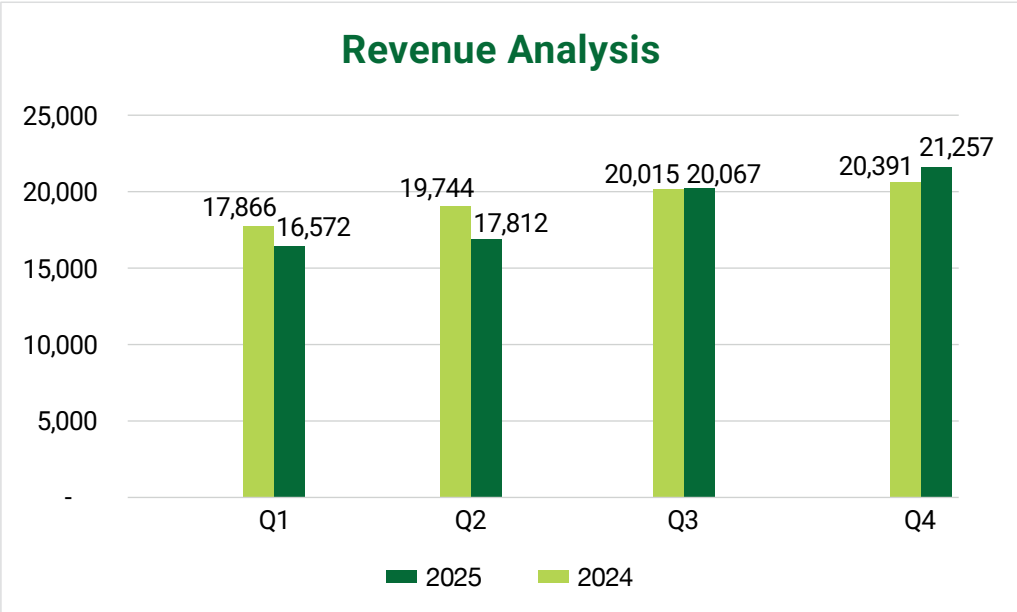
raw material cost

The Company's relies on imports for some of its key raw materials such Ethylene and a portion of EDC. High raw material prices result in lower margins and lower profitability, with a negative impact on share prices.

analysis of variation in interim accounts

In 2025, the Company's revenue increased by 3% compared to 2024, primarily driven by higher domestic sales volumes of PVC and caustic soda. However, the impact of volume growth was partially offset by a decline in PVC prices, which remained under pressure during the year due to adverse global macroeconomic and geopolitical developments.

The Company reported a net loss of PKR 3,898 million, mainly attributable to lower PVC prices and higher cost of sales resulting from increased energy costs.





consolidated financial statements

INDEPENDENT AUDITOR’S REPORT

To the members of Engro Polymer and Chemicals Limited

Opinion

We have audited the annexed consolidated financial statements of Engro Polymer and Chemicals Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

■ KARACHI ■ LAHORE ■ ISLAMABAD

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Deferred tax asset on tax losses and minimum turnover tax (Refer notes 3.4.4, 4.15.2 and 20 to the consolidated financial statements) The Group has recognised a net deferred tax liability of Rs. 1,780,500 thousand, which includes deferred tax asset on account of tax losses and minimum turnover tax amounting to Rs. 4,169,982 thousand. Recognition of deferred tax asset on tax losses and minimum turnover tax requires management to estimate the Group’s taxable income / tax liability for future tax years. This process relies on the assessment of the Group’s profitability forecast, which in turn is based on assumptions concerning future economic conditions and business performance. The preparation of profitability forecasts and assessment of realisability of recognised deferred tax asset requires significant management judgment and estimation. Accordingly, we considered this a key audit matter.	Our audit procedures amongst others included the following: - Obtained understanding of management’s process of preparation of profitability forecast, taxable income, tax liability and deferred tax calculation; - Made inquiries with the management in respect of significant underlying assumptions used in preparing the profitability forecast to assess the same for reasonableness; - Checked the appropriateness of tax rates applied in view of the local tax legislation; - Checked mathematical accuracy of the calculations; and - Assessed the adequacy of related disclosures made in the consolidated financial statements with respect to the applicable accounting and reporting framework.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Contingent liabilities and provisions relating to income tax (Refer notes 3.4.4, 3.4.7, 4.14, 4.15.1, 25, 26.1.1 and 36 to the consolidated financial statements) The Group has recognised provisions and disclosed contingent liabilities in respect of various contentious and uncertain matters relating to income tax including those pending adjudication at various appellate and legal forums. Recognition and disclosure of provisions and contingent liabilities requires management of the Group to consider judgments passed by competent authorities and make estimates and exercise judgment in relation to interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, for measurement and disclosure in the consolidated financial statements. Due to inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgment and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and matters progress as well as the impact of recent judicial decisions on contentious income tax issues, which constitute a significant event, we have considered contingent liabilities and provisions relating to income tax a key audit matter.	Our audit procedures amongst others included the following: - Obtained and examined the documentation relating to pending tax matters and inquired the same with the Group's management; - Circularised confirmations to the Group's external legal and tax advisors for their views on matters being handled by them; - Checked correspondence of the Group with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved; - Involved internal tax professionals to assess management's conclusions on complex contingent and uncertain tax matters; - Checked calculations underlying the provisions recognised; and - Assessed the adequacy of the related disclosures made in the consolidated financial statements with respect to the applicable accounting and reporting framework.

S. No	Key audit matters	How the matter was addressed in our audit
3.	Impairment assessment of plant and machinery of hydrogen peroxide segment (Refer notes 3.4.1, 3.4.6, 5 and 47 to the consolidated financial statements) As per the applicable accounting and reporting standards, based on indicators present, the Group's management tested plant and machinery of its hydrogen peroxide segment, for impairment. The impairment assessment involves significant management judgment for estimation of future cash flows and determination of the recoverable amount using a number of key assumptions and estimates, including discount and growth rates. In view of the same, we considered this a key audit matter.	Our audit procedures amongst others included the following: - Obtained understanding of management's process of identification of impairment indicators and determination of recoverable amount; - Assessed management's methodology and computation for determining recoverable amount and reasonableness of key assumptions used. For this purpose, we engaged our internal valuation specialists, where required; - Tested mathematical accuracy of underlying calculations; - Performed sensitivity analysis on key assumptions used to determine recoverable amount; and - Assessed the adequacy of related disclosures made in the consolidated financial statements with respect to the the applicable accounting and reporting framework.

Information Other than the Financial Statements and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Osama Kapadia.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: April 5, 2026

UDIN: AR202510080q2gpVSvPU

consolidated statement of financial position

as at december 31, 2025

(Amounts in thousand)	Note	2025.....Rupees.....2024	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	61,413,859	61,307,859
Right-of-use asset	6	212,917	711,745
Intangible assets	7	475,145	514,900
Long-term loans, advances and deposits	8	9,919	8,933
		62,111,840	62,543,437
Current Assets			
Stores, spares and loose tools	9	4,976,853	4,911,457
Stock-in-trade	10	11,140,627	13,829,918
Trade debts	11	1,715,679	1,262,773
Loans, advances, deposits, prepayments and other receivables	12	3,581,068	6,387,466
Income tax recoverable	25	7,760,510	6,807,324
Short-term investments	13	21,517,212	1,574,959
Cash and bank balances	14	4,507,275	3,534,104
		55,199,224	38,308,001
TOTAL ASSETS		117,311,064	100,851,438
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital	15	9,089,233	9,089,233
Preference shares	16	3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		7,435,018	11,357,393
		23,399,204	27,321,579
Non-Current Liabilities			
Long-term borrowings	17	53,324,569	29,097,177
Government grant	17.21	754,493	1,014,922
Lease liabilities	18	187,880	438,115
Deferred tax liability - net	20	1,780,500	1,782,531
		56,047,442	32,332,745
Current Liabilities			
Trade and other payables	21	26,869,731	19,736,065
Service benefit obligations	22	-	98,860
Current portion of long-term borrowings	17	1,978,440	1,302,324
Current portion of government grant	17.21	234,149	236,872
Current portion of lease liabilities	18	228,026	853,154
Short-term borrowings	23	675,000	11,848,627
Accrued interest / mark-up	24	535,716	726,146
Unclaimed dividend		272,843	284,463
Provisions	19	7,070,513	6,110,603
		37,864,418	41,197,114
		93,911,860	73,529,859
Contingencies and Commitments	26		
TOTAL EQUITY AND LIABILITIES		117,311,064	100,851,438

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.



Abdul Qayoom Shaikh
Chief Executive



Rabia Wafah Khan
Chief Financial Officer



Kamran Nishat
Director

consolidated statement of profit or loss and other comprehensive income

for the year ended december 31, 2025

(Amounts in thousand except for (loss)/earnings per share)	Note	2025....Rupees....	2024
Revenue from contracts with customers - net	27	78,016,768	75,707,941
Cost of sales	28	(73,191,386)	(69,117,230)
Gross profit		4,825,382	6,590,711
Distribution and marketing expenses	29	(733,316)	(701,386)
Administrative expenses	30	(1,683,057)	(2,061,232)
Other expenses	31	(661,889)	(236,735)
Other income	32	591,558	795,042
Operating profit		2,338,678	4,386,400
Finance costs	33	(5,729,390)	(7,531,973)
Loss before minimum tax differential, final tax and income tax		(3,390,712)	(3,145,573)
Minimum tax differential	34	(22,157)	(38,248)
Final tax	35	45,740	77,965
Loss before income tax		(3,367,129)	(3,105,856)
Income tax	36	(531,057)	2,945,273
Loss for the year		(3,898,186)	(160,583)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(3,898,186)	(160,583)
Loss per share - basic	38	(4.29)	(0.40)
Loss per share - diluted	38	(4.29)	(0.40)

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.



Abdul Qayoom Shaikh
Chief Executive



Rabia Wafah Khan
Chief Financial Officer



Kamran Nishat
Director

consolidated statement of changes in equity

for the year ended december 31, 2025

(Amounts in thousand)	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		Total
	Ordinary share capital	Preference shares	CAPITAL	REVENUE	
			Share premium	Unappropriated profits	
			Rupees-----		
Balance as at December 31, 2023	9,089,233	3,000,000	3,874,953	12,627,899	28,592,085
Total comprehensive loss for the year	-	-	-	(160,583)	(160,583)
Transactions with owners					
Final dividend for the year ended December 31, 2023					
- Rs. 1 per ordinary share	-	-	-	(908,923)	(908,923)
- Rs. 0.67 per preference share	-	-	-	(201,000)	(201,000)
	-	-	-	(1,109,923)	(1,109,923)
Balance as at December 31, 2024	9,089,233	3,000,000	3,874,953	11,357,393	27,321,579
Share issuance cost	-	-	-	(24,189)	(24,189)
Total comprehensive loss for the year	-	-	-	(3,898,186)	(3,898,186)
Balance as at December 31, 2025	9,089,233	3,000,000	3,874,953	7,435,018	23,399,204

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.



Abdul Qayoom Shaikh
Chief Executive



Rabia Wafah Khan
Chief Financial Officer



Kamran Nishat
Director

consolidated statement of cash flows

for the year ended december 31, 2025

(Amounts in thousand)	Note	2025.....Rupees.....2024	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	19,033,757	12,781,662
Long-term loans and advances, net		(986)	13,704
Retirement benefits paid		(98,860)	(70,168)
Minimum tax differential paid		(19,904)	(24,083)
Final tax paid		(18,890)	(8,906)
Income tax paid		(2,799,323)	(5,140,117)
Proceeds from sales of tax loss		1,375,426	-
Net cash generated from operating activities		17,471,220	7,552,092
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		(3,445,740)	(9,783,643)
Proceeds from disposal of property, plant and equipment		58,624	94,822
Purchase of short-term investments		(20,979,635)	(2,285,818)
Proceeds on sale / maturity of short-term investments		2,652,762	3,967,847
Income on short-term investments, intercompany balances and bank deposits		160,502	510,760
Net cash utilised in investing activities		(21,553,487)	(7,496,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs	17.19	29,805,103	8,000,000
Repayments of long-term borrowings	17.19	(5,229,127)	(3,061,487)
Proceeds from short-term borrowings		10,474,717	15,160,598
Repayment of short-term borrowings		(18,104,575)	(7,180,100)
Proceeds of subordinated loan from the intermediate parent company		1,000,000	1,500,000
Repayment of subordinated loan to the intermediate parent company		(1,000,000)	(1,500,000)
Share issuance cost paid		(24,189)	-
Finance costs paid		(5,824,111)	(7,228,186)
Lease rentals paid	18.2	(913,038)	(1,358,021)
Dividend paid		(11,620)	(1,531,010)
Net cash generated from financing activities		10,173,160	2,801,794
Net increase in cash and cash equivalents		6,090,893	2,857,854
Net foreign exchange differences		19,078	(11,903)
Cash and cash equivalents at beginning of the year		150,370	(2,695,581)
Cash and cash equivalents at end of the year	42	6,260,341	150,370

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.



Abdul Qayoom Shaikh
Chief Executive



Rabia Wafah Khan
Chief Financial Officer



Kamran Nishat
Director

notes to and forming part of the consolidated financial statements

for the year ended december 31, 2025

- (Amounts in thousand)
1. legal status and operations
- 1.1 The "Group" consists of Engro Polymer and Chemicals Limited (here-in-after referred to as 'the Holding Company') and its wholly owned subsidiary companies, Think PVC (Private) Limited and Engro Peroxide (Private) Limited (here-in-after referred to as 'the Group').
- The Holding Company was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Holding Company is listed on the Pakistan Stock Exchange Limited (PSX). The Holding Company’s principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Holding Company is also engaged in the supply of surplus power generated from its power plants and other utilities to Engro Fertilizers Limited (a related party) and Engro Peroxide (Private) Limited (a wholly owned subsidiary).
- 1.2 The Holding Company is a subsidiary of Engro Corporation Limited (the Intermediate Parent Company) which is a subsidiary of Engro Holdings Limited (the Ultimate Parent Company).
- 1.3 These are the consolidated financial statements of the Holding Company. The standalone financial statements of the Holding Company and its subsidiaries have been presented separately.
- 1.4 The geographical location and addresses of all business units of the Group are as follows:

(Amounts in thousand)

Business unit	Geographical location
Head office	8th Floor, The Harbour Front Building, Marine Drive, Block 4 Clifton, Karachi, Pakistan
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Branded Outlet - Karachi	Plot 41 - C, Bukhari Commercial Lane 2, Phase VI, DHA, Karachi, Pakistan
Branded Outlet - Lahore and regional sales unit	Plot 184, Block CCA, Phase 4C, DHA, Lahore, Pakistan

1.5 The Holding Company has investments in the following subsidiaries:

	Percentage of shareholding of the Company	
	2025	2024
- Think PVC (Private) Limited (TPPL) - note 1.5.1	100%	100%
- Engro Peroxide (Private) Limited (EPL) - note 1.5.2	100%	100%
- Engro Plasticizer (Private) Limited (EPPL) - note 1.5.3	-	100%

1.5.1 TPPL was incorporated in Pakistan on November 6, 1999, as a wholly owned subsidiary of the Holding Company. Currently, TPPL is involved in marketing and trading of PVC products through its branded outlets. During the year, EPPL was amalgamated with and into TPPL pursuant to a Scheme of Amalgamation (the Scheme) duly approved in their respective Board of Directors meetings held on September 18, 2025. The Scheme was acknowledged by the Securities and Exchange Commission of Pakistan (SECP) on October 17, 2025, with a retrospective effective date of September 29, 2025.

1.5.2 EPL was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Holding Company. The main objective of EPL is to manufacture and market Hydrogen Peroxide. EPL achieved commercial operations of its plant on February 17, 2025.

1.5.3 EPPL was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Holding Company. During the year, EPPL was amalgamated with and into TPPL as more fully explained in note 1.5.1.

(Amounts in thousand)

2 basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- it is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognised from the date the control ceases. These consolidated financial statements include the Holding Company and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values on the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in case of a bargain purchase, the difference is recognised in consolidated profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(Amounts in thousand)

3. basis of preparation

3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention unless otherwise mentioned in accounting policies stated herein.

3.2 Statement of compliance

3.2.1 These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of, directives and notifications issued under the Act.

Where provisions of, directives and notifications issued under the Act differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed.

3.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is the Group's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in consolidated profit or loss.

3.4 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(Amounts in thousand)

3.4.1 Useful lives, depreciation / amortisation methods, residual values and impairment of property, plant and equipment and intangible assets - notes 5 and 6

The Group reviews appropriateness of the useful lives, method of depreciation / amortisation and residual values, where applicable, used in the calculation of depreciation / amortisation of operating fixed assets and intangible assets on an annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment and if the carrying amount exceeds recoverable amount, assets are written down to the recoverable amount and resultant impairment loss is recognised in consolidated profit or loss. For details of estimates used to determine recoverable amounts, refer note 3.4.6.

3.4.2 Provision for slow-moving stores and spares - note 9

The Group regularly reviews for slow moving stores and spares which have no movement for at least three years and the quantity available is in excess of the minimum stock level, thereby ensuring that items meeting the criteria are provided for.

3.4.3 Provision for stock-in-trade - note 10

The Group regularly reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

3.4.4 Income taxes - notes 20, 25, 26 and 36

In making the estimates for income taxes payable by the Group, the management looks at the applicable law and the decisions of appellate authorities on certain issues in the past. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined.

Deferred tax asset is recognised for all unused tax losses and available tax credits to the extent that it is probable that sufficient taxable temporary differences and taxable profits will be available against which such losses and credits can be utilised. Significant judgement is exercised to determine the amount of deferred tax asset to be recognised.

3.4.5 Lease accounting - notes 6 and 18

Identifying and processing all relevant data associated with leases is complex. The measurement of the right-of-use asset and lease liability relies on several assumptions, such as discount rates and lease terms, including options for termination and renewal. Lease payments expected to be made under reasonably certain extension options are also included in the liability measurement. Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is often the case, the Group uses its incremental borrowing rate. This rate reflects what the Group would pay to borrow funds necessary to acquire an asset of similar value to the right-of-use asset, considering the same economic environment, terms, security and conditions.

(Amounts in thousand)

3.4.6 Impairment of non-financial assets

In making an estimate of impairment, the management considers on an annual basis whether an indication of impairment exists. In case an indication exists, the recoverable amount of asset is calculated.

Impairment is recognised when the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, defined as the higher of its fair value less costs of disposal (FVLCD) and its value in use (VIU). In accordance with IFRS 13 "Fair Value Measurement" (IFRS 13), the FVLCD is determined at asset or CGU level using an income approach based on a discounted cash flow (DCF) model, which incorporates anticipated future restructuring or enhancement activities and significant committed investments. The VIU calculation, prepared in line with IAS 36 "Impairment of Assets" (IAS 36), is also based on a DCF model but excludes capital expansions, as well as any future restructuring, enhancement activities, or significant investments to which the Group is not yet committed. Cash flows used in the VIU / FVLCD model are derived from management-approved budgets covering the next five to ten years, with extrapolation beyond this period at a steady growth rate. Key assumptions affecting the recoverable amount include the discount rate, expected future cash inflows and growth rates, all of which involve significant management judgement. These estimates are particularly relevant to the plant and machinery of the Holding Company and its subsidiary company EPL, and variations in these assumptions could materially impact the impairment assessment.

3.4.7 Contingencies and provisions - notes 19, 21, 25 and 26

Recognition and disclosure of provisions and contingent liabilities requires management of the Group to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, for recognition and measurement of any provision and disclosure in these consolidated financial statements.

3.5 Initial application of standards, amendment and improvements to approved accounting and reporting standards

3.5.1 Standards, amendments and improvements to approved accounting and reporting standards that became effective during the year

There is an amendment to an existing standard which became applicable to the Group for the financial year beginning on January 1, 2025, however, this does not have a material impact on the Group's financial reporting and, therefore, has not been disclosed in these consolidated financial statements.

(Amounts in thousand)

3.5.2 Standards, amendments and improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Group

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Group for the financial year beginning on January 1, 2025. These are not expected to have any material impact on the Group's financial reporting except for the following:

Amendment to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments':

These amendments, which are effective for period beginning on or after January 1, 2026:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence can not be derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would, hence, need to be reconsidered.

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18):

A new standard on the presentation and disclosure of financial statements, with a focus on updates to the statement of profit or loss, is being introduced. As per the SRO issued by the Securities and Exchange Commission of Pakistan (SECP) dated December 12, 2025, this standard will apply to annual reporting periods beginning on or after January 1, 2027. The key new concepts introduced in IFRS 18 relate to:

(Amounts in thousand)

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

4. material accounting policy information

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

4.1 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any, except capital work-in-progress which is stated at historical cost less accumulated impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to consolidated profit or loss using the straight line method, to allocate their cost less the residual values over their estimated useful lives at rates given in note 5.1. Depreciation on additions is charged from the month following the month in which the asset is available for use and no depreciation is charged in the month of disposal except for catalyst whose depreciation is charged on the basis of number of production days. The depreciation method, useful lives and residual values of the Group's property, plant and equipment are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to consolidated profit or loss during the year in which these are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and the resulting impairment loss is recognised in consolidated profit or loss. The recoverable amount is the higher of fair value less cost to sell and value in use. An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

(Amounts in thousand)

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense in the period of disposal or retirement.

4.2 Capital spares

Spare parts and servicing equipment are classified as property, plant and equipment rather than stores, spares and loose tools when they meet the definition of property, plant and equipment. These are stated at historical cost less accumulated depreciation and accumulated impairment, if any. Upon utilisation, the capital spares and servicing equipment are depreciated over their useful life, or the remaining life of principal asset, whichever is lower.

4.3 Right-of-use asset and lease liabilities

The Group has various rental arrangements, generally ranging in between 5 to 10 years. At inception of a contract, the Group assesses whether a contract is or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in consolidated profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset

(Amounts in thousand)

or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

4.4 Intangible assets

Costs associated with developing and maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost.

Expenditure, which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Computer software cost treated as intangible assets are amortised from the date the software is available for use on straight-line basis over a period of three to ten years.

The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount and is charged to consolidated profit or loss. Reversal of impairment losses are also recognised in consolidated profit or loss, however, these are restricted to the book value net of amortisation had there been no impairment of the asset.

Amortisation on additions is charged from the month following the month in which asset is available for use and no amortisation is charged in the month of disposal.

4.5 Financial instruments

4.5.1 Financial assets

Classification, initial recognition and measurement

The Group classifies financial assets at initial recognition based on the Group's business model for managing the financial assets and the contractual terms of the cash flows, in the following categories:

(Amounts in thousand)

i) At amortised cost

Financial assets at amortised cost are held within a business model whose objective is to collect contractual cash flows on specified dates when those cash flows represent solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised in consolidated profit or loss.

ii) At fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) At fair value through profit and loss (FVPL)

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt instruments that is subsequently measured at fair value through profit or loss is recognised in consolidated profit or loss in the period in which it arises.

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlement-date, the date on which the asset is delivered to or by the Group. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in consolidated profit or loss. Trade debts are measured at the transaction price determined under IFRS 15 "Revenue from Contracts with Customers" (IFRS 15). Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income. Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in consolidated profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in consolidated profit or loss in the period in which they arise.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated profit or loss.

(Amounts in thousand)

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial instruments carried at amortised cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For unsecured trade and other receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) the time value of money; and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The expected credit loss on secured debtors whose exposures are secured by financial institutions is measured by incorporating the credit risk of the securing financial institution, using their external credit ratings as the primary reference. These calculation considers the probability of default and loss given default derived from the financial institution's rating, adjusted for forward-looking information and macroeconomic factors.

A default on a financial asset is considered when the counterparty fails to make contractual payments within ninety days of when they fall due.

Financial assets are written off when there are no reasonable expectation of recovery. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in consolidated profit or loss.

4.5.2 Financial liabilities

The Group recognises a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortised cost or at fair value through profit or loss.

(Amounts in thousand)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in consolidated profit or loss.

4.5.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously.

4.6 Stores, spares and loose tools

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. The management reviews store items which have no movement for at least three years and the quantity available is in excess to the minimum stock level. Provision is recognised for such items in consolidated profit or loss.

4.7 Stock-in-trade

These are valued at the lower of cost, determined on weighted average cost basis, and net realisable value. Cost in relation to raw materials represents the weighted average cost, except for raw material in transit and in relation to finished goods and work-in-process represents weighted average cost comprising direct materials, labour and related manufacturing overheads.

Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost of completion and costs necessary to be incurred in order to make the sales. Provision is made for slow moving stocks, where considered necessary.

4.8 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable cost, if any. These are generally due for settlement within thirty to one hundred and twenty days. The Group holds the trade debts with the objective of collecting the contractual cashflows and therefore measures them subsequently at amortised cost using effective interest rate method less provision for expected credit losses, if any. The amount of provision is charged to consolidated profit or loss. Trade debts and other receivables considered irrecoverable are written-off.

(Amounts in thousand)

4.9 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows include cash in hand and in transit, balance with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdraft facilities.

4.10 Share capital

Ordinary and preference shares are classified as equity and recognised at their face value. Incremental costs, if any, directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from the proceeds.

4.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. Any difference between proceeds net of transaction cost and redemption value is recognised in consolidated profit or loss over the period of borrowing using effective interest rate.

Borrowings are classified as current liabilities unless the Group has an unconditional/contractual right to defer settlement of the liability for at least twelve months after the reporting date.

Covenants that the Group is required to comply with, on or before the reporting date, are considered in classifying relevant borrowing arrangements as current or non-current liabilities. Covenants that the Group is required to comply with after the reporting date do not affect the classification of borrowing at reporting date.

4.12 Retirement and other service benefits

4.12.1 Gratuity fund

The employees of the Holding Company participate in a defined contributory gratuity fund (the Gratuity Fund) operated and managed by Intermediate Parent Company. As per the terms of the defined contribution plan, the Holding Company contributes to the Gratuity Fund at the rate of 8.33% of basic salary.

4.12.2 Provident fund

The employees of the Holding Company participate in a defined contributory provident fund (the Provident Fund) operated and managed by Intermediate Parent Company. Equal monthly contributions at the rate of 10% of the basic salary are made both by the Holding Company and the employees to the Provident Fund. Annual contribution by the Holding Company is charged to consolidated profit or loss.

(Amounts in thousand)

4.13 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

These are classified as current liabilities if payment is due within twelve months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current.

4.14 Contingent liabilities and provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

Contingent liabilities are disclosed when the Group has possible obligation that arises from past event and whose existence will be confirmed only by occurrence and non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

4.15 Taxation

4.15.1 Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

4.15.2 Deferred

Deferred tax is provided using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is determined using the effective tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is charged or credited in the consolidated profit or loss except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in equity.

(Amounts in thousand)

4.15.3 Levies

In accordance with Income Tax Ordinance, 2001 (the Ordinance), computation of final taxes and unrecoverable minimum tax differential is not based on taxable income. Therefore, as per the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 'Levies' / IAS 37 'Provisions, contingent liabilities and contingent assets' and accordingly have been classified as levies.

4.15.4 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When sales tax is recoverable from or is payable to the taxation authority, it is included as part of receivables or payables in the consolidated statement of financial position.

4.16 Revenue / income recognition

i) Revenue from contracts with customers

- a) The Group recognises revenue at a point in time when the control of product is transferred to customers. The assessment of transfer of control depends on the contractual terms, which is considered to be transferred either when the product is directly uplifted by customer from the Group's premises or when it is delivered by the Group at customer premises in case of local sales. For export sales, the control is transferred when the product is shipped on board. The payment term varies depending on the credit worthiness of the customers, generally ranging from thirty to one hundred and twenty days.
- b) Revenue from the sale of electricity and other utilities is recognised at a point in time upon delivery of the contracted utilities to Engro Fertilizers Limited (a related party). The payment terms in this case are fifteen days.
- c) Revenue from providing support services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. The payment term is within 7 days from invoicing.
- d) Commission income is recognised when the Group satisfies its performance obligations by arranging for the provision of goods or services from a third party to the customer. The Group acts as an agent in these transactions and revenue is recognised in the amount of any fee or commission to which the Group expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The payment term for all customers is due upon invoicing.

(Amounts in thousand)

ii) Other revenues

Income on bank deposits and other financial assets is recognised on an accrual basis.

4.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs. All other borrowing costs are charged to consolidated profit or loss.

4.18 Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group (excluding any costs of servicing equity other than ordinary shares) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Holding Company that makes strategic decisions.

4.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in these consolidated financial statements in the period in which these are approved.

4.21 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item it is recognised as income in consolidated profit or loss on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful lives of the related asset.

(Amounts in thousand)

5. property, plant and equipment

2025....Rupees....2024

Operating assets - note 5.1
Capital work-in-progress - note 5.5
Capital spares

58,574,691	37,910,115
2,598,124	23,156,700
241,044	241,044
61,413,859	61,307,859

5.1 operating assets

	Leasehold land (note 5.2)	Building on leasehold land and civil works (note 5.2)	Plant and machinery	Catalyst and chemicals	Pipelines				Furniture, fixtures and equipment	Vehicles	Total
					Water	Vinyl Chloride Monomer (VCM)	Ethylene	Ethylene Di Chloride (EDC)	Gas		
-----Rupees-----											
Gross carrying value - As at January 1, 2024											
Cost	1,175,179	1,299,054	50,806,667	-	397,975	26,122	50,023	100,287	33,849	720,926	55,019,620
Accumulated depreciation	(243,412)	(309,378)	(18,870,159)	-	(309,172)	(25,729)	(34,132)	(11,339)	(25,598)	(425,406)	(20,452,322)
Net book value	931,767	989,676	31,936,508	-	88,803	393	15,891	88,948	8,251	295,520	34,567,298
Year ended December 31, 2024											
Net carrying value											
Opening net book value	931,767	989,676	31,936,508	-	88,803	393	15,891	88,948	8,251	295,520	34,567,298
Additions - note 5.5.1	-	212,336	4,713,429	-	-	-	-	-	-	190,119	5,558,611
Disposals / write-offs - note 5.4											
Cost	-	-	(591,690)	-	-	-	-	-	-	(31,382)	(754,977)
Accumulated depreciation	-	-	556,423	-	-	-	-	-	-	28,876	642,461
	-	-	(35,267)	-	-	-	-	-	-	(2,506)	(112,516)
Depreciation charge - note 5.3	(42,160)	(80,406)	(1,718,164)	-	(12,876)	(5)	(2,177)	(3,436)	(1,471)	(120,218)	(2,103,278)
Net book value	889,607	1,121,606	34,896,506	-	75,927	388	13,714	85,512	6,780	362,915	37,910,115
Gross carrying value - December 31, 2024											
Cost	1,175,179	1,511,390	54,928,406	-	397,975	26,122	50,023	100,287	33,849	879,663	59,823,254
Accumulated depreciation	(285,572)	(389,784)	(20,031,900)	-	(322,048)	(25,734)	(36,309)	(14,775)	(27,069)	(516,748)	(21,913,139)
Net book value	889,607	1,121,606	34,896,506	-	75,927	388	13,714	85,512	6,780	362,915	37,910,115
Year ended December 31, 2025											
Net carrying value											
Opening net book value	889,607	1,121,606	34,896,506	-	75,927	388	13,714	85,512	6,780	362,915	37,910,115
Additions - note 5.5.1	9,000	1,257,320	21,510,040	630,768	11	-	-	-	-	367,276	23,931,626
Disposals - note 5.4											
Cost	-	-	-	-	-	-	-	-	-	(17,017)	(80,221)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	13,611	39,126
	-	-	-	-	-	-	-	-	-	(3,406)	(41,095)
Depreciation charge - note 5.3	(42,395)	(168,513)	(2,658,753)	(16,520)	(12,877)	(5)	(2,177)	(3,436)	(1,471)	(194,017)	(3,225,955)
Net book value	856,212	2,210,413	53,747,793	614,248	63,061	383	11,537	82,076	5,309	532,768	58,574,691
Gross carrying value - December 31, 2025											
Cost	1,184,179	2,768,710	76,438,446	630,768	397,986	26,122	50,023	100,287	33,849	1,229,922	83,674,659
Accumulated depreciation	(327,967)	(558,297)	(22,690,653)	(16,520)	(334,925)	(25,739)	(38,486)	(18,211)	(28,540)	(697,154)	(25,099,968)
Net book value	856,212	2,210,413	53,747,793	614,248	63,061	383	11,537	82,076	5,309	532,768	58,574,691
Annual rate of depreciation (%)	2 to 2.14	2.5 to 10	2.2 to 33.3	2.86	3.33 to 5	3.33 to 12.5	3.33 to 5	3.33 to 12.5	3.33 to 5	5 to 33	5 to 25

(Amounts in thousand)

5.2 The details of immovable operating assets (i.e. land and buildings) are as follows:

Description of Assets	Address	Total Area of Land (square yards)
- Leasehold land	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	619,520
- Production facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	324,979
- Storage facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	24,220
- Administration facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	10,680

5.3 Depreciation charge has been allocated as follows:

	2025....Rupees....2024	
Cost of sales - note 28	3,093,045	2,020,013
Distribution and marketing expenses - note 29	21,037	19,748
Administrative expenses - note 30	111,873	63,517
	3,225,955	2,103,278

5.4 The details of operating assets disposed / written-off during the year are as follows:

Description of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	(Gain) \ Loss	Mode of disposal	Particulars of buyers / Relationships
-----Rupees-----							
Items having net book value Rs. 500 each or more							
Vehicles	3,252	(1,290)	1,962	2,005	(43)	Company Policy	Muhammad Ahmed - Employee
Vehicles	4,913	(1,188)	3,725	3,725	-	Company Policy	Syed Faraz Ahmed Shamsi - Employee
Vehicles	3,252	(1,428)	1,824	2,745	(921)	Company Policy	Mujadid Ul Hasan - Employee
Vehicles	4,751	(875)	3,876	4,299	(423)	Company Policy	Zahid Hussain - Employee
Vehicles	4,913	(1,462)	3,451	4,228	(777)	Company Policy	Muhammad Safwan Khan - Employee
Vehicles	6,752	(1,148)	5,604	6,247	(643)	Company Policy	Shanze Afreen - Employee
Vehicles	5,702	(4,385)	1,317	1,910	(593)	Company Policy	Allah Rakha - Employee
Vehicles	3,491	(1,978)	1,513	1,951	(438)	Company Policy	Syed Nabeel Hassan - Employee
Vehicles	6,943	(2,262)	4,681	5,720	(1,039)	Company Policy	Syed Saad Hussain Shah - Employee
Vehicles	4,911	(1,670)	3,241	4,638	(1,397)	Company Policy	Haroon Yousaf - Employee
Vehicles	4,972	(2,465)	2,507	3,133	(626)	Company Policy	Hosh Muhammad - Employee
Vehicles	4,913	(1,812)	3,101	3,101	-	Company Policy	Muhammad Umer - Employee
Furniture, fixtures and equipment	8,002	(5,068)	2,934	7,029	(4,095)	Negotiation	Engro Fertilizers Limited - Related party
Other operating assets having net book value less than Rs. 500	13,454	(12,095)	1,359	7,893	(6,534)		
Year ended December 31, 2025	80,221	(39,126)	41,095	58,624	(17,529)		
Year ended December 31, 2024	754,977	(642,461)	112,516	94,822	17,694		

(Amounts in thousand)

5.5 Capital work-in-progress

2025....Rupees....2024

Leasehold land	-	9,000
Plant and machinery	2,278,159	21,092,663
Building and civil works including pipelines	124,988	262,882
Furniture, fixture and equipment	35,344	66,776
Catalyst and chemicals	-	609,000
Softwares	38,914	223,086
Advances to suppliers	104,312	142,086
Capital spares	-	8,759
Other ancillary costs	16,407	742,448
	2,598,124	23,156,700

5.5.1 The movement in capital work-in-progress is as follows:

Balance at beginning of the year	23,156,700	18,921,324
Additions during the year including borrowing costs capitalised - note 5.5.1.1	3,448,060	9,811,916
Transferred from capital spares	-	48,967
Transferred to:		
- operating assets - note 5.1	(23,931,626)	(5,558,611)
- intangible assets - note 7	(75,010)	(22,312)
- capital spares	-	(44,584)
	(24,006,636)	(5,625,507)
Balance at end of the year	2,598,124	23,156,700

5.5.1.1 This includes net borrowing cost capitalised during the year amounting to Rs. 2,320 (2024: Rs. 28,273).

(Amounts in thousand)

6. right-of-use asset

Year ended December 31, 2024

Net carrying value

Opening net book value	1,120,936	85,330	1,206,266
Additions during the year	-	34,473	34,473
Depreciation - note 6.1	(499,501)	(29,493)	(528,994)
Closing net book value	621,435	90,310	711,745

Gross carrying value

Cost	3,269,835	228,051	3,497,886
Accumulated depreciation	(2,648,400)	(137,741)	(2,786,141)
Net book value	621,435	90,310	711,745

Year ended December 31, 2025

Net carrying value

Opening net book value	621,435	90,310	711,745
Lease modification note 6.2	-	(12,923)	(12,923)

Disposal - note 6.3

Cost	-	(21,840)	(21,840)
Accumulated depreciation	-	14,806	14,806
	-	(7,034)	(7,034)

Depreciation - note 6.1

Closing net book value	170,186	42,731	212,917
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Gross carrying value

Cost	3,269,835	193,288	3,463,123
Accumulated depreciation	(3,099,649)	(150,557)	(3,250,206)
Net book value	170,186	42,731	212,917

Rate of depreciation (%)

Storage tanks at Engro Vopak Terminal Limited	Properties	Total
Rupees		
1,120,936	85,330	1,206,266
-	34,473	34,473
(499,501)	(29,493)	(528,994)
621,435	90,310	711,745
3,269,835	228,051	3,497,886
(2,648,400)	(137,741)	(2,786,141)
621,435	90,310	711,745
621,435	90,310	711,745
-	(12,923)	(12,923)
-	(21,840)	(21,840)
-	14,806	14,806
-	(7,034)	(7,034)
(451,249)	(27,622)	(478,871)
170,186	42,731	212,917
3,269,835	193,288	3,463,123
(3,099,649)	(150,557)	(3,250,206)
170,186	42,731	212,917
10 - 20	10 - 33	

(Amounts in thousand)

6.1 Depreciation charge has been allocated as follows:

2025.....Rupees.....2024

Cost of sales - note 28	470,138	499,501
Distribution and marketing expenses - note 29	8,733	27,272
Administrative expenses - note 30	-	2,221
	478,871	528,994

6.2 During the year, the original lease pertaining to the Karachi outlet was amended, resulting in a decrease in the scope of the initial lease.

6.3 During the year, the Holding Company has derecognised right-of-use asset and related lease liability in respect of regional sales unit on early termination of its lease contract, amounting to Rs. 7,034 and Rs. 14,065 respectively.

7. intangible assets

- Computer softwares and applications

2025.....Rupees.....2024

Net carrying value

Balance at beginning of the year	514,900	620,205
Add: Additions at cost - note 5.5.1	75,010	22,312
Less: Transferred to prepayments	-	(20,975)
Less: Amortisation for the year - note 7.2	(114,765)	(106,642)
Balance at end of the year	475,145	514,900

Gross carrying value

Cost	975,382	900,372
Less: Accumulated amortisation	(500,237)	(385,472)
Balance at end of the year	475,145	514,900

(Amounts in thousand)

7.1 The cost is being amortised over a period of 3 to 10 years.

7.2 Amortisation charge has been allocated as follows:

2025.....Rupees.....2024

Cost of sales - note 28	8,388	8,924
Distribution and marketing expenses - note 29	2,158	2,158
Administrative expenses - note 30	104,219	95,560
	114,765	106,642

**8. long-term loans, advances and deposits
- considered good**

Executives - notes 8.1 to 8.3	30,562	34,990
Less: Current portion shown under current assets - note 12	(21,180)	(27,324)
	9,382	7,666
Long-term deposits	537	1,267
	9,919	8,933

8.1 Reconciliation of the carrying amount of loans and advances to executives is as follows:

Balance at beginning of the year	34,990	38,660
Add: Disbursements	55,353	48,904
Less: Repayments / Adjustments	(59,781)	(52,574)
Balance at end of the year	30,562	34,990

(Amounts in thousand)

8.2 These include interest-free loans to executives for house rent and salary advances given in accordance with the terms of employment. Loans for house rent are repayable in 12 to 18 equal monthly installments. Salary advances are repayable within 12 months.

8.3 The maximum aggregate amount due from the executives at the end of any month during the year was Rs. 56,459 (2024: Rs. 40,651).

9. stores, spares and loose tools

2025.....Rupees.....2024

Consumable stores and spares - notes 9.1 and 9.2

5,573,065 5,364,392

Less: Provision for slow moving stores and spares - note 9.3

(596,212) (452,935)

4,976,853 4,911,457

9.1 This includes goods in transit amounting to 19,123 (2024: Nil).

9.2 During the year, the Group has written-off stores and spares amounting to Nil (2024: Rs. 4,336).

9.3 The movement in the provision for slow moving stores and spares is as follows:

2025.....Rupees.....2024

Balance at beginning of the year

452,935 374,955

Add: Provision recognised during the year - note 28

143,277 86,813

Less: Write-off during the year

- (8,833)

Balance at end of the year

596,212 452,935

10. stock-in-trade

Raw and packing materials - notes 10.1 to 10.2

7,603,616 7,856,343

Less: Provision against stock-in-trade - note 10.3

(90,154) (90,154)

7,513,462 7,766,189

Work-in-process

345,126 327,376

Finished goods - manufactured products and trading products - note 10.2

3,282,039 5,736,353

11,140,627 13,829,918

(Amounts in thousand)

10.1 This includes stocks held at storage facilities of following parties:

2025.....Rupees.....2024

- Engro Vopak Terminal Limited, a related party

1,812,611 2,149,078

- Al-Noor Petroleum (Private) Limited

5,000 12,198

- Al-Rahim Trading Company (Private) Limited

167,980 1,649,632

1,985,591 3,810,908

10.2 This includes goods in transit amounting to Rs. 2,118,059 (2024: Rs. 214,575).

10.3 The movement in the provision against stock-in-trade is as follows:

2025.....Rupees.....2024

Balance at beginning of the year

90,154 105,811

Add: Provision (reversed) / recognised

during the year - note 28

- (15,657)

Balance at end of the year

90,154 90,154

10.4 During the year, the Group has written off stock-in-trade amounting to Nil (2024: Rs. 114,647).

2025.....Rupees.....2024

11. trade debts - considered good

Related parties - notes 11.1, 11.2, 11.3 and 11.4

Secured

13,583 138,280

Unsecured

39,240 21,622

52,823 159,902

Others - note 11.3 and 11.4

Secured - note 11.6

1,541,995 1,071,046

Unsecured

128,325 35,689

Less: Provision for expected credit loss - note 11.5

(7,464) (3,864)

120,861 31,825

1,715,679 1,262,773

(Amounts in thousand)

11.1 Details of amounts due from associated undertakings / related parties are as follows:

	Not Yet Due		-----Past due-----		Total	
	2025	2024	2025	2024	2025	2024
	-----Rupees-----					
Engro Fertilizers Limited	34,964	10,869	-	-	34,964	10,869
Engro Eximp FZE - export sales	13,583	13,820	-	124,460	13,583	138,280
FrieslandCampina Engro Pakistan Limited	4,276	10,753	-	-	4,276	10,753
	52,823	35,442	-	124,460	52,823	159,902

11.2 Maximum amounts due from related parties at any time during the year with respect to month end balances are as follows:

	2025.....Rupees.....2024
Engro Fertilizers Limited	46,601
Engro Eximp FZE	44,140
FrieslandCampina Engro Pakistan Limited	13,977

11.3 As at December 31, 2025, trade debts aggregating to Rs. 1,450,895 (2024: Rs. 1,101,457) were neither past due nor impaired.

11.4 As at December 31, 2025, trade debts aggregating Rs. 264,784 (2024: Rs.161,316) were past due but not impaired. These relate to various customers for which there is no recent history of default.

The ageing analysis of these trade debts is as follows:

	2025.....Rupees.....2024
Up to 3 months	242,379
3 - 6 months	10,894
More than 6 months	11,511
	264,784

(Amounts in thousand)

11.5 Trade debts aggregating to Rs. 7,464 (2024: Rs. 3,864) are past due and impaired. The movement in provision during the year is as follows:

	2025.....Rupees.....2024
Balance as at January 1, 2025	3,864
Charge for the year - note 30	3,600
Balance as at December 31, 2025	7,464

11.6 These debts are secured by way of bank guarantees and letters of credit from customers. The Holding Company maintains letter of guarantee discounting facilities with an approved limit of Rs. 1,500,000 (2024: Rs. 1,850,000). As of December 31, 2025, the Holding Company has utilised Rs. 351,000 (2024: Rs. 523,632) out of the approved limit. These facilities carry a markup rate of the prevailing Karachi Interbank Offered Rate (KIBOR) plus a spread ranging from 0.15% to 0.30% (2024: 0.15% to 0.30%) per annum.

	2025.....Rupees.....2024
12. loans, advances, deposits, prepayments and other receivables	
Considered good	
Current portion of long term-loans and advances to executives - note 8	21,180
Advances to employees	5,050
Less: Provision against bank guarantees - note 12.2	48,384
Deposits	586,160
Less: Provision against bank guarantees - note 12.9	(137,242)
Prepayments - note 12.2	448,918
Receivable from Government of Pakistan in respect of Sales tax and Federal excise duty refundables	324,501
Due from related parties, unsecured - notes 12.3, 12.4	2,634,342
Other receivables, unsecured - notes 12.8 and 12.10	16,088
	82,605
	3,581,068
Considered doubtful	
Custom duty claims refundable - note 12.5	18,043
Less: Provision for impairment - note 12.7	(18,043)
	-
Special Excise Duty (SED) refundable - note 12.6	36,687
Less: Provision for impairment - note 12.7	(36,687)
	-
	3,581,068

(Amounts in thousand)

- 12.1** This includes advance made to a related party - Nimir Industrial Chemicals Limited amounting to Nil (2024: Rs. 34,472).
- 12.2** This includes prepaid insurance amounting to Rs. 160,362 (2024: Rs. 200,420).
- 12.3** Other receivables from related parties comprise of the following unimpaired balances:

	-----Past Due-----									
	Not Yet Due		Upto 3 months		3 to 6 months		More than 6 months		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	-----Rupees-----									
Engro Corporation Limited	1,070	176	-	1,838	-	22	-	25	1,070	2,061
Engro Energy Services Limited	-	-	-	-	-	-	-	205	-	205
Engro Fertilizers Limited	6,063	11,755	-	1,988	-	2,614	-	8,412	6,063	24,769
Engro Powergen Qadirpur Limited	6,538	6,794	-	-	-	-	-	-	6,538	6,794
Engro Powergen Thar (Private) Limited	-	3,888	-	-	-	-	-	-	-	3,888
Engro Vopak Terminal Limited	1,710	385	-	-	-	-	-	1,780	1,710	2,165
Engro Elengy Terminal (Private) Limited	-	469	-	-	-	-	-	456	-	925
Engro Eximp FZE	-	-	-	-	-	23,160	-	1,137	-	24,297
Elengy Terminal Pakistan Limited	-	-	-	-	-	-	-	34	-	34
Engro Enfrashare (Private) Limited	-	-	-	-	-	-	-	3	-	3
Sindh Engro Coal Mining Company Limited	707	264	-	-	-	-	-	558	707	822
	16,088	23,731	-	3,826	-	25,796	-	12,610	16,088	65,963

- 12.4** Maximum amounts due from related parties at the end of any month during the year are as follows:

	2025	2024
- Engro Corporation Limited	101,169	4,754
- Engro Energy Limited	508	36
- Engro Energy Services Limited	205	205
- Engro Fertilizers Limited	224,922	28,419
- Engro Powergen Qadirpur Limited	6,794	6,794
- Engro Powergen Thar (Private) Limited	6,960	7,177
- Engro Foundation	15,000	11,048
- Engro Vopak Terminal Limited	3,007	3,206
- Engro Elengy Terminal (Private) Limited	959	1,622
- Engro Eximp FZE	24,297	24,297
- Elengy Terminal Pakistan Limited	34	34
- Engro Enfrashare (Private) Limited	3	3
- Sindh Engro Coal Mining Company Limited	822	822

(Amounts in thousand)

- 12.5** The Customs Appellate Tribunal, Karachi Bench, through its order dated October 31, 2011, disposed of the Holding Company's appeal filed on April 11, 2008 against the order of Collector of Customs, Port Muhammad Bin Qasim, Karachi, for the refund of custom duty paid during the period June 16, 2006 to July 24, 2006 on imports of Vinyl Chloride Monomer (VCM). The Tribunal was informed that all the aforementioned VCM consignments were released after the issuance of SRO 565(1) / 2006 dated June 6, 2006 and the benefit of five percent duty reduction was also passed onto the customers. However, as the price of the Holding Company's product was increased which is linked with international market, the Tribunal inadvertently presumed that the said benefit had not been transferred to the customers and passed an order against the Holding Company.

The Holding Company has filed an appeal with the High Court of Sindh (SHC) against the aforesaid order of the Tribunal, which is pending adjudication. However, the Holding Company is maintaining full provision against the aforementioned custom duty refundable till such time that all available legal forums are exhausted.

- 12.6** During 2007, Special Excise Duty (SED) amounting to Rs. 91,616 was paid on import of certain fixed assets by the Holding Company. Out of the total SED paid, an amount of Rs. 54,929 was adjusted through input claim in sales tax returns. Later, the remaining amount of Rs. 36,687 could not be adjusted as the said duty was disallowed as adjustment from output tax under section 7 of Sales Tax Act, 1990. Therefore, the Holding Company has fully provided the said amount. However, the Holding Company is pursuing recovery of the remaining amount from the tax authorities based on the view that the SED can be recovered as it was paid prior to the change in the Sales Tax Act.

- 12.7** As at December 31, 2025, receivables aggregating to Rs. 54,730 (2024: Rs. 54,730) were deemed to be impaired and have been provided for in full (notes 12.5 and 12.6).

- 12.8** Includes Rs. 43,725 (2024: Rs. 143,596) in respect of insurance claim receivable.

- 12.9** EPL had applied to obtain status of greenfield undertaking under clause 27(A) of the Income Tax Ordinance, 2001 (the Ordinance) and deposited performance guarantee of Rs. 286,682 to custom authorities. EPL's application has been rejected by the Commissioner Inland Revenue (CIR) through order dated September 2, 2022 based on the advice of Engineering Development Board - Government of Pakistan (EDB). EPL being aggrieved filed an appeal before the Appellate Tribunal Inland Revenue and obtained interim relief from the High Court of Sindh against the order of CIR.

EPL based on the opinion of its legal counsel, owing to the rejection of the Company's application, has recognised provision of Rs. 137,242 against custom duty payable on import of components of plant and machinery, which will be settled from deposit maintained with the bank against the guarantees.

- 12.10** These balances are neither past due nor impaired.

(Amounts in thousand)

13. short-term investments

2025.....Rupees.....2024

At fair value through profit or loss

- Mutual funds - note 13.1

19,050,660	-
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At amortised cost

- Treasury bill - note 13.2

-	1,284,971
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- Term deposit receipts - note 13.3

2,466,552	289,988
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2,466,552	1,574,959
-----------	-----------

21,517,212	1,574,959
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13.1 This represents investments in 126,065,449 units of conventional mutual funds (2024: Nil) and 64,651,376 units of Islamic mutual funds (2024: Nil), with costs amounting to Rs. 12,165,800 and Rs. 6,881,500, respectively.

13.2 Treasury bills having mark-up rate ranging from 11.18% to 21.40% (2024: 13% to 21.40%) was encashed during the year.

13.3 Carries mark-up at 5% to 10.15% (2024: 8% to 19.9%) per annum maturing till June 30, 2026 (2024: maturing till March 13, 2025).

14. cash and bank balances

2025.....Rupees.....2024

Cash in hand

581	707
-----	-----

Cash at banks - note 14.1

Conventional

- in current accounts

1,102,887	724,690
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- in savings accounts - note 14.2

476,496	401,847
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1,579,383	1,126,537
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Islamic

- in current accounts

2,663,543	2,186,818
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- in savings accounts - note 14.2

263,768	220,042
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2,927,311	2,406,860
-----------	-----------

4,507,275	3,534,104
-----------	-----------

14.1 These include Rs. 2,408,266 (2024: Rs. 2,343,341) held in foreign currency bank accounts.

14.2 These carry mark-up at rates ranging from 2.54% to 11.5% (2024: 5.02% to 20.5%) per annum.

(Amounts in thousand)

15. ordinary share capital

2025.....Rupees.....2024

Authorised capital

1,250,000,000 (2024: 1,250,000,000) ordinary shares of Rs. 10 each

12,500,000	12,500,000
------------	------------

Issued, subscribed and paid-up capital

908,923,333 (2024: 908,923,333) ordinary shares of Rs. 10 each, fully paid in cash - notes 15.1 and 15.2

9,089,233	9,089,233
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15.1 As at December 31, 2025, Engro Corporation Limited (the Intermediate Parent Company) and Mitsubishi Corporation (an associated company) held 510,733,453 and 100,053,563 (2024: 510,733,453 and 100,053,563) ordinary shares of Rs.10 each denoting 56.19% (2024: 56.19%) and 11.01% (2024: 11.01%) of the share capital of the Holding Company.

15.2 There is a shareholders' agreement between the Intermediate Parent Company and Mitsubishi Corporation which includes provisions in respect of Board of Directors selection, voting rights, rights of first refusal and etc.

16. preference shares

2025.....Rupees.....2024

Authorised capital

400,000,000 (2024: 400,000,000) preference shares

4,000,000	4,000,000
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Issued, subscribed and paid-up capital

300,000,000 (2024: 300,000,000) preference shares of Rs. 10 each, fully paid in cash - note 16.1

3,000,000	3,000,000
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(Amounts in thousand)

16.1 In 2020, the Holding Company issued perpetual, cumulative, callable and convertible listed preference shares of Rs. 3,000,000 by way of pre-IPO placements and public offer at a price of Rs. 10 per share in cash, carrying mark-up at the rate of 6 months KIBOR + 3.5% per annum. The payment of the same shall be at the discretion of the Board of Directors of the Holding Company. The objective of the preference shares issuance was to finance PVC-III expansion and VCM debottlenecking projects. The Holding Company has an option to call and redeem preference shares in full or in part after the expiry of twelve months from the issue date. The preference shares may be converted into ordinary shares of the Holding Company at the option of the preference shares holder after the expiry of eighty months from December 31, 2020 based on the ratio of 1:1. As at December 31, 2025, the preference shares dividend not yet declared amounts to Rs. 1,168,705 (2024: Rs. 714,865).

17. long-term borrowings

Title	Mark-up rate per annum	Installments		2025.....Rupees.....2024	
		Number	Commencing		
Islamic Long Term Financing Facility (ILTFF) - note 17.1	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,151,693	1,392,830
Loan under diminishing musharka agreement I - note 17.2	3 months KIBOR + 0.4%	8 half yearly	June 28, 2023	100,000	200,000
Syndicated Long Term Islamic Financing Facility - note 17.3	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,739,508	8,736,621
Loan under diminishing musharka agreements II - note 17.4	3 months KIBOR + 0.3%	16 quarterly	March 21, 2026	4,500,000	6,000,000
Ijarah Facility from International Finance Corporation (IFC) - note 17.5	SOFR + 3.68%	7 half yearly	July 15, 2025	3,545,917	4,101,889
Islamic Temporary Economic Refinance Facilities (ITERF) - notes 17.6 to 17.8 and 17.21	Ranging from SBP rate + 0.75% to 1.25%	32 quarterly	June 2023 to September 2023	2,849,430	3,219,955
Bilateral Loan II - note 17.9	3 months KIBOR + 0.4%	20 quarterly	April 19, 2026	1,600,000	2,000,000
Loan under diminishing musharka agreement III - note 17.10	3 months KIBOR + 0.03%	20 quarterly	March 13, 2027	6,000,000	6,000,000
Loan under diminishing musharka agreement IV - note 17.11	3 months KIBOR + 0.4%	28 quarterly	December 30, 2028	2,294,500	-
Syndicated loan under diminishing musharka - note 17.12	3 months KIBOR + 0.6%	16 quarterly	March 31, 2029	10,959,903	-
Loan under diminishing musharka agreement V - note 17.13	3 months KIBOR + 0.4%	10 semi annually	June 30, 2028	1,000,000	-
Loan under diminishing musharka agreement VI - note 17.14	3 months KIBOR + 0.65%	16 quarterly	March 31, 2027	1,594,400	-
Long term financing facility - note 17.15	3 months KIBOR + 0.75%	20 quarterly	March 31, 2028	1,988,500	-
Loan under diminishing musharka agreement VII - note 17.16	3 months KIBOR + 0.3%	32 quarterly	March 30, 2028	2,000,000	-
Loan under diminishing musharka agreement VIII - note 17.17	3 months KIBOR + 0.4%	16 quarterly	March 30, 2029	4,967,800	-
Loan under running musharka - note 17.18	1 month KIBOR + 0.5%	1 lump-sum	March 31, 2027	3,000,000	-
Less: Current portion shown under current liabilities				56,291,651	31,651,295
- Islamic Long Term Financing Facility (ILTFF)				(243,750)	(243,750)
- Islamic Temporary Economic Refinance Facility (ITERF)				(433,494)	(361,182)
- Loan under diminishing musharka agreement I				(100,000)	(100,000)
- Ijarah facility from International Finance Corporation (IFC)				(1,201,196)	(597,392)
				(1,978,440)	(1,302,324)
Less: Deferred income - Government grant - note 17.21				(988,642)	(1,251,794)
				53,324,569	29,097,177

(Amounts in thousand)

- 17.1** In 2020, the Holding Company obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan for a period of 10 years through musharaka agreement entered with financial institutions to finance its PVC-III expansion project. This is secured by way of hypothecation charge of present and future fixed assets of the Holding Company (excluding land and building), to the extent of Rs. 2,437,500 which shall rank pari passu with the charges created in favour of the existing creditors.
- 17.2** In 2021, the Holding Company made a draw down of Rs. 400,000 under diminishing musharka agreement entered with Bank of Khyber to finance its long term expenditure. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Holding Company (excluding land and building), to the extent of Rs. 500,000 which shall rank pari passu with the charges created in favor of existing creditors.
- 17.3** On December 28, 2022, the Holding Company made a draw down of Rs. 8,750,000 under syndicate long term islamic financing facility to finance buyback of its sukuk bonds. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Holding Company, to the extent of Rs. 11,666,667 which shall rank pari passu with the charges created in favor of existing creditors.
- 17.4** On December 12, 2022, the Holding Company obtained loans amounting to Rs. 6,000,000 to finance its capital expenditure through musharaka agreement entered with financial institutions for a period of 8 years (including 3 years grace period). The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Holding Company, to the extent of Rs. 7,833,333 which shall rank pari passu with the charges created in favor of existing creditors. During the year, the Holding Company opted to prepay initial four installments in respect of loan under diminishing musharka agreement II which were due from March 21, 2026 amounting to Rs 1,500,000. Accordingly the next installments in respect of these agreements are due from March 21, 2027.
- 17.5** In 2021, the Holding Company had entered into a ijarah agreement with IFC for a total of USD 15,000, the draw down of which was made during the year in November 2023. This is secured by way of hypothecation charge of present and future fixed assets of the Holding Company (excluding land and building) to the extent of USD 18,750 which shall rank pari passu with the charges created in favour of the existing creditors.
- 17.6** In 2021, the Holding Company obtained Islamic Temporary Economic Refinance Facility (ITERF) of SBP for a period of 10 years (including 2 years grace period) through musharaka agreement entered with financial institutions of Rs. 1,000,000 to finance its capital expenditure. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Holding Company (excluding land and building), to the extent of Rs. 1,250,000 which shall rank pari passu with the charges created in favor of existing creditors.

(Amounts in thousand)

- 17.7** In 2021, EPL entered into a musharaka agreement with MCB Bank Limited (MCB) and MCB Islamic Bank Limited (MIBL) for Rs. 550,000 and Rs. 100,000, respectively, under the Islamic Temporary Economic Refinance Facility (ITERF) of the State Bank of Pakistan (SBP). The borrowing is secured by the way of exclusive hypothecation charge over the fixed assets (excluding land and building) of EPL with 20% margin and corporate guarantee of the Holding Company.
- 17.8** In 2022, EPL entered into a musharaka agreement with Faysal Bank Limited for Rs. 2,000,000 under the ITERF of the SBP. The borrowing is secured by the way of first pari passu hypothecation charge over plant and machinery of EPL with 20% margin and cross corporate guarantee of the Holding Company.
- 17.9** In 2024, the Holding Company entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL) for a loan facility amounting to Rs. 2,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Holding Company (except land and building) to the extent of Rs. 2,500,000, ranking subordinate and subservient to the charges created in favour of the existing creditors. During the year, the Holding Company opted to prepay initial four installments in respective of bilateral loan II which were due from April 19, 2026 amounting to Rs. 400,000. Accordingly the next installments in respect of this facility are due from April 19, 2027.
- 17.10** In 2024, the Holding Company entered into a musharaka agreement with Meezan Bank Limited for a loan facility amounting to Rs. 6,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Holding Company (except land and building) to the extent of Rs. 7,200,000, ranking subordinate and subservient to the charges created in favour of the existing creditors.
- 17.11** During the year, the Holding Company entered into a diminishing musharaka agreement with MCB Islamic Bank Limited for a loan facility amounting to Rs. 2,300,000 for a period of ten years. The borrowing is secured by way of first pari passu / joint pari passu charge over present and future fixed assets of the Holding Company (except land and building) to the extent of Rs. 3,066,667, ranking subordinated and subservient to the charges created in favour of the existing creditors.
- 17.12** During the year, the Holding Company entered into a diminishing musharaka agreements with MCB Bank Limited, Faysal Bank Limited, and Bank of Punjab for a syndicated loan facility amounting to Rs. 12,000,000 for a period of seven years. The borrowing is secured by a first pari passu hypothecation charge over the present and future fixed assets of the Holding Company (excluding land and buildings) to the extent of Rs. 15,000,000.
- 17.13** During the year, the Holding Company entered into a diminishing musharaka agreement with Bank of Khyber for a loan facility amounting to Rs. 1,000,000 for a period of seven years. The borrowing is secured by way of joint pari passu charge over the fixed assets of the Holding Company (excluding land and buildings) to the extent of Rs. 1,250,000.

(Amounts in thousand)

- 17.14** During the year, the Holding Company entered into a diminishing musharaka agreement with Bank Islami Limited for a loan facility amounting to Rs. 1,600,000 of five years. The borrowing is secured by way of first pari passu hypothecation charge over the present and future fixed assets of the Holding Company (excluding land and buildings) with 20% margin, amounting to Rs. 2,000,000.
- 17.15** During the year, the Holding Company obtained term finance facility from Askari Bank Limited amounting to Rs. 2,000,000 for a period of seven years. The borrowing is secured by way of long term ranking charge by way of hypothecation over all fixed assets of the Holding Company (excluding land and buildings) with a 25% margin amounting to Rs. 2,667,667.
- 17.16** During the year, the Holding Company entered into a diminishing musharaka agreement with Allied Bank Limited for a loan facility amounting to Rs. 2,000,000 for a period of ten years. The borrowing is secured by way of pari passu charge over the Holding Company's fixed assets (plant and machinery), with 25% margin, amounting to Rs. 2,667,667.
- 17.17** During the year, the Holding Company entered into a diminishing musharaka agreement with Bank Alfalah Limited for a loan facility amounting to Rs. 5,000,000 for a period of seven years. The borrowing is secured by way of first joint pari passu charge over the fixed assets of the Holding Company (plant and machinery) with 20% margin, amounting to Rs. 6,250,000.
- 17.18** During the year, the Holding Company entered into a running musharaka agreement with Meezan Bank Limited for a loan facility amounting to Rs. 3,500,000 for a period of one year and six months. The borrowing is secured by way of first joint pari passu hypothecation charge over the current assets of the Holding Company with 16.67% margin, amounting to Rs. 4,200,000.
- 17.19** Following are the changes in the long-term borrowings for which cash flows have been classified as financing activities in the consolidated statement of cash flows:

2025.....Rupees.....2024

Balance at beginning of the year	31,651,295	26,723,777
Add: Loans received - net of transaction costs	29,805,103	8,000,000
Add: Amortisation of transaction costs - note 33	41,941	46,214
Add: Exchange loss / (gain) - net	22,439	(57,209)
Less: Loans / Installments repaid	(5,229,127)	(3,061,487)
Balance at end of the year	56,291,651	31,651,295

- 17.20** The proceeds from the aforementioned loans are carried net of unamortised balance of transaction cost of Rs. 279,901 (2024: Rs. 101,945).

(Amounts in thousand)

17.21 The value of benefit of below-market interest rate on the loans disclosed in notes 17.6 to 17.8 has been accounted for as government grant. The movement of carrying amount of deferred grant in respect of these loans is as under:

	2025.....Rupees.....2024	
Balance at beginning of the year	1,251,794	1,515,485
Less: Amortisation during the year charged to profit or loss - note 33	(263,152)	(63,323)
Less: Amortisation of deferred income capitalised	-	(200,368)
Balance at end of the year	988,642	1,251,794
Less: Current portion	(234,149)	(236,872)
	754,493	1,014,922

17.22 In respect of the above facilities, as stated in notes 17.1 to 17.6 and notes 17.9 to 17.18, the Holding Company is required to comply with certain financial covenants on its long term borrowings, after the end of each reporting year and on a quaterly basis incase of Ijarah facility from IFC. The details of such covenants are:

Type of Ratio	Minimum Requirement
Current Ratio	Minimum 0.6x - 1.0x
Debt Service Coverage Ratio	Minimum 0.5x - 1.5x
Debt to Equity Ratio	75:25
Interest Coverage Ratio	Minimum 0.17x - 3.0x
Debt to EBITDA Ratio	Maximum 2.5x - 6.0x
Liabilities to Total tangible net worth	Maximum 2.0x
Gearing Ratio	Maximum 1.0x - 2.5x
Security coverage ratio	Minimum 1.25x
Operating profit to musharka assets	Minimum 20%
Operating profit to total revenue	Minimum 10%
Profit coverage ratio	Maximum 2.5x
Adjusted leverage	Maximum 3.5x

During the year, continued decline in operating profit caused by subdued core delta margin and rising raw material costs did not practically allow the Holding Company to pass additional costs to its customers through price increases in the short term. As a result, the Holding Company sought waivers and relaxations in the aforementioned requirements to mitigate the risk of non-compliance of covenants at reporting date and in the ensuing year, which were granted by lenders for the next twelve months. The Holding Company based on its projections remains confident that either there will be no indicators that the Holding Company will have difficulties in complying with the required financial covenants when these will be next tested, or necessary waivers will be obtained in the ensuing period.

(Amounts in thousand)

17.23 In respect of the above facilities, as stated in notes 17.7 and 17.8, EPL is required to comply with certain financial covenants on its long term borrowings, after the end of each reporting year. The details of such covenants are:

Type of Ratio	Minimum Requirement
Minimum Current Ratio	At least 1.0x
Minimum Debt Service Coverage Ratio	At least 1.5x
Debt to Equity Ratio	Maximum to the extent of 75:25
Minimum Interest Coverage Ratio	Maximum 3.0x

During the year, operating losses of EPL as a result of start-up and market conditions did not practically allow it to recover costs through price increases in the short term. EPL has obtained waivers from its lending banks in respect of certain financial covenants under the financing arrangements. These waivers remain valid as of the reporting date and for the ensuing twelve months thereafter. EPL based on its projections remains confident that there are no indicators that EPL will have difficulty in complying with the required financial covenants when these will be next tested.

18. lease liabilities

2025.....Rupees.....2024

Total lease liabilities - note 18.1	415,906	1,291,269
Current portion	(228,026)	(853,154)
Non-current portion	187,880	438,115

18.1 This includes lease liability in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 364,960 (2024: Rs.1,186,100).

18.2 The movement in the lease liability during the year is as follows:

2025.....Rupees.....2024

Balance at beginning of the year	1,291,269	2,534,450
Additions during the year	-	33,715
Mark-up on lease liabilities - note 33	56,088	108,419
Exchange loss / (exchange gain) on foreign currency denominated leases - note 31.3	9,558	(27,294)
Termination of lease - note 6.3	(14,065)	-
Lease modification - note 6.2	(13,906)	-
Lease rentals paid	(913,038)	(1,358,021)
Balance at end of the year	415,906	1,291,269

(Amounts in thousand)

19. provisions

2025.....Rupees.....2024

Provision for

- Gas Infrastructure Development Cess - note 19.1
- Gas price revision - note 19.2
- Off-the-grid levy - note 19.3

5,593,211	5,593,211
517,392	517,392
959,910	-
7,070,513	6,110,603

19.1 Under the Gas Infrastructure Development Cess Act, 2011, the Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Later, the GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Holding Company had obtained ad-interim stay orders from the SHC. However, on prudent basis the Holding Company recognised a provision of Rs. 1,345,789 till May 21, 2015.

On May 22, 2015 the GIDC Act, 2015 was promulgated whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and the GIDC Ordinance, 2014.

The Holding Company, based on the advice of its legal counsel, was of the view that as per GIDC Act, 2015, the uncollected portion of cess levied through GIDC Act, 2011 and GIDC Ordinance 2014, shall not be collected from the industrial sector. Therefore, the Holding Company reversed the provision relating to industrial portion of GIDC amounting to Rs. 753,664 for the period prior to promulgation of GIDC Act, 2015 and retained GIDC provision amounting to Rs. 592,125 in respect of captive power.

On August 13, 2020, the Supreme Court of Pakistan (SCP) announced the decision rendering the GIDC Act 2015 intra vires to the constitution and directed the gas supplying companies to recover the dues in 24 monthly installments. A review petition was filed against the said order which was disposed-off in November 2020. The SCP in review petition, elaborated that deliberation on any provision of GIDC Act, 2015 can be contested on appropriate forum and mentioned that the installments period can be extended to 48 months. The Holding Company has obtained ad-interim stay order dated October 5, 2020 against the GIDC Act, 2015 from the SHC which has restrained Sui Southern Gas Company Limited (SSGC) from charging and/or recovering the cess under the GIDC Act, 2015 till the final decision on this matter.

(Amounts in thousand)

Considering the aforementioned developments in GIDC case (including the Judgement and the Review petition decision on GIDC), the Institute of Chartered Accountants of Pakistan (ICAP) released financial reporting guidance on the "Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021 (the Circular) which discusses key accounting considerations for gas consumer companies. Keeping in view the financial reporting guidance of ICAP and giving due consideration to the latest available information and the expected timing of the settlement (i.e. monthly installment rather than lump sum amount), the Holding Company had remeasured its previously undiscounted provision at its present value using risk free discount rate to incorporate the effect of time value of money arising from the expected settlement based on an installment plan and had accordingly, recognised remeasurement gain on provision for GIDC of Rs. 680,996 in 2020 which was fully recognised by 2023.

19.2 In 2017, the Holding Company had filed a suit in the SHC, against the increase in tariff of natural gas sold to industries and captive power plants notified by Oil and Gas Regulatory Authority (OGRA) vide SRO no. (1) / 2016 dated December 30, 2016, whereby, the Holding Company cited the increase as illegal and unconstitutional. On September 6, 2024, the SHC disposed off the aforementioned suit in the Holding Company's favour, however, the same was subsequently challenged by OGRA in SHC through appeal. During the year, the judgement in respect of this appeal has been announced in the Holding Company's favour. However, the same has been challenged by OGRA in the SCP. Accordingly, on account of prudence, the Holding Company has continued to recognise the provision of Rs. 517,392 against gas price revision for the period from December 2017 to September 2018 in these consolidated financial statements.

19.3 On January 30, 2025, the Government of Pakistan (GoP) promulgated the Off the Grid (Captive Power Plants) Levy Ordinance, 2025 (the Gas Levy Ordinance), with an aim to address the disparity in gas energy costs supplied to captive power plant. The Holding Company, being aggrieved challenged the notification before the Islamabad High Court (IHC) and secured a stay order on March 26, 2025. This stay was vacated by the IHC on April 8, 2025, allowing the GoP to collect gas levy from the Holding Company. In light of the vacated stay order, SSGC demanded retrospective payment of the levy from February 2025 in May 2025 bills. The Holding Company being aggrieved filed a constitutional petition CP No. 1802 of 2025 in SHC praying that impugned notification, being an executive action, cannot be given retrospective effect. The said petition has been decided in favour of the Holding Company by SHC declaring the retrospective payment ultra vires. Furthermore, the Holding Company had filed another constitutional petition CP. No. 1259 of 2025 in the Balochistan High Court (BHC) to challenge the Gas Levy Ordinance, along with the levy amount charged from March 2025 and onwards. On August 12, 2025, the BHC granted a stay on the levy subject to submission of post-dated cheques equal to the levy amount. This stay was subsequently vacated by the BHC allowing the GoP to collect gas levy from the Holding Company. Hence, the Holding Company made a payment of Rs. 505,474 against the billed amount of Rs.1,028,561 pertaining to period from March to August 2025. As of reporting date, the Holding Company has recognised gas levy accrual amounting to Rs. 198,555 (note 21) and gas levy provision amounting to Rs. 959,910 (note 19) in these consolidated financial statements.

(Amounts in thousand)

20. deferred tax liability - net

2025....Rupees....2024

Credit balances arising due to:		
- accumulated depreciation	8,968,161	7,569,430
Debit balances arising due to:		
- unpaid liabilities	478,838	535,115
- leases	77,935	226,184
- provisions	2,383,135	2,181,352
- shares issuance cost	77,771	77,771
- tax losses - notes 20.1 to 20.3	2,655,172	2,039,122
- minimum turnover tax - note 20.1	1,514,810	727,355
	(7,187,661)	(5,786,899)
	1,780,500	1,782,531

20.1 The Group has recognised a deferred tax asset for minimum turnover tax, accumulated depreciation losses and accumulated business losses amounting to Rs. 1,514,810, Rs. 2,332,524 and Rs. 322,648 respectively (2024: Rs. 727,355, Rs. 1,656,433, and Rs. 382,689). This recognition is based on the Group's financial projections, which indicate availability of sufficient future taxable profits to realise the assets. The Group has not recognised deferred tax asset in respect of minimum turnover tax pertaining to EPL amounting to Rs. 16,593 (2024: Nil), which will expire in financial year 2027 based on financial projections.

20.2 During the year, the Holding Company, under section 59B of the Ordinance, has surrendered its portion of assessed tax loss for the year ended December 31, 2024 (tax year 2025) to Engro Fertilizers Limited, a related party, for cash consideration of Rs 1,375,426 being equivalent to tax benefit / effect of loss surrendered thereof. The cash consideration to the extent of Rs.1,104,711 was adjusted against the related deferred tax liability previously recognised by the Holding Company, whereas Rs. 270,715 has been recognised as an accrual on account of potential tax adjustments.

20.3 The Group does not anticipate the availability of sufficient taxable profits in the future of TPPL to utilise the carried forward taxable losses. As a result, the Group has not recognised deferred tax asset for these losses relating to TPPL amounting to Rs. 48,916 (2024: Rs. 43,668), which relates to tax years 2020 to 2025 and are available for set-off against future taxable profits up to tax years 2026 to 2031.

(Amounts in thousand)

21. trade and other payables

2025....Rupees....2024

Trade and other creditors - note 21.1	13,711,436	8,488,199
Accrued liabilities - notes 21.1 and 21.2	9,623,194	9,070,200
Advances from customers - note 21.3	3,299,162	2,080,930
Retention money	589	22,511
Security deposits - note 21.4	10,500	17,400
Payable to provident fund	26,520	84
Payable to gratuity fund	12,498	2,406
Payable to pension fund	1,775	1,775
Workers' Profits Participation Fund - note 21.6	8,364	8,364
Withholding tax payable	90,029	3,717
Others	85,664	40,479
	26,869,731	19,736,065

21.1 Includes due to following related parties:

- Engro Corporation Limited	803,714	80,318
- Engro Fertilizers Limited	4,399	380,922
- Engro Energy Limited	157,213	160,139
- Engro Elengy Terminal (Private) Limited	-	22
- Engro Vopak Terminal Limited	7,715	137,733
- Engro Eximp FZE	11,152,055	6,986,584
- Engro Powergen Qadirpur Limited	397	403
- Sindh Engro Coal Mining Company Limited	178	4,550
- Engro Powergen Thar (Private) Limited	50	-
- Engro Foundation	60,000	-
	12,185,721	7,750,671

21.2 On June 4, 2021, the SHC through its judgement upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from December 28, 2006 as valid and declaring it within the competence of provincial legislature. The Group filed a petition against the judgement before the SCP challenging the SHC judgement. Later, on September 2021, the SCP suspended the judgement of SHC along with the recovery of the Cess. For all future consignments, the Holding Company and EPL is required to furnish fresh bank guarantees equivalent to the full amount of levy. The Group is confident that ultimate outcome of the case will be decided in its favor, however, on prudence basis, has recognised Rs. 3,390,300 (2024: Rs. 2,769,432) in respect of the Cess in these consolidated financial statements.

(Amounts in thousand)

21.3 This represents advances received by the Group from customers and distributors for goods to be delivered. The advances outstanding as at December 31, 2024 have been fully recognised as revenue during the year.

21.4 These represent interest-free deposits from dealers for the performance of their service as defined in the dealership agreements. The deposits are refundable on termination of dealership agreements and are payable on demand. The amount is fully utilised in business in accordance with the requirement of written agreements and in terms of section 217 of the Act.

21.5 The movement in Workers' Welfare Fund payable is as follows:

2025.....Rupees.....2024

Balance at beginning of the year	-	255,955
Charge for the year - note 31	-	12,949
	-	268,904
Less: Payments made during the year	-	(268,904)
Balance at end of the year	-	-

21.6 The movement in Workers' Profit Participation Fund payable is as follows:

Payable balance at beginning of the year	8,364	22,742
Interest charged during the year - note 33	-	1,580
	8,364	24,322
Less: Payments made during the year	-	(15,958)
Payable balance at end of the year	8,364	8,364

22. service benefit obligations

Service incentive plan - note 22.1	-	98,860
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22.1 Represents provision for annual employment benefits payable to eligible employees who have successfully completed 3 years of vesting period with the Holding Company. The said benefit has been discontinued from January 1, 2025.

(Amounts in thousand)

23. short-term borrowings

2025.....Rupees.....2024

Conventional short term loan - note 23.1	675,000	-
Conventional running finance facility - note 23.2	-	1,543,858
Islamic running finance facility - note 23.2	-	1,999,911
Conventional money market finance facility - note 23.2	-	1,980,000
Islamic money market finance facility - note 23.3	-	6,324,858
	675,000	11,848,627

23.1 The Holding Company obtained an aggregate facility for a conventional short-term loan from the bank as at December 31, 2025 amounting to Rs. 1,500,000 (2024: Nil), out of which Rs. 825,000 (2024: Nil) remained unutilised at year end. These facilities carry mark-up at 6-month KIBOR plus a spread of -3% (2024: Nil). The facility is secured by a ranking charge of Rs. 1,875,000 over the Holding Company's stocks and receivables.

23.2 The Holding Company obtained an aggregate facilities for running finance from bank as at December 31, 2025 amounted to Rs. 8,225,000 (2024: Rs. 23,850,000), out of which Rs. 8,225,000 (2024: Rs. 20,306,231) remained unutilised as at year end. These facilities are secured through hypothecation charges against the current assets of the Holding Company and are payable on demand.

23.3 Represented money market loan facility carrying mark-up of 6, 3 and 1 month KIBOR plus a spread ranging from -2 % to 0.1% per annum. These facilities were secured through hypothecation charges against the current assets of the Holding Company.

24. accrued interest / mark-up

2025.....Rupees.....2024

Mark-up accrued on:		
- long-term borrowings	522,250	411,465
- short-term borrowings	13,466	314,681
	535,716	726,146

25. income taxes recoverable

25.1 The Deputy Commissioner Inland Revenue (DCIR) through his order dated November 30, 2010 raised a tax demand of Rs. 163,206 for tax year 2009. The demand arose as a result of disallowance of finance costs of Rs. 452,665, additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Ordinance, disallowance of provision for retirement benefits of Rs. 14,239, disallowance of provision against Special Excise Duty (SED) refundable of Rs. 36,689, addition of imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss.

(Amounts in thousand)

In 2013, the Appellate Tribunal Inland Revenue (ATIR) issued an order whereby the aforementioned appeal was disposed of by accepting the Holding Company's position except for additions on account of SED provision of Rs. 36,689 and imputed interest on loans to employees and executives to the extent of Rs. 218, which were maintained. The Holding Company filed a reference in the Sindh High Court (the SHC) against the additions maintained by ATIR. Likewise, the tax department has also filed reference in SHC against the order passed by the ATIR in favour of the Holding Company. The management of the Holding Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favourable and, accordingly, no provision has been recognised in these consolidated financial statements.

25.2 Through Finance Act 2015, section 4B of the Income Tax Ordinance, 2001 (the Ordinance) was inserted which levied super tax at specified rates on income for the tax year 2015. This levy was subject to the threshold of taxable income of Rs. 500,000. The levy was extended upto tax year 2020 vide subsequent Finance Acts. Through Finance Supplementary Act, 2019, the super tax rate was amended to 0% from tax year 2020 and onwards for companies other than the banking companies. On August 1, 2018, the Holding Company filed petition against the levy of super tax in the SHC, however, based on the opinion of its legal advisor, the Holding Company made a provision for the full amount of super tax of Rs. 328,000. In 2020, super tax was declared intra vires by the SHC and has been declared a tax rightly introduced through Finance Act and vacated all the stays filed in this respect. Consequently, the Holding Company received various notices from tax authorities for recovery of super tax for tax years 2017 to 2019. The Holding Company filed appeal, against the said notices with Commissioner Inland Revenue - Appeals [CIR(A)] whereby the action of the officer has been confirmed by the CIR(A) for tax years 2017 to 2019. The Holding Company has filed an appeal thereagainst before the ATIR against the decision of the CIR(A) which is pending adjudication.

In the meanwhile, the Holding Company also filed petition in the SCP against the order of the SHC, which is pending adjudication. In November 2020, the SCP conditionally granted stay subject to deposit of 50% of super tax demand.

During the year, pursuant to the 27th Constitutional amendment the cases related to section 4B and 4C of the Ordinance were transferred to the Federal Constitutional Court (FCC) and, the FCC, through its short order dated January 27, 2026, has upheld the constitutionality of section 4B and 4C of the Ordinance, confirming the validity of the "Super Tax", setting aside any contrary findings by the lower courts. The Holding Company, is now required to discharge the balance super tax amount relating to section 4B of the Ordinance and could explore the right to appeal on receipt of full order.

(Amounts in thousand)

25.3 Through the notice dated January 20, 2020, the Additional Commissioner Inland Revenue (ACIR) raised issues inter alia with respect to the adjustment of carried forward minimum tax from the tax liability of tax year 2019 and required the Holding Company to pay Rs. 552,331 being the amount short paid with the income tax return. The Holding Company filed a Constitutional Petition in the SHC challenging the notice. SHC through its order dated February 6, 2020, dismissed the case based on the decision of the SHC in respect of another company. However, the SHC directed the department to refrain from passing the order on the basis of the aforesaid notice for a period of thirty days which was then extended for further thirty days to enable the Holding Company to approach the SCP. The Holding Company filed Civil Petition for Leave to Appeal (CPLA) against SHC order in the SCP, which was heard on March 18, 2020 and an interim stay was granted to the Holding Company.

In 2023, the income tax department amended the assessment filed by the Holding Company for tax year 2019. The Holding Company preferred an appeal thereagainst before the CIR(A) against the disallowances, which mainly pertained to the adjustment of minimum tax carried forward resulting in excess demand of Rs. 532,754, which was paid under protest.

During the year, the SCP disposed of the CPLA filed by the Holding Company in 2020, which had challenged the order dated February 6, 2020, passed by the SHC. In light of this judgement of SCP, which is final and without recourse, the Holding Company has recognised a prior year tax provision amounting to Rs. 975,501 which pertains to minimum turnover tax adjusted in tax year 2019.

25.4 In accordance with section 4C 'Super tax on high earning persons' introduced in the Ordinance through the Finance Act, 2022, super tax at the rate of 10% was imposed retrospectively on specified industry sectors (including the chemical sector) in case the taxable income exceeded Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) while for certain other sectors super tax was levied at the rate of 4%. The Holding Company filed a petition against the imposition of super tax before the SHC. The SHC in its judgement dated December 22, 2022, declared that the super tax levy shall only be applicable from the tax year 2023 and that the imposition of higher rate on specified sectors is discriminatory. The Federal Board of Revenue (FBR) filed an appeal against the order of the SHC in the SCP, whereby, SCP through an interim order dated February 16, 2023, directed Nazir of the SHC to encash bank guarantees to the extent of 4% of super tax, resultantly, bank guarantees equivalent to Rs. 665,210 were encashed in 2023 in favour of the Nazir of SHC. The Holding Company's management, in this respect had recognised provision of super tax at the rate of 4% amounting to Rs. 632,543 on account of prudence on its normal tax regime income and based on advice from its consultants, considered that the chances of additional super tax levy of 6% amounting to Rs. 957,494 to be remote.

(Amounts in thousand)

During the year, pursuant to the 27th Constitutional amendment the cases related to sections 4B and 4C of the Ordinance were transferred to the FCC, and the FCC, through its short order dated January 27, 2026, has upheld the constitutionality of sections 4B and 4C of the Ordinance, confirming the validity of the "Super Tax", including the retrospective application of super tax in prior periods and the applicability of the additional rate of 6% on specified industries for tax year 2022, setting aside any contrary findings by the lower courts. The Holding Company, is now required to discharge the balance super tax amount relating to section 4C of the Ordinance and could explore the right to appeal on receipt of full order.

Based on this order, the Holding Company has recognised a provision amounting to Rs. 648,240 relating to tax year 2022 in these consolidated financial statements on account of the additional 6% super tax levy, net of tax credit available under section 65E of the Ordinance.

25.5 Through Finance Act, 2023, super tax rate under section 4C of the Ordinance was retrospectively increased to 10% on companies whose taxable income exceeded Rs. 500,000 for tax year 2023 (financial year ended December 31, 2022) and onwards. Accordingly, the Holding Company recognised an additional super tax charge at the rate of 6% amounting to Rs. 808,351 in prior period pertaining to tax year 2023. The Holding Company along with other petitioners challenged the amendment relating to retrospective increase in the super tax rate for tax year 2023 in the Islamabad High Court (IHC), which granted an interim stay order against the increase in super tax rate without submission of any bank guarantees as well.

In 2024, the FBR filed an appeal before the SCP stating that the IHC had no jurisdiction to entertain petitions of Sindh based companies, hence the petition and interim stay order passed by the IHC with respect to the retrospective rate enhancement of super tax charge of 6% should be annulled. SCP remanded the case back to IHC with the direction to pass a speaking order justifying the reasons for inapplicability of incremental 6% retrospective rate enhancement. Later, IHC passed an order dated March 15, 2024, as per the directive of SCP, whereby the IHC decided that 6% incremental super tax is not applicable retrospectively on tax year 2023 and prior periods. Further, the IHC also ruled that super tax should be calculated excluding all the income which falls under the final tax regime. The FBR has currently filed an intra court appeal in IHC against the said order, which is pending adjudication. Hence, the Holding Company on account of prudence continued to maintain its provision in respect of 6% incremental super tax.

During the year, pursuant to the 27th Constitutional amendment the cases related to sections 4B and 4C of the Ordinance were transferred to the FCC and, the FCC, through its short order dated January 27, 2026, has upheld the constitutionality of section 4B and 4C of the Ordinance, confirming the validity of the "Super Tax", including the retrospective application of super tax in prior periods, setting aside any contrary findings by the lower courts. The Holding Company, is now required to discharge the balance super tax amount relating to section 4C of the Ordinance and could explore the right to appeal on receipt of full order.

(Amounts in thousand)

25.6 In 2023, income tax department finalised the monitoring proceedings for tax years 2018 to 2022 against the Holding Company and raised a demand amounting to Rs. 316,851 on account of alleged non-withholding of taxes on payments made to various parties. The tax demand was paid by the Holding Company under protest and the Holding Company, subsequently preferred an appeal before the CIR(A) to contest the aforementioned monitoring proceedings.

In 2024, the CIR(A) passed an order in favor of the Holding Company for tax years 2018, 2019, 2021 and 2022 in respect of demand of Rs. 114,547 raised on account of alleged non-withholding of taxes on payments made to various parties by remanding back the order to the CIR. Being aggrieved the FBR has filed an appeal before the ATIR against the said decision of CIR(A). As at December 31, 2025, appeal for tax year 2020 in the above case is also pending before the ATIR. The Holding Company, based on the advice from its tax consultant, expects a favourable outcome in this respect and hence no provision has been recognised in these consolidated financial statements.

25.7 In 2024, the income tax department amended the assessment filed by the Holding Company for tax year 2022. The Holding Company has preferred an appeal thereagainst before the CIR(A) related to the disallowances mainly pertaining to adjustment in respect of exchange gain / loss that resulted in excess demand of Rs. 500,019, which has been paid by the Holding Company under protest. However, the Holding Company based on the advice of its tax consultant is confident of a favourable outcome, accordingly, no provision in this respect has been recognised in these consolidated financial statements.

25.8 In 2023, in accordance with section 59B (Group relief) of the Ordinance, the Holding Company had purchased tax losses from Engro Corporation Limited (the Intermediate Parent Company) and Engro Eximp Agriproducts (Private) Limited (EEAP) for the year ended December 31, 2020 (tax year 2021) and December 31, 2022 (tax year 2023), respectively for a consideration of Rs. 373,489 and Rs. 228,688, respectively, being equivalent to resultant tax benefit. The Holding Company, accordingly, had adjusted the aforementioned losses against its taxable income for the year 2023 and had adjusted the income tax recoverable in these consolidated financial statements. The recoupment of these losses against taxable income of the Holding Company was subject to certain conditions as specified in Section 59B the Ordinance.

During the year, on disposal of EEAP by the Intermediate Parent Company, the tax loss purchased from EEAP did not adhere to the specific conditions specified in section 59B of the Ordinance, and accordingly tax loss purchased from EEAP has been derecognised from income tax recoverable and recognised as receivable from Intermediate Parent Company.

(Amounts in thousand)

26. contingencies and commitments

26.1 Contingencies

26.1.1 Income tax related contingencies are disclosed in notes 25.1 to 25.8.

26.1.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Group as at December 31, 2025 amounts to Rs. 10,819,500 (2024: Rs. 10,046,000). The amount utilised thereagainst as at December 31, 2025 is Rs. 9,533,652 (2024: Rs. 8,326,369).

Performance guarantees of Rs. 102,180 and Rs. 286,682 have been given in respect of Sindh Development and Maintenance of Infrastructure Cess (SIDC) and greenfield application status of EPL, respectively. With regards to greenfield status, the EPL's management is of the view that if any payment on account of sales tax and income tax which amounts to Rs. 149,620 is required to be made to the Government authorities, the same will be recoupable in its tax returns for future periods. Accordingly, no provision has been made in this respect.

26.2 Commitments

26.2.1 The facility for opening letter of credits as at December 31, 2025 aggregates to Rs. 40,695,980 (2024: Rs. 46,285,500) out of which Rs. 14,302,235 (2024: Rs. 16,010,399) have been utilised.

26.2.2 In 2022, EPL entered into a contract with Suria Engineering (Private) Limited for purchase of Hydrogen Peroxide steel structure in respect of the Hydrogen Peroxide manufacturing plant for a consideration of Rs. 470,000. As at December 31, 2025, outstanding commitment for equipment procurement amounts to Nil (2024: Rs.15,000).

26.2.3 In 2024, EPL entered into a contract with Descon Engineering Limited for engineering services in respect of hydrogen peroxide manufacturing plant at a consideration of Rs. 270,000. As at December 31, 2025, outstanding commitment amounts to Nil (2024: Rs. 45,000).

26.2.4 Commitments of Holding Company in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregating to USD 774 (2024: USD 3,870) are valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregating to USD 1,668 (2024: USD 2,224) are valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregating to USD 298 (2024: USD 644) are valid till June 30, 2026.

(Amounts in thousand)

2025....Rupees....2024

26.2.6 Commitments in respect of expenditure of capital and other operational items

6,401,734	6,035,471
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27. revenue from contracts with customers - net

Gross local sales - note 27.1

91,868,443	85,375,414
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Supply of electricity - 27.2

242,357	221,912
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Less:

- Sales tax

14,029,877	12,531,612
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- Discounts

583,446	975,150
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14,613,323	13,506,762
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77,497,477	72,090,564
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Commission income and support sales - note 27.3

43,746	23,196
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Export sales - note 27.4

475,545	3,594,181
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78,016,768	75,707,941
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27.1 This includes revenue against sale of other utilities to Engro Fertilizers Limited, a related party, amounting to Rs. 109,920 (2024: Nil).

27.2 This represents revenue against supply of surplus power to Engro Fertilizers Limited, a related party.

27.3 This includes commission income earned by TPPL from customers on marketing of PVC products through Branded Outlets amounting to Rs. 9,568 (2024: Rs. 5,607).

27.4 The Group has made exports in the Middle East and Afghanistan.

28. cost of sales

2025....Rupees....2024

Opening stock of work-in-process	327,376	431,254
Raw and packing materials consumed	35,195,904	38,269,144
Salaries, wages and staff welfare - note 28.1	2,796,792	2,318,834
Fuel, power and gas	21,298,891	17,586,839
Repairs and maintenance	1,101,383	1,292,536
Depreciation on operating assets- note 5.3	3,093,045	2,020,013
Depreciation on right-of-use asset - note 6.1	470,138	499,501
Consumable stores	747,148	622,363
Purchased services	1,055,543	1,422,555
Storage and handling - note 28.2	705,242	582,413
Training, conveyance and travelling	309,901	304,562
Communication, stationery and other office expenses	152,828	138,650
Rent, rates and taxes - note 28.3	97,201	165,775
Product transportation	3,057,195	2,846,394
Insurance, fees and subscription	521,945	578,584
Provision against slow moving stores and spares - note 9.3	143,277	86,813
Provision reversed against stock-in-trade - note 10.3	-	(15,657)
Write-off of:		
- stores and spares - note 9.2	-	4,336
- stock-in-trade - note 10.4	-	114,647
Amortisation of intangible assets - note 7.2	8,388	8,924
	70,754,821	68,847,226
Closing stock of work-in-process	(345,126)	(327,376)
Cost of goods manufactured	70,737,071	68,951,104
Opening stock of finished goods	5,736,353	5,902,479
Closing stock of finished goods	(3,282,038)	(5,736,353)
	2,454,315	166,126
	73,191,386	69,117,230

28.1 Includes Rs. 193,213 (2024: Rs. 173,507) in respect of staff retirement and other service benefits.

28.2 Includes expense relating to variable lease payments not included in lease liabilities amounting to Rs. 246,038 (2024: Rs. 196,654).

28.3 These include rentals for short-term leases amounting to Rs. 91,162 (2024: Rs. 104,295).

29. distribution and marketing expenses

2025....Rupees....2024

Salaries, wages and staff welfare - note 29.1	257,040	226,890
Dealer commission	368,789	278,523
Sales promotion	6,045	15,253
Rent, rates and taxes - note 29.2	3,196	8,087
Purchased services	17,777	33,386
Depreciation on operating assets - note 5.3	21,037	19,748
Depreciation on right-of-use asset - note 6.1	8,733	27,272
Training, conveyance and travelling	25,470	66,727
Communication, stationery and other office expenses	23,071	22,959
Amortisation of intangible assets - note 7.2	2,158	2,158
Others	-	383
	733,316	701,386

29.1 Includes Rs. 22,731 (2024: Rs. 15,864) in respect of staff retirement and other service benefits.

29.2 These include rentals for short-term leases amounting to Rs. 1,141 (2024: Rs. 1,456).

30. administrative expenses

2025....Rupees....2024

Salaries, wages and staff welfare - note 30.1	525,074	504,300
Rent, rates and taxes - note 30.2	182,625	166,040
Purchased services	597,393	1,010,487
Depreciation on operating assets - note 5.3	111,873	63,517
Depreciation on right-of-use asset - note 6.1	-	2,221
Amortisation of intangible assets - note 7.2	104,219	95,560
Training, conveyance and travelling	35,319	96,602
Communication, stationery and other office expenses	122,065	113,329
Provision for expected credit loss - note 11.5	3,600	3,600
Others	889	5,576
	1,683,057	2,061,232

30.1 Includes Rs. 32,491 (2024: Rs. 31,206) in respect of staff retirement and other service benefits.

30.2 These include rentals for short-term leases amounting to Rs. 6,759 (2024: Rs. 57,336).

31. other expenses

2025....Rupees....2024

Legal and professional	179,198	127,168
Auditor's remuneration - note 31.1	36,513	26,891
Donations - note 31.2	60,000	30,868
Foreign exchange loss (net) - note 31.3	362,291	-
Loss on disposal of operating assets - note 5.4	-	17,694
Workers' Welfare Fund - note 21.5	-	12,949
Technical study and other costs	23,887	21,165
	661,889	236,735

31.1 Auditor's remuneration

Fee for:		
- Annual statutory audits	4,800	3,872
- Reviews of half yearly financial information	1,600	1,082
- Review of compliance with the Code of Corporate Governance	450	88
- Taxation and other advisory services	20,512	17,605
- Certifications and other services	6,632	1,720
Reimbursement of expenses	2,519	2,524
	36,513	26,891

31.2 This includes donations made to:

- Engro Foundation - note 31.2.1	60,000	-
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31.2.1 Mr. Ahsan Zafar Syed (the Chairman of the Board of Directors) is the trustee of Engro Foundation.**31.3 Includes loss of Rs. 9,558 (2024: profit of Rs. 27,294) arising on translation of foreign currency denominated lease liabilities.****32. other income**

2025....Rupees....2024

On financial assets

Profit on bank deposits	95,838	152,118
Income from investments	84,965	287,969
Income on intercompany balances due from associate	-	23,160
Foreign exchange gain (net) - note 31.3	-	60,572
	180,803	523,819

On non-financial assets

Scrap sales	373,111	256,899
Gain on disposal of:		
- operating assets - note 5.4	17,529	-
- right-of-use asset - note 6.3	7,031	-
Gain on lease modification - note 6.2	983	-
Others	12,101	14,324
	410,755	271,223
	591,558	795,042

33. finance costs

2025....Rupees....2024

Interest / mark-up on:

- long-term borrowings	3,566,254	4,013,763
- lease liabilities - note 18.2	56,088	108,419
- short-term borrowings and other facilities	1,149,625	2,250,066
Less: Amortisation of deferred income - Government grant - note 17.21	(263,152)	(63,323)
	4,508,815	6,308,925

Guarantee commission	42,369	31,221
Amortisation of transaction costs - note 17.19	41,941	46,214
Letter of credit and related charges	1,003,472	982,537
Interest on WPPF - note 21.6	-	1,580
Bank and other charges	132,793	161,496
	5,729,390	7,531,973

34. minimum tax differential

2025....Rupees....2024

- for the year - note 34.1
- for prior years - note 36.3

23,689	23,843
(1,532)	14,405
22,157	38,248

34.1 This includes minimum tax paid under section 154 of the Ordinance and unrecoverable minimum tax paid by EPL under section 113 of the Ordinance.

35. final tax

2025....Rupees....2024

- for the year - note 35.1
- for prior years - note 36.3

18,890	8,906
(64,630)	(86,871)
(45,740)	(77,965)

35.1 This includes final tax paid under section 37A of the Ordinance.

36. income tax

2025....Rupees....2024

- Current
- for the year
 - for prior years - notes 36.1, 36.2 and 36.3

782,663	797,375
855,136	(2,542,795)
1,637,799	(1,745,420)
(1,106,742)	(1,199,853)
531,057	(2,945,273)

Deferred

36.1 Includes tax charge in respect of the reversal of carried forward minimum turnover tax adjusted in tax year 2019 amounting to Rs. 975,501, as disclosed in note 25.3.

36.2 Includes tax charge on account of additional super tax of 6% amounting to Rs. 648,240 in respect of tax year 2022, as disclosed in note 25.4.

36.3 Includes a reversal aggregating to Rs. 834,767 against tax provision, based on finalization of related income tax orders / returns.

36.4 Relationship between tax (income) / expense and accounting loss

2025....Rupees....2024

Loss before income tax

(3,367,129)	(3,105,856)
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Tax calculated at applicable rate of 29% (2024: 29%)

(976,467)	(900,698)
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Credits and income subject to

lower / reduced tax rates

623,709	489,684
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Prior year tax charge - net

855,136	(2,542,795)
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Effect of inadmissible expenses /

permanent differences

17,400	-
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Others

11,279	8,536
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531,057	(2,945,273)
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37. shariah related disclosures

		2025			2024		
	Note	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
		----- Rupees -----					
Statement of Financial Position							
Short-term investments	13	12,278,658	9,238,554	21,517,212	1,414,924	160,035	1,574,959
Cash and bank balances	14	1,579,383	2,927,892	4,507,275	1,126,537	2,407,567	3,534,104
Long-term borrowings	17	1,988,500	54,303,151	56,291,651	-	31,651,295	31,651,295
Lease liabilities	18	415,906	-	415,906	1,291,269	-	1,291,269
Short-term borrowings	23	675,000	-	675,000	3,523,858	8,324,769	11,848,627
Accrued interest / mark-up	24	14,090	521,626	535,716	363,369	362,777	726,146
Statement of profit or loss and other comprehensive income							
Revenue from contracts with customers - net	27	-	78,016,768	78,016,768	-	75,707,941	75,707,941
Foreign exchange loss (net)	31	-	362,291	362,291	-	-	-
Profit on bank deposits	32	61,630	34,208	95,838	141,232	10,886	152,118
Income from investments	32	48,474	36,491	84,965	238,186	49,783	287,969
Income on intercompany balance due from associate	32	-	-	-	23,160	-	23,160
Foreign exchange gain (net)	32	-	-	-	-	60,572	60,572
Scrap sales	32	-	373,111	373,111	-	256,899	256,899
Gain on disposal of operating assets	32	-	17,529	17,529	-	-	-
Gain on disposal of right-of-use asset	32	7,031	-	7,031	-	-	-
Gain on lease modification	32	983	-	983	-	-	-
Other income	32	-	12,101	12,101	1	14,323	14,324
Finance costs	33	1,628,514	4,100,876	5,729,390	1,964,875	5,567,098	7,531,973

41. cash generated from operations

2025....Rupees....2024

Loss before income tax	(3,367,129)	(3,105,856)
Adjustments for non cash-charges and other items:		
Staff retirement and other service benefits	-	83,861
Depreciation:		
- operating assets - note 5.3	3,225,955	2,103,278
- right-of-use asset - note 6.1	478,871	528,994
Amortisation of intangible assets - note 7.2	114,765	106,642
Write-off of:		
- stores and spares - note 28	-	4,336
- stock-in-trade - note 28	-	114,647
Provision made / (reversed) against:		
- slow moving stores and spares - note 9.3	143,277	86,813
- stock-in-trade - note 10.3	-	(15,657)
- expected credit loss - note 11.5	3,600	3,600
Unrealised foreign exchange loss / (gain) on financial assets and liabilities	10,871	(102,619)
Income on financial assets - note 32	(180,803)	(523,819)
Finance costs - note 33	5,729,390	7,531,973
(Gain) / loss on disposal of operating assets	(17,529)	17,694
Gain on disposal of right-of-use asset	(7,031)	-
Gain on lease modification	(983)	-
Provision for the off-the-grid levy	959,910	-
Minimum tax differential	22,157	38,248
Final tax	(45,740)	(77,965)
Working capital changes - note 41.1	11,964,176	5,987,492
	19,033,757	12,781,662

41.1 working capital changes

2025....Rupees....2024

(Increase) / Decrease in current assets		
Stores, spares and loose tools	(208,673)	(1,690,834)
Stock-in-trade	2,689,291	3,056,131
Trade debts	(456,506)	362,800
Loans, advances, deposits, and other receivables - net	2,806,398	(816,104)
	4,830,510	911,993
Increase in current liabilities		
Trade and other payables	7,133,666	5,075,499
	11,964,176	5,987,492

42. cash and cash equivalents

2025....Rupees....2024

Short-term investments - note 13	1,753,066	160,035
Cash and bank balances - note 14	4,507,275	3,534,104
Running finances - note 23	-	(3,543,769)
	6,260,341	150,370

43. financial instruments by category

43.1 Financial assets at amortised cost

Short-term investments	2,466,552	1,574,959
Trade debts	1,715,679	1,262,773
Loans, deposits and other receivables	547,611	1,785,222
Cash and bank balances	4,507,275	3,534,104
	9,237,117	8,157,058

Financial assets at fair value through profit or loss

Short-term investments	19,050,660	-
	28,287,777	8,157,058

43.2 Financial liabilities at amortised cost

Long-term borrowings	56,291,651	31,651,295
Lease liabilities	415,906	1,291,269
Trade and other payables	23,431,383	17,638,789
Service benefit obligations	-	98,860
Short-term borrowings	675,000	11,848,627
Accrued interest / mark-up	535,716	726,146
Unclaimed dividend	272,843	284,463
	81,622,499	63,539,449

44. financial risk management objectives and policies

44.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Group’s risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group’s financial performance. The Group uses financial instruments to hedge certain risk factors, where it deems appropriate. Risk management is carried out by the Group’s finance division under the guidance of the Group’s Board of Directors.

a) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market prices. It comprises of the following risks:

i) Currency risk

Currency risk represents the risk that the fair values of future cash flows of financial instruments will fluctuate because of changes in foreign currency rates. The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollar. The risk arises from outstanding payments for imports, assets and liabilities denominated in foreign currencies and future commercial transactions. In the current economic environment, the Group is significantly exposed to currency risk because of the expected volatility in exchange rates. The Group, at its discretion, manages the currency risk by matching foreign payments with foreign receipts.

At December 31, 2025, the financial assets and liabilities exposed to foreign exchange risk amount to Rs. 2,420,607 (2024: Rs. 2,477,888) and Rs. 4,142,528 (2024: Rs. 12,524,505), respectively.

At December 31, 2025, if the Pakistan Rupee had weakened or strengthened by 5% against the US Dollar, with all other variables held constant, the post tax loss for the year would have been higher or lower by Rs. 61,132 (2024: the post-tax profit for the year would have been lower or higher by Rs. 343,695). However, this change in loss would be partially offset by a corresponding change in margins, as the majority of the Group’s revenue is linked to movements in exchange rates.



ii) Yield / interest rate risk

Yield / interest rate risk represents the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk arising from investments in government securities, bank balances maintained in saving accounts, borrowings and running finance facilities and term deposits, utilised under mark-up arrangements. Variable rate financial instruments expose the Group to cash flow interest rate risk, whereas, fixed rate financial instruments expose the Group to fair value interest rate risk.

As at December 31, 2025, if interest rate on Group’s borrowings had been 1% higher / lower with all other variables held constant, post tax loss for the year would have been higher / lower by Rs. 271,546 (2024: Rs. 259,773).

iii) Other price risk

Price risk represents the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financials instruments or its issuers or factors affecting all similar investments in financial instruments traded in the market. As at the reporting date, if there were a 1% increase/decrease in the value of the Group’s investment in mutual funds, with all other variables held constant, post tax loss for the year would have been lower / higher by Rs. 135,259 (2024: Nil).

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations. Credit risk arises from deposits with banks and financial institutions, trade debts, loans, deposits, other receivables, financial assets at amortised cost. The maximum exposure to credit risk is equal to the carrying amount of these financial assets.

The Group is not materially exposed to credit risk, as unsecured credit is provided to selected parties, with limited or no history of default. The Group considers that a financial asset is in default when contractual payment are ninety days past due. Moreover, major part of trade debts are secured by bank guarantees and letters of credit from customers. Furthermore, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings, or investments are made in government securities.

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets exposed to credit risk, which are neither past due nor impaired, are as follows:

	2025....Rupees....2024	
Short-term investments	2,466,552	1,574,959
Trade debts	1,450,895	1,101,457
Loans, deposits and other receivables	547,611	1,742,990
Bank balances	4,506,694	3,533,397
	8,971,752	7,952,803

The credit quality of receivables can be assessed with reference to their historical performance with no major defaults in recent history. As at the reporting date, the credit quality of the Group's bank balances and short-term investments can be assessed with reference to external credit ratings assigned to the respective financial institutions as follows:

Bank	Rating agency	2025 Ratings		2024 Ratings	
		Short-term	Long-term	Short-term	Long-term
<u>Conventional</u>					
Allied Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+	A-1+	AA+
Bank Alfalah Limited	PACRA	A-1+	AAA	A-1+	AAA
Bank Al Habib Limited	PACRA	A-1+	AAA	A-1+	AAA
Habib Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	A-1+	AA+
Industrial and Commercial Bank of China	FITCH	F1+	A	F1+	A
JS Bank Limited	PACRA	A-1+	AA	A-1+	AA
MCB Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
National Bank of Pakistan	PACRA	A-1+	AAA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	A-1+	AAA
Bank Makramah Limited (Formerly: Summit Bank Limited)	VIS	A-3	BBB-	A-3	BBB-
SAMBA Bank Limited	PACRA	A-1	AA	A-1	AA
The Bank of Punjab	PACRA	A-1+	AA+	A-1+	AA+
United Bank Limited	VIS	A-1+	AAA	A-1+	AAA

Bank	Rating agency	2025 Ratings		2024 Ratings	
		Short-term	Long-term	Short-term	Long-term
<u>Islamic</u>					
Allied Bank Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Al Baraka Bank (Pakistan) Limited	VIS	A-1	AA-	A-1	A+
Bank Alfalah Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Bank Al Habib Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Habib Metropolitan Bank Limited (Islamic)	PACRA	A-1+	AA+	A-1+	AA+
Bank Islami Pakistan Limited	PACRA	A-1	AA-	A-1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	A-1+	AA
Faysal Bank Limited	PACRA	A-1+	AA	A-1+	AA
MCB Islamic Bank Limited	PACRA	A-1	A+	A-1	A+
Meezan Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Bank of Khyber	PACRA	A-1	A+	A-1	A+
United Bank Limited (Islamic)	VIS	A-1+	AAA	A-1+	AAA

c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. The Group's liquidity management involves maintaining sufficient cash and marketable securities, the availability of funds through an adequate amount of credit facilities and through its ability to close out market positions. Due to the dynamic nature of the business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The general nature of credit facilities available to the Group under any contract and not availed as at the date of consolidated statement of financial position has been disclosed in notes 17 and 23.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2025			2024		
	Maturity upto one year	Maturity more than one year	Total	Maturity upto one year	Maturity more than one year	Total
	-----Rupees-----					
Financial liabilities						
Long term borrowings	7,707,986	71,812,415	79,520,401	4,618,543	40,236,094	44,854,637
Lease liabilities	247,035	211,451	458,486	914,948	477,624	1,392,572
Trade and other payables	23,431,383	-	23,431,383	17,638,789	-	17,638,789
Service benefit obligations	-	-	-	98,860	-	98,860
Short-term borrowings	675,000	-	675,000	11,848,627	-	11,848,627
Accrued interest / mark-up	535,716	-	535,716	726,146	-	726,146
Unclaimed dividend	272,843	-	272,843	284,462	-	284,462
	32,869,963	72,023,866	104,893,829	36,130,375	40,713,718	76,844,093

45. fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. As at the reporting date, the carrying value of all financial assets and liabilities approximate to their fair value.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

The Group classifies its financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Group held the following financial assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments in units of mutual funds				
- December 31, 2025	-	19,050,660	-	19,050,660
- December 31, 2024	-	-	-	-

45.1 The fair value of the Group's investments in mutual fund units is determined using the prices / rates published by the Mutual Funds Association of Pakistan (MUFAP).

46 capital risk management

The objective of the Holding Company when managing capital is to safeguard its ability to continue as a going concern and to provide expected returns to its shareholders by maintaining optimum capital structure to minimize the cost of capital. To maintain or adjust the capital structure, the Holding Company may issue new equity, manage dividend payouts to its shareholders or sell assets to reduce debt.

The Holding Company manages capital by maintaining gearing ratio at certain levels. This ratio is calculated as long-term borrowings and lease liabilities divided by total capital. Total

The gearing ratio of the Group is as follows:

Long-term borrowings
Lease liabilities

Total equity
Total capital
Gearing ratio

	2025....Rupees....	2024
Long-term borrowings	56,291,651	31,651,295
Lease liabilities	415,906	1,291,269
Total equity	56,707,557	32,942,564
Total capital	23,399,204	27,321,579
Gearing ratio	80,106,761	60,264,143
	0.71	0.55

47. segment information

47.1 Based on the internal management reporting structure, the Group is organised into four business segments based on the products produced and sold as follows:

- Poly Vinyl Chloride (PVC) and allied chemicals: The segment is formed to manufacture and sell PVC and allied chemicals to various industrial customers including pipe manufacturers, shoes and packaging industries. The Group supplies the products throughout Pakistan mainly through dealers. Moreover, PVC is also exported to various countries mainly in Asia Region.
- Caustic soda and allied chemicals: The segment is formed to manufacture and sell caustic soda and allied chemicals mostly to textile and soap industries.
- Power supplies: The segment supplies surplus power generated from its power plants to Engro Fertilizers Limited.

- Hydrogen peroxide: The segment is formed to manufacture and sell hydrogen peroxide mostly to textile industry.

Management monitors the operating results of above-mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing the performance. Segment performance is evaluated based on profit / (loss) after tax for that segment, which in certain respects, as explained in table below, is measured differently from profit or loss in the financial statements. Items which are directly attributable to a particular segment have been allocated to the respective segment, while those which are not directly attributable have been allocated on the basis of revenue. During the year, the Group achieved commercial operations of its hydrogen peroxide plant which is now viewed as a separat segment for allocating resources and assessing performance by the chief operating decision-maker, i.e. 'the Board of Directors'. The change provides more accurate presentation of each segment's performance. Accordingly, prior year figures have been restated.

	2025					(Restated) 2024								
	Poly Vinyl Chloride (PVC)	Caustic soda and Allied Chemicals	Power supply	Hydrogen Peroxide	Unallocated	Eliminations - net	Total	Poly Vinyl Chloride (PVC)	Caustic soda and Allied Chemicals	Power supply	Hydrogen Peroxide	Unallocated	Eliminations - net	Total
	-Rupees-													
Segment profit or loss														
Revenue from contracts with customers (net) - note 47.2	62,235,001	14,606,492	607,921	1,355,771	-	(788,417)	78,016,768	61,247,916	14,271,964	188,061	-	-	-	75,707,941
Less:														
Cost of sales	(59,930,107)	(11,674,722)	(572,488)	(1,825,156)	-	811,087	(73,191,386)	(58,929,623)	(10,031,864)	(155,743)	-	-	-	(69,117,230)
Distribution and marketing expenses	(336,313)	(365,013)	(1,293)	(30,697)	-	-	(733,316)	(435,639)	(265,244)	(503)	-	-	-	(701,386)
Administrative expenses	(1,339,795)	(312,521)	(12,983)	(22,135)	-	4,377	(1,683,057)	(1,662,281)	(391,193)	(5,107)	(2,651)	-	-	(2,061,232)
Other expenses	(509,836)	(119,230)	(4,962)	(27,861)	-	-	(661,889)	(170,260)	(40,993)	(513)	(24,969)	-	-	(236,735)
Other income	343,392	424,828	3,218	-	180,803	(360,683)	591,558	325,576	748,010	956	(30,019)	440,087	(689,568)	795,042
Finance costs	(4,601,096)	(1,076,559)	(44,807)	(302,742)	-	295,814	(5,729,390)	(6,098,909)	(1,422,556)	(18,694)	(1,433)	-	9,619	(7,531,973)
Loss before minimum tax differential, final tax and income tax	(4,138,754)	1,483,275	(25,394)	(852,820)	180,803	(37,822)	(3,390,712)	(5,723,220)	2,868,124	8,457	(59,072)	440,087	(679,949)	(3,145,573)
Minimum tax differential	(2,084)	(3,169)	-	(16,904)	-	-	(22,157)	(31,525)	(6,723)	-	-	-	-	(38,248)
Final tax	52,338	12,292	-	-	(18,890)	-	45,740	63,225	14,740	-	-	-	-	77,965
Loss before income tax	(4,088,500)	1,492,398	(25,394)	(869,724)	161,913	(37,822)	(3,367,129)	(5,691,520)	2,876,141	8,457	(59,072)	440,087	(679,949)	(3,105,856)
Income tax	(484,537)	(113,800)	(4,736)	73,320	(1,304)	-	(531,057)	2,360,353	550,280	7,251	10,546	16,843	-	2,945,273
(Loss) / profit for the year	(4,573,037)	1,378,598	(30,130)	(796,404)	160,609	(37,822)	(3,898,186)	(3,331,167)	3,426,421	15,708	(48,526)	456,930	(679,949)	(160,583)
Depreciation and amortisation	2,835,136	671,761	4,102	331,262	-	(22,670)	3,819,591	2,247,933	488,589	2,392	-	-	-	2,738,914
Capital expenditure	2,118,440	480,379	17,582	829,339	-	-	3,445,740	5,409,239	1,519,845	864	2,853,695	-	-	9,783,643
Segment assets														
Total segment assets - note 47.3	59,760,651	30,952,578	336,847	17,131,401	26,024,487	(16,894,900)	117,311,064	65,906,844	28,413,016	56,499	15,439,813	5,109,063	(14,073,797)	100,851,438

47.2 Revenue from one customer of the Group's PVC segment amounts to Rs. 4,130,792 (2024: Rs. 4,802,235) of the Group's total revenue i.e. 5.29% (2024 : 6.34%).

47.3 Segment assets consist primarily of property, plant and equipment, stores and spares, stock-in-trade and trade debts located within Pakistan.

48. transactions with related parties

48.1 Following are the name of associated companies and related parties with whom the Group had entered into transactions or had arrangements or agreements in place during the year:

Name of related parties	Direct shareholding	Relationship
Engro Corporation Limited	56.19%	Intermediate Parent Company
Mitsubishi Corporation (Incorporated in Japan)	11.01%	Associated company
Engro Fertilizers Limited	N/A	Common directorship
Sindh Engro Coal Mining Company Limited	N/A	Common directorship
Engro Energy Limited	N/A	Common directorship
Engro Eximp Agriproducts (Private) Limited	N/A	Ex - associated company
FrieslandCampina Engro Pakistan Limited	N/A	Common directorship
Engro Foundation	N/A	Common directorship
Karachi School of Business Leadership	N/A	Common directorship
Engro Elengy Terminal (Private) Limited	N/A	Common directorship
Engro Eximp FZE (Incorporated in United Arab Emirates)	N/A	Common directorship
Engro Powergen Qadirpur Limited	N/A	Common directorship
Engro Vopak Terminal Limited	N/A	Common directorship
Engro Powergen Thar (Private) Limited	N/A	Common directorship
Pakistan Oxygen Limited	N/A	Common directorship
Pakistan Vinyl Industries	N/A	Common directorship
Overseas Investors Chamber of Commerce & Industry	N/A	Common directorship
KSB Pumps Company Limited	N/A	Common directorship
Nimir Industrial Chemicals Limited	N/A	Common directorship
Retirement funds		
- Provident fund	N/A	Post employment benefits
- Gratuity fund	N/A	Post employment benefits
- Pension fund	N/A	Post employment benefits
Mr. Kamran Nishat	N/A	Independent director
Ms. Ayesha Aziz	N/A	Independent director
Mr. Nazoor Ali Baig	N/A	Independent director
Mr. Ahsan Zafar Syed	N/A	Chairman
Mr. Masaaki Yokoyama	N/A	Ex-Non-executive director
Mr. Syed Shahzad Nabi	N/A	Ex-Non-executive director
Mr. Muhammad Bilal Ahmed	N/A	Non-executive director
Mr. Athar Abrar Khawaja	N/A	Non-executive director
Mr. Tariq Nisar	N/A	Non-executive director
Mr. Abdul Qayoom	N/A	Chief executive officer
Mr. Adeel Qamar	N/A	Ex-Key management personnel
Mr. Arif Jalil	N/A	Key management personnel
Mr. Mahmood Siddiqui	N/A	Ex-Key management personnel
Mr. Saad Khan	N/A	Key management personnel
Ms. Rabia Wafah Khan	N/A	Key management personnel
Mr. Kalimuddin A Khan	N/A	Ex-Key management personnel
Mr. Muhammad Idrees	N/A	Ex-Key management personnel
Mr. Hussain Hasanali	N/A	Key management personnel
Mr. Khawaja Haider Abbas	N/A	Key management personnel
Mr. Najam Saeed	N/A	Key management personnel
Ms. Beenish Kajani	N/A	Key management personnel
Mr. Saqib Rafique	N/A	Key management personnel

48.2 Transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Nature of relationship	Nature of transactions	2025....Rupees....2024	
Holding Company			
	Reimbursement made	1,531,154	1,385,380
	Reimbursement received	372,340	22,605
	Subordinated loan received	1,000,000	1,500,000
	Subordinated loan repaid	1,000,000	1,500,000
	Mark-up on subordinated loan	6,415	12,190
	Dividend paid	-	510,733
	Sales made	-	301
Associated Companies			
	Sale of goods	547,166	3,616,686
	Sales of utilities	298,540	188,061
	Purchase of services	1,714,522	1,684,843
	Purchase of goods	32,197,033	30,857,264
	Letter of credit and related charges	1,003,472	982,537
	Reimbursement made	255,688	699,008
	Reimbursement received	278,654	176,709
	Interest income on intercompany balances	-	23,160
	Sale of taxable loss	1,375,426	-
	Sale of assets	4,600	-
	Donation	60,000	-
Directors	Fee	8,300	15,705
	Dividend paid	-	6
Contribution to staff retirement benefits	Managed and operated by the Holding Company		
	- Provident fund	141,847	135,187
	- Gratuity fund	118,099	102,284
	- Pension fund	-	1,394
Key management personnel	Managerial remuneration	156,659	162,552
	Retirement benefit funds	23,928	25,604
	Bonus	75,699	65,375
	Other benefits	40,002	55,677

48.3 The related parties status of outstanding balances as at December 31, 2025 / 2024 are disclosed in the respective notes to the consolidated financial statements.

49. general

49.1 Number of employees

	2025	2024
- Total number of employees	581	540
- Average number of employees	569	567

Included herein are 517 (2024: 475) employees working at the plant of the Holding Company as at December 31, 2025 and average number of these employees during the year was 520 (2024: 497).

49.2 Production capacity

	Designed annual capacity		Actual production		Remarks
	2025	2024	2025	2024	
Kilo tons					
PVC	295	295	230	212	Production planned as per market demand and in-house consumption needs
EDC	127	127	97	100	
Caustic soda	106	106	93	95	
Caustic flakes	20	20	13	14	
VCM	245	245	232	216	
HPO	28	-	15	-	
Mega Watts					
Power	66	66	44	42	

50. corresponding figures

Corresponding figures have been rearranged and reclassified for better presentation / comparability, wherever considered necessary:

Description	Note	Year ended December 31, 2024	
		from	to
* Catalyst	10	Stock-in-trade	Property, plant and equipment
			609,000

* Consequential impacts have been duly reflected in the statement of cash flows.

51. date of authorisation for issue

These consolidated financial statements were authorised for issue on February 13, 2026 by the Board of Directors of the Holding Company.

Abdul Qayoom Shaikh
Chief Executive

Rabia Wafah Khan
Chief Financial Officer

Kamran Nishat
Director



standalone financial statements

INDEPENDENT AUDITOR’S REPORT

To the members of Engro Polymer and Chemicals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Engro Polymer and Chemicals Limited (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Deferred tax asset on tax losses and minimum turnover tax (Refer notes 2.4.4, 3.16.2 and 20 to the financial statements) The Company has recognised a net deferred tax liability of Rs. 1,936,936 thousand, which includes deferred tax asset on account of tax losses and minimum turnover tax amounting to Rs. 3,370,470 thousand. Recognition of deferred tax asset on tax losses and minimum turnover tax requires management to estimate the Company's taxable income / tax liability for future tax years. This process relies on the assessment of the Company's profitability forecast, which in turn is based on assumptions concerning future economic conditions and business performance. The preparation of profitability forecasts and assessment of realisability of recognised deferred tax asset requires significant management judgment and estimation. Accordingly, we considered this a key audit matter.	Our audit procedures amongst others included the following: - Obtained understanding of management's process of preparation of profitability forecast, taxable income, tax liability and deferred tax calculation; - Made inquiries with the management in respect of significant underlying assumptions used in preparing the profitability forecast to assess the same for reasonableness; - Checked the appropriateness of tax rates applied in view of the local tax legislation; - Checked mathematical accuracy of the calculations; and - Assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting framework.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Contingent liabilities and provisions relating to income tax (Refer notes 2.4.4, 2.4.7, 3.15, 3.16.1, 25, 26.1.1 and 36 to the financial statements) The Company has recognised provisions and disclosed contingent liabilities in respect of various contentious and uncertain matters relating to income tax including those pending adjudication at various appellate and legal forums. Recognition and disclosure of provisions and contingent liabilities requires management of the Company to consider judgments passed by competent authorities and make estimates and exercise judgment in relation to interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, for measurement and disclosure in the financial statements. Due to inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgment and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and matters progress as well as the impact of recent judicial decisions on contentious income tax issues, which constitute a significant event, we have considered contingent liabilities and provisions relating to income tax a key audit matter.	Our audit procedures amongst others included the following: - Obtained and examined the documentation relating to pending tax matters and inquired the same with the Company's management; - Circularised confirmations to the Company's external legal and tax advisors for their views on matters being handled by them; - Checked correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved; - Involved internal tax professionals to assess management's conclusions on complex contingent and uncertain tax matters; - Checked calculations underlying the provisions recognised; and - Assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting framework.

S. No	Key audit matters	How the matter was addressed in our audit
3.	Impairment assessment of investments in subsidiaries (Refer notes 2.4.6, 3.5 and 7 to the financial statements) As per the applicable accounting and reporting standards, the management is required to assess at each reporting date whether indicators exist that Company's investments in subsidiaries may be impaired. The impairment assessment involves significant management judgment for estimation of the future cash flows and determination of the recoverable amount using a number of key assumptions and estimates, including discount and growth rates. In view of same, we considered this a key audit matter.	Our audit procedures amongst others included the following: - Obtained understanding of management's process of identification of impairment indicators and determination of recoverable amount; - Assessed management's methodology and computation for determining recoverable amount and reasonableness of key assumptions used. For this purpose, we engaged our internal valuation specialist, where required; - Tested mathematical accuracy of underlying calculations; - Performed sensitivity analysis on key assumptions used to determine recoverable amount; and - Assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting framework.

Information Other than the Financial Statements and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and the consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Osama Kapadia.



Date: April 5, 2026

UDIN: AR202510080eSkQjJРАН

standalone statement of financial position as at december 31, 2025

(Amounts in thousand)

ASSETS

Non-Current Assets

Property, plant and equipment	4	49,069,195	49,486,262
Right-of-use asset	5	178,927	645,943
Intangible assets	6	475,145	514,900
Long-term investments	7	12,837,000	6,837,000
Long-term loans and advances	8	9,382	7,666
		62,569,649	57,491,771

Current Assets

Stores, spares and loose tools	9	4,402,255	4,506,168
Stock-in-trade	10	10,351,127	13,420,730
Trade debts	11	1,624,485	1,248,473
Loans, advances, deposits, prepayments and other receivables	12	4,383,920	10,909,610
Income tax recoverable	25	7,646,606	6,708,309
Short-term investments	13	21,404,327	1,445,006
Cash and bank balances	14	4,343,715	3,341,190
		54,156,435	41,579,486

TOTAL ASSETS

EQUITY & LIABILITIES

Equity

Ordinary share capital	15	9,089,233	9,089,233
Preference shares	16	3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		9,395,511	12,438,639
		25,359,697	28,402,825

Non-Current Liabilities

Long-term borrowings	17	52,281,274	27,941,832
Government grant	17.19	86,387	135,872
Lease liabilities	18	159,239	395,199
Deferred tax liability - net	20	1,936,936	1,865,647
		54,463,836	30,338,550

Current Liabilities

Trade and other payables	21	26,446,970	19,446,527
Service benefit obligations	22	-	98,860
Current portion of long-term borrowings	17	1,656,622	1,047,520
Current portion of government grant	17.19	38,487	45,090
Current portion of lease liabilities	18	219,521	830,704
Short-term borrowings	23	675,000	11,848,627
Accrued interest / mark-up	24	522,595	617,488
Unclaimed dividend		272,843	284,463
Provisions	19	7,070,513	6,110,603
		36,902,551	40,329,882

TOTAL LIABILITIES

Contingencies and Commitments

TOTAL EQUITY AND LIABILITIES

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.



Abdul Qayoom Shaikh
Chief Executive



Rabia Wafah Khan
Chief Financial Officer



Kamran Nishat
Director

standalone statement of profit or loss and other comprehensive income

for the year ended december 31, 2025

		2025.....Rupees.....2024	
(Amounts in thousand except for (loss)/earnings per share)	Note		
Revenue from contracts with customers - net	27	77,405,668	75,677,747
Cost of sales	28	(72,131,396)	(69,107,918)
Gross profit		5,274,272	6,569,829
Distribution and marketing expenses	29	(702,619)	(663,793)
Administrative expenses	30	(1,653,707)	(2,054,981)
Other expenses	31	(631,846)	(206,494)
Other income	32	933,383	1,511,370
Operating profit		3,219,483	5,155,931
Finance costs	33	(5,705,118)	(7,522,720)
Loss before minimum tax differential, final tax and income tax		(2,485,635)	(2,366,789)
Minimum tax differential	34	(1,359)	(35,563)
Final tax	35	48,243	77,965
Loss before income tax		(2,438,751)	(2,324,387)
Income tax	36	(604,377)	2,934,727
(Loss)/profit for the year		(3,043,128)	610,340
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		(3,043,128)	610,340
(Loss)/earnings per share - basic	38	(3.35)	0.45
(Loss)/earnings per share - diluted	38	(3.35)	0.45

The annexed notes 1 to 51 form an integral part of these financial statements.


Abdul Qayoom Shaikh
Chief Executive


Rabia Wafah Khan
Chief Financial Officer


Kamran Nishat
Director

standalone statement of changes in equity for the year ended december 31, 2025

(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		Total
	Ordinary share capital	Preference shares	CAPITAL Share premium	REVENUE Unappropriated profits	
	Rupees				
Balance as at December 31, 2023	9,089,233	3,000,000	3,874,953	12,938,222	28,902,408
Total comprehensive income for the year	-	-	-	610,340	610,340
Transactions with owners					
Final dividend for the year ended December 31, 2023					
- Rs. 1 per ordinary share	-	-	-	(908,923)	(908,923)
- Rs. 0.67 per preference share	-	-	-	(201,000)	(201,000)
	-	-	-	(1,109,923)	(1,109,923)
Balance as at December 31, 2024	9,089,233	3,000,000	3,874,953	12,438,639	28,402,825
Total comprehensive loss for the year	-	-	-	(3,043,128)	(3,043,128)
Balance as at December 31, 2025	9,089,233	3,000,000	3,874,953	9,395,511	25,359,697

The annexed notes 1 to 51 form an integral part of these financial statements.


Abdul Qayoom Shaikh
Chief Executive


Rabia Wafah Khan
Chief Financial Officer


Kamran Nishat
Director

standalone statement of cash flows

for the year ended december 31, 2025

(Amounts in thousand)

CASH FLOWS FROM OPERATING ACTIVITIES		Note	2025.....Rupees.....2024	
Cash generated from operations	41		19,615,974	13,617,761
Long-term loans and advances, net			(1,716)	14,171
Retirement benefits paid			(98,860)	(70,168)
Minimum tax differential paid			(1,359)	(22,930)
Final tax paid			(16,387)	(8,906)
Income tax paid			(2,782,181)	(5,118,349)
Proceeds from sale of tax loss			1,375,426	-
Net cash generated from operating activities			18,090,897	8,411,579
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property, plant and equipment and intangible assets	4.5.1		(2,616,401)	(6,929,702)
Proceeds from disposal of property, plant and equipment	4.4		58,624	94,799
Investment made in subsidiary company	7.1.2		(6,000,000)	-
Disbursement of subordinated loan to subsidiary companies			(2,084,850)	(3,885,830)
Repayment of subordinated loan by subsidiary companies			6,285,000	-
Purchase of short-term investments			(20,867,635)	(2,173,818)
Proceeds on sale/maturity of short-term investments			2,540,762	3,855,847
Income on short-term investments, subordinated loan, intercompany balances and bank deposits			127,958	500,513
Net cash utilised in investing activities			(22,556,542)	(8,538,191)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings - net of transaction costs	17.17		29,805,103	8,000,000
Repayments of long-term borrowings	17.17		(4,977,027)	(2,992,762)
Proceeds from short-term borrowings			10,474,717	15,160,598
Repayment of short-term borrowings			(18,104,575)	(7,180,100)
Proceeds of subordinated loan from the Holding company			1,000,000	1,500,000
Repayment of subordinated loan to the Holding company			(1,000,000)	(1,500,000)
Finance costs paid			(5,710,769)	(7,215,388)
Lease rentals paid	18.2		(889,937)	(1,334,499)
Dividend paid			(11,620)	(1,531,010)
Net cash generated from financing activities			10,585,892	2,906,839
Net increase in cash and cash equivalents			6,120,247	2,780,227
Net foreign exchange differences relating to cash and cash equivalents			19,078	(11,903)
Cash and cash equivalents at beginning of the year			(42,544)	(2,810,868)
Cash and cash equivalents at end of the year		42	6,096,781	(42,544)

The annexed notes 1 to 51 form an integral part of these financial statements.

Abdul Qayoom Shaikh
Chief Executive

Rabia Wafah Khan
Chief Financial Officer

Kamran Nishat
Director

notes to and forming part of the financial statements

for the year ended december 31, 2025

(Amounts in thousand)

1. legal status and operations

- 1.1** Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange Limited (PSX).
- 1.2** The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a subsidiary of Engro Holdings Limited (the Ultimate Parent Company). The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Company is also engaged in the supply of surplus power generated from its power plants and other utilities to Engro Fertilizers Limited (a related party) and Engro Peroxide (Private) Limited (a wholly owned subsidiary).
- 1.3** These are standalone financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries have been presented separately. Details of investments held by the Company in its subsidiaries have been provided in note 7.
- 1.4** The geographical location and addresses of all business units of the Company are as follows:

Business unit	Geographical location
Head office	8th floor, The Harbour Front Building, Marine Drive, Block 4, Clifton, Karachi, Pakistan
Manufacturing plant	EZ/II/P-II Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Regional sales unit	Plot 184, Block CCA, Phase 4C, DHA, Lahore, Pakistan

2. basis of preparation

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention unless otherwise mentioned in accounting policies stated herein.

2.2 Statement of compliance

- 2.2.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of, directives and notifications issued under the Act.

Where provisions of, directives and notifications issued under the Act differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed.

(Amounts in thousand)

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

2.4.1 Useful lives, depreciation / amortisation methods, residual values and impairment of property, plant and equipment and intangible assets - notes 4 and 6

The Company reviews appropriateness of the useful lives, method of depreciation / amortisation and residual values, where applicable, used in the calculation of depreciation / amortisation of operating fixed assets and intangible assets on an annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment and if the carrying amount exceeds recoverable amount, assets are written down to the recoverable amount and resultant impairment loss is recognised in profit or loss. For details of estimates used to determine recoverable amount refer note 2.4.6.

2.4.2 Provision for slow-moving stores and spares - note 9

The Company regularly reviews for slow moving stores and spares which have no movement for at least three years and the quantity available is in excess of the minimum stock level, thereby ensuring that items meeting the criteria are provided for.

2.4.3 Provision for stock-in-trade - note 10

The Company regularly reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

2.4.4 Income taxes - notes 20, 25, 26 and 36

In making the estimates for income taxes payable by the Company, the management looks at the applicable law and the decisions of appellate authorities on certain issues in the past. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined.

Deferred tax asset is recognised for all unused tax losses and available tax credits to the extent that it is probable that sufficient taxable temporary differences and taxable profits will be available against which such losses and credits can be utilised. Significant judgement and estimation is required to determine the amount of deferred tax asset to be recognised.

(Amounts in thousand)

2.4.5 Lease accounting - notes 5 and 18

Identifying and processing all relevant data associated with leases is complex. The measurement of the right-of-use asset and lease liability relies on several assumptions, such as discount rates and lease terms, including options for termination and renewal. Lease payments expected to be made under reasonably certain extension options are also included in the liability measurement. Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is often the case, the Company uses its incremental borrowing rate. This rate reflects what the Company would pay to borrow funds necessary to acquire an asset of similar value to the right-of-use asset, considering the same economic environment, terms, security and conditions.

2.4.6 Impairment of non-financial assets

In making an estimate of impairment, the management considers on an annual basis whether an indication of impairment exists. In case an indication exists the recoverable amount of asset is calculated.

Impairment is recognised when the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, defined as the higher of its fair value less costs of disposal (FVLCD) and its value in use (VIU). In accordance with IFRS 13 - "Fair Value Measurement" (IFRS 13), the FVLCD is determined at asset or CGU level using an income approach based on a discounted cash flow (DCF) model, which incorporates anticipated future restructuring or enhancement activities and significant committed investments. The VIU calculation, prepared in line with IAS 36 - "Impairment of Assets" (IAS 36), is also based on a DCF model but excludes capital expansions, as well as any future restructuring, enhancement activities, or significant investments to which the Company is not yet committed. Cash flows used in the VIU / FVLCD model are derived from management-approved budgets covering the next five to ten years, with extrapolation beyond this period at a steady growth rate. Key assumptions affecting the recoverable amount include the discount rate, expected future cash inflows, and growth rates, all of which involve significant management judgement. These estimates are particularly relevant to the Company's investments in subsidiaries and plant and machinery, and variations in these assumptions could materially impact the recoverable amount.

2.4.7 Contingencies and provisions - notes 19, 25 and 26

Recognition and disclosure of provisions and contingent liabilities requires management of the Company to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, for recognition and measurement of any provision and disclosure in these financial statements.

2.5 Initial application of standards, amendment and improvements to approved accounting and reporting standards

2.5.1 Standards, amendments and improvements to approved accounting and reporting standards that became effective during the year

There is an amendment to existing standard which became applicable to the Company for the financial year beginning on January 1, 2025, however, this does not have a material impact on the Company's financial reporting and, therefore, has not been disclosed in these financial statements.

2.5.2 Standards, amendments and improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2025. These are not expected to have any material impact on the Company's financial reporting except for the following:

(Amounts in thousand)

Amendment to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments':

These amendments, which are effective for period beginning on or after January 1, 2026:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence can not be derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would, hence, need to be reconsidered.

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18):

A new standard on the presentation and disclosure of financial statements, with a focus on updates to the statement of profit or loss, is being introduced. As per the SRO issued by the Securities and Exchange Commission of Pakistan (SECP) dated December 12, 2025, this standard will apply to annual reporting periods beginning on or after January 1, 2027. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

3. material accounting policy information

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

3.1 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any, except capital work-in-progress which is stated at historical cost less accumulated impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to profit or loss using the straight line method to allocate their cost less the residual values over their estimated useful lives at rates given in note 5.1. Depreciation on additions is charged from the month following the month in which the asset is available for use and no depreciation is charged in the month of disposal. The depreciation method, useful lives and residual values of the Company's property, plant and equipment are reviewed and adjusted, if appropriate, at each reporting date.

(Amounts in thousand)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the year in which these are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and the resulting impairment loss is recognised in profit or loss. The recoverable amount is the higher of fair value less cost to sell and value in use. An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense in the period of disposal or retirement.

3.2 Capital spares

Spare parts and servicing equipment are classified as property, plant and equipment rather than stores, spares and loose tools when they meet the definition of property, plant and equipment. These are stated at historical cost less accumulated depreciation and impairment, if any. Upon utilisation, the capital spares and servicing equipment are depreciated over their useful life, or the remaining life of principal asset, whichever is lower.

3.3 Right-of-use asset and lease liabilities

The Company has a various rental arrangements, generally ranging in between 5 to 10 years. At inception of a contract, the Company assesses whether a contract is or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

(Amounts in thousand)

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

3.4 Intangible assets

Costs associated with developing and maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost.

Expenditure, which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Computer software cost treated as intangible assets are amortised from the date the software is available for use on straight-line basis over a period of three to ten years.

The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount and is charged to profit or loss. Reversal of impairment losses are also recognised in profit or loss, however, these are restricted to the book value net of amortisation had there been no impairment.

Amortisation on additions is charged from the month following the month in which asset is available for use and no amortisation is charged in the month of disposal.

3.5 Investments in subsidiaries

Investments in subsidiaries are classified as long-term investments and are stated at cost net of provision for impairment, if any.

3.6 Financial instruments

3.6.1 Financial assets

Classification, initial recognition and measurement

The Company classifies financial assets at initial recognition based on the Company's business model for managing the financial assets and the contractual terms of the cash flows, in the following categories:

(Amounts in thousand)

i) At amortised cost

Financial assets at amortised cost are held within a business model whose objective is to collect contractual cash flows on specified dates when those cash flows represent solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised in profit or loss.

ii) At fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) At fair value through profit and loss (FVPL)

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt instruments that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlement-date, the date on which the asset is delivered to or by the Company. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in profit or loss. Trade debts are measured at the transaction price determined under IFRS 15 - "Revenue from Contracts with Customers" (IFRS 15). Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income. Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in the profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in profit or loss in the period in which they arise.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial instruments carried at amortised cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For unsecured trade and other receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(Amounts in thousand)

- b) the time value of money; and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The expected credit loss on secured debtors whose exposures are secured by financial institutions is measured by incorporating the credit risk of the securing financial institution, using their external credit ratings as the primary reference. These calculation considers the probability of default and loss given default derived from the financial institution's rating, adjusted for forward-looking information and macroeconomic factors.

A default on a financial asset is considered when the counterparty fails to make contractual payments within ninety days of when they fall due.

Financial assets are written off when there are no reasonable expectation of recovery. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in profit or loss.

3.6.2 Financial liabilities

The Company recognises a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortised cost or at fair value through profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.6.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously.

3.7 Stores, spares and loose tools

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. The management reviews store items which have no movement for at least three years and the quantity available is in excess to the minimum stock level. Provision is recognised for such items in profit or loss.

These are valued at the lower of cost, determined on weighted average cost basis, and net realisable value.

(Amounts in thousand)

Cost in relation to raw materials represents the weighted average cost, except for raw material in transit and in relation to finished goods and work-in-process represents weighted average cost comprising direct materials, labour and related manufacturing overheads.

Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost of completion and costs necessary to be incurred in order to make the sales. Provision is made for slow moving stocks, where considered necessary.

3.9 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable cost, if any. These are generally due for settlement within thirty to one hundred and twenty days. The Company holds the trade debts and other receivables with the objective of collecting the contractual cashflows and therefore measures them subsequently at amortised cost using effective interest rate method less provision for expected credit losses, if any. The amount of provision is charged to profit or loss. Trade debts and other receivables considered irrecoverable are written-off.

3.10 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash in hand and in transit, balance with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdraft facilities.

3.11 Share capital

Ordinary and preference shares are classified as equity and recognised at their face value. Incremental costs, if any, directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from the proceeds.

3.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. Any difference between proceeds net of transaction cost and redemption value is recognised in profit or loss over the period of borrowing using effective interest rate.

Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the reporting date.

Covenants that the Company is required to comply with, on or before the reporting date, are considered in classifying relevant borrowing arrangements as current or non-current liabilities. Covenants that the Company is required to comply with after the reporting date do not affect the classification of borrowing at reporting date.

3.13 Retirement and other service benefits

3.13.1 Gratuity fund

The employees of the Company participate in a defined contributory gratuity fund (the Gratuity Fund) operated and managed by Engro Corporation Limited - the Holding Company. As per the terms of the defined contribution plan, the Company contributes to the Gratuity Fund at the rate of 8.33% of basic salary.

(Amounts in thousand)

3.13.2 Provident fund

The employees of the Company participate in defined contributory provident fund (the Provident Fund) operated and managed by Engro Corporation Limited - the Holding Company. Equal monthly contributions at the rate of 10% of the basic salary are made both by the Company and the employees to the Provident Fund. Annual contribution by the Company is charged to profit or loss.

3.14 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

These are classified as current liabilities if payment is due within twelve months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current.

3.15 Contingent liabilities and provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

Contingent liabilities are disclosed when the Company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence and non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

3.16 Taxation

3.16.1 Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

3.16.2 Deferred

Deferred tax is provided using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is determined using the effective tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is charged or credited in profit or loss except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in equity.

3.16.3 Levies

In accordance with Income Tax Ordinance, 2001 (the Ordinance), computation of final taxes and unrecoverable minimum tax differential is not based on taxable income. Therefore, as per the 'IAS 12 - Application

(Amounts in thousand)

Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 - 'Levies' (IFRIC 21) / IAS 37 - 'Provisions, contingent liabilities and contingent assets' (IAS 37) and accordingly have been classified as levies in these financial statements.

3.16.4 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When sales tax is recoverable from or is payable to the taxation authority, it is included as part of receivables or payables in the statement of financial position.

3.17 Revenue / income recognition

i) Revenue from contracts with customers

- a) The Company recognises revenue at a point in time when the control of product is transferred to customers. The assessment of transfer of control depends on the contractual terms, which is considered to be transferred either when the product is directly uplifted by customer from the Company's premises or when it is delivered by the Company at customer premises in case of local sales. For export sales, the control is transferred when the product is shipped on board. The payment term varies depending on the credit worthiness of the customers, generally ranging from thirty to one hundred and twenty days.
- b) Revenue from the sale of electricity and other utilities is recognised at a point in time upon delivery of the contracted utilities to Engro Fertilizers Limited (a related party) and Engro Peroxide (Private) Limited (a wholly owned subsidiary). The payment terms in these cases are fifteen days and thirty days for Engro Fertilizers Limited and Engro Peroxide (Private) Limited, respectively.

ii) Other revenues

Income on bank deposits and other financial assets is recognised on an accrual basis.

3.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs. All other borrowing costs are charged to profit or loss.

3.19 Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company (excluding any costs of servicing equity other than ordinary shares) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(Amounts in thousand)

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

3.21 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

3.22 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item it is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful lives of the related asset.

4. property, plant and equipment

Operating assets - note 4.1
Capital work-in-progress - note 4.5
Capital spares

2025.....Rupees.....2024	
Operating assets - note 4.1	46,230,027
Capital work-in-progress - note 4.5	2,598,124
Capital spares	241,044
	49,069,195
	49,486,262

(Amounts in thousand)

4.1 Operating assets

	Leasehold land (note 4.2)	Building on leasehold land (note 4.2)	Plant and Machinery	Pipelines					Furniture, fixtures and equipment	Vehicles	Total
				Water	Vinyl Chloride Monomer (VCM)	Ethylene	Ethylene Di Chloride (EDC)	Gas			
-----Rupees-----											
Gross carrying value - As at January 1, 2024											
Cost	1,175,179	1,299,054	50,806,667	397,975	26,122	50,023	100,287	33,849	719,772	409,538	55,018,466
Accumulated depreciation	(243,412)	(309,378)	(18,870,159)	(309,172)	(25,729)	(34,132)	(11,339)	(25,598)	(424,310)	(197,997)	(20,451,226)
Net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,462	211,541	34,567,240
Year ended December 31, 2024											
Net carrying value											
Opening net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,462	211,541	34,567,240
Additions - note 4.5.1	-	212,336	4,713,429	-	-	-	-	-	190,119	442,727	5,558,611
Disposals / write-offs - note 4.4											
Cost	-	-	(591,690)	-	-	-	-	-	(30,935)	(131,905)	(754,530)
Accumulated depreciation	-	-	556,423	-	-	-	-	-	28,452	57,162	642,037
	-	-	(35,267)	-	-	-	-	-	(2,483)	(74,743)	(112,493)
Depreciation charge - note 4.3	(42,160)	(80,406)	(1,718,164)	(12,876)	(5)	(2,177)	(3,436)	(1,471)	(120,218)	(122,365)	(2,103,278)
Net book value	889,607	1,121,606	34,896,506	75,927	388	13,714	85,512	6,780	362,880	457,160	37,922,956
Gross carrying value - December 31, 2024											
Cost	1,175,179	1,511,390	54,928,406	397,975	26,122	50,023	100,287	33,849	878,956	720,360	59,822,547
Accumulated depreciation	(285,572)	(389,784)	(20,031,900)	(322,048)	(25,734)	(36,309)	(14,775)	(27,069)	(516,076)	(263,200)	(21,912,467)
Net book value	889,607	1,121,606	34,896,506	75,927	388	13,714	85,512	6,780	362,880	457,160	37,910,080
Year ended December 31, 2025											
Net carrying value											
Opening net book value	889,607	1,121,606	34,896,506	75,927	388	13,714	85,512	6,780	362,880	457,160	37,910,080
Additions - note 4.5.1	9,000	864,029	10,025,683	11	-	-	-	-	222,471	157,211	11,278,405
Disposals / write-offs - note 4.4											
Cost	-	-	-	-	-	-	-	-	(17,017)	(63,204)	(80,221)
Accumulated depreciation	-	-	-	-	-	-	-	-	13,611	25,515	39,126
	-	-	-	-	-	-	-	-	(3,406)	(37,689)	(41,095)
Depreciation charge - note 4.3	(42,395)	(157,558)	(2,397,594)	(12,877)	(5)	(2,177)	(3,436)	(1,471)	(174,059)	(125,791)	(2,917,363)
Net book value	856,212	1,828,077	42,524,595	63,061	383	11,537	82,076	5,309	407,886	450,891	46,230,027
Gross carrying value - December 31, 2025											
Cost	1,184,179	2,375,419	64,954,089	397,986	26,122	50,023	100,287	33,849	1,084,410	814,367	71,020,731
Accumulated depreciation	(327,967)	(547,342)	(22,429,494)	(334,925)	(25,739)	(38,486)	(18,211)	(28,540)	(676,524)	(363,476)	(24,790,704)
Net book value	856,212	1,828,077	42,524,595	63,061	383	11,537	82,076	5,309	407,886	450,891	46,230,027
Annual rate of depreciation (%)	2 to 2.14	2.5 to 10	2.2 to 33.3	3.33 to 5	3.33 to 12.5	3.33 to 5	3.33 to 12.5	3.33 to 5	5 to 33	5 to 25	

(Amounts in thousand)

4.2 The details of immovable operating assets (i.e. land and buildings) are as follows:

Description of assets	Address	Total area of land (square yards)
- Leasehold land	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	619,520
- Production facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	309,880
- Storage facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	24,220
- Administration facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	10,680

4.3 Depreciation charge has been allocated as follows:

	2025.....Rupees.....	2024
Cost of sales - note 28	2,805,960	2,020,013
Distribution and marketing expenses - note 29	21,037	19,748
Administrative expenses - note 30	90,366	63,517
	2,917,363	2,103,278

4.4 The details of operating assets disposed / written-off during the year are as follows:

Description of assets	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	(Gain) \ Loss	Mode of disposal	Particulars of buyers / Relationships
-----Rupees-----							
Items having net book value Rs. 500 each or more							
Vehicles	3,252	(1,290)	1,962	2,005	(43)	Company Policy	Muhammad Ahmed - Employee
Vehicles	4,913	(1,188)	3,725	3,725	-	Company Policy	Syed Faraz Ahmed Shamsi - Employee
Vehicles	3,252	(1,428)	1,824	2,745	(921)	Company Policy	Mujadid Ul Hasan - Employee
Vehicles	4,751	(875)	3,876	4,299	(423)	Company Policy	Zahid Hussain - Employee
Vehicles	4,913	(1,462)	3,451	4,228	(777)	Company Policy	Muhammad Safwan Khan - Employee
Vehicles	6,752	(1,148)	5,604	6,247	(643)	Company Policy	Shanze Afreen - Employee
Vehicles	5,702	(4,385)	1,317	1,910	(593)	Company Policy	Allah Rakha - Employee
Vehicles	3,491	(1,978)	1,513	1,951	(438)	Company Policy	Syed Nabeel Hassan - Employee
Vehicles	6,943	(2,262)	4,681	5,720	(1,039)	Company Policy	Syed Saad Hussain Shah - Employee
Vehicles	4,911	(1,670)	3,241	4,638	(1,397)	Company Policy	Haroon Yousaf - Employee
Vehicles	4,972	(2,465)	2,507	3,133	(626)	Company Policy	Hosh Muhammad - Employee
Vehicles	4,913	(1,812)	3,101	3,101	-	Company Policy	Muhammad Umer - Employee
Furniture, fixtures and equipment	8,002	(5,068)	2,934	7,029	(4,095)	Negotiation	Engro Fertilizers Limited - Related party
Other operating assets having net book value less than Rs. 500	13,454	(12,095)	1,359	7,893	(6,534)		
Year ended December 31, 2025	80,221	(39,126)	41,095	58,624	(17,529)		
Year ended December 31, 2024	754,530	(642,037)	112,493	94,799	17,694		

(Amounts in thousand)

4.5 Capital work-in-progress

	2025Rupees.....	2024
Leasehold land	-	9,000
Plant and machinery	2,278,159	10,655,150
Building and civil works including pipelines	124,988	262,882
Furniture, fixture and equipment	35,344	66,776
Softwares	38,914	223,086
Advances to suppliers	104,312	97,158
Capital spares	-	2,916
Other ancillary costs	16,407	18,170
	2,598,124	11,335,138

4.5.1 The movement in capital work-in-progress is as follows:

	2025Rupees.....	2024
Balance at beginning of the year	11,335,138	9,981,976
Additions during the year	2,616,401	6,929,702
Transferred from capital spares	-	48,967
Transferred to:		
- operating assets - note 4.1	(11,278,405)	(5,558,611)
- intangible assets - note 6	(75,010)	(22,312)
- capital spares	-	(44,584)
	(11,353,415)	(5,625,507)
Balance at end of the year	2,598,124	11,335,138

(Amounts in thousand)

5. right-of-use asset

	Storage tanks at Engro Vopak Terminal Limited	Properties	Total
	Rupees		
Year ended December 31, 2024			
Net carrying value			
Opening net book value	1,120,936	35,569	1,156,505
Depreciation - note 5.1	(499,501)	(11,061)	(510,562)
Closing net book value	621,435	24,508	645,943
Gross carrying value			
Cost	3,269,835	110,782	3,380,617
Accumulated depreciation	(2,648,400)	(86,274)	(2,734,674)
Net book value	621,435	24,508	645,943
Year ended December 31, 2025			
Net carrying value			
Opening net book value	621,435	24,508	645,943
Disposal - note 5.2			
Cost	-	(21,840)	(21,840)
Accumulated depreciation	-	14,806	14,806
	-	(7,034)	(7,034)
Depreciation - note 5.1	(451,249)	(8,733)	(459,982)
Closing net book value	170,186	8,741	178,927
Gross carrying value			
Cost	3,269,835	88,942	3,358,777
Accumulated depreciation	(3,099,649)	(80,201)	(3,179,850)
Net book value	170,186	8,741	178,927
Rate of depreciation (%)			
	10 - 20	20	

5.1 Depreciation charge has been allocated as follows:

	2025Rupees.....	2024
Cost of sales - note 28	451,249	499,501
Distribution and marketing expenses - note 29	8,733	8,840
Administrative expenses - note 30	-	2,221
	459,982	510,562

5.2 During the year, the Company has derecognised right-of-use asset and related lease liability in respect of regional sales unit on early termination of its lease contract, amounting to Rs. 7,034 and Rs. 14,065 respectively.

(Amounts in thousand)

6. intangible assets

- Computer software and applications

Net carrying value

Balance at beginning of the year
Add: Additions at cost - note 4.5.1
Less: Transferred to prepayments
Less: Amortisation for the year - note 6.2
Balance at end of the year

2025Rupees..... 2024

Balance at beginning of the year	514,900	620,205
Add: Additions at cost - note 4.5.1	75,010	22,312
Less: Transferred to prepayments	-	(20,975)
Less: Amortisation for the year - note 6.2	(114,765)	(106,642)
Balance at end of the year	475,145	514,900

Gross carrying value

Cost
Less: Accumulated amortisation
Balance at end of the year

6.1 The cost is being amortised over a period of 3 to 10 years.

6.2 Amortisation charge has been allocated as follows:

Cost of sales - note 28
Distribution and marketing expenses - note 29
Administrative expenses - note 30

7. long-term investments

Subsidiary companies, at cost - notes 7.1 and 7.2

7.1 Subsidiary companies:

- Think PVC (Private) Limited
5,000,000 (2024: 5,000,000) ordinary shares
of Rs. 10 each - notes 7.1.1 and 7.1.3
- Engro Peroxide (Private) Limited
1,277,200,000 (2024: 677,200,000) ordinary shares
of Rs. 10 each - note 7.1.2
- Engro Plasticizer (Private) Limited
1,500,000 (2024: 1,500,000) ordinary shares
of Rs. 10 each - note 7.1.3

	65,000	50,000
	12,772,000	6,772,000
	-	15,000
	12,837,000	6,837,000

(Amounts in thousand)

7.1.1 Think PVC (Private) Limited (TPVC) was incorporated in Pakistan on November 6, 1999, as a wholly owned subsidiary of the Company. Currently, TPVC is involved in marketing and trading of PVC products through its branded outlets. During the year, Engro Plasticizer (Private) Limited (EPPL), a wholly owned subsidiary of the Company, was amalgamated with and into TPVC pursuant to a Scheme of Amalgamation duly approved in their respective Board of Directors meeting held on September 18, 2025. The Scheme was acknowledged by the Securities and Exchange Commission of Pakistan (SECP) on October 17, 2025, with a retrospective effective date of September 29, 2025. Consequently, the Company has derecognised its investment in EPPL, having a carrying amount of Rs. 15,000 and recognised corresponding increase in investment in TPVC.

7.1.2 Engro Peroxide (Private) Limited (EPL) was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Company. The main objective of EPL is to manufacture and market Hydrogen Peroxide. EPL declared commercial operations of its plant on February 17, 2025. During the year, the Company has made further investment in EPL through subscription of right shares amounting to Rs. 6,000,000.

7.1.3 EPPL was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Company. During the year, EPPL was amalgamated with and into TPVC as more fully explained in note 7.1.1.

7.2 The registered office of the subsidiary companies is situated at 8th floor, The Harbour Front Building, Marine Drive, Block 4, Clifton, Karachi. As at December 31, 2025, the Company continues to hold 100% (2024: 100%) of the share capital of these subsidiaries.

**8. long-term loans and advances
- Considered good**

	2025Rupees.....	2024
Executives - notes 8.1 to 8.3	30,562	34,990
Less: Current portion shown under current assets - note 12	(21,180)	(27,324)
	9,382	7,666

8.1 Reconciliation of the carrying amount of loans and advances to executives is as follows:

Balance at beginning of the year	34,990	38,660
Add: Disbursements	55,353	48,904
Less: Repayments / Adjustments	(59,781)	(52,574)
Balance at end of the year	30,562	34,990

8.2 These include interest-free loans to executives for house rent and salary advances given in accordance with the terms of employment. Loans for house rent are repayable in 12 to 18 equal monthly installments. Salary advances are repayable within 12 months.

8.3 The maximum aggregate amount due from the executives at the end of any month during the year was Rs. 56,459 (2024: Rs. 40,651).

9. stores, spares and loose tools

	2025Rupees.....	2024
Consumable stores and spares - notes 9.1 and 9.2	4,998,467	4,959,103
Less: Provision against slow moving stores and spares - note 9.3	(596,212)	(452,935)
	4,402,255	4,506,168

(Amounts in thousand)

9.1 This includes goods in transit amounting to Rs. 18,551 (2024: Nil).

9.2 During the year, the Company has written-off stores and spares amounting to Nil (2024: Rs. 4,336).

9.3 The movement in the provision for slow moving stores and spares is as follows:

	2025Rupees.....	2024
Balance at beginning of the year	452,935	374,955
Add: Provision recognised during the year - note 28	143,277	86,813
Less: Write-offs	-	(8,833)
Balance at end of the year	596,212	452,935

10. stock-in-trade

Raw and packing materials - notes 10.1 to 10.2	7,040,610	7,447,155
Less: Provision against stock-in-trade - note 10.3	(90,154)	(90,154)
	6,950,456	7,357,001
Work-in-process	275,661	327,376
Finished goods - manufactured products and trading products - note 10.2	3,125,010	5,736,353
	10,351,127	13,420,730

10.1 This includes stocks held at storage locations of following parties:

	2025Rupees.....	2024
- Engro Vopak Terminal Limited, a related party	1,812,611	2,149,078
- Al-Noor Petroleum (Private) Limited	5,000	12,198
- Al-Rahim Trading Company (Private) Limited	167,980	1,649,632
	1,985,591	3,810,908

10.2 This includes goods in transit amounting to Rs. 2,082,188 (2024: Rs. 214,575).

10.3 The movement in the provision against stock-in-trade is as follows:

	2025Rupees.....	2024
Balance at beginning of the year	90,154	105,811
less: Provision reversed during the year - note 28	-	(15,657)
Balance at end of the year	90,154	90,154

10.4 During the year, the Company has written-off stock-in-trade amounting to Nil (2024: Rs. 114,647).

(Amounts in thousand)

11. trade debts - considered good

Related parties - notes 11.1, 11.2, 11.3 and 11.4

Secured
Unsecured

Others - notes 11.3 and 11.4

Secured - note 11.5

Unsecured
Less: Provision for expected credit loss

	2025	Rupees.....	2024
	-		138,280
	444,491		21,622
	444,491		159,902
	1,084,202		1,071,046
	96,056		17,789
	(264)		(264)
	95,792		17,525
	1,624,485		1,248,473

11.1 Details of amounts due from associated undertakings / related parties are as follows:

	-----Past due-----									
	Not yet due		upto 3 months		3 to 6 months		6 to 9 months		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	-----Rupees-----									
Engro Fertilizers Limited	34,964	10,869	-	-	-	-	-	-	34,964	10,869
Engro Eximp FZE - export sales	-	13,820	-	-	124,460	-	-	-	-	138,280
Engro Peroxide (Private) Limited	121,705	-	161,457	-	-	-	122,089	-	405,251	-
FrieslandCampina Engro Pakistan Limited	4,276	10,753	-	-	-	-	-	-	4,276	10,753
	160,945	35,442	161,457	124,460	-	-	122,089	-	444,491	159,902

11.2 Maximum amounts due from related parties at any time during the year with respect to month end balances are as follows:

	2025	Rupees.....	2024
Engro Fertilizers Limited	46,601		55,009
Engro Eximp FZE	44,140		680,673
Engro Peroxide (Private) Limited	577,277		-
FrieslandCampina Engro Pakistan Limited	13,977		10,753

11.3 As at December 31, 2025, trade debts aggregating to Rs. 1,285,433 (2024: Rs. 1,101,457) were neither past due nor impaired.

11.4 As at December 31, 2025, trade debts aggregating Rs. 339,052 (2024: Rs. 147,016) were past due but not impaired. These relate to various customers for which there is no recent history of default.

The ageing analysis of these trade debts is as follows:

	2025	Rupees.....	2024
Up to 3 months	214,527		142,716
3 - 6 months	2,436		599
More than 6 months	122,089		3,701
	339,052		147,016

(Amounts in thousand)

11.5 These debts are secured by way of bank guarantees and letters of credit from customers. The Company maintains letter of guarantee discounting facilities with an approved limit of Rs. 1,500,000 (2024: Rs. 1,850,000). As of December 31, 2025, the Company has utilised Rs. 351,000 (2024: Rs. 523,632) out of the approved limit. These facilities carry a markup rate of the prevailing Karachi Interbank Offered Rate (KIBOR) plus a spread ranging from 0.15% to 0.30% (2024: 0.15% to 0.30%) per annum.

12. loans, advances, deposits, prepayments and other receivables

Considered good

Current portion of long term-loans and advances to executives - note 8

Advances to employees

Advances to suppliers and others - note 12.1

Deposits

Prepayments - note 12.2

Receivable from Government of Pakistan in respect of Sales tax and Federal excise duty refundable

Due from related parties, unsecured - notes 12.3 and 12.4

Loans to subsidiary companies - notes 12.9 and 12.10

Other receivables, unsecured - notes 12.8 and 12.11

Considered doubtful

Custom duty claims refundable - note 12.5
Less: Provision for impairment - note 12.7

Special Excise Duty (SED) refundable - note 12.6
Less: Provision for impairment - note 12.7

	2025	Rupees.....	2024
Current portion of long term-loans and advances to executives - note 8	21,180		27,324
Advances to employees	5,050		5,875
Advances to suppliers and others - note 12.1	48,384		159,062
Deposits	229,779		1,246,200
Prepayments - note 12.2	318,183		362,445
Receivable from Government of Pakistan in respect of Sales tax and Federal excise duty refundable	895,977		2,469,919
Due from related parties, unsecured - notes 12.3 and 12.4	464,760		297,136
Loans to subsidiary companies - notes 12.9 and 12.10	2,318,002		6,161,846
Other receivables, unsecured - notes 12.8 and 12.11	82,605		179,803
	4,383,920		10,909,610
Custom duty claims refundable - note 12.5	18,043		18,043
Less: Provision for impairment - note 12.7	(18,043)		(18,043)
	-		-
Special Excise Duty (SED) refundable - note 12.6	36,687		36,687
Less: Provision for impairment - note 12.7	(36,687)		(36,687)
	-		-
	4,383,920		10,909,610

12.1 This includes advance made to a related party - Nimir Industrial Chemicals Limited amounting to Nil (2024: Rs. 34,472).

12.2 This includes prepaid insurance amounting to Rs. 154,044 (2024: Rs. 200,420).

12.3 Other receivables from related parties comprise of the following unimpaired balances:

(Amounts in thousand)

	-----Past due-----									
	Not yet due		upto 3 months		3 to 6 months		6 to 9 months		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	-----Rupees-----									
Engro Corporation Limited	1,070	176	-	1,838	-	22	-	25	1,070	2,061
Think PVC (Private) Limited	406	1,851	1,117	-	505	2,882	12,275	6,187	14,303	10,920
Engro Energy Services Limited	-	-	-	-	-	-	-	205	-	205
Engro Plasticizer (Private) Limited	-	156	-	357	-	404	-	676	-	1,593
Engro Fertilizers Limited	6,063	11,755	-	1,988	-	2,614	-	8,412	6,063	24,769
Engro Peroxide (Private) Limited	17,530	2,319	106,779	527	85,713	3,626	224,348	212,188	434,370	218,660
Engro Powergen Qadirpur Limited	6,538	6,794	-	-	-	-	-	-	6,538	6,794
Engro Powergen Thar (Private) Limited	-	3,888	-	-	-	-	-	-	-	3,888
Engro Vopak Terminal Limited	1,710	385	-	-	-	-	-	1,780	1,710	2,165
Engro Elengy Terminal (Private) Limited	-	469	-	-	-	-	-	456	-	925
Engro Eximp FZE	-	-	-	-	-	23,160	-	1,137	-	24,297
Elengy Terminal Pakistan Limited	-	-	-	-	-	-	-	34	-	34
Engro Enfrashare (Private) Limited	-	-	-	-	-	-	-	3	-	3
Sindh Engro Coal Mining Company Limited	706	264	-	-	-	-	-	558	706	822
	34,023	28,057	107,896	4,710	86,218	32,708	236,623	231,661	464,760	297,136

12.4 Maximum amounts due from related parties at the end of any month during the year are as follows:

	2025Rupees.....	2024
Engro Corporation Limited	101,169	4,754
Think PVC (Private) Limited	14,303	10,920
Engro Energy Limited	508	36
Engro Energy Services Limited	205	205
Engro Plasticizer (Private) Limited	1,926	1,593
Engro Fertilizers Limited	224,922	28,419
Engro Peroxide (Private) Limited	434,370	218,660
Engro Powergen Qadirpur Limited	6,794	6,794
Engro Powergen Thar (Private) Limited	6,960	7,177
Engro Foundation	15,000	11,048
Engro Vopak Terminal Limited	3,007	3,206
Engro Elengy Terminal (Private) Limited	959	1,622
Engro Eximp FZE	24,297	24,297
Elengy Terminal Pakistan Limited	34	34
Engro Enfrashare (Private) Limited	3	3
Sindh Engro Coal Mining Company Limited	822	822

12.5 The Customs Appellate Tribunal, Karachi Bench, through its order dated October 31, 2011, disposed of the Company's appeal filed on April 11, 2008 against the order of Collector of Customs, Port Muhammad Bin Qasim, Karachi, for the refund of custom duty paid during the period June 16, 2006 to July 24, 2006 on imports of Vinyl Chloride Monomer (VCM). The Tribunal was informed that all the aforementioned VCM consignments were released after the issuance of SRO 565(1) / 2006 dated June 6, 2006 and the benefit of five percent duty reduction was also passed onto the customers. However, as the price of the Company's product was increased which is linked with international market, the Tribunal inadvertently presumed that the said benefit had not been transferred to the customers and passed an order against the Company.

The Company has filed an appeal with the High Court of Sindh (SHC) against the aforesaid order of the Tribunal, which is pending adjudication. However, the Company is maintaining full provision against the aforementioned custom duty refundable till such time that all available legal forums are exhausted.

12.6 During 2007, Special Excise Duty (SED) amounting to Rs. 91,616 was paid on import of certain fixed assets. Out of the total SED paid, an amount of Rs. 54,929 was adjusted through input claim in sales tax returns. Later, the remaining amount of Rs. 36,687 could not be adjusted as the said duty was disallowed as an adjustment from

(Amounts in thousand)

output tax under section 7 of Sales Tax Act, 1990. Therefore, the Company has fully provided the said amount. However, the Company is pursuing recovery of the remaining amount from the tax authorities based on the view that the SED can be recovered as it was paid prior to the change in the Sales Tax Act.

12.7 As at December 31, 2025, receivables aggregating to Rs. 54,730 (2024: Rs. 54,730) were deemed to be impaired and are fully provided in these financial statements (notes 12.5 and 12.6).

12.8 Includes Rs. 43,725 (2024: Rs. 143,596) in respect of insurance claim receivable.

12.9 Represents loans provided to Engro Peroxide (Private) Limited and Think PVC (Private) Limited, wholly owned subsidiaries of the Company along with accrued interest, amounting to Rs. 2,228,122 (2024: Rs. 6,035,309) and Rs. 89,880 (2024: Rs. 126,537), respectively. The total facilities under these loan agreements amount to Rs. 6,000,000 carrying markup at the rate of 1-month KIBOR + 0.5% / 3-month KIBOR - 0.5% per annum and Rs. 500,000 carrying markup at the rate of 1-month KIBOR + 0.5% per annum, respectively. These loans are repayable on demand.

12.10 Maximum outstanding loans due from related parties at the end of any month during the year are as follows:

	2025Rupees.....	2024
Engro Peroxide (Private) Limited	7,204,020	6,035,309
Think PVC (Private) Limited	127,801	126,537

12.11 These balances are neither past due nor impaired.

13. short-term investments

At fair value through profit or loss

- Mutual funds - note 13.1

19,050,660	-
-	-
2,353,667	160,035
2,353,667	1,445,006
21,404,327	1,445,006

At amortised cost

- Treasury bills - note 13.2
- Term deposit receipts - note 13.3

13.1 This represents investments in 126,065,449 units of conventional mutual funds (2024: Nil) and 64,651,376 units of Islamic mutual funds (2024: Nil), with costs amounting to Rs. 12,165,800 and Rs. 6,881,500, respectively.

13.2 Treasury bills having mark-up rate ranging from 11.18% to 21.40% (2024: 13% to 21.40%) were encashed during the year.

13.3 Carries mark-up at 5% to 10% (2024: 8%) per annum maturing till June 30, 2026 (2024: maturing till January 30, 2025).

(Amounts in thousand)

14. cash and bank balances

2025Rupees..... 2024

Cash in hand	577	557
Cash at bank - note 14.1		
Conventional		
- in current accounts	1,067,636	714,962
- in savings accounts - note 14.2	454,601	322,961
	1,522,237	1,037,923
Islamic		
- in current accounts	2,557,133	2,082,668
- in savings accounts - note 14.2	263,768	220,042
	2,820,901	2,302,710
	4,343,715	3,341,190

14.1 These include Rs. 2,406,888 (2024: Rs. 2,343,341) held in foreign currency bank accounts.

14.2 These carry mark-up at rates ranging from 2.54% to 11.50% (2024: 5.02% to 20.5%) per annum.

15. ordinary share capital

2025Rupees..... 2024

Authorised capital

1,250,000,000 (2024: 1,250,000,000) ordinary shares of Rs. 10 each	12,500,000	12,500,000
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Issued, subscribed and paid-up capital

908,923,333 (2024: 908,923,333) ordinary shares of Rs. 10 each, fully paid in cash - notes 15.1 and 15.2	9,089,233	9,089,233
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15.1 As at December 31, 2025, Engro Corporation Limited (the Holding Company) and Mitsubishi Corporation (an associated Company) held 510,733,453 and 100,053,563 (2024: 510,733,453 and 100,053,563) ordinary shares of Rs.10 each denoting 56.19% (2024: 56.19%) and 11.01% (2024: 11.01%) of the share capital of the Company.

15.2 There is a shareholders' agreement between the Holding Company and Mitsubishi Corporation which includes provisions in respect of Board of Directors selection, voting rights, rights of first refusal, etc.

16. preference shares

2025Rupees..... 2024

Authorised capital

400,000,000 (2024: 400,000,000) preference shares of Rs. 10 each	4,000,000	4,000,000
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Issued, subscribed and paid-up capital

300,000,000 (2024: 300,000,000) preference shares of Rs. 10 each, fully paid in cash - note 16.1	3,000,000	3,000,000
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16.1 In 2020, the Company issued perpetual, cumulative, callable and convertible listed preference shares of Rs. 3,000,000 by way of pre-IPO placements and public offer at a price of Rs. 10 per share in cash, carrying markup at the rate of 6 months KIBOR + 3.5% per annum. The payment of the same shall be at the discretion

(Amounts in thousand)

of the Board of Directors of the Company. The objective of the preference shares issuance was to finance PVC-III expansion and VCM debottlenecking projects. The Company has an option to call and redeem preference shares in full or in part after the expiry of twelve months from the issue date. The preference shares may be converted into ordinary shares of the Company at the option of the preference shares holder after the expiry of eighty months from December 31, 2020 based on the ratio of 1:1. As at December 31, 2025, the preference shares dividend not yet declared amounts to Rs. 1,168,705 (2024: Rs. 714,865).

17. long term borrowings

Title	Mark - up rate per annum	Installments		2025Rupees.....	2024
		Number	Commencing		
Islamic Long Term Financing Facility (ILTFF) - note 17.1	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,151,693	1,392,830
Islamic Temporary Economic Refinance Facility (ITERF) - note 17.2	Ranging from SBP rate + 0.75% to 1%	32 quarterly	June 12, 2023	620,549	738,974
Loan under diminishing musharka agreement I - note 17.3	3 months KIBOR + 0.4%	8 half yearly	June 28, 2023	100,000	200,000
Syndicated Long Term Islamic Financing Facility - note 17.4	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,739,508	8,736,621
Loan under diminishing musharka agreements II - note 17.5	3 months KIBOR + 0.3%	16 quarterly	March 21, 2026	4,500,000	6,000,000
Ijarah facility from International Finance Corporation (IFC) - note 17.6	SOFR + 3.68%	7 half yearly	July 15, 2025	3,545,917	4,101,889
Bilateral Loan II - note 17.7	3 months KIBOR + 0.4%	20 quarterly	April 19, 2026	1,600,000	2,000,000
Loan under diminishing musharka agreement III - note 17.8	3 months KIBOR + 0.03%	20 quarterly	March 13, 2027	6,000,000	6,000,000
Loan under diminishing musharka agreement IV - note 17.9	3 months KIBOR + 0.4%	28 quarterly	December 30, 2028	2,294,500	-
Syndicated loan under diminishing musharka - note 17.10	3 months KIBOR + 0.6%	16 quarterly	March 31, 2029	10,959,903	-
Loan under diminishing musharka agreement V - note 17.11	3 months KIBOR + 0.4%	10 semi annually	June 30, 2028	1,000,000	-
Loan under diminishing musharka agreement VI - note 17.12	3 months KIBOR + 0.65%	16 quarterly	March 31, 2027	1,594,400	-
Long term financing facility - note 17.13	3 months KIBOR + 0.75%	20 quarterly	March 31, 2028	1,988,500	-
Loan under diminishing musharka agreement VII - note 17.14	3 months KIBOR + 0.3%	32 quarterly	March 30, 2028	2,000,000	-
Loan under diminishing musharka agreement VIII - note 17.15	3 months KIBOR + 0.4%	16 quarterly	March 30, 2029	4,967,800	-
Loan under musharka agreement - note 17.16	1 month KIBOR + 0.5%	1 lump-sum	March 31, 2027	3,000,000	-
				54,062,770	29,170,314
Less: Current portion shown under current liabilities				(243,750)	(243,750)
- Islamic Long Term Financing Facility (ILTFF)				(111,676)	(106,378)
- Islamic Temporary Economic Refinance Facility (ITERF)				(100,000)	(100,000)
- Loan under diminishing musharka agreement I				(1,201,196)	(597,392)
- Ijarah facility from International Finance Corporation (IFC)				(1,656,622)	(1,047,520)
				(124,874)	(180,962)
Less: Deferred income - Government grant - note 17.19				52,281,274	27,941,832

17.1 In 2020, the Company obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan for a period of 10 years through musharaka agreement entered with financial institutions to finance its PVC-III expansion project. This is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), to the extent of Rs. 2,437,500 which shall rank pari passu with the charges created in favour of the existing creditors.

17.2 In 2021, the Company obtained Islamic Temporary Economic Refinance Facility (ITERF) of SBP for a period of 10 years (including 2 years grace period) through musharaka agreement entered with financial institutions of Rs. 1,000,000 to finance its capital expenditure. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), to the extent of Rs. 1,250,000 which shall rank pari passu with the charges created in favor of existing creditors.

17.3 In 2021, the Company made a draw down of Rs. 400,000 under diminishing musharka agreement entered with Bank of Khyber to finance its long term expenditure. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Company (excluding land and building), to the extent of Rs. 500,000 which shall rank pari passu with the charges created in favor of existing creditors.

17.4 On December 28, 2022, the Company made a draw down of Rs. 8,750,000 under syndicate long term islamic financing facility to finance buyback of its sukuk bonds. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company, to the extent of Rs.11,666,667 which shall rank pari passu with the charges created in favor of existing creditors.

(Amounts in thousand)

- 17.5** On December 12, 2022, the Company obtained loans amounting to Rs. 6,000,000 to finance its capital expenditure through musharaka agreements entered with financial institutions for a period of 8 years (including 3 years grace period). These are secured by the way of hypothecation charge of present and future fixed assets of the Company, to the extent of Rs. 7,833,333 which shall rank pari passu with the charges created in favor of existing creditors. During the year, the Company opted to prepay four principal installments which were due from March 21, 2026 amounting to Rs. 1,500,000. Accordingly, the next installments in respect of these facilities are due from March 21, 2027.
- 17.6** In 2021, the Company had entered into a ijarah agreement with IFC for a total of USD 15,000, the draw down of which was made in November 2023. This is secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building) to the extent of USD 18,750 which shall rank pari passu with the charges created in favour of the existing creditors.
- 17.7** In 2024, the Company entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL) for a loan facility amounting to Rs. 2,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (except land and building) to the extent of Rs. 2,500,000, ranking subordinate and subservient to the charges created in favour of the existing creditors. During the year, the Company opted to prepay initial four principal installments which were due from April 19, 2026 amounting to Rs 400,000. Accordingly, the next installments in respect of this facility are due from April 19, 2027.
- 17.8** In 2024, the Company entered into a musharaka agreements with Meezan Bank Limited for a loan facility amounting to Rs. 6,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company (except land and building) to the extent of Rs. 7,200,000, ranking subordinate and subservient to the charges created in favour of the existing creditors.
- 17.9** During the year, the Company entered into a diminishing musharaka agreement with MCB Islamic Bank Limited for a loan facility amounting to Rs. 2,300,000 for a period of ten years. The borrowing is secured by way of first pari passu / joint pari passu charge over present and future fixed assets of the Company (except land and building) to the extent of Rs. 3,066,667, ranking subordinated and subservient to the charges created in favour of the existing creditors.
- 17.10** During the year, the Company entered into a diminishing musharaka agreements with MCB Bank Limited, Faysal Bank Limited, and Bank of Punjab for a syndicated loan facility amounting to Rs. 12,000,000 for a period of seven years. The borrowing is secured by a fist pari passu hypothecation charge over the present and future fixed assets of the Company (excluding land and buildings) to the extent of Rs. 15,000,000.
- 17.11** During the year, the Company entered into a diminishing musharaka agreement with Bank of Khyber for a loan facility amounting to Rs. 1,000,000 for a period of seven years. The borrowing is secured by way of joint pari passu charge over the fixed assets of the Company (excluding land and buildings) to the extent of Rs. 1,250,000.
- 17.12** During the year, the Company entered into a diminishing musharaka agreement with Bank Islami Limited for a loan facility amounting to Rs. 1,600,000 for a period of five years. The borrowing is secured by way of first pari passu hypothecation charge over the present and future fixed assets of the Company (excluding land and buildings) with 20% margin, amounting to Rs. 2,000,000.
- 17.13** During the year, the Company obtained term finance facility from Askari Bank Limited amounting to Rs. 2,000,000 for a period of seven years. The borrowing is secured by way of long term ranking charge by way of hypothecation over all fixed assets of the Company (excluding land and buildings) with a 25% margin, amounting to Rs. 2,666,667.

(Amounts in thousand)

- 17.14** During the year, the Company entered into a diminishing musharaka agreement with Allied Bank Limited for a loan facility amounting to Rs. 2,000,000 for a period of ten years. The borrowing is secured by way of pari passu charge over the Company's fixed assets (plant and machinery), with a 25% margin amounting to Rs. 2,667,667.
- 17.15** During the year, the Company entered into a diminishing musharaka agreement with Bank Alfalah Limited for a loan facility amounting to Rs. 5,000,000 for a period of seven years. The borrowing is secured by way of first joint pari passu charge over the fixed assets of the Company (plant and machinery) with a 20% margin, amounting to Rs. 6,250,000.
- 17.16** During the year, the Company entered into a running musharaka agreement with Meezan Bank Limited for a loan facility amounting to Rs. 3,500,000 repayable after a period of one year and six months. The borrowing is secured by way of first joint pari passu hypothecation charge over the current assets of the Company with a 16.67% margin, amounting to Rs. 4,200,000.
- 17.17** Following are the changes in the long-term borrowings for which cash flows have been classified as financing activities in the statement of cash flows:

	2025Rupees.....	2024
Balance at beginning of the year	29,170,314	24,174,071
Add: Loans received - net of transaction costs	29,805,103	8,000,000
Add: Amortisation of transaction costs - note 33	41,941	46,214
Add: Exchange loss / (gain) - net	22,439	(57,209)
Less: Loans / installments repaid	(4,977,027)	(2,992,762)
Balance at end of the year	54,062,770	29,170,314

- 17.18** The proceeds from the aforementioned loans are carried net of unamortised balance of transaction cost of Rs. 279,901 (2024: Rs. 101,945).
- 17.19** The value of benefit of below-market interest rate on the loans disclosed in note 17.2 has been accounted for as government grant. The movement of carrying amount of deferred grant in respect of these loans is as under:

	2025Rupees.....	2024
Balance at beginning of the year	180,962	244,285
Less: Amortisation during the year - note 33	(56,088)	(63,323)
Balance at end of the year	124,874	180,962
Less: Current portion	(38,487)	(45,090)
	86,387	135,872

- 17.20** In respect of the above facilities, as stated in notes 17.1 to 17.16, the Company is required to comply with certain financial covenants at the end of each annual reporting period and on a quarterly basis incase of Ijarah facility from IFC. The details of such covenants are:

(Amounts in thousand)

Type of Ratio	Minimum Requirement
Current Ratio	Minimum 0.6x - 1.0x
Debt Service Coverage Ratio	Minimum 0.5x - 1.5x
Debt to Equity Ratio	75:25
Interest Coverage Ratio	Minimum 0.17x - 3.0x
Debt to EBITDA Ratio	Maximum 2.5x - 6.0x
Liabilities to Total tangible net worth	Maximum 2.0x
Gearing Ratio	Maximum 1.0x - 2.5x
Security coverage ratio	Minimum 1.25x
Operating profit to musharkah assets	Minimum 20%
Operating profit to total revenue	Minimum 10%
Profit coverage ratio	Maximum 2.5x
Adjusted leverage	Maximum 3.5x

During the year, continued decline in operating profit caused by subdued core delta margin and rising raw material costs did not practically allow the Company to pass additional costs to its customers through price increases in the short term. As a result, the Company sought waivers and relaxations in the aforementioned requirements to mitigate the risk of non-compliance of covenants at reporting date and in the ensuing year, which were granted by lenders for the next twelve months. The Company based on its projections remains confident that either there will be no indicators that the Company will have difficulties in complying with the required financial covenants when these will be next tested, or necessary waivers will be obtained in the ensuing period.

18. lease liabilities

	2025Rupees.....	2024
Total lease liabilities - note 18.1	378,760	1,225,903
Current portion	(219,521)	(830,704)
Non current portion	159,239	395,199

18.1 This includes lease liability in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 364,960 (2024: Rs.1,186,100).

18.2 Movement in lease liabilities during the year is as follows:

	2025Rupees.....	2024
Balance at beginning of the year	1,225,903	2,487,072
Finance costs - note 33	47,301	100,624
Exchange loss / (gain) on foreign currency denominated leases - notes 31.3	9,558	(27,294)
Termination of lease - note 5.2	(14,065)	-
Lease rentals paid	(889,937)	(1,334,499)
Balance at end of the year	378,760	1,225,903

19. provisions

	2025Rupees.....	2024
Provision for:		
- Gas Infrastructure Development Cess - note 19.1	5,593,211	5,593,211
- Gas price revision - note 19.2	517,392	517,392
- Off-the-grid levy - note 19.3	959,910	-
	7,070,513	6,110,603

(Amounts in thousand)

19.1 Under the Gas Infrastructure Development Cess Act, 2011, the Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Later, the GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Company obtained ad-interim stay orders from the SHC. However, on prudent basis the Company recognised a provision of Rs. 1,345,789 till May 21, 2015.

On May 22, 2015, the GIDC Act, 2015 was promulgated whereby cess rate of Rs.100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and the GIDC Ordinance, 2014.

The Company, based on the advice of its legal counsel, was of the view that as per GIDC Act, 2015, the uncollected portion of cess levied through GIDC Act, 2011 and GIDC Ordinance 2014, shall not be collected from the industrial sector. Therefore, the Company reversed the provision relating to industrial portion of GIDC of Rs. 753,664 for the period prior to promulgation of GIDC Act, 2015 and retained GIDC provision of Rs. 592,125 in respect of captive power.

On August 13, 2020, the Supreme Court of Pakistan (SCP) announced the decision rendering the GIDC Act 2015 intra virus to the constitution and directed the gas supplying companies to recover the dues in 24 monthly installments. A review petition was filed against the said order which was disposed-off in November 2020. The SCP in review petition, elaborated that deliberation on any provision of GIDC Act, 2015 can be contested on appropriate forum and mentioned that the installments period can be extended to 48 months. The Company has obtained ad-interim stay order dated October 5, 2020 against the GIDC Act, 2015 from SHC which restrained Sui Southern Gas Company Limited (SSGC) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter.

Considering the aforementioned developments in GIDC case (including the Judgement and the Review petition decision on GIDC), the Institute of Chartered Accountants of Pakistan (ICAP) released financial reporting guidance on the "Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021 (the Circular) which discusses key accounting considerations for gas consumer companies. Keeping in view the financial reporting guidance of ICAP and giving due consideration to the latest available information and the expected timing of the settlement (i.e. monthly installment rather than lump sum amount), the Company had remeasured its previously undiscounted provision at its present value using risk free discount rate to incorporate the effect of time value of money arising from the expected settlement based on an installment plan and had accordingly, recognised remeasurement gain on provision for GIDC of Rs. 680,996 in 2020 which was fully recognised by 2023.

19.2 In 2017, the Company had filed a suit in the SHC, against the increase in tariff of natural gas sold to industries and captive power plants notified by Oil and Gas Regulatory Authority (OGRA) vide SRO no. (1) / 2016 dated December 30, 2016, whereby, the Company cited the increase as illegal and unconstitutional. On September 6, 2024, the SHC disposed off the aforementioned suit in the Company's favour, however, the same was subsequently challenged by OGRA in SHC through appeal. During the year, the judgement in respect of this appeal has been announced in the Company's favour. However, the same has been challenged by OGRA in the SCP. Accordingly, on account of prudence, the Company has continued to recognise the provision of Rs. 517,392 against gas price revision for the period from December 2017 to September 2018 in these financial statements.

19.3 On January 30, 2025, the Government of Pakistan (GoP) promulgated the Off the Grid (Captive Power Plants) Levy Ordinance, 2025 (the Gas Levy Ordinance), with an aim to address the disparity in gas energy costs supplied to captive power plant. The Company, being aggrieved challenged the notification before the Islamabad High Court (IHC) and secured a stay order on March 26, 2025. This stay was vacated by the IHC on April 8, 2025, allowing the GoP to collect gas levy from the Company. In light of the vacated stay order, SSGC demanded retrospective payment of the levy from February 2025 in May 2025 bills. The Company being

(Amounts in thousand)

aggrieved filed a constitutional petition CP No. 1802 of 2025 in SHC praying that impugned notification, being an executive action, cannot be given retrospective effect. The said petition has been decided in favour of the Company by SHC declaring the retrospective payment ultra vires. Furthermore, the Company had filed another constitutional petition CP. No. 1259 of 2025 in the Balochistan High Court (BHC) to challenge the Gas Levy Ordinance, along with the levy amount charged from March 2025 and onwards. On August 12, 2025, the BHC granted a stay on the levy subject to submission of post-dated cheques equal to the levy amount. This stay was subsequently vacated by the BHC allowing the GoP to collect gas levy from the Company. Hence, the Company made a payment of Rs. 505,474 against the billed amount of Rs.1,028,561 pertaining to period from March to August 2025. As of reporting date, the Company has recognised gas levy accrual amounting to Rs. 198,555 (note 21) and gas levy provision amounting to Rs. 959,910 (note 19) in these financial statements.

20. deferred tax liability - net

	2025Rupees.....	2024
Credit balances arising due to:		
- accumulated depreciation	8,325,085	7,569,455
Debit balances arising due to:		
- unpaid liabilities	478,838	535,115
- leases	77,935	226,184
- provisions	2,383,135	2,181,352
- shares issuance cost	77,771	77,771
- tax losses - note 20.1 and 20.2	1,855,660	1,956,031
- minimum turnover tax - note 20.1	1,514,810	727,355
	(6,388,149)	(5,703,808)
	1,936,936	1,865,647

20.1 The Company has recognised deferred tax asset for business loss, depreciation loss and minimum turnover tax amounting to Rs. 107,126, Rs. 1,748,534 and Rs. 1,514,810 (2024: Rs. 299,598, Rs. 1,656,433 and Rs. 727,355) respectively. This recognition is based on the Company's financial projections, which indicate availability of sufficient future taxable profits to realise the assets.

20.2 During the year, the Company, under section 59B of the Ordinance, has surrendered its portion of assessed tax loss for the year ended December 31, 2024 (tax year 2025) to Engro Fertilizers Limited, a related party, for cash consideration of Rs 1,375,426 being equivalent to tax benefit / effect of loss surrendered thereof. The cash consideration to the extent of Rs.1,104,711 was adjusted against the related deferred tax liability previously recognised by the Company, whereas Rs. 270,715 has been recognised as an accrual on account of potential tax adjustments.

21. trade and other payables

	2025Rupees.....	2024
Trade and other creditors - note 21.1	13,686,684	8,442,160
Accrued liabilities - notes 21.1 and 21.2	9,223,675	8,815,203
Advances from customers notes 21.1 and 21.3	3,296,630	2,080,930
Retention money	589	22,511
Security deposits - note 21.4	10,500	17,400
Payable to provident fund	26,520	84
Payable to gratuity fund	12,498	2,406
Payable to pension fund	1,775	1,775
Workers' Profits Participation Fund - note 21.6	8,364	8,364
Withholding tax payable	89,953	3,668
Others	89,782	52,026
	26,446,970	19,446,527

(Amounts in thousand)

21.1 Includes due to following related parties:

	2025Rupees.....	2024
- Engro Corporation Limited	803,714	80,223
- Engro Fertilizers Limited	3,399	380,922
- Engro Energy Limited	157,213	160,139
- Engro Elengy Terminal (Private) Limited	-	22
- Think PVC (Private) Limited	4,377	-
- Engro Vopak Terminal Limited	7,715	137,733
- Engro Eximp FZE	11,138,242	6,986,584
- Engro Powergen Qadirpur Limited	397	403
- Sindh Engro Coal Mining Company Limited	178	4,550
- Engro Powergen Thar (Private) Limited	50	-
- Engro Foundation	60,000	-
	12,175,285	7,750,576

21.2 On June 4, 2021, the SHC through its judgement upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from December 28, 2006 as valid and declaring it within the competence of provincial legislature. The Company filed a petition against the judgement before the Supreme Court of Pakistan (SCP) challenging the High Court of Sindh (SHC) judgement. Later, on September 2021, the SCP suspended the judgement of SHC along with the recovery of the Cess. For all future consignments, the Company is required to furnish fresh bank guarantees equivalent to the full amount of levy. Management is confident that ultimate outcome of the case will be decided in its favor, however, on prudence basis, has recognised Rs. 3,324,479 (2024: Rs. 2,715,122) in respect of the Cess in these financial statements.

21.3 This represents unsecured advances received by the Company from customers and distributors for goods to be delivered. The advances outstanding as at December 31, 2024 have been fully recognised as revenue during the year.

21.4 These represent interest-free deposits from dealers for the performance of their service as defined in the dealership agreements. The deposits are refundable on termination of dealership agreements and are payable on demand. The amount is fully utilised in business in accordance with the requirements of written agreements and in terms of section 217 of the Companies Act, 2017.

21.5 The movement in Workers' Welfare Fund payable is as follows:

	2025Rupees.....	2024
Balance at beginning of the year	-	255,955
Charge for the year - note 31	-	12,949
	-	268,904
Less: Payments made during the year	-	(268,904)
Balance at end of the year	-	-

21.6 The movement in Workers' Profit Participation Fund payable is as follows:

	2025Rupees.....	2024
Payable balance at beginning of the year	8,364	22,742
Interest charged during the year - note 33	-	1,580
	8,364	24,322
Less: Payments made during the year	-	(15,958)
Payable balance at the end of the year	8,364	8,364

(Amounts in thousand)

22. service benefit obligations

Service incentive plan - note 22.1	-	98,860
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22.1 Represented provision for annual employment benefits payable to eligible employees who have successfully completed 3 years of vesting period with the Company. The said benefit has been discontinued from January 1, 2025.

23. short-term borrowings

	2025Rupees.....	2024
Conventional short term loan - note 23.1	675,000	-
Conventional running finance facility - note 23.2	-	1,543,858
Islamic running finance facility - note 23.2	-	1,999,911
Conventional money market finance facility - note 23.3	-	1,980,000
Islamic money market finance facility - note 23.3	-	6,324,858
	675,000	11,848,627

23.1 The aggregate facility for a conventional short-term loan available from the bank as at December 31, 2025, amounted to Rs. 1,500,000 (2024: Nil), out of which Rs. 825,000 (2024: Nil) remained unutilised at year end. These facilities carry mark-up at 6-month KIBOR plus a spread of -3% (2024: Nil). The facility is secured by a ranking charge of Rs. 1,875,000 over the Company's stocks and receivables.

23.2 The aggregate facility for running finance available from banks as at December 31, 2025, amounted to Rs. 8,225,000 (2024: Rs. 23,850,000), out of which Rs. 8,225,000 (2024: Rs. 20,306,231) remained unutilised as at year end. These facilities are secured through hypothecation charges against the current assets of the Company and are payable on demand.

23.3 Represented money market loan facility carrying mark-up of 6, 3 and 1 month KIBOR plus a spread ranging from -2 % to 0.1% per annum. These facilities were secured through hypothecation charges against the current assets of the Company.

24. accrued interest/mark-up

	2025Rupees.....	2024
Mark-up accrued on:		
- long-term borrowings	509,129	302,808
- short-term borrowings	13,466	314,680
	522,595	617,488

25. income tax recoverable

25.1 The Deputy Commissioner Inland Revenue (DCIR) through his order dated November 30, 2010 raised a tax demand of Rs. 163,206 for tax year 2009. The demand arose as a result of disallowance of finance costs of Rs. 452,665, additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Ordinance, disallowance of provision for retirement benefits of Rs. 14,239, disallowance of provision against Special Excise Duty (SED) refundable of Rs. 36,689, addition of imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss.

In 2013, the Appellate Tribunal Inland Revenue (ATIR) issued an order whereby the aforementioned appeal was disposed of by accepting Company's position except for additions on account of SED provision of Rs. 36,689 and imputed interest on loans to employees and executives to the extent of Rs. 218, which were maintained. The Company filed a reference in the Sindh High Court (the SHC) against the additions maintained by ATIR. Likewise, the tax department has also filed reference in SHC against the order passed by the ATIR in favour of the Company. The management of the Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favourable and, accordingly, no provision has been recognised in these financial statements.

(Amounts in thousand)

25.2 Through Finance Act 2015, section 4B of the Income Tax Ordinance, 2001 (the Ordinance) was inserted which levied super tax at specified rates on income for the tax year 2015. This levy was subject to the threshold of taxable income of Rs. 500,000. The levy was extended upto tax year 2020 vide subsequent Finance Acts. Through Finance Supplementary Act, 2019, the super tax rate was amended to 0% from tax year 2020 and onwards for companies other than the banking companies. On August 1, 2018, the Company filed petition against the levy of super tax in the SHC, however, based on the opinion of its legal advisor, the Company made a provision for the full amount of super tax of Rs. 328,000. In 2020, super tax was declared intra vires by the SHC and has been declared a tax rightly introduced through Finance Act and vacated all the stays filed in this respect. Consequently, the Company received various notices from tax authorities for recovery of super tax for tax years 2017 to 2019. The Company filed appeal, against the said notices with Commissioner Inland Revenue - Appeals [CIR(A)] whereby the action of the officer has been confirmed by the CIR(A) for tax years 2017 to 2019. The Company has filed an appeal thereagainst before the ATIR against the decision of the CIR(A) which is pending adjudication.

In the meanwhile, the Company also filed petition in the SCP against the order of the SHC, which is pending adjudication. In November 2020, the SCP conditionally granted stay subject to deposit of 50% of super tax demand.

During the year, pursuant to the 27th Constitutional amendment the cases related to section 4B and 4C of the Ordinance were transferred to the Federal Constitutional Court (FCC) and, the FCC, through its short order dated January 27, 2026, has upheld the constitutionality of section 4B and 4C of the Ordinance, confirming the validity of the "Super Tax", setting aside any contrary findings by the lower courts. The Company, is now required to discharge the balance super tax amount relating to section 4B of the Ordinance and could explore the right to appeal on receipt of full order.

25.3 Through the notice dated January 20, 2020, the Additional Commissioner Inland Revenue (ACIR) raised issues inter alia with respect to the adjustment of carried forward minimum tax from the tax liability of tax year 2019 and required the Company to pay Rs. 552,331 being the amount short paid with the income tax return. The Company filed a Constitutional Petition in the SHC challenging the notice. SHC through its order dated February 6, 2020, dismissed the case based on the decision of the SHC in respect of another company. However, the SHC directed the department to refrain from passing the order on the basis of the aforesaid notice for a period of thirty days which was then extended for further thirty days to enable the Company to approach the SCP. The Company filed Civil Petition for Leave to Appeal (CPLA) against SHC order in the SCP, which was heard on March 18, 2020 and an interim stay was granted to the Company.

In 2023, the income tax department amended the assessment filed by the Company for tax year 2019. The Company preferred an appeal thereagainst before the CIR(A) against the disallowances, which mainly pertained to the adjustment of minimum tax carried forward resulting in excess demand of Rs. 532,754, which was paid under protest.

During the year, the SCP disposed of the CPLA filed by the Company in 2020, which had challenged the order dated February 6, 2020, passed by the SHC. In light of this judgement of SCP, which is final and without recourse, the Company has recognised a prior year tax provision amounting to Rs. 975,501 which pertains to minimum turnover tax adjusted in tax year 2019.

25.4 In accordance with section 4C 'Super tax on high earning persons' introduced in the Ordinance through the Finance Act, 2022, super tax at the rate of 10% was imposed retrospectively on specified industry sectors (including the chemical sector) in case the taxable income exceeded Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) while for certain other sectors super tax was levied at the rate of 4%. The Company filed a petition against the imposition of super tax before the SHC. The SHC in its judgement dated December

(Amounts in thousand)

22, 2022, declared that the super tax levy shall only be applicable from the tax year 2023 and that the imposition of higher rate on specified sectors is discriminatory. The Federal Board of Revenue (FBR) filed an appeal against the order of the SHC in the SCP, whereby, SCP through an interim order dated February 16, 2023, directed Nazir of the SHC to encash bank guarantees to the extent of 4% of super tax, resultantly, bank guarantees equivalent to Rs. 665,210 were encashed in 2023 in favour of the Nazir of SHC. The Company's management, in this respect had recognised provision of super tax at the rate of 4% amounting to Rs. 632,543 on account of prudence on its normal tax regime income and based on advice from its consultants, considered that the chances of additional super tax levy of 6% amounting to Rs. 957,494 to be remote.

During the year, pursuant to the 27th Constitutional amendment the cases related to section 4B and 4C of the Ordinance were transferred to the the FCC, and the FCC, through its short order dated January 27, 2026, has upheld the constitutionality of section 4B and 4C of the Ordinance, confirming the validity of the "Super Tax", including the retrospective application of super tax in prior periods and the applicability of the additional rate of 6% on specified industries for Tax Year 2022, setting aside any contrary findings by the lower courts. The Company, is now required to discharge the balance super tax amount relating to section 4C of the Ordinance and could explore the right to appeal on receipt of full order.

Based on this order, the Company has recognised a provision amounting to Rs. 648,240 relating to tax year 2022 in these financial statements on account of the additional 6% super tax levy, net of tax credit available under section 65E of the Ordinance.

25.5 Through Finance Act, 2023, super tax rate under section 4C of the Ordinance was retrospectively increased to 10% on companies whose taxable income exceeded Rs. 500,000 for tax year 2023 (financial year ended December 31, 2022) and onwards. Accordingly, the Company recognised an additional super tax charge at the rate of 6% amounting to Rs. 808,351 in respect of prior period pertaining to tax year 2023. The Company along with other petitioners challenged the amendment relating to retrospective increase in the super tax rate for tax year 2023 in the Islamabad High Court (IHC), which granted an interim stay order against the increase in super tax rate without submission of any bank guarantees as well.

In 2024, the FBR filed an appeal before the SCP stating that the IHC had no jurisdiction to entertain petitions of Sindh based companies, hence the petition and interim stay order passed by the IHC with respect to the retrospective rate enhancement of super tax charge of 6% should be annulled. SCP remanded the case back to IHC with the direction to pass a speaking order justifying the reasons for inapplicability of incremental 6% retrospective rate enhancement. Later, IHC passed an order dated March 15, 2024, as per the directive of SCP, whereby the IHC decided that 6% incremental super tax is not applicable retrospectively on tax year 2023 and prior periods. Further, the IHC also ruled that super tax should be calculated excluding all the income which falls under the final tax regime. The FBR has currently filed an intra court appeal in IHC against the said order, which is pending adjudication. Hence, the Company on account of prudence continued to maintain its provision in respect of 6% incremental super tax.

During the year, pursuant to the 27th Constitutional amendment the cases related to section 4B and 4C of the Ordinance were transferred to the the FCC and, the FCC, through its short order dated January 27, 2026, has upheld the constitutionality of section 4B and 4C of the Ordinance, confirming the validity of the "Super Tax," including the retrospective application of super tax in prior periods, setting aside any contrary findings by the lower courts. The Company, is now required to discharge the balance super tax amount relating to section 4C of the Ordinance and could explore the right to appeal on receipt of full order.

25.6 In 2023, income tax department finalised the monitoring proceedings for tax years 2018 to 2022 against the Company and raised a demand amounting to Rs. 316,851 on account of alleged non-withholding of taxes on payments made to various parties. The tax demand was paid by the Company under protest and the Company, subsequently preferred an appeal before the CIR(A) to contest the aforementioned monitoring proceedings.

(Amounts in thousand)

In 2024, the CIR(A) passed an order in favor of the Company for tax years 2018, 2019, 2021 and 2022 in respect of demand of Rs. 114,547 raised on account of alleged non-withholding of taxes on payments made to various parties by remanding back the order to the CIR. Being aggrieved the FBR has filed an appeal before the ATIR against the said decision of CIR(A). As at December 31, 2025, appeal for tax year 2020 in the above case is also pending before the ATIR. The Company, based on the advice from its tax consultant, expects a favourable outcome in this respect and hence no provision has been recognised in these financial statements.

25.7 In 2024, the income tax department amended the assessment filed by the Company for tax year 2022. The Company has preferred an appeal thereagainst before the CIR(A) related to the disallowances mainly pertaining to adjustment in respect of exchange gain/loss that resulted in excess demand of Rs. 500,019, which has been paid by the Company under protest. However, the Company based on the advice of its tax consultant is confident of a favourable outcome, accordingly, no provision in this respect has been recognised in these financial statements.

25.8 In 2023, in accordance with section 59B (Group relief) of the Ordinance, the Company had purchased tax losses from Engro Corporation Limited (the Intermediate Parent Company) and Engro Eximp Agriproducts (Private) Limited (EEAP) for the year ended December 31, 2020 (tax year 2021) and December 31, 2022 (tax year 2023), respectively for a consideration of Rs. 373,489 and Rs. 228,688, respectively, being equivalent to resultant tax benefit. The Company, accordingly, had adjusted the aforementioned losses against its taxable income for the year 2023 and had adjusted the income tax recoverable in these financial statements. The recoupment of these losses against taxable income of the Company was subject to certain conditions as specified in Section 59B the Ordinance.

During the year, on disposal of EEAP by the Intermediate Parent Company, the tax loss purchased from EEAP did not adhere to the specific conditions specified in section 59B of the Ordinance, and accordingly tax loss purchased from EEAP has been derecognised from income tax recoverable and recognised as receivable from Intermediate Parent Company.

26. contingencies and commitments

26.1 Contingencies

26.1.1 Income tax related contingencies are disclosed in notes 25.1 to 25.8.

26.1.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at December 31, 2025 amount to Rs. 10,119,500 (2024: Rs. 9,346,000). The amount utilised there against as at December 31, 2025 is Rs. 9,020,790 (2024: Rs. 7,831,507).

26.2 Commitments

26.2.1 The facility for opening letters of credit as at December 31, 2025 aggregates to Rs. 39,980,550 (2024: Rs. 42,085,500). The amount utilised thereagainst as at December 31, 2025 was Rs. 14,210,234 (2024: Rs. 15,843,340).

26.2.2 Commitments in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregating to USD 774 (2024: USD 3,870) are valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregating to USD 1,668 (2024: USD 2,224) are valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregating to USD 298 (2024: USD 644) are valid till June 30, 2026.

(Amounts in thousand)

	2025	Rupees.....	2024
26.2.3 Commitments in respect of expenditure of capital and other operational items	6,007,363		6,035,471
27. revenue from contracts with customers - net			
Gross local sales - note 27.1	90,761,319		85,370,367
Supply of electricity - note 27.2	717,347		221,912
Less:			
- Sales tax	13,933,450		12,530,819
- Discounts	583,446		975,150
	14,516,896		13,505,969
	76,961,770		72,086,310
Export sales - note 27.3	443,898		3,591,437
	77,405,668		75,677,747
27.1	This includes revenue against sale of other utilities to Engro Fertilizers Limited, a related party, and Engro Peroxide (Private) Limited, a wholly owned subsidiary, amounting to Rs. 109,920 (2024: Nil) and Rs. 454,726 (2024: Nil), respectively.		
27.2	This represents revenue against supply of surplus power to Engro Fertilizers Limited, a related party, and Engro Peroxide (Private) Limited, a wholly owned subsidiary, amounting to Rs. 242,357 (2024: 221,912) and Rs. 474,990 (2024: Nil), respectively.		
27.3	The Company has made exports to the Middle East and Afghanistan.		

(Amounts in thousand)

	2025	Rupees.....	2024
28. cost of sales			
Opening stock of work-in-process	327,376		431,254
Raw and packing materials consumed	34,359,028		38,261,234
Salaries, wages and staff welfare - note 28.1	2,608,904		2,318,834
Fuel, power and gas	21,666,693		17,586,839
Repairs and maintenance	1,019,124		1,292,536
Depreciation on operating assets - note 4.3	2,805,960		2,020,013
Depreciation on right-of-use asset - note 5.1	451,249		499,501
Consumable stores	635,508		622,363
Purchased services	1,039,181		1,421,153
Storage and handling - note 28.2	705,242		582,413
Training, conveyance and travelling	309,901		304,562
Communication, stationery and other office expenses	152,828		138,650
Rent, rates and taxes - note 28.3	97,201		165,775
Product transportation	2,988,522		2,846,394
Insurance, fees and subscription	477,332		578,584
Provision against slow moving stores and spares - note 9.3	143,277		86,813
Provision reversed against stock-in-trade - note 10.3	-		(15,657)
Write-off of:			
- stores and spares - note 9.2	-		4,336
- stock in trade - note 10.4	-		114,647
Amortisation of intangible assets - note 6.2	8,388		8,924
	69,468,338		68,837,914
Closing stock of work-in-process	(275,661)		(327,376)
Cost of goods manufactured	69,520,053		68,941,792
Opening stock of manufactured products	5,736,353		5,902,479
Closing stock of manufactured products	(3,125,010)		(5,736,353)
	2,611,343		166,126
	72,131,396		69,107,918
28.1	Includes Rs. 193,213 (2024: Rs. 173,507) in respect of staff retirement and other service benefits.		
28.2	Includes expense relating to variable lease payments not included in lease liabilities amounting to Rs. 246,038 (2024: Rs. 196,654).		
28.3	These include rentals for short-term leases amounting to Rs. 91,162 (2024: Rs. 104,295).		

29. distribution and marketing expenses

2025Rupees..... 2024

Salaries, wages and staff welfare - note 29.1	257,040	226,890
Dealer commission	338,092	278,523
Sales promotion	6,045	14,393
Rent, rates and taxes - note 29.2	3,196	2,144
Purchased services	17,777	22,498
Depreciation on operating assets - note 4.3	21,037	19,748
Depreciation on right-of-use asset - note 5.1	8,733	8,840
Training, conveyance and travelling	25,470	66,727
Communication, stationery and other office expenses	23,071	21,872
Amortisation of intangible assets - note 6.2	2,158	2,158
	702,619	663,793

29.1 Includes Rs. 22,731 (2024: Rs. 15,864) in respect of staff retirement and other service benefits.**29.2** These include rentals for short-term leases amounting to Rs. 1,141 (2024: Rs. 1,456).**30. administrative expenses**

2025Rupees..... 2024

Salaries, wages and staff welfare - note 30.1	525,074	504,300
Rent, rates and taxes - note 30.2	182,285	166,040
Purchased services	595,162	1,010,487
Depreciation on operating assets - note 4.3	90,366	63,517
Depreciation on right-of-use asset - note 5.1	-	2,221
Amortisation of intangible assets - note 6.2	104,219	95,560
Training, conveyance and travelling	35,022	96,602
Communication, stationery and other office expenses	121,016	113,329
Others	563	2,925
	1,653,707	2,054,981

30.1 Includes Rs. 32,491 (2024: Rs. 31,206) in respect of staff retirement and other service benefits.**30.2** These include rentals for short-term leases amounting to Rs. 6,759 (2024: Rs. 57,336).**31. other expenses**

2025Rupees..... 2024

Legal and professional	175,888	121,196
Auditor's remuneration - note 31.1	31,619	23,787
Donations - note 31.2	60,000	30,868
Foreign exchange loss (net) - note 31.3	364,339	-
Loss on disposal of operating assets - note 4.4	-	17,694
Workers' Welfare Fund - note 21.5	-	12,949
	631,846	206,494

31.1 Auditor's remuneration

Fee for:

2025Rupees..... 2024

- Annual statutory audit	3,200	2,622
- Review of half yearly financial information	950	626
- Review of compliance with the Code of Corporate Governance	450	88
- Taxation and other advisory services	20,183	17,183
- Certifications and other services	4,690	1,122
Reimbursement of expenses	2,146	2,146
	31,619	23,787

31.2 This includes donations made to:

- Engro Foundation, a related party - note 31.2.1

60,000 -

31.2.1 Mr. Ahsan Zafar Syed (the Chairman of the Board of Directors) is the trustee of Engro Foundation.**31.3** Includes loss of Rs. 9,558 (2024: gain of Rs. 27,294) arising on translation of foreign currency denominated lease liabilities.**32. other income****On financial assets**

2025Rupees..... 2024

Profit on bank deposits	93,165	148,884
Income from investments	74,210	287,944
Income on:		
- subordinated loans given to subsidiary companies	356,306	689,569
- intercompany balance due from associate	-	23,160
Foreign exchange gain (net) - note 31.3	-	90,591
	523,681	1,240,148

On non-financial assets

Scrap sales

373,111 256,899

Gain on disposal of:

- operating assets - note 4.4
- right-of-use asset - note 5.2

17,529 -
7,031 -

Others

12,031 14,323

409,702 271,222

933,383 1,511,370

33. finance costs

Interest / mark-up on:

- long-term borrowings
- lease liabilities - note 18.2
- short-term borrowings and other facilities
- Less: Amortisation of deferred income
- Government grant - note 17.19

Guarantee commission
Amortisation of transaction costs - note 17.17
Letter of credit and related charges
Interest on WPPF - note 21.6
Bank and others charges

2025Rupees.....	2024
3,346,665	4,013,763
47,301	100,624
1,149,624	2,250,066
(56,088)	(63,323)
4,487,502	6,301,130
42,053	31,219
41,941	46,214
1,003,472	982,537
-	1,580
130,150	160,040
5,705,118	7,522,720

34. minimum tax differential

- for the year - note 34.1
- for prior year - note 36.3

2025Rupees.....	2024
3,594	22,930
(2,235)	12,633
1,359	35,563

34.1 This represents minimum tax paid under section 154 of the Ordinance.

35. final tax

- for the year - note 35.1
- for prior years - note 36.3

2025Rupees.....	2024
16,387	8,906
(64,630)	(86,871)
(48,243)	(77,965)

35.1 This includes final tax paid under section 37A of the Ordinance.

36. income tax

Current
- for the year
- for prior years - notes 36.1, 36.2 and 36.3

Deferred

2025Rupees.....	2024
782,663	790,852
855,136	(2,542,795)
1,637,799	(1,751,943)
(1,033,422)	(1,182,784)
604,377	(2,934,727)

36.1 Includes tax charge in respect of the reversal of carried forward minimum turnover tax adjusted in tax year 2019 amounting to Rs. 975,501, as disclosed in note 25.3.

36.2 Includes tax charge on account of additional super tax of 6% amounting to Rs. 648,240 in respect of tax year 2022, as disclosed in note 25.4.

36.3 Includes a reversal aggregating to Rs. 835,470 against tax provision, based on finalization of related income tax orders/returns.

36.4 Relationship between income tax expense and accounting loss

Loss before income tax

Tax calculated at applicable rate of 29% (2024: 29%)

Tax effect of super tax, final and minimum tax regime, tax credits and income subject to lower / reduced tax rates
Prior year tax charge - net
Effect of inadmissible expenses / permanent differences
Others

2025Rupees..... 2024

(2,438,751)	(2,324,387)
(707,238)	(674,072)
438,151	280,166
855,136	(2,542,795)
17,400	-
928	1,974
604,377	(2,934,727)

37. shariah related disclosures

Note	2025			2024		
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
Statement of financial position						
----- Rupees -----						
Long-term investments	7	-	12,837,000	-	6,837,000	6,837,000
Short-term investments	13	12,165,773	9,238,554	1,284,971	160,035	1,445,006
Cash and bank balances	14	1,522,237	2,821,478	1,037,923	2,303,267	3,341,190
Long-term borrowings	17	1,988,500	52,074,270	-	29,170,314	29,170,314
Lease liabilities	18	378,760	-	1,225,903	-	1,225,903
Short-term borrowings	23	675,000	-	3,523,858	8,324,769	11,848,627
Accrued interest / mark-up	24	14,090	508,505	314,680	302,808	617,488
Statement of profit or loss and other comprehensive income						
Revenue from contracts with customers - net	27	-	77,405,668	-	75,677,747	75,677,747
Foreign exchange loss (net)	31	-	364,339	-	-	-
Profit on bank deposits	32	58,957	34,208	137,998	10,886	148,884
Income from investments	32	37,719	36,491	238,161	49,783	287,944
Income on subordinated loans given to subsidiary companies	32	356,306	-	689,569	-	689,569
Income on intercompany balance due from associate	32	-	-	23,160	-	23,160
Foreign exchange gain (net)	32	-	-	-	90,591	90,591
Scrap sales	32	-	373,111	-	256,899	256,899
Gain on disposal of operating assets	32	-	17,529	-	-	-
Insurance claim	32	7,031	-	-	-	-
Other income	32	-	12,031	-	14,323	14,323
Finance cost	33	1,616,767	4,088,351	1,955,622	5,567,098	7,522,720

38. (loss) / earnings per share - basic and diluted

38.1 Basic (loss)/earnings per share has been calculated by dividing the profit attributable to ordinary share holders of the Company by weighted average number of ordinary shares in issue during the year.

38.2 Diluted earnings per share presents the effect of conversion of potential ordinary shares (preference shares) where it leads to decrease in earnings per share or increase in loss per share.

38.3 The information necessary to calculate basic (loss)/earnings per share is as follows:

	2025Rupees.....	2024
(Loss)/Profit for the year	(3,043,128)	610,340
Less: Dividends on convertible preference shares	-	(201,000)
	(3,043,128)	409,340
Weighted average number of shares outstanding during the year for determination of basic EPS	908,923	908,923

38.4 The information necessary to calculate diluted (loss)/earnings per share is as follows:

	2025Rupees.....	2024
(Loss)/Profit for the year	(3,043,128)	610,340
Weighted average number of shares outstanding during the year for determination of basic EPS	908,923	908,923
Add: Adjustment for conversion of convertible preference shares	300,000	300,000
Weighted average number of shares outstanding during the year end for determination of diluted EPS	1,208,923	1,208,923

39. retirement and other service benefits

39.1 In 2013, the Company replaced its provident fund with the provident fund operated and managed by Engro Corporation Limited - the Holding Company.

39.2 The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under.

40. remuneration of chief executive, directors and executives

The aggregate amounts for remuneration, including all benefits, to the Chief Executive, Directors and executives of the Company are given below:

	2025			2024		
	Director			Director		
	Chief Executive	Others	Executives	Chief Executive	Others	Executives
	-----Rupees-----					
Managerial remuneration - note 40.1	61,188	-	1,722,503	50,292	-	1,322,095
Retirement benefit funds	5,510	-	220,268	6,407	-	204,407
Bonus	13,580	-	446,389	28,180	-	542,466
Other benefits	512	-	303,157	415	-	406,798
Director's fee	-	8,300	-	-	15,705	-
Total	80,790	8,300	2,692,317	85,294	15,705	2,475,766
Number of persons including those who worked part of the year	1	9	357	2	7	344

40.1 The Company also provides vehicles for the use of the Chief Executive and certain executives.

41. cash generated from operations

	2025Rupees.....	2024
Loss before income tax	(2,438,751)	(2,324,387)
Adjustments for non cash-charges and other items:		
Staff retirement and other service benefits	-	83,862
Depreciation:		
- operating assets - note 4.3	2,917,363	2,103,278
- right-of-use asset - note 5.1	459,982	510,562
Amortisation of intangible assets - note 6.2	114,765	106,642
Write-off of:		
- stores and spares - note 9.2	-	114,647
- stock-in-trade - note 10.4	-	-
Provision made / (reversed) against:		
- slow moving stores and spares - note 9.3	143,277	86,813
- stock-in-trade - note 10.3	-	(15,657)
Unrealised foreign exchange loss / (gain) on financial assets and liabilities - net	12,919	(72,600)
Income on financial assets - note 32	(523,681)	(1,240,148)
Finance costs - note 33	5,705,118	7,522,720
(Gain) / loss on disposal of operating assets	(17,529)	17,694
Gain on disposal of right-of-use asset	(7,031)	-
Provision for off-the-grid levy - note 19.3	959,910	-
Minimum tax differential	1,359	35,563
Final tax	(48,243)	(77,965)
Working capital changes - note 41.1	12,336,516	6,762,401
	19,615,974	13,617,761

41.1 working capital changes

(Increase)/Decrease in current assets

Stores, spares and loose tools
Stock-in-trade
Trade debts
Loans, advances, deposits and other receivables - net

2025Rupees..... 2024

(39,364)	(1,285,545)
3,069,603	3,100,914
(376,012)	363,638
2,681,846	(472,708)
5,336,073	1,706,299
7,000,443	5,056,102
12,336,516	6,762,401

Increase in current liabilities

Trade and other payables

42. cash and cash equivalents

Short-term investments - note 13
Cash and bank balances - note 14
Running finances - note 23.2

1,753,066	160,035
4,343,715	3,341,190
-	(3,543,769)
6,096,781	(42,544)

43. financial instruments by category

43.1 Financial assets at amortised cost

Short-term investments
Trade debts
Loans, deposits and other receivables
Cash and bank balances

2,353,667	1,445,006
1,624,485	1,248,473
3,095,146	7,884,985
4,343,715	3,341,190
11,417,013	13,919,654

Financial assets at fair value through profit or loss

Short-term investments

19,050,660	-
30,467,673	13,919,654

43.2 Financial liabilities at amortised cost

Long-term borrowings
Lease liabilities
Trade and other payables
Service benefit obligation
Short-term borrowings
Accrued interest/mark-up
Unclaimed dividend

54,062,770	29,170,314
378,760	1,225,903
23,011,230	17,349,300
-	98,860
675,000	11,848,627
522,595	617,488
272,843	284,463
78,923,198	60,594,955

44. financial risk management objectives and policies

44.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to to minimise the potential adverse effects on the Company's financial performance. The Company uses financial instruments to hedge certain risk factors, where it deems appropriate. Risk management is carried out by the Company's finance division under the guidance of the Company's Board of Directors.

a) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market prices. It comprises of the following risks:

i) Currency risk

Currency risk represents the risk that the fair values of future cash flows of financial instruments will fluctuate because of changes in foreign currency rates. The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollar. The risk arises from outstanding payments for imports, assets and liabilities denominated in foreign currencies and future commercial transactions. In the current economic environment, the Company is exposed to currency risk due to foreign currency transactions. The Company, at its discretion, manages this risk by matching foreign currency payments with foreign currency receipts.

At December 31, 2025, the financial assets and liabilities exposed to foreign exchange risk amounts to Rs. 2,406,924 (2024: Rs. 2,477,888) and Rs. 4,117,542 (2024: Rs. 12,524,505), respectively.

At December 31, 2025, if the Pakistani Rupee had weakened or strengthened by 5% against the US Dollar, with all other variables held constant, the post tax loss for the year would have been higher or lower by Rs. 60,727 (2024: the post-tax profit for the year would have been lower or higher by Rs. 343,695). However, this change in loss would be partially offset by a corresponding change in margins, as the majority of the Company's revenue is linked to movements in exchange rates.

ii) Yield / interest rate risk

Yield/interest rate risk represents the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising from financing facilities which are partially offset by investments in government securities, bank balances maintained in saving accounts, term deposits and loans provided to the Company's subsidiaries. Variable rate financial instruments expose the Company to cash flow interest rate risk, whereas, fixed rate financial instruments expose the Company to fair value interest rate risk.

As at December 31, 2025, if interest rate on Company's borrowings, loan given to subsidiaries and savings rate of the bank accounts had been 1% higher / lower with all other variables held constant, post tax loss for the year would have been higher/lower by Rs. 252,099 (2024: The post tax profit for the year would have been lower / higher by Rs. 246,375).

iii) Other price risk

Price risk represents the risk that the fair vale of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financials instruments or its issuers or factors affecting all similar investments in financial instruments traded in the market. As at the reporting date, if there were a 1% increase/decrease in the value of the Company's investment in mutual funds, with all other variables held constant, post tax loss for the year would have been lower/higher by Rs. 135,259 (2024: Nil).

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations. Credit risk arises from deposits with banks and financial institutions, trade debts, loans, deposits, other receivables and financial assets at amortised cost. The maximum exposure to credit risk is equal to the carrying amount of these financial assets.

The Company is not materially exposed to credit risk, as unsecured credit is provided to selected parties, with limited or no history of default. The Company considers that a financial asset is in default when contractual payment are ninety days past due. Moreover, major part of trade debts are secured by bank guarantees and letters of credit from customers. Furthermore, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings, or investments are made in government securities.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets exposed to credit risk, which are neither past due nor impaired, are as follows:

	2025	Rupees.....	2024
Short-term investments	2,353,667		1,445,006
Trade debts	1,285,433		1,101,457
Loans, deposits and other receivables	3,095,146		7,884,985
Bank balances	4,343,138		3,340,633
	11,077,384		13,772,081

The credit quality of receivables can be assessed with reference to their historical performance with no major defaults in recent history. As at the reporting date, the credit quality of the Company's bank balances and short term investments can be assessed with reference to external credit ratings assigned to the respective financial institutions as follows:

Bank	Rating agency	2025 Ratings		2024 Ratings	
		Short-term	Long-term	Short-term	Long-term
Conventional					
Allied Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+	A-1+	AA+
Bank Alfalah Limited	PACRA	A-1+	AAA	A-1+	AAA
Bank Al Habib Limited	PACRA	A-1+	AAA	A-1+	AAA
Habib Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	A-1+	AA+
Industrial and Commercial Bank of China	FITCH	F1+	A	F1+	A
JS Bank Limited	PACRA	A-1+	AA	A-1+	AA
MCB Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
National Bank of Pakistan	PACRA	A-1+	AAA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	A-1+	AAA
Bank Makramah Limited (Formerly: Summit Bank Limited)	VIS	A-3	BBB-	A-3	BBB-
SAMBA Bank Limited	PACRA	A-1	AA	A-1	AA
The Bank of Punjab	PACRA	A-1+	AA+	A-1+	AA+
United Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Islamic					
Allied Bank Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Al Baraka Bank (Pakistan) Limited	VIS	A-1	AA-	A-1	A+
Bank Alfalah Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Bank Al Habib Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Habib Metropolitan Bank Limited (Islamic)	PACRA	A-1+	AA+	A-1+	AA+
Bank Islami Pakistan Limited	PACRA	A-1	AA-	A-1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	A-1+	AA
Faysal Bank Limited	PACRA	A-1+	AA	A-1+	AA
MCB Islamic Bank Limited	PACRA	A-1	A+	A-1	A+
Meezan Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Bank of Khyber	PACRA	A-1	A+	A-1	A+
United Bank Limited (Islamic)	VIS	A-1+	AAA	A-1+	AAA

c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company's liquidity management involves maintaining sufficient cash and marketable securities, the availability of funds through an adequate amount of credit facilities and through its ability to close out market positions. Due to the dynamic nature of the business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The general nature of credit facilities available to the Company under any contract and not availed as at the date of statement of financial position has been disclosed in notes 17 and 23.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2025			2024		
	Maturity upto one year	Maturity more than one year	Total	Maturity upto one year	Maturity more than one year	Total
	-----Rupees-----					
Financial liabilities						
Long-term borrowings	7,342,882	69,497,646	76,840,528	4,320,198	37,844,945	42,165,143
Lease liabilities	232,611	168,167	400,778	883,367	413,866	1,297,233
Trade and other payables	23,011,230	-	23,011,230	17,349,300	-	17,349,300
Service benefit obligations	-	-	-	98,860	-	98,860
Short-term borrowings	675,000	-	675,000	11,848,627	-	11,848,627
Accrued interest / mark-up	522,595	-	522,595	617,488	-	617,488
Unclaimed dividend	272,843	-	272,843	284,463	-	284,463
	32,057,161	69,665,813	101,722,974	35,402,303	38,258,811	73,661,114

45. fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. As at the reporting date, the carrying value of all financial assets and liabilities approximate to their fair value.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

The Company classifies its financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Company held the following financial asset measured at fair value:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments in units of mutual funds				
- December 31, 2025	-	19,050,660	-	19,050,660
- December 31, 2024	-	-	-	-

45.1 The fair value of the Company's investment in mutual fund units is determined using the prices / rates published by the Mutual Funds Association of Pakistan (MUFAP).

46. capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to provide expected returns to its shareholders by maintaining optimum capital structure to minimise the cost of capital. To maintain or adjust the capital structure, the Company may issue new equity, manage dividend payouts to its shareholders or sell assets to reduce debt.

The Company manages capital by maintaining gearing ratio at certain levels. This ratio is calculated as long-term borrowings and lease liabilities divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus long-term borrowings and lease liabilities.

The gearing ratio of the Company is as follows:

	2025Rupees.....	2024
Long-term borrowings	54,062,770	29,170,314
Lease liabilities	378,760	1,225,903
	54,441,530	30,396,217
Total equity	25,359,697	28,402,825
Total capital	79,801,227	58,799,042
Gearing ratio	0.68	0.52

47. segment information

47.1 The Company is organised into three business segment based on the internal management reporting structure and products produced and sold as follows:

- Poly Vinyl Chloride (PVC) and allied chemicals: The segment is formed to manufacture and sell PVC and allied chemicals to various industrial customers including pipe manufacturers, shoes and packaging industries. The Company supplies the products throughout Pakistan mainly through dealers. Moreover, PVC is also exported to various countries mainly in Asia Region.
- Caustic soda and allied chemicals: The segment is formed to manufacture and sell caustic soda and allied chemicals mostly to textile and soap industry.
- Power supplies: The segment supplies surplus power generated from its power plants to Engro Fertilizers Limited and Engro Peroxide (Private) Limited.

Management monitors the operating results of above-mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing the performance. Segment performance is evaluated based on profit / (loss) after tax for that segment, which in certain respects, as explained in table below, is measured differently from profit or loss in the financial statements. Items which are directly attributable to a particular segment have been allocated to the respective segment, while those which are not directly attributable have been allocated on the basis of revenue.

	2025					2024				
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Unallocated	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Unallocated	Total
-----Rupees-----										
Segment profit or loss										
Revenue from contract with customers (net) - note 47.2	62,191,255	14,606,492	607,921	-	77,405,668	61,217,722	14,271,964	188,061	-	75,677,747
Less:										
Cost of sales	(59,884,186)	(11,674,722)	(572,488)	-	(72,131,396)	(58,912,151)	(10,040,024)	(155,743)	-	(69,107,918)
Distribution and marketing expenses	(336,313)	(365,013)	(1,293)	-	(702,619)	(394,446)	(268,844)	(503)	-	(663,793)
Administrative expenses	(1,328,203)	(312,521)	(12,983)	-	(1,653,707)	(1,662,281)	(387,593)	(5,107)	-	(2,054,981)
Other expenses	(507,654)	(119,230)	(4,962)	-	(631,846)	(167,038)	(38,943)	(513)	-	(206,494)
Other income	337,962	424,828	3,218	167,375	933,383	325,576	748,010	956	436,828	1,511,370
Finance costs	(4,583,752)	(1,076,559)	(44,807)	-	(5,705,118)	(6,081,470)	(1,422,556)	(18,694)	-	(7,522,720)
(Loss) / profit before minimum tax differential, final tax and income tax	(4,110,891)	1,483,275	(25,394)	167,375	(2,485,635)	(5,674,088)	2,862,014	8,457	436,828	(2,366,789)
Minimum tax differential	1,810	(3,169)	-	-	(1,359)	(28,840)	(6,723)	-	-	(35,563)
Final tax	52,338	12,292	-	(16,387)	48,243	63,225	14,740	-	-	77,965
(Loss) / profit before income tax	(4,056,743)	1,492,398	(25,394)	150,988	(2,438,751)	(5,639,703)	2,870,031	8,457	436,828	(2,324,387)
Income tax	(484,537)	(113,800)	(4,736)	(1,304)	(604,377)	2,360,353	550,280	7,251	16,843	2,934,727
(Loss) / profit for the year	(4,541,280)	1,378,598	(30,130)	149,684	(3,043,128)	(3,279,350)	3,420,311	15,708	453,671	610,340
Depreciation and amortisation	2,816,247	671,761	4,102	-	3,492,110	2,229,501	488,589	2,392	-	2,720,482
Capital expenditure	2,118,440	480,379	17,582	-	2,616,401	5,408,993	1,519,845	864	-	6,929,702
Segment assets										
Total segment assets - note 47.3	59,688,617	30,952,578	336,847	25,748,042	116,726,084	65,815,546	28,413,016	56,499	4,786,196	99,071,257

47.2 Revenue from one customer of the Company's PVC segment amounts to Rs. 4,130,792 (2024: Rs. 4,802,235) of the Company's total revenue i.e. 5.34% (2024: 6.35%)

47.3 Segment assets consist primarily of property, plant and equipment, stores and spares, stock in trade, trade debts and long term investments.

48. transactions and balances with related parties

48.1 Following are the names of associated companies and related parties with whom the Company had entered into transactions or had arrangements or agreements in place during the year:

Name of related parties	Direct shareholding	Relationship
Engro Corporation Limited	56.19%	Parent company
Think PVC (Private) Limited	100.00%	Subsidiary company
Engro Peroxide (Private) Limited	100.00%	Subsidiary company
Engro Plasticizer (Private) Limited	100.00%	Subsidiary company
Mitsubishi Corporation (Incorporated in Japan)	11.01%	Associated company
Engro Fertilizers Limited	N/A	Common directorship
Sindh Engro Coal Mining Company Limited	N/A	Common directorship
Engro Energy Limited	N/A	Common directorship
Engro Eximp Agriproducts (Private) Limited	N/A	Ex - associated company
FrieslandCampina Engro Pakistan Limited	N/A	Common directorship
Engro Foundation	N/A	Common directorship
Karachi School of Business Leadership	N/A	Common directorship
Engro Elengy Terminal (Private) Limited	N/A	Common directorship
Engro Eximp FZE (Incorporated in United Arab Emirates)	N/A	Common directorship
Engro Powergen Qadirpur Limited	N/A	Common directorship
Engro Vopak Terminal Limited	N/A	Common directorship
Engro Powergen Thar (Private) Limited	N/A	Common directorship
Pakistan Oxygen Limited	N/A	Common directorship
Pakistan Vinyl Industries	N/A	Common directorship
Overseas Investors Chamber of Commerce & Industry	N/A	Common directorship
KSB Pumps Company Limited	N/A	Common directorship
Nimir Industrial Chemicals Limited	N/A	Common directorship
Retirement funds		
- Provident fund	N/A	Post employment benefits
- Gratuity fund	N/A	Post employment benefits
- Pension fund	N/A	Post employment benefits
Mr. Kamran Nishat	N/A	Independent director
Ms. Ayesha Aziz	N/A	Independent director
Mr. Nazoor Ali Baig	N/A	Independent director
Mr. Ahsan Zafar Syed	N/A	Chairman
Mr. Masaaki Yokoyama	N/A	Ex-Non-executive director
Mr. Syed Shahzad Nabi	N/A	Ex-Non-executive director
Mr. Muhammad Bilal Ahmed	N/A	Non-executive director
Mr. Athar Abrar Khwaja	N/A	Non-executive director
Mr. Tariq Nisar	N/A	Non-executive director
Mr. Abdul Qayoom	N/A	Chief executive officer
Mr. Adeel Qamar	N/A	Ex-Key management personnel
Mr. Arif Jalil	N/A	Key management personnel
Mr. Mahmood Siddiqui	N/A	Ex-Key management personnel
Mr. Saad Khan	N/A	Key management personnel
Ms. Rabia Wafah Khan	N/A	Key management personnel
Mr. Kalimuddin A Khan	N/A	Ex-Key management personnel
Mr. Muhammad Idrees	N/A	Ex-Key management personnel
Mr. Hussain Hasanali	N/A	Key management personnel
Mr. Khawaja Haider Abbas	N/A	Key management personnel
Mr. Najam Saeed	N/A	Key management personnel
Ms. Beenish Kajani	N/A	Key management personnel
Mr. Saqib Rafique	N/A	Key management personnel

48.2 Transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Nature of relationship	Nature of transactions	2025	Rupees.....	2024
Holding Company				
	Reimbursement made	1,531,147		1,385,214
	Reimbursement received	372,340		22,605
	Subordinated loan received	1,000,000		1,500,000
	Subordinated loan repaid	1,000,000		1,500,000
	Mark-up on subordinated loan	6,415		12,190
	Dividend paid	-		510,733
Subsidiary Companies				
	Reimbursement made	17,790		11
	Reimbursement received	218,726		107,740
	Sale of goods	522		-
	Sales of utilities	787,895		-
	Loan made to the subsidiary companies	2,084,850		3,885,830
	Loan repaid by the subsidiary companies	6,285,000		-
	Mark-up on loan to subsidiary companies	356,306		689,569
	Investment made	6,000,000		-
Associated Companies				
	Sale of goods	515,519		3,616,686
	Sales of utilities	298,540		188,061
	Purchase of services	1,714,522		1,684,843
	Purchase of goods	32,039,841		30,857,264
	Letter of credit and related charges	1,003,472		982,537
	Reimbursement made	254,010		699,008
	Reimbursement received	278,654		176,709
	Interest income on intercompany balances	-		23,160
	Sale of taxable loss	1,375,426		-
	Sale of asset	4,600		-
	Donation	60,000		-
Directors				
	Fee	8,300		15,705
	Dividend paid	-		6
Contribution to staff retirement benefits				
	Managed and operated by the Holding Company			
	- Provident fund	141,847		135,187
	- Gratuity fund	118,099		102,284
	- Pension fund	-		1,394
Key management personnel				
	Managerial remuneration	156,659		162,552
	Retirement benefit funds	23,928		25,604
	Bonus	75,699		65,375
	Other benefits	40,002		55,677

48.3 The related parties status of outstanding balances as at December 31, 2025 and 2024 are disclosed in the respective notes of these financial statements.

49. general

49.1	Number of permanent employees	2025	2024
	- Total number of employees	581	540
	- Average number of employees	569	567

Included herein are 517 (2024: 475) employees working at the plant of the Company as at December 31, 2025 and average number of these employees during the year was 520 (2024: 497).

49.2	Production capacity					
		Designed annual capacity		Actual production		Remarks
		2025	2024	2025	2024	
		-----Kilo tons-----				
	PVC	295	295	230	212	Production planned as per market demand and in-house consumption needs
	EDC	127	127	97	100	
	Caustic soda	106	106	93	95	
	Caustic flakes	20	20	13	14	
	VCM	245	245	232	216	
		-----Mega Watts-----				
	Power	66	66	44	42	

50. corresponding figures

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.

51. date of authorisation for issue

These financial statements were authorised for issue on February 13, 2026 by the Board of Directors of the Company.


Abdul Qayoom Shaikh
Chief Executive


Rabia Wafah Khan
Chief Financial Officer


Kamran Nishat
Director



annexures
& urdu translation

notice of annual general meeting

Notice is hereby given that the Twenty Eighth Annual General Meeting (“**AGM**”) of the members of Engro Polymer & Chemicals Limited (the “**Company**”) will be held at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi – 74800 on Monday, April 27, 2026, at 02:30 p.m. to transact the following businesses:

Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details).

a) ordinary business

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2025, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

As required under section 223(6) of the Companies Act 2017 (the “Act”), Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

<https://www.engropolymer.com/shareholder-information/#financial>



2. To appoint Auditors for the year 2026 and fix their remuneration.
3. To elect seven (07) Directors in accordance with section 159(1) of the Companies Act, 2017 (the “Act”) for a term of three years commencing from the date of holding of AGM i.e. April 27, 2026. The names of the retiring directors are **(1)** Mr. Ahsan Zafar Syed, **(2)** Mr. Kamran Nishat, **(3)** Mr. Nazoor Ali Baig, **(4)** Mr. Tariq Nisar, **(5)** Ms. Ayesha Aziz, **(6)** Mr. Athar Abrar Khwaja, and **(7)** Mr. Muhammad Bilal Ahmed.

b) special business

4. To consider and if deemed fit, pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

RESOLVED that, approval of the members of Engro Polymer & Chemicals Limited (“the Company”) be and is hereby accorded by way of special resolution in accordance with section 199 of the Companies Act 2017 for the following acts by the Company:

- A. Approval for extension of intercompany loan to its holding company, Engro Corporation Limited, an aggregate amount of up to PKR Five billion (PKR 5,000,000,000) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution.
- B. Approval for extension of intercompany loan to its associated company Engro Fertilizers Limited, an aggregate amount of up to PKR Five billion (PKR 5,000,000,000) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution.

FURTHER RESOLVED that, the Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized, any two jointly, to do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolutions.

By Order of the Board

Dated: April 6, 2026
Karachi

SAQIB RAFIQUE, FCA
Company Secretary

notes

1. prohibition on grant of gifts to shareholders

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018 read with SRO 452(I) of 2025, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties. Hence, no gifts in any form will be distributed at the meeting.

2. participation in the agm proceeding via video conferencing facility

Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company.

All Shareholders/Members interested in attending the AGM, through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC/Passport number at <https://forms.office.com/r/sBaaCZBBVL>. Confirmation email for video link and login credentials will be shared with only those Shareholders whose registration is received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agm.epcl@engro.com.

3. electronic transmission of annual report 2025

In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2025 through email to Shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited (the 'Share Registrar'). In those cases, where email addresses are not available with the Share Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

Further, Shareholders are requested to provide their valid email address (along with a copy of valid CNIC) to the Share Registrar, if the member hold shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

4. closure of share transfer book

The Share Transfer Book of the Company will be closed from Monday, April 20, 2026 to Monday, April 27, 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: info.shares@famcosrs.com by the close of business (03:00 p.m.) on Friday, April 17, 2026 will be treated in time for purpose of determining entitlement to attend and vote at the meeting.

5. requirements for appointing proxies

A Member entitled to attend and vote at the AGM shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have all such rights in respect of attending, speaking and voting at the AGM as available to a Member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy holder may not need to be a member of the Company.

- In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two male persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her valid original CNIC or original passport at the time of the AGM.
- In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.

6. right to cast vote and appointment of scrutinizer

Pursuant to Companies (Postal Ballot) Regulations, 2018 and read with Sections 143 and 144 of the Companies Act, 2017, Members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s BDO Ebrahim & Co. Chartered Accountants, a QCR rated firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations. Details regarding the Scrutinizer's qualifications and experience are available on their website (<https://www.bdo.com.pk/en-gb/about/about-bdo-pakistan>).

7. unclaimed dividend

As per the provision of section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued, and dividend declared by the Company which have remained due for more than three years were sent to Shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall, after giving notice in the newspaper, proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

8. conversion of physical shares into cdc account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Act, which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all Shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages – safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The Shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely FAMCO Share Registration Services (Private) Limited for the conversion of physical shares into book-entry form.

statement of material facts under sections 166(3) and 134(3) of the companies act, 2017

This Statement sets out the material facts pertaining to the Election of Directors and the Special Business as described in the Notice of AGM of the Company.

agenda item 3

The term of office of the current directors of the Company will expire on April 27, 2026. In accordance with Section 159(1) of the Act, the Board of Directors have fixed the number of Directors to be elected at the AGM at seven (07) to hold the office of director for a period of three (3) years commencing from the date of the AGM.

Independent Directors shall be selected in accordance with the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

In order to safeguard the interest of the minority shareholders, any member can send his/her nomination for contesting the election of directors.

Any person who seeks to contest the election of the office of director, whether they are a retiring director or otherwise, shall submit the following documents to the Company Secretary at the address 19th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton Karachi, not later than fourteen (14) days before the date of AGM:

1. Notice of his/her intention to offer himself/herself for the election of directors as per Section 159(3) of the Act, and consent to act as a director on Appendix to Form 9 as prescribed under the Act, and the Companies Regulations, 2024.
2. Any person contesting the election of directors must be a member of the Company at the time of filing his/her consent unless such person is representing a member which is not a natural person.

3. A signed declaration confirming that:

- a) He/she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.
- b) He/she is not ineligible to become a director of a listed company under the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws/regulations.

4. A detailed profile along with his/her address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.

5. Details of other directorships held.

6. Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number/CDC Account or Sub Account number.

7. The following additional documents are required to be submitted by the candidates intending to contest the election as independent Director:

- a) Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- b) Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

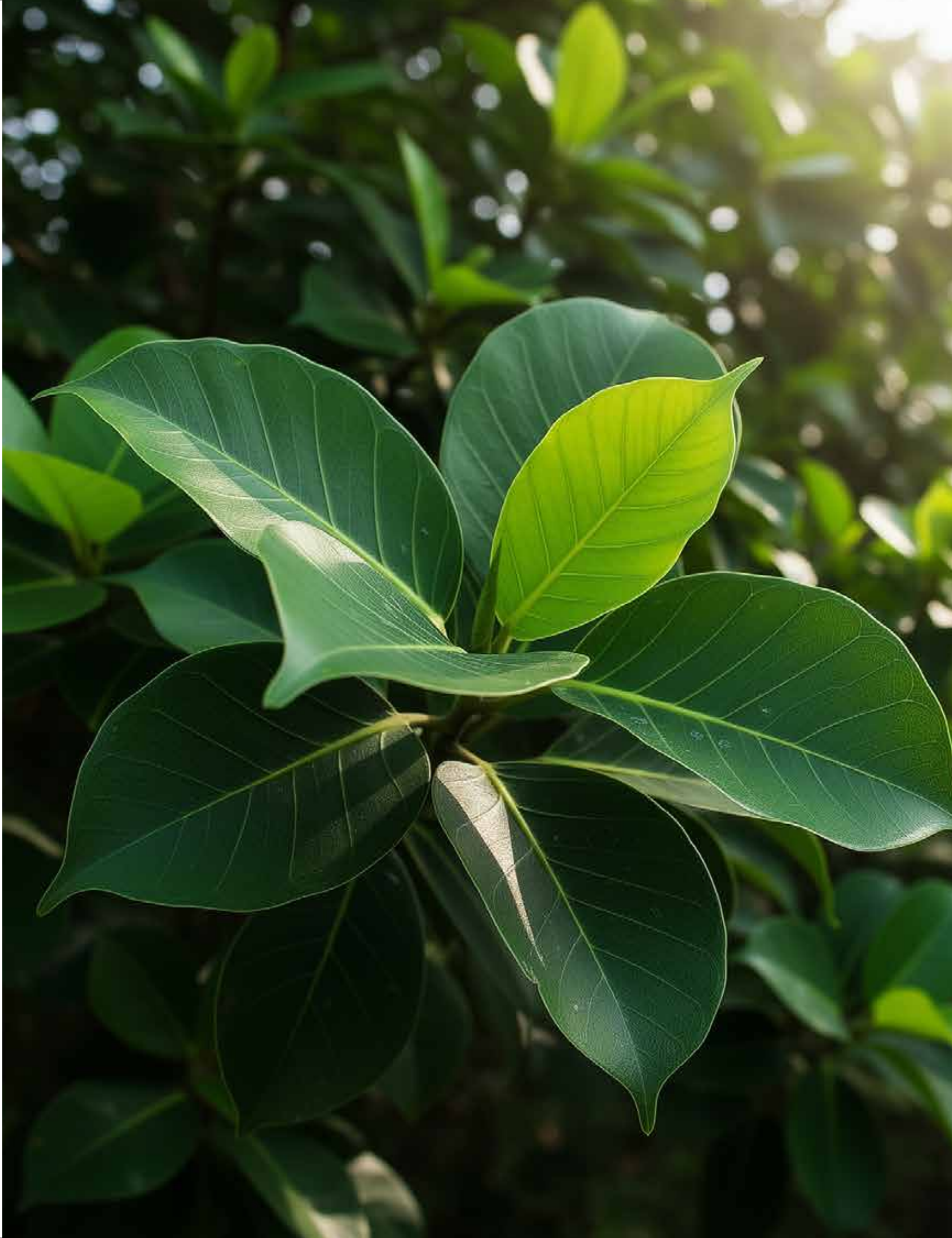
8. After the contestants file their notice/intention to stand for elections as an independent director, the Company shall ensure following criteria for choosing the appointee for appointment as independent director:

- a) Inclusion of name of independent directors in the data bank maintained by Pakistan Institute of Corporate Governance (PICG) duly authorized by SECP.
- b) Respective competencies, diversity, skill, knowledge and experience of the election contestants shall be assessed.
- c) The company shall exercise due diligence before selecting a person from the data bank that the contestant meets the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017.

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Act. The website of the Company will be updated with the required information and Directors' profile.

UPDATE UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

Engro Corporation Limited is the holding company and Engro Fertilizers Limited is the associated company. On March 26, 2025, the Shareholders approved extending intercompany loans/financing facilities of up to PKR 5 billion for Engro Corporation Limited and PKR 5 billion for Engro Fertilizers Limited, which were initially approved by the Shareholders of the Company on March 28, 2024. These intercompany loans/facilities have not been utilized to date since approval. There has been no material adverse change in the financial statements of Engro Corporation Limited and Engro Fertilizers Limited since the approval of these facilities.



standard request form

Circulation of Annual Audited Accounts.

The Share Registrar
Engro Polymer and Chemicals Limited.
FAMCO Share Registration Services (Pvt.) Ltd.
8-F, Near Faran Hotel, Nursery, Block-6
PECHS, Shahrah-e-Faisal, Karachi
E-mail: Info.shares@famcosrs.com
Telephone No. (9221) 3438 0101-5, 3438 4621-3

Dated: _____

Dear Sirs,

Subject: **Request for Hard Copy of Annual Report 2024 of Engro Polymer & Chemicals Limited.**

I, _____ S/o, D/o, W/o _____ being a registered shareholder of Engro Polymer & Chemicals Limited with the particulars as mentioned below would request that my name be added to the list of Shareholders of the Company who opt for delivery of a hard copy of the Annual Audited Accounts of the Company and hereby request you to send me the Annual Audited Accounts in hard copy form at my registered address as contained in the member register instead of providing the same through email.

Particulars	
Name of Shareholder	
Folio No./CDC ID No.	
CNIC/NICOP/Passport No.	
Landline Telephone No. (if any)	
Cell No. (if any)	

Yours truly,

Shareholder's Signature

Copy to:
Company Secretary
Engro Polymer & Chemicals Limited
19th Floor, The Harbor Front Building, HC-3,
Marine Drive, Block 4, Clifton, Karachi
75600, Pakistan



proxy form

I/We _____
of _____
being a member of ENGRO POLYMER & CHEMICAL LIMITED and holder of _____

(Number of Shares)

Ordinary shares as per share Register Folio No. _____ and/or CDC Participant
I.D. No. _____ and Sub Account No. _____, hereby appoint _____
of _____ or failing him/her _____ of _____
as my / our proxy to vote for me / us and on my / our behalf at the 28th Annual General Meeting
of the Company to be held on the 27th day of April 2026, and at any adjournment thereof

Signed this _____ day of _____ 2026.

WITNESSES:

- Signature: _____
Name: _____
Address: _____

CNIC or _____
Passport No: _____
- Signature: _____
Name: _____
Address: _____

CNIC or _____
Passport No: _____

Signature

Signature should agree with the
specimen registered with the
Company.

Note: Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

پراکسی فارم

میں / ہم _____ (نام) _____
 جس / جن کا تعلق _____ (شہر) _____ سے ہے اینگرو پولیمرا اینڈ کیمیکلز لمیٹڈ کے ممبر کی حیثیت سے
 _____ (شیئرز کی تعداد) _____ عمومی شیئرز رجسٹرڈ فولیو نمبر / سی ڈی سی پارٹیشنٹ
 آئی ڈی نمبر اور سب اکاؤنٹ نمبر _____ کی تحویل رکھتا / رکھتی ہوں۔ میں / ہم _____ (نام) _____ یا ان کی عدم
 حاضری کی صورت میں _____ کو 27 اپریل 2026 کو منعقد ہونے والے سالانہ اجلاس عام یا ملتوی ہونے کی صورت میں دیگر تاریخ پر اپنی / ہماری
 غیر موجودگی میں شرکت اور ووٹ دینے کے لیے اپنا / ہمارا پراکسی مقرر کرتا / کرتے ہیں۔

دستخط کئے _____ (دن) _____ 2026
 گواہان:

1 دستخط _____

نام _____

ایڈریس _____

سی این آئی سی _____

پاسپورٹ نمبر _____

دستخط _____

دستخط کمپنی میں رجسٹرڈ دستخط کے نمونے کے مطابق ہونے چاہئیں۔

2 دستخط _____

نام _____

ایڈریس _____

سی این آئی سی _____

پاسپورٹ نمبر _____

نوٹ: پراکسی کے موثر ہونے کے لیے یہ لازم ہے کہ پراکسیز اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہوں۔ پراکسی کو کمپنی کا ممبر ہونا ضروری نہیں۔

سی ڈی سی شیئرز ہولڈرز اور ان کے پراکسی سے درخواست کی جاتی ہے کہ پراکسی فارم کے ساتھ اپنے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں یا پاسپورٹ
 کمپنی میں جمع کرائیں۔

best corporate report award criteria 2025

1	Organizational Overview and External Environment	Pg. #
1.01	Mission, vision, code of conduct, ethical, principal and core values.	5-6, 29-30, 28
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	23-27
1.03	Geographical location and address of all business units including sales units and plants.	3
1.04	The legislative and regulatory environment in which the company operates.	3
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	7 and 8
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	7 and 8
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	9 and 10
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	187
1.1	Description of the performance of the various activities/product(s)/service(s)/segment(s) of the entity and its group entities during the period under review.	187
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	13
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response. b) The effect of seasonality on business in terms of production and sales.	45 and 46 46
1.13	The legitimate needs, interests of key stakeholders and industry trends.	187 - 197
1.14	SWOT Analysis of the company.	43 and 44
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	47 and 48
1.16	History of major events.	32
1.17	Details of significant events occurred during the year and after the reporting period.	32 - 34

best corporate report award criteria 2025

2	Strategy and Resource Allocation	Pg. #
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	109 and 110
2.02	Resource allocation plans to implement the strategy. Resource mean ‘Capitals’ including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	11 - 12, 111
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	111 - 115
2.04	Company’s strategy on market development, product and service development.	26 and 27
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	46, 112, 125 - 127
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	15 - 19
2.07	The linkage of strategic objectives with company’s overall mission, vision and objectives.	109 and 110
2.08	Board’s statement on the internal controls including IT controls of the company.	93,
2.09	Board’s statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	115
2.1	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	N/A 96

3	Risks and Opportunities	Pg. #
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	95 - 97
3.02	Company’s robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	94
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	95 - 97
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	95 - 97
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company’s strategy for monitoring and mitigating these risks (if any).	95

best corporate report award criteria 2025

4	Sustainability Disclosures & Corporate Social Responsibility (CSR)	Pg. #
4.01	Disclosure of the role of the Board to address the company’s sustainability risks and opportunities, as required under the recent amendments of the SECP ‘Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following: a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated; b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company. c) Disclosure of company’s sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored. d) Boards are encouraged to adopt of the SECP’s ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	95, 198, 199 N/A 141-146, 174 74-76
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability: · Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.; · Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green/sustainable project. · Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs; · Information on consumption and management of materials, energy, water, emissions and waste.	132 - 150, 125 - 129
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee. b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	72 71-80, 94
4.04	Board’s statement for the adoption of CSR best practices including Board’s commitment to promote CSR and how the company’s sustainable practices can affect the financial performance of the company.	131-132
4.05	Highlights of the company's performance, policies, initiatives for CSR.	132 - 150, 200 - 201,

best corporate report award criteria 2025

5	Governance	Pg. #
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	71
	b) Name of independent directors indicating justification for their independence;	54 - 56
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	53-60
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	53 - 60
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	60
5.02	A brief description about role of the Chairman and the CEO.	77
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	20, 71, 75
5.04	Chairman's Review Report on the overall performance of the board including:	
	a) Effectiveness of the role played by the board in achieving the company's objectives;	101 and 102
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	101 and 102
	c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	101 and 102
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	89 and 90
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	76
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	76
5.08	Details of formal orientation courses for directors.	77
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	77
5.1	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	
5.11	Disclosure about related party transactions:	93
	a) Approved policy for related party transactions;	
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	

best corporate report award criteria 2025

5	Governance	Pg. #
	d) Disclosure of director's interest in related party transactions;	81
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	82
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Risk Management and internal control policies.	93
	b) Disclosure of director's interest in significant contracts and arrangements.	81
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	81
	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	N/A
	e) Security clearance of foreign directors.	81
	f) Board meetings held outside Pakistan.	80
	g) Human resource management including: · Preparation of succession plan; · Merit based recruitment; · Performance based appraisal system; · Promotion, reward and motivation; · Training and development; · Diversity, Equity & Inclusion (DE&I) policy; and · Employee engagement/feedback.	157 - 184
	h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	86
	i) Communication with stakeholders.	82
	j) Dividend policy.	N/A
	k) Investors' relationship and grievances.	82
	l) Employee's health, safety and protection.	86
	m) Whistle blowing policy	89
	n) anti-harassment policy to safeguard the rights and well-being of employees.	89
	o) Safety of records of the company.	83
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	199 - 200
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	225
5.15	Disclosure about:	
	a) Shares held by Sponsors/Directors/Executives;	212 -218
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.) or foreign shareholding (if any).	212 - 218

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5	Governance	Pg. #
5.16	Details about Board meetings and its attendance.	218
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	71 AND 78
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary/subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	346
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as “financially literate” and all members are non-executive/Independent directors including the Chairman of the Audit Committee. b) Committee’s overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor’s objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee’s views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company’s position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	91 92 93 93 79 93 93 93 90 90
5.2	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee’s activities/matters that are within the scope of the Audit Committee’s responsibilities.	40 - 41
5.21	Board disclosure on Company’s use of Enterprise Resource Planning (ERP) software including:	

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5	Governance	Pg. #
	a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	83 83 84 84 84
5.22	Disclosure about the Government of Pakistan policies related to company’s business / sector in Directors’ Report and their impact on the company business and performance.	189
5.23	Information on company’s contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	197
6	Analysis of the Financial Information	Pg. #
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets/budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	4, 33-34, 227-238, 247-249
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	241-244, 247-249 227-238, 247-249, 261-262
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	231-238
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	246
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	250-258, 341-342 250-258
6.06	Disclosure of market share of the company and share price sensitivity analysis.	260
6.07	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends;	21 21 21 21

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6	Analysis of the Financial Information	Pg. #
	d) Providers of financial capital as financial charges;	21
	e) Society as donation; and	21
	f) Retained within the business.	21
6.08	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	259
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	3
7	Business Model	Pg. #
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	11-12
7.02	Explanation of any material changes in the entity's business model during the year.	187
8	Disclosures on IT Governance and Cybersecurity	Pg. #
8.01	The Board responsibility statement on the IT system/controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	83-85, 113-114
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	83-85
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	83-85
8.04	Disclosure about company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	83-85
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	83-85
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	83-85
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	83-85, 113-114
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	83-85

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9	Future Outlook	Pg. #
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	141, 151-153
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward-looking statement.	151-153
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	83
9.04	Disclosure about company's future Research & Development initiatives.	152
9.05	Sources of information and assumptions used for projections/forecasts in the forward-looking statement, and any assistance taken by any external consultant.	152
10	Stakeholders Relationship and Engagement	Pg. #
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	37-41
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	37-41
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	40-41
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	40-41
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	40-41
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	40-41 40-41
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	40-41
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	243, 247-249
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	89-90

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11 Striving for Excellence in Corporate Reporting		Pg. #
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	89-93,
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	220 426
12 Specific Disclosures of the Financial Statements		Pg. #
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	263-412



5- دیگر کمپنیوں میں بطور ڈائریکٹر کام کرنے کی تفصیلات۔

6- فعال شناختی کارڈ (CNIC) یا پاسپورٹ (غیر ملکی شہری ہونے کی صورت میں) کی کاپی، بمعہ این ٹی این اور فوٹیو نمبر/سی ڈی سی اکاؤنٹ یا سب اکاؤنٹ نمبر۔

7- بطور آزاد ڈائریکٹر انتخاب لڑنے کے خواہشمند امیدواروں کے لیے درج ذیل اضافی دستاویزات جمع کرنا ضروری ہیں:

الف) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ریگولیشن (3)6 کے تحت خود مختاری کا اعلامیہ۔

ب) غیر عدالتی اسٹامپ پیپر پر اقرار نامہ کہ کمپنیز (مینر اینڈ سلیکشن آف انڈیپنڈنٹ ڈائریکٹرز) ریگولیشنز 2018 کے ریگولیشن (1)4 کے تقاضوں پر پورا اترتا/اترتی ہے۔

8- امیدواروں کی جانب سے بطور آزاد ڈائریکٹر انتخاب لڑنے کا نوٹس/ارادہ ظاہر کرنے کے بعد، کمپنی آزاد ڈائریکٹر کے تقرر کے لیے درج ذیل معیار کو یقینی بنائے گی:

الف) آزاد ڈائریکٹرز کے نام SECP سے باقاعدہ مجاز، پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کے ڈیٹا بینک میں شامل ہونا۔

ب) انتخاب لڑنے والے امیدواروں کی متعلقہ صلاحیتوں، تنوع، مہارت، علم اور تجربے کا جائزہ لیا جائے گا۔

ج) کسی شخص کا انتخاب کرنے سے پہلے کمپنی ڈیٹا بینک سے اس بات کی مکمل چھان بین کرے گی کہ امیدوار کمپنیز ایکٹ 2017 کے سیکشن (2)166 میں درج آزادی کے معیار پر پورا اترتا ہو۔

انتخاب لڑنے والے امیدواروں کی حتمی فہرست ایکٹ کے سیکشن (4)159 کے تحت سالانہ اجلاس عام کی تاریخ سے کم از کم سات (7) دن پہلے سرکولٹ کر دی جائے گی۔ کمپنی کی ویب سائٹ کو مطلوبہ معلومات اور ڈائریکٹرز کے پروفائل کے ساتھ اپ ڈیٹ کر دیا جائے گا۔

کمپنیز (انوسٹمنٹ ان ایسوسی ایٹڈ کمپنیز اور ایسوسی ایٹڈ انڈر ٹیکنگنز) ریگولیشنز 2017 کے تحت اپ ڈیٹ

26 مارچ 2025 کو شیئر ہولڈرز نے اینگرو کارپوریشن لمیٹڈ کے لیے 5 ارب روپے تک اور اینگرو فریلائزرز لمیٹڈ کے لیے 5 ارب روپے تک کے انٹر کمپنی قرضوں/فنانسنگ سہولیات کی توسیع کی منظوری دی تھی، جن کی ابتدائی منظوری کمپنی کے شیئر ہولڈرز نے 28 مارچ 2024 کو دی تھی۔ یہ انٹر کمپنی قرضے/سہولیات منظوری کے بعد سے اب تک استعمال نہیں کی گئیں۔ ان سہولیات کی منظوری کے بعد سے اینگرو کارپوریشن لمیٹڈ اور اینگرو فریلائزرز لمیٹڈ کے مالیاتی گوشواروں میں کوئی حقیقی منفی تبدیلی رونما نہیں ہوئی ہے۔

ایکٹ کے سیکشن 244 کی ہدایات کے مطابق، کمپنی کی جانب سے جاری کردہ شیئرز یا اعلان کردہ ڈیوٹیلڈ اجرا کی تاریخ سے تین سالہ مدت کے دوران غیر دعویٰ شدہ یا غیر ادا شدہ رہا کلیم فائل کرنے سے متعلق نوٹس جاری کرنے کے بعد ایسے شیئرز یا ڈیوٹیلڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو وفاقی حکومت کے اکاؤنٹ میں جمع کرائے جائیں گے۔ تین سالہ مدت یا زائد سے غیر دعویٰ شدہ کمپنی کے جاری شدہ شیئرز کی تفصیلات اور اعلان کردہ ڈیوٹیلڈ کی تفصیل شیئرز ہولڈرز کو بھیجی گئی ہے۔

شیئرز ہولڈرز کو گزارش کی جاتی ہے کہ ان کے غیر دعویٰ شدہ ڈیوٹیلڈ کے کلیم اور شیئرز کا فوری طور پر دعویٰ داخل کریں۔ مذکورہ مدت میں کمپنی کو کلیم کا دعویٰ بھیجنے میں ناکامی کی صورت میں، کمپنی اخبار میں نوٹس بھیجنے کے بعد، ایکٹ کے سیکشن (2) 244 کی تعمیل میں غیر دعویٰ شدہ کلیم یا غیر ادا شدہ رقم وفاقی حکومت کے حوالے کر دے گی۔

۸۔ فزیکل شیئرز کی CDC اکاؤنٹ میں تبدیلی

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے خط CSD/ED/Mics/2016-639-640 بتاریخ 26 مارچ 2021 میں لسٹڈ کمپنیز کو ہدایت دی ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کریں۔ اس کی ضروریات کے پیش نظر تمام کمپنیز کو ایکٹ کے نفاذ سے 4 سال کے اندر فزیکل فارم والے شیئرز بک انٹری فارم میں تبدیل کرنے ہوں گے۔

کمپنی کے تمام فزیکل فولیوز / شیئرز سرٹیفکیٹ رکھنے والے شیئرز ہولڈرز سے گزارش کی جاتی ہے کہ جلد سے جلد اپنے فزیکل فارم والے شیئرز کو بک انٹری فارم میں تبدیل کرائیں۔ اس ضمن میں شیئرز ہولڈرز اپنے PSX ممبر، سی ڈی سی پارٹنر، سی ڈی سی انویسٹر اکاؤنٹ سروس پرووائیڈر سے سی ڈی ایس اکاؤنٹ کھولنے اور فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرانے کے لیے مدد لے سکتے ہیں۔ بک انٹری فارم سے شیئرز ہولڈرز کو شیئرز کی محفوظ حوالگی سمیت کئی طریقوں سے سہولت ہوگی جبکہ ڈپلیکیٹ شیئرز وغیرہ کے اجراء کے لیے مطلوبہ لوازمات سے بھی محفوظ رہیں گے۔ کمپنی کے شیئرز ہولڈرز فزیکل شیئرز کی بک انٹری فارم میں تبدیلی کے لیے کمپنی کے شیئرز رجسٹرار اور ٹرانسفر ایجنٹ بنام میسرز فیمکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ سے رابطہ کر سکتے ہیں۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 166 کے تحت مادی حقائق کا بیان

یہ اسٹیٹمنٹ ان مادی حقائق پر مشتمل ہے جو کمپنی کے سالانہ اجلاس عام کے نوٹس میں درج ”ڈائریکٹرز کے انتخاب“ سے متعلق ہیں۔

ایجنڈا آئٹم 3

کمپنی کے موجودہ ڈائریکٹرز کی مدت 27 اپریل 2026 کو ختم ہو جائے گی۔ ایکٹ کے سیکشن (1) 159 کے مطابق، بورڈ آف ڈائریکٹرز نے سالانہ اجلاس عام میں منتخب ہونے والے ڈائریکٹرز کی تعداد سات (07) مقرر کی ہے جو سالانہ اجلاس عام کی تاریخ سے تین (3) سال کی مدت کے لیے ڈائریکٹر کا عہدہ سنبھالیں گے۔

ایکٹ کے سیکشن 166، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019، اوپنٹینز (میجر اینڈ سلیکشن آف انڈیپنڈنٹ ڈائریکٹرز) ریگولیشنز 2018 کی دفعات کی تعمیل میں، آزاد ڈائریکٹرز کا انتخاب ان کے تجربے، قابلیت، صلاحیت، تنوع، مہارت اور علم کی بنیاد پر کیا گیا ہے۔

اقلیتی شیئرز ہولڈرز کے مفادات کے تحفظ کے لیے، کوئی بھی ممبر ڈائریکٹرز کے انتخاب میں حصہ لینے کے لیے اپنی نامزدگی بھیج سکتا ہے۔

کوئی بھی شخص جو ڈائریکٹر کے عہدے کے لیے الیکشن لڑنا چاہتا ہے، خواہ وہ ریٹائر ہونے والا ڈائریکٹر ہو یا کوئی اور، اسے سالانہ اجلاس عام کی تاریخ سے کم از کم چودہ (14) دن پہلے درج ذیل دستاویزات کمپنی سیکرٹری کو اس ایڈریس پر جمع کرانی ہوں گی: 19 ویں منزل، دی ہاربر فرنٹ بلڈنگ، HC-3، میرین ڈرائیو، بلاک 4، کلفٹن کراچی۔

1۔ ایکٹ کے سیکشن (3) 159 کے تحت ڈائریکٹرز کے انتخاب کے لیے خود کو پیش کرنے کے ارادے کا نوٹس، اور ایکٹ اوپنٹینز ریگولیشنز 2024 کے تحت تجویز کردہ فارم 9 کے اپنڈکس پر بطور ڈائریکٹر کام کرنے کی رضامندی۔

2۔ ڈائریکٹرز کا الیکشن لڑنے والے ہر شخص کے لیے ضروری ہے کہ وہ اپنی رضامندی جمع کراتے وقت کمپنی کا ممبر ہو، الا یہ کہ وہ شخص کسی ایسے ممبر کی نمائندگی کر رہا ہو جو کہ ایک فطری فرد نہ ہو۔

3۔ ایک دستخط شدہ اقرارنامہ، جس میں اس بات کی تصدیق کی گئی ہو کہ:

الف) وہ ایکٹ، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک، کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور دیگر متعلقہ قوانین و ضوابط کے تحت اپنے فرائض اور اختیارات سے آگاہ ہے۔

ب) وہ ایکٹ کی دفعات، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور دیگر متعلقہ قوانین / ضوابط کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔

4۔ ایس آر او (SRO) 1196(I)/2019 مورخہ 03 اکتوبر 2019 کے تحت کمپنی کی ویب سائٹ پر اپ لوڈ کرنے کے لیے ایک تفصیلی پروفائل بمعہ ایڈریس۔

شیئر ہولڈرز کو تحائف دینے پر پابندی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکالر 2، مورخہ 9 فروری 2018، SRO 452(I)-2025 کے ساتھ پڑھیں، کے ذریعے کمپنیوں کو شیئر ہولڈرز کے لیے عام اجلاسوں میں یا متعلقہ سلسلے میں تحائف یا تحائف کے بدلے مراعات (ٹوکن / کوپن / لنچ / ٹیک اوے / ٹیکج) کسی بھی شکل یا انداز میں دینے سے سختی سے منع کیا ہے۔ ایکٹ کے سیکشن 185 کے تحت، اس ہدایت کی کسی بھی خلاف ورزی کو جرم تصور کیا جاتا ہے اور خلاف ورزی کرنے والی کمپنیوں کو جرمانے کا سامنا کرنا پڑ سکتا ہے۔ تاہم، اجلاس میں کسی بھی قسم کے تحائف کی تقسیم نہیں ہوگی۔

ویڈیو کانفرنس سہولت کے ذریعے اجلاس عام کی کارروائی میں شرکت

ممبران کی حوصلہ افزائی کی جاتی ہے کہ ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت فرمائیں، جس کا انتظام کمپنی کی جانب سے کیا جائے گا۔

اجلاس میں فزیکل یا ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کرنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنا نام، فوٹیو نمبر، موبائل نمبر، سی این آئی سی / پاسپورٹ نمبر "https://forms.office.com/r/sBaaCZBBVL" پر رجسٹر کروائیں۔ ویڈیو لنک کے لیے تصدیقی ای میل اور لاگ ان سے متعلق معلومات ان شیئر ہولڈرز سے شیئر کی جائے گی جن کی رجسٹریشن تفصیلات سالانہ اجلاس عام سے کم از کم 48 گھنٹے قبل موصول ہوگی۔

شیئر ہولڈرز سالانہ اجلاس عام کے ایجنڈا آن لائن پر اپنے تاثرات اور سوالات بھی ای میل ایڈریس agm.epcl@engro.com پر فراہم کر سکتے ہیں۔

سالانہ رپورٹ 2025 کی الیکٹرانک ترسیل

کمپنیز ایکٹ 2017 کے سیکشن 223(6) کی تعمیل میں کمپنی نے ان شیئر ہولڈرز کو سالانہ رپورٹ 2025 کی ای میل کے ذریعے الیکٹرانک ترسیل انجام دی ہے جن کے ای میل ایڈریس کمپنی کے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کے پاس موجود ہیں۔ تاہم ایسے کیس جن میں کمپنی کے شیئر رجسٹرار کے پاس ای میل ایڈریس موجود نہیں ہیں انہیں سالانہ اجلاس عام کی اطلاع کے نوٹس کی پرنٹ شدہ کاپیاں بشمول سالانہ رپورٹ 2025 (جس میں مالیاتی گوشوارے درج ہیں) ڈاؤن لوڈ کرنے کے لیے QR کا حامل کوڈ / ویب لنک بھی بھیج دیئے گئے ہیں۔ اس کے باوجود کمپنی سالانہ رپورٹ کی ہارڈ کاپی، کسی بھی ممبر کی جانب سے درخواست بھیجنے پر، ان کے رجسٹرڈ ایڈریس پر ایسی درخواست موصول ہونے کے ایک ہفتے کے اندر مفت میں فراہم کرے گی۔

مزید براں شیئر ہولڈرز سے گزارش کی جاتی ہے کہ براہ مہربانی اپنا موثر ای میل ایڈریس (اپنے موثر CNIC کی کاپی کے ہمراہ) کمپنی کے شیئر رجسٹرار کو جمع کرائیں اگر انہوں نے فزیکل فارم میں شیئر ز رکھے ہوئے ہیں جبکہ بک انٹری فارم میں شیئر ز رکھنے والے ممبران اپنے متعلقہ پارٹیشنٹ / انویسٹرا کاؤنٹ سروسز کو فراہم کریں۔

حصص منقولی کتاب کی بندش

کمپنی کے حصص منقولی کتاب بروز پیر 20 اپریل 2026 تا پیر 27 اپریل 2026 (دونوں دن شامل ہیں) تک بند رہیں گے۔ ہمارے شیئر رجسٹرارز میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، F-8 نزد فاران ہوٹل، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی PABX نمبر 34380101-5 (21-92) اور ای میل info.shares@famcosrs.com پر بروز جمعہ 17 اپریل 2026 کو کاروبار کے اختتام تک وصول ہونے والی منقولیوں کو ادائیگی اور اجلاس میں شرکت اور ووٹ دینے کے لیے بروقت تصور کیا جائے گا۔

۵۔ پراکسیز کے تقرر کے لیے تقاضے

اجلاس میں شرکت اور ووٹ دینے کے اہل ممبر اجلاس میں شرکت اور ووٹ دینے کے لیے کسی کو بطور نمائندہ (پراکسی) مقرر کرنے کا حق حاصل ہوگا؛ اور مقرر کردہ پراکسی کو اجلاس میں شرکت، اظہار رائے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو خود ممبر کو حاصل ہیں۔ پراکسی فارم موثر ہونے کے لیے ان کی دستاویزات کمپنی کو اجلاس سے 48 گھنٹے پہلے موصول ہونا ضروری ہیں۔ پراکسی کے لیے کمپنی کا ممبر ہونا لازمی نہیں۔

- افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات ضابطے کے مطابق سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ میں اپ لوڈ ہو چکی ہیں، مندرجہ بالا ہدایات کے مطابق پراکسی فارم جمع کرائیں۔
- پراکسی فارم کے لیے 2 گواہ ضروری ہیں، جن کے نام ایڈریس اور سی این آئی سی نمبر فارم پر درج ہوں۔
- بینفیشل مالکان اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ جمع کرانا ہوں گی۔
- پراکسی اپنا اصل سی این آئی سی یا فعال پاسپورٹ سالانہ اجلاس عام کے وقت ہمراہ لائیں۔
- کارپوریٹ ادارے کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی منتخب فرد کے دستخط کے نمونہ کے ساتھ کمپنی کو فراہم کرنے ہوں گے (اگر پہلے فراہم نہ کیا گیا ہو)۔

۶۔ ووٹ ڈالنے کا حق اور اسکر وٹا نذر کا تقرر

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی تعمیل میں کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے لوازمات سے مشروط، ممبران کو پوسٹل بیلٹ کے ذریعے ووٹ دینے کی اجازت ہوگی، اس میں ووٹ پوسٹ یا کسی بھی الیکٹرانک طریقہ سے، مذکورہ بالا ریگولیشنز کی شرائط و ضروریات کے مطابق دیا جائے گا۔ ریگولیشنز کے ضابطہ 11 کے مطابق، کمپنی کے بورڈ نے میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس QCR ریٹائیڈ فرم کو ڈائریکٹرز کے انتخاب کے لیے کمپنی کے اسکر وٹا نذر کے طور پر کام کرنے کے لیے مقرر کیا ہے۔ اسکر وٹا نذر کی اہلیت اور تجربے سے متعلق تفصیلات ان کی ویب سائٹ (https://www.bdo.com.pk/en-gb/about/about-bdo-pakistan) پر دستیاب ہیں۔

سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ ("کمپنی") کے ممبران کا 28 واں سالانہ اجلاس عام بروز پیر 27 اپریل 2026 دوپہر 2:30 بجے، کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) واقع نیشنل اسٹیڈیم روڈ بالمقابل لیاقت نیشنل ہسپتال، کراچی، 74800 میں درج ذیل کاروبار کی انجام دہی کے لیے منعقد ہوگا:

ممبران کی حوصلہ افزائی کی جاتی ہے کہ کمپنی کے زیر اہتمام ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت فرمائیں (تفصیلات کے لیے نوٹس سیکشن ملاحظہ کریں)۔

الف) عمومی کاروبار

1- 31 دسمبر 2025 کو ختم شدہ سال کے لیے کمپنی کے انفرادی اور مجموعی آڈٹ شدہ مالیاتی گوشواروں بشمول ڈائریکٹرز اور آڈیٹرز رپورٹس، اور چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوص اور منظوری دینا۔

کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 223(6) کے تحت مطلوب، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کئے جاسکے ہیں جنہیں درج ذیل لنک اور/یا QR کے حامل کوڈ کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے:



<https://www.engropolymer.com/shareholder-information/#financial>

2- سال 2026 کے لیے آڈیٹرز کی تعیناتی اور ان کے معاوضے کا تعین۔

3- کمپنیز ایکٹ، 2017 سیکشن (1) 159 کے مطابق سات (07) ڈائریکٹرز کا انتخاب کیا جائے گا، جن کی مدت سالانہ اجلاس عام (AGM) کی تاریخ یعنی 27 اپریل 2026 سے آئندہ تین (3) سال کے لیے ہوگی۔ ریٹائر ہونے والے ڈائریکٹرز کے نام یہ ہیں: (1) جناب احسن ظفر سید (2) جناب کامران نشاط (3) جناب منظور علی بیگ (4) جناب طارق ثار (5) محترمہ عائشہ عزیز (6) جناب اطہر ابراہیم خواجہ اور (7) جناب محمد بلال احمد۔

بحکم بورڈ

ثاقب رفیق، FCA
کمپنی سیکریٹری

کراچی:

16 اپریل 2026

حصص کی تجارت اور اوسط قیمتیں

سال کے دوران پاکستان اسٹاک ایکسچینج میں کمپنی کے 487 ملین شیئرز کا کاروبار ہوا۔ یومیہ بند ہونے والے نرخوں کی بنیاد پر کمپنی کے شیئرز کی اوسط قیمت 32.62 روپے تھی۔ 2025 کے دوران 52 ہفتے کی کم ترین سطح بالترتیب 26.60 روپے سے 39.58 فی شیئر تھی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ بورڈ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے جس کی بورڈ آف ڈائریکٹرز نے توثیق کر دی ہے۔

عبدالقیوم شیخ
چیف ایگزیکٹو آفیسر

کامران نشاط
ڈائریکٹر

فنڈ کی تفصیلات درج ذیل ہیں:

(پاکستانی روپے میں)	31 دسمبر 25	30 جون 25
کل اثاثے	8,200,426,371	7,907,520,622
سرمایہ کاری کی لاگت	6,482,888,469	6,148,054,405
سرمایہ کاری کا فیصد	95.39%	89.35%
سرمایہ کاری کی مناسب قیمت	7,822,605,834	7,065,405,226

صنعتی تنوع پر بورڈ کی پالیسی

بورڈ تنظیم کے اندر تمام سطحوں پر صنعتی تنوع کو فروغ دیتا ہے۔ اس سلسلے میں، محترمہ عائشہ عزیز کو 2020 میں کمپنی کے بورڈ میں ایک آزاد ڈائریکٹر کے طور پر مقرر کیا گیا۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد

بورڈ آف ڈائریکٹرز کمپنی کے تمام اہم معاملات کا جائزہ لیتا ہے۔ ان میں کمپنی کی اسٹریٹجک سمت، سالانہ کاروباری منصوبے اور اہداف، طویل مدتی سرمایہ کاری اور قرض لینے کے فیصلے شامل ہیں، لیکن ان تک محدود نہیں۔ بورڈ آف ڈائریکٹرز کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔

بورڈ آف ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ:

- انتظامیہ کی طرف سے تیار کردہ مالی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ، اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی قابلیت پر کوئی خاص شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اخراج نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

بورڈ کا بنیادی خطرات سے متعلق جائزہ

بورڈ نے کمپنی کو درپیش خطرات کا جائزہ لیا ہے، بشمول ان خطرات کے جو کاروباری ماڈل، مستقبل کی کارکردگی، واجبات کی ادائیگی کی اہلیت یا لیکویڈیٹی کے لیے خطرہ بن سکتے ہیں۔

ڈائریکٹرز کے لیے تربیتی پروگرام

گزشتہ سالوں کے دوران جناب احسن ظفر سید، جناب کامران نشاط، جناب ندور علی بیگ، جناب طارق ثار اور محترمہ عائشہ عزیز نے پاکستان کے تسلیم شدہ اور SECP سے منظور شدہ اداروں سے ڈائریکٹرز ٹریننگ پروگرام مکمل کر لیا ہے۔ رواں سال کے دوران، جناب اطہر ابرار خواجہ اور جناب عبدالقیوم نے بھی ڈائریکٹرز ٹریننگ پروگرام مکمل کیا۔ جناب محمد بلال احمد، جن کا تقرر جولائی 2025 میں ہوا تھا، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت مقررہ مدت کے اندر اپنی تربیت مکمل کریں گے۔

ڈائریکٹر اور نیٹیشن

کمپنی کا بورڈ آف ڈائریکٹرز متنوع پیشہ ورانہ پس منظر سے تعلق رکھنے والے افراد پر مشتمل ہوتا ہے جو کمپنی کو بہت زیادہ تجربہ لاتے ہیں۔ نئے ڈائریکٹر کی تقرری پر، وہ مارکیٹ کی قوتوں کے لیے ایک واقفیت حاصل کرتے ہیں جو کمپنی، اس کے آپریشنز، اور اس کی طویل مدتی حکمت عملی کو متاثر کرتی ہے۔ مزید برآں، انہیں تمام اسٹیک ہولڈرز کے لیے ان کی مخلصانہ ذمہ داریوں سے آگاہ کیا جاتا ہے۔

غیر ملکی ڈائریکٹر کی سیکورٹی کلیئرنس

کمپنی کسی بھی غیر ملکی ڈائریکٹر کی تقرری کے لیے ایس ای سی پی کے رہنما خطوط پر عمل کرتی ہے اور وزارت داخلہ کی جانب سے سیکورٹی کلیئرنس کے اجراء کے بعد، غیر ملکی ڈائریکٹرز کی تقرری کی جاتی ہے۔

قانونی تقاضوں سے بڑھ کر گورننس کے طریقوں کو نافذ کرنا

ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے، کمپنی نے ہمیشہ اپنے آپ کو ذمہ دارانہ اور واضح انداز میں انجام دیا ہے۔ شفافیت کو فروغ دینے کے لیے، کمپنی:

- بیچ مارکس ICAP/ICMAP اور SAFA کی تجویز کردہ رہنما خطوط کے خلاف رپورٹنگ کی ضروریات۔
- ایک سخت اندرونی تجارت کی پالیسی اپنائی، جو قانونی تقاضوں سے بالاتر ہے۔
- متعدد تجزیہ کاروں کی بریفنگ رکھتا ہے اور تمام اسٹیک ہولڈرز کے ساتھ باقاعدگی سے بات چیت کرتا ہے۔
- صحت، حفاظت اور ماحولیات کی پالیسی کو اپنے لوگوں، برادری اور ماحول کے تحفظ کے لیے اپنی وابستگی کی گواہی کے طور پر نافذ کیا۔
- آس پاس کی کمیونٹی کی معاش کو بہتر بنانے کے لیے کئی صحت اور تعلیم کے منصوبے شروع کیے ہیں۔
- گروپ کمپنیوں کے ملازمین پر بند کی مدت کے تقاضوں پر عمل کرنے کی ذمہ داری عائد کی گئی۔
- اس بات کو یقینی بنایا کہ کمپنی کی نجی ملکیت والی ذیلی کمپنیاں بیچ مارک گورننس کے طریقوں کی تعمیل کرتی ہیں۔

بورڈ اور انتظامیہ میں فیصلہ سازی پر اتفاق

کمپنی کا بورڈ آف ڈائریکٹرز کمپنی کی اسٹریٹجک سمت کو قائم کرنے اور اس کے نفاذ اور پیشرفت کی نگرانی کا ذمہ دار ہے۔ دوسری طرف، انتظامی ٹیم کو بورڈ کی طرف سے منظور شدہ حکمت عملیوں کے کامیاب نفاذ کو یقینی بنانے کا کام سونپا گیا ہے۔ بورڈ نے کمپنی کے موثر انتظام اور آپریشن اور اس کی حکمت عملیوں کے نفاذ کے لیے ضروری فیصلے کرنے کا اختیار انتظامیہ کو سونپ دیا ہے۔

کل شیئرز	شیئرز ہولڈرز کی تعداد		شیئرز ہولڈرز کی تعداد
	تک	ے	
91,181,821	91,185,000	91,180,001	1
100,053,562	100,055,000	100,050,001	1
510,733,451	510,735,000	510,730,001	1
908,923,33			32,939

بورڈ کے اجلاس اور حاضری

2025 میں، بورڈ آف ڈائریکٹرز نے سرگرمیوں کے مکمل سرکل کا احاطہ کرنے کے لیے 4 میٹنگز کیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	میٹنگ میں شرکت
احسن ظفر سید	4
عائشہ عزیز	4
نذر علی بیگ	4
طارق ثار	4
کامران نشاط	4
اطہر ابرار خواجہ *	2
محمد بلال احمد *	2
عبدالقیوم	4
سید شہزاد نبی	2
مساکی یوکویاما	2

* مدت کے وسط میں شریک ہوئے۔

بورڈ کی تشکیل

مرد	7
عورت	1

کیٹگریز	نام
نان ایگزیکٹو ڈائریکٹر	جناب احسن ظفر سید
	جناب طارق ثار
	جناب اطہر ابرار خواجہ
	جناب محمد بلال احمد
ایگزیکٹو ڈائریکٹر - سی ای او	جناب عبدالقیوم
آزاد ڈائریکٹر	جناب نذر علی بیگ
	جناب کامران نشاط
آزاد ڈائریکٹر - خاتون	محترمہ عائشہ عزیز

بورڈ آف اینڈرسک کمیٹی	
کامران نشاط صاحب	چیئر مین
جناب نذر علی بیگ	ممبر
جناب محمد بلال احمد	ممبر

بورڈ ٹیل کمیٹی	
محترمہ عائشہ عزیز	چیئر پرسن
جناب طارق ثار	ممبر
جناب نذر علی بیگ	ممبر

ڈائریکٹرز کا معاوضہ

کمپنی کے پاس کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق اپنے ڈائریکٹرز کے معاوضے کے لیے ایک باضابطہ پالیسی اور شفاف طریقہ کار ہے۔ یہ پالیسی نان ایگزیکٹو ڈائریکٹرز کے لیے سفری اور یومیہ الاؤنس کے حقدار بھی فراہم کرتی ہے۔

معاوضہ، بشمول بورڈ یا بورڈ کمیٹی کے اجلاس میں شرکت کے لیے ڈائریکٹر فیس، جو ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کو ادا کی جاتی ہے، صفحہ نمبر (انفرادی مالیاتی بیانات کے لیے نوٹ۔۔۔۔) پر ظاہر کیا جاتا ہے۔

اہم فیصلوں کا احاطہ

انکم ٹیکس، دفعات، ہنگامی حالات اور وعدوں، موخر ٹیکس کے اثاثوں، اور دیگر اہم شعبوں سے متعلق تفصیلات جن میں موضوعی فیصلے شامل ہیں اور مالیاتی بیانات پر مادی اثرات مرتب کرتے ہیں، اکاؤنٹس کے نوٹس میں مل سکتے ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کے مالی بیانات پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق تیار کیے گئے ہیں۔ پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ کے معیارات پر مشتمل ہے:

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) جو انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کے ذریعہ جاری کیے گئے ہیں جیسا کہ کمپنیز ایکٹ، 2017 کے تحت مطلع کیا گیا ہے۔ اور
- کمپنیز ایکٹ 2017 کے تحت جاری کردہ پروویژن اور ہدایات۔

جہاں کمپنیز ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات IFRS سے مختلف ہیں، وہاں کمپنیز ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات کی پیروی کی گئی ہے۔

پراویڈنٹ فنڈ

سال 2013 میں، کمپنی نے اپنے پرانے پروویڈنٹ فنڈ کے انتظامات سے ایک نئے پراویڈنٹ فنڈ میں منتقلی کی جس کا انتظام اور انصرام اینگرو کارپوریشن لمیٹڈ، بنیادی کمپنی کے پاس ہے۔ اس فنڈ سے متعلق مالی معلومات 30 جون 2025 تک کے فنڈ کے تازہ ترین آڈٹ شدہ مالیاتی گوشواروں اور 31 دسمبر 2025 تک کے غیر آڈٹ شدہ مالیاتی گوشواروں پر مبنی ہے، جو اینگرو کارپوریشن لمیٹڈ کے زیر انتظام ہیں۔

کل شیئرز	شیئرز ہولڈنگز کی تعداد		شیئرز ہولڈرز کی تعداد
	نیک	سے	
2,500,000	500,000	495,001	5
565,000	565,000	560,001	1
573,018	575,000	570,001	1
577,286	580,000	575,001	1
582,000	585,000	580,001	1
1,200,000	600,000	595,001	2
642,288	645,000	640,001	1
655,000	655,000	650,001	1
660,541	665,000	660,001	1
677,726	680,000	675,001	1
688,500	690,000	685,001	1
750,000	750,000	745,001	1
846,905	850,000	845,001	1
875,754	880,000	875,001	1
914,462	915,000	910,001	1
954,440	955,000	950,001	1
4,000,000	1,000,000	995,001	4
2,040,000	1,020,000	1,015,001	2
1,040,840	1,045,000	1,040,001	1
1,150,500	1,155,000	1,150,001	1
1,369,956	1,370,000	1,365,001	1
2,797,214	1,400,000	1,395,001	2
1,450,000	1,450,000	1,445,001	1
1,500,000	1,500,000	1,495,001	1
1,788,500	1,790,000	1,785,001	1
6,000,000	2,000,000	1,995,001	3
2,985,700	2,990,000	2,985,001	1
3,260,000	3,260,000	3,255,001	1
4,272,862	4,275,000	4,270,001	1
7,000,000	7,000,000	6,995,001	1
39,487,465	39,490,000	39,485,001	1

کل شیئرز	شیئرز ہولڈنگز کی تعداد		شیئرز ہولڈرز کی تعداد
	نیک	سے	
753,250	255,000	250,001	3
773,957	260,000	255,001	3
264,700	265,000	260,001	1
270,000	270,000	265,001	1
820,982	275,000	270,001	3
276,390	280,000	275,001	1
287,162	290,000	285,001	1
294,939	295,000	290,001	1
900,000	300,000	295,001	3
315,000	315,000	310,001	1
320,000	320,000	315,001	1
320,766	325,000	320,001	1
325,500	330,000	325,001	1
332,200	335,000	330,001	1
1,010,499	340,000	335,001	3
350,000	350,000	345,001	1
1,077,011	360,000	355,001	3
729,550	365,000	360,001	2
370,000	370,000	365,001	1
375,000	375,000	370,001	1
391,035	395,000	390,001	1
800,000	400,000	395,001	2
401,000	405,000	400,001	1
410,000	410,000	405,001	1
822,950	415,000	410,001	2
420,000	420,000	415,001	1
423,519	425,000	420,001	1
851,688	430,000	425,001	2
1,298,321	435,000	430,001	3
897,920	450,000	445,001	2
458,147	460,000	455,001	1
464,733	465,000	460,001	1
974,056	490,000	485,001	2

کل شیئرز	شیئر ہولڈنگز کی تعداد		شیئر ہولڈرز کی تعداد
	تک	سے	
1,102,664	75,000	70,001	15
1,651,796	80,000	75,001	21
907,515	85,000	80,001	11
1,506,183	90,000	85,001	17
655,196	95,000	90,001	7
4,486,791	100,000	95,001	45
1,019,246	105,000	100,001	10
757,792	110,000	105,001	7
449,220	115,000	110,001	4
1,525,330	120,000	115,001	13
493,307	125,000	120,001	4
257,500	130,000	125,001	2
135,000	135,000	130,001	1
1,106,069	140,000	135,001	8
575,322	145,000	140,001	4
748,000	150,000	145,001	5
611,713	155,000	150,001	4
157,788	160,000	155,001	1
490,612	165,000	160,001	3
169,000	170,000	165,001	1
524,113	175,000	170,001	3
535,328	180,000	175,001	3
550,848	185,000	180,001	3
190,000	190,000	185,001	1
2,999,413	200,000	195,001	15
808,785	205,000	200,001	4
215,000	215,000	210,001	1
222,000	225,000	220,001	1
457,305	230,000	225,001	2
232,892	235,000	230,001	1
477,272	240,000	235,001	2
242,500	245,000	240,001	1
1,495,415	250,000	245,001	6

7- کمپنی میں 10% یا اس سے زیادہ ووٹنگ کے حقوق رکھنے والے شیئر ہولڈر

سیریل نمبر	نام	رکھے گئے شیئرز کی تعداد
1	اینگرو کارپوریشن لمیٹڈ	510,733,454
2	مٹسوبی کارپوریشن	100,053,564
3	جناب ندیم ثار	91,181,821
	کل	701,968,839

8- عام عوام (مقامی)

سیریل نمبر	نام	رکھے گئے شیئرز کی تعداد
	کل	138,232,771

9- دیگر

سیریل نمبر	نام	رکھے گئے شیئرز کی تعداد
	کل	14,299,447

31 دسمبر 2025 تک شیئر ہولڈنگ کا پیٹرن

کل شیئرز	شیئر ہولڈنگز کی تعداد		شیئر ہولڈرز کی تعداد
	تک	سے	
92,288	100	1	2,527
8,250,040	500	101	18,039
4,312,206	1,000	501	5,735
9,782,242	5,000	1,001	3,804
8,611,830	10,000	5,001	1,108
5,656,242	15,000	10,001	438
5,026,021	20,000	15,001	275
4,524,271	25,000	20,001	195
3,394,279	30,000	25,001	120
3,029,235	35,000	30,001	91
2,181,566	40,000	35,001	57
1,877,108	45,000	40,001	44
4,109,648	50,000	45,001	84
1,859,229	55,000	50,001	35
1,452,968	60,000	55,001	25
1,139,502	65,000	60,001	18
1,312,677	70,000	65,001	19

سیریل نمبر	شیئر ہولڈرز کی کیٹگری	شیئر ہولڈرز کی تعداد	شیئر کی تعداد	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، اور ان کی شریک حیات اور نابالغ بچے	6	18,004	0.00
2	وابستہ کمپنیاں، ادارے اور متعلقہ فریق	4	703,009,679	77.35
3	NIT اور ICP	-	-	-
4	بینک، ترقیاتی مالیاتی ادارے، غیر بینکنگ مالیاتی ادارے	3	7,678,726	0.84
5	انشورنس کمپنیاں	5	40,439,465	4.45
6	مضارب اور میوچل فنڈز	8	5,245,241	0.58
7	شیئر ہولڈرز جن کے پاس 10% یا اس سے زیادہ شیئر ہیں	3	701,968,834	77.23
8	عوام الناس			
	مقامی	32,789	138,232,771	15.21
	غیر ملکی	-	-	-
9	دیگر	121	14,299,447	1.57
	کل (سوائے 10% شیئر ہولڈرز)	32,939	908,923,333	100

رپورٹنگ فریم ورک کے تحت شیئر ہولڈنگ کی معلومات درج ذیل ہے:

1۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، اور ان کی شریک حیات اور نابالغ بچے

سیریل نمبر	نام	رکھے گئے شیئر کی تعداد
1	جناب احسن ظفر سید	1
2	جناب طارق ثار	5,000
3	محترمہ عائشہ عزیز	501
4	جناب ندور علی بیگ	1
5	جناب کامران نشاط	1
6	جناب عبدالقیوم	12,500
	کل	18,004

2۔ ایسوسی ایٹڈ کمپنیاں، ادارے اور متعلقہ فریق

سیریل نمبر	نام	رکھے گئے شیئر کی تعداد
1	اینٹروکارپوریشن لمیٹڈ	510,733,454
2	مٹسوہی کارپوریشن	100,053,564
3	جناب ندیم ثار	91,181,821
4	ای پی سی ایل ایمپلائز ٹرسٹ	1,040,840
	کل	703,009,679

3۔ NIT اور ICP

سیریل نمبر	نام	رکھے گئے شیئر کی تعداد
	کل	-

4۔ بینک، ترقیاتی مالیاتی ادارے، غیر بینکنگ مالیاتی ادارے

سیریل نمبر	نام	رکھے گئے شیئر کی تعداد
	کل	7,678,726

5۔ انشورنس کمپنیاں

سیریل نمبر	نام	رکھے گئے شیئر کی تعداد
	کل	40,439,465

6۔ میوچل فنڈز اور مضارب

سیریل نمبر	نام	رکھے گئے شیئر کی تعداد
1	ٹرسٹ مضاربہ	75,000
2	CDC- ٹرسٹی الفلاح GHP اسلامک اسٹاک فنڈ	2,000,000
3	CDC- ٹرسٹی الفلاح GHP الفا فنڈ	1,500,000
4	CDC- ٹرسٹی ایچ بی ایل اکیوٹی فنڈ	1,400,000
5	CDC- ٹرسٹی الفلاح GHP اسلامک ڈیڈ ویٹڈ اکیوٹی فنڈ	200,000
6	CDC- ٹرسٹی AKD اسلامک اکٹم فنڈ	10,000
7	CDC- ٹرسٹی این آئی ٹی اثاثہ مختص فنڈ	25,000
8	CDC- ٹرسٹی پاک قطر آئی پی ایف- اکیوٹی سب فنڈ	35,241
	کل	5,245,241

رواں سال کے دوران سیکھنے اور ترقی کے عمل میں ایک باہمی مقصد اور نتائج پر مبنی نقطہ نظر اپنایا گیا۔ لرن، امپاور، ایڈاپٹ، پروگریس (LEAP) کے ذریعے منظم لرننگ کا سلسلہ جاری رہا، جس نے معیار اور کاروباری اثرات پر توجہ مرکوز کرتے ہوئے متعلقہ عہدوں کے مطابق لرننگ پاتھ ویز فراہم کئے۔ تعاون، جدت کی سوچ اور عملی مسائل کے حل کی حوصلہ افزائی کے ذریعے تجرباتی سیکھنے کو فروغ دیا گیا، جبکہ وائب (ViBE) سیشنز کے ذریعے علم کے تبادلے اور سوچ کے دائرہ کار کو وسعت دینے کے لیے بیرونی ماہرین کو بھی مدعو کیا گیا۔

مجموعی طور پر، یہ اقدامات ایک ایسی متحرک، ماہر اور مستحکم افرادی قوت تیار کرنے کے لیے کمپنی کے پختہ عزم کی عکاسی کرتے ہیں جو مستقبل کے آپریشنل اور قائدانہ چیلنجز سے نمٹنے کی بھرپور صلاحیت رکھتی ہو۔

تنوع، مساوات اور شمولیت

کمپنی کے تنوع، مساوات اور شمولیت (DE&I) کے وژن میں متنوع ٹیلنٹ کی شمولیت کو مرکزی حیثیت حاصل ہے۔ سال 2025 میں، کمپنی نے صنفی تنوع کا تناسب 13٪ برقرار رکھا، جو پورے ادارے میں خواتین کی نمائندگی کو مضبوط بنانے میں مستقل پیش رفت کی عکاسی کرتا ہے۔ DE&I کے اصولوں کو ہیومن ریسورس کے تمام طریقہ کار کا حصہ بنایا گیا ہے، جس میں مساوی مواقع پر مبنی بھرتی، منصفانہ معاوضہ اور میرٹ پر مبنی ترقی پر توجہ دی گئی ہے۔ کمپنی نے 2026 تک تنوع کے تناسب کو 16٪ تک لے جانے کا ہدف مقرر کیا ہے۔

رواں سال کے دوران، کمپنی نے ”مانائڈز دیٹ میٹر“ کے آغاز کے ذریعے اپنے شمولیت کے ایجنڈے کو مزید وسعت دی، جو کہ ایک نیورو ڈاؤر سٹی انٹرنشپ پروگرام ہے جس کا مقصد با معنی روزگار تک رسائی کو بڑھانا اور ایک ہمہ گیر کام کی روایت کو فروغ دینا ہے۔ بھرتی اور ابتدائی کیریئر کی ترقی کے مراحل میں ٹیلنٹ پائپ لائنز میں بڑھتے ہوئے تنوع کی عکاسی ہوئی، جس میں انٹرن شپ پروگرام میں خواتین کی نمائندگی 40٪، ٹریڈ اپرنٹس میں 19٪، ٹریڈ اپرنٹس انجینئرز میں 28٪، گریجویٹ ٹرینی انجینئرز میں 30٪ اور مینجمنٹ ٹرینی گروپ میں 67٪ رہی۔

کمپنی نے PBC-IFC کلائمٹ ٹو ایکوئل پروگرام کے تحت کلائمٹ ٹو ایکوئل پلینج پر دستخط کر کے شمولیت کے حوالے سے اپنے عزم کو بھی مضبوط کیا، جو صنفی بنیادوں پر ہمہ گیر کلائمٹ ایکشن کے لیے اس کی حمایت کا اعادہ کرتا ہے۔ یہ کوششیں سابقہ اقدامات جیسے کہ ”امید نو“ (خواتین فورک لفٹ آپریٹرز پروگرام) اور ”بریکنگ دی گلاس سیلنگ“ سے حاصل ہونے والے تسلسل پر مبنی ہیں، جو ایک زیادہ شمولیت اور منصفانہ کام کی جگہ کی جانب کمپنی کے ارتقاء کو ظاہر کرتی ہیں۔ سال کے دوران کمپنی کے DE&I اقدامات اور نتائج کو متعدد ایوارڈز اور اعزازات کے ذریعے بھی سراہا گیا۔

اسٹیک ہولڈر کی مصروفیت اور تعلقات

کمپنی اپنے اسٹیک ہولڈرز کے ساتھ تمام سطحوں پر مشغول رہنے کے لیے وقف ہے، اور ہم نے ان کے ساتھ بات چیت اور تعاون کرنے کے لیے گزشتہ سال کے دوران مختلف پلیٹ فارمز کا استعمال کیا ہے۔ اس میں سہ ماہی تجزیہ کاروں کی بریفنگ، پریس ریلیز، پلانٹ وزٹ، اسٹریٹجک معاملات کے حوالے سے اسٹاک ایکسچینج کا اکتشاف، اور غیر رسمی گفتگو شامل ہے۔

تمام ریگولیٹری تقاضوں کی تعمیل کرنے کے لیے، کمپنی نے متعلقہ حکام، بشمول ٹیکس ایجنسیوں، پاکستان اسٹاک ایکسچینج، اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ساتھ قریبی ہم آہنگی برقرار رکھی ہے۔ ہم اپنے وینڈرز اور صارفین کے ساتھ رسمی اور غیر رسمی میڈیا کے ذریعے مشغول ہوتے ہیں، جس میں میٹنگز اور کانفرنسیں، تکنیکی مدد اور کاروباری ترقی کی خدمات فراہم کرنا شامل ہے۔

جیسا کہ ملازمین کمپنی کی ترقی میں اہم کردار ادا کرتے ہیں، ہم باقاعدگی سے ان کی حوصلہ افزائی کا جائزہ لیتے ہیں اور اپنے نتائج کا صنعتی معیارات سے موازنہ کرتے ہیں۔ اس کے بعد ہم مناسب حکمت عملی تیار کرنے کے لیے اس معلومات کو متعلقہ مینیجرز اور HR کے ساتھ شیئر کرتے ہیں۔

حکومت سے تعاون کی درخواست

کمپنی درج ذیل شعبوں میں حکومت سے تعاون کی درخواست کرتی ہے:

گیس کی قیمتوں پر لیویز: گزشتہ چند برسوں کے دوران مقامی صنعت کو گیس کی قیمتوں میں کئی بار اضافے کا سامنا کرنا پڑا ہے، بشمول 2025 میں کمپنیٹو گیس پر لگائے گئے بھاری لیویز، جس نے شیئر ہولڈرز کی قدر کو متاثر کیا ہے۔ مقامی صنعتوں کو بین الاقوامی حریفوں کے مقابلے میں مستحکم رکھنے اور ملکی صنعتی بنیاد کی پائیدار ترقی کے لیے یہ ضروری ہے کہ حکومت توانائی کے لیویز، بالخصوص کمپنیٹو گیس پر قیمتوں میں مسلسل اضافے کو کنٹرول کرے۔

گیس کی دستیابی: گیس کی فراہمی کے حوالے سے غیر یقینی صورتحال، خاص طور پر موسم سرما کے دوران، کمپنی اور اس سے منسلک ڈاؤن اسٹریم صنعتوں کو بڑے آپریشنل خطرات سے دوچار کرتی ہے۔ لہذا، حکومت کے لیے یہ ناگزیر ہے کہ وہ مقامی صنعت کے بلا تعطل آپریشنز کو یقینی بنانے کے لیے ایک طویل مدتی حل تیار کرے۔

GIDC کیس: 2020 میں سپریم کورٹ آف پاکستان نے گیس انفراسٹرکچر ڈیولپمنٹ سیس ایکٹ (GIDC) 2015 کے معاملے میں اپنا فیصلہ سنایا تھا، جس کے تحت کمپنی 48 ماہانہ اقساط میں واجب الادا GIDC کی ادائیگی کی پابند ہوئی۔ کمپنی نے GIDC کا مالی بوجھ اپنے صارفین پر منتقل نہیں کیا کیونکہ PVC کی قیمتیں بین الاقوامی بیچ مارکس سے منسلک ہیں اور کاسٹک کی قیمتیں مقامی طلب و رسد کے مطابق طے ہوتی ہیں۔ اسی بنیاد پر EPCL نے سندھ ہائی کورٹ سے اسٹے آرڈر حاصل کیا جو تاحال برقرار ہے۔ کمپنی حکومت سے مسلسل یہ درخواست کر رہی ہے کہ وہ اس معاملے میں مداخلت کرے اور تمام متعلقہ اسٹیک ہولڈرز کے ساتھ مل کر ایک منصفانہ، تجارتی طور پر قابل عمل اور باہمی طور پر قابل قبول حل تلاش کرے۔

پی وی سی درآمد پر ڈیوٹی: مقامی پی وی سی صنعت کے لیے درآمدی ڈیوٹی کی موجودہ سطح کو برقرار رکھنا انتہائی اہم ہے۔ کمپنی نے مقامی طلب سے زائد پیداواری صلاحیت بڑھانے کے لیے خطیر سرمایہ کاری کی ہے۔ وفاقی بجٹ برائے مالی سال 2025-26 میں پی وی سی پر کسٹم ڈیوٹی میں 1٪ کمی کی گئی، جبکہ ایڈیشنل کسٹم ڈیوٹی کو مکمل طور پر ختم کر دیا گیا۔ ٹیرف اسٹرکچر میں ان تبدیلیوں نے منافع بخشی کو منفی طور پر متاثر کیا ہے اور ان میں مزید کوئی بھی تبدیلی کمپنی کے سرمایہ کاری کے منصوبوں اور عالمی سطح پر مسابقت حاصل کرنے کے ہدف کو متاثر کر سکتی ہے۔ مزید برآں، درآمدی متبادل ملک کے قیمتی زر مبادلہ کو بچانے میں بھی مددگار ثابت ہوتا ہے۔

مستقبل کا منظر نامہ

ای پی سی ایل کی ڈیجیٹل ٹرانسفارمیشن اب اس مقام پر پہنچ گئی ہے جہاں ڈیجیٹل اقدامات کے واضح آپریشنل اور مالیاتی نتائج سامنے آرہے ہیں۔ آنے والے وقت میں توجہ کامیاب اقدامات کو مزید وسعت دینے، تمام شعبوں میں اینالٹکس کو گہرا کرنے اور افرادی قوت کی ترقی کے ذریعے اس تسلسل کو برقرار رکھنے پر ہوگی۔

کمپنی اپنے ڈیجیٹل پروگراموں کے نتائج کی شفاف رپورٹنگ کے لیے پرعزم ہے تاکہ سرمایہ کاروں کو اس تبدیلی سے حاصل ہونے والے منافع کی واضح تصویر نظر آ سکے۔

انسانی وسائل

کمپنی ایک جامع کام کی جگہ کو فروغ دینے کے لیے پرعزم ہے۔ ایک مساوی مواقع کے آجر کے طور پر، ہم ایک محفوظ اور فروغ پذیر ماحول بنانے کے لیے اپنی ثقافت اور طرز عمل کا مسلسل جائزہ لیتے ہیں جہاں ہر ملازم کو شامل محسوس ہوتا ہے۔

پاکستان میں واحد مکمل طور پر مربوط کٹورنائل کمپلیکس کے طور پر، کمپنی ایک منفرد ٹیلنٹ کی مالک ہے۔ ہماری سٹریٹجک توجہ تکنیکی صلاحیتوں کی اندرون ملک ترقی کے گرد گھومتی ہے، جس میں ہمارے تربیت یافتہ افراد کی پرورش اور گرومنگ پر زور دیا جاتا ہے۔ ان کی ترقی اہم ہے کیونکہ وہ اعلیٰ قیادت کے عہدوں کے لیے ٹیلنٹ پائپ لائن کا ایک لازمی حصہ ہیں۔ ہمارے پلانٹ کے لیے درکار پیچیدہ تکنیکی صلاحیتوں کے ساتھ ان کی مہارت کے سیٹ کو تیار کرنے اور ان کی ترتیب پر توجہ مرکوز کرنا ہے۔

سال کے دوران، ہم نے مہارتوں کو آپریشنل پیچیدگیوں، پائیداری کی ترجیحات اور طویل مدتی کاروباری ضروریات کے مطابق ڈھالنے کے لیے ٹارگٹڈ کیبلٹی بلڈنگ اقدامات میں سرمایہ کاری کی، جبکہ اس دوران ملازمین کی شمولیت اور ان کی فلاح و بہبود پر بھی بھرپور توجہ برقرار رکھی۔

ٹیلنٹ اور لیڈرشپ

کمپنی تکنیکی ترقی اور موثر قیادت کے درمیان ہم آہنگی کی اہمیت کو تسلیم کرتی ہے اور ایک ایسی کارکردگی پر مبنی روایت کو مضبوط بنا رہی ہے جو احتساب، قابلیت اور ذمہ دارانہ فیصلہ سازی میں معاون ثابت ہو۔ سال کے دوران، مینوفیکچرنگ کے شعبے میں ملازمین کی شمولیت میں بہتری دیکھی گئی، جس کی وجہ سائٹ کلچر میں مثبت تبدیلیاں اور ملازمین کے تاثرات پر بروقت فالو اپ اقدامات تھے۔

پرفارمنس اینڈ گول مینجمنٹ (PMGM) انفرادی کارکردگی اور کمپنی کی کاروباری ترجیحات کے درمیان ہم آہنگی پیدا کرنے میں اپنا کردار ادا کر رہی ہے۔ ریویو ٹائم لائنز اور PMGM دستاویزات کے معیار کے حوالے سے نظم و ضبط کو مزید بہتر بنایا گیا، جس سے کارکردگی کے نتائج اور بنیادی رویوں، دونوں کا متوازن جائزہ لینا ممکن ہوا۔ رواں سال کے دوران، لیڈرشپ کمیٹنی ماڈل (LCM) کے رویوں سے متعلق حصے کو کردار اور حسن اخلاق (CGM) کی عکاسی کے لیے اپ ڈیٹ کیا گیا، تاکہ قیادت سے وابستہ توقعات، پرفارمنس مینجمنٹ اور کمپنی کی اقدار کے درمیان تسلسل برقرار رہے۔

مزید برآں، ڈیولپمنٹ فورمز ہمارے ٹیلنٹ کی قائدانہ صلاحیتوں کو جانچنے اور انہیں نکھارنے کے لیے ایک کلیدی پلیٹ فارم کے طور پر کام کرتے ہیں۔ یہ فورمز کارکردگی اور ترقیاتی ضروریات کے جائزے کے لیے ایک منظم طریقہ کار فراہم کرتے ہیں، جو جانشینی کی منصوبہ بندی اور مستقبل کے قائدانہ کرداروں کے لیے ٹیلنٹ کی تیاری میں معاون ہیں۔ اسی کے متوازی، ٹیلنٹ ڈیولپمنٹ پروگرام اعلیٰ صلاحیتوں کے حامل ملازمین کی نشاندہی اور ٹارگٹڈ لرننگ اور تجرباتی مواقع کے ذریعے ان کی ترقی پر توجہ مرکوز رکھے ہوئے ہے۔

کمپنی نے ورک فورس پلاننگ اور قابلیت کی ترقی کے حوالے سے بھی اپنے نقطہ نظر کو مزید مستحکم کیا، جس میں پورے بزنس میں درکار اہم مہارتوں کو پورا کرنے پر توجہ دی گئی۔ لرننگ اقدامات، بشمول پلانٹ کی جگہوں پر دی جانے والی CGM سے ہم آہنگ تربیت نے سائٹ کی سطح پر قابلیت سازی میں مدد فراہم کی جبکہ مینوفیکچرنگ اور کرسٹل فنکشنز کے تنظیمی ڈھانچے کو مقصد کے مطابق ڈھالنے کے لیے مسلسل بہتر بنایا گیا۔

مجموعی طور پر، یہ تمام کوششیں نظم و ضبط پر مبنی پرفارمنس مینجمنٹ، قیادت کی نشوونما اور ٹیلنٹ پائپ لائن کی پائیدار ترقی پر کمپنی کی مسلسل توجہ کی عکاسی کرتی ہیں۔

ثقافت اور مشغولیت

سال 2025 کے دوران، کمپنی نے ملازمین کے ساتھ رابطے، مکالمے اور عملی اقدامات پر مبنی شمولیت پر اپنی توجہ مزید مرکوز کی۔ EPCL ان کٹ ٹاؤن ہالز، سی ای او کنیکشنس، قیوم اینڈ کونسلز اور مینوفیکچرنگ ہڈلز جیسے پلیٹ فارمز کے ذریعے ملازمین کے ساتھ قیادت کا رابطہ پہلے سے زیادہ کثرت اور ترتیب کے ساتھ رہا۔ ان فورمز نے، سالانہ انگیجمنٹ سروے کی مدد سے، ملازمین کے تاثرات کو منظم طریقے سے جمع کرنے اور ترجیحی شعبوں کی نشاندہی کرنے میں مدد دی، جس کے نتیجے میں سال کے دوران ایمپلائی ایکسپیرینس سروے (EES) کا اسکور 79% رہا۔

ملازمین کی آراء کو سنیر جی سمپوزیم کے لیے مشعل راہ بنایا گیا جو کہ ملازمین کے تجربات کے پانچ بنیادی ستونوں کے گرد منظم ایک پلیٹ فارم ہے: کیریئر ڈیولپمنٹ، کلچر، لیڈرشپ اور سسٹمز، تندرستی اور معاوضہ و مراعات۔ ہر شعبے کی سرپرستی مینجمنٹ کمیٹی کا ایک ایگزیکٹو کرتا ہے اور وہ انگیجمنٹ کے نتائج کے مطابق طے شدہ ایکشن پلانز پر عملدرآمد کا ذمہ دار ہوتا ہے۔

گزشتہ سال کے سروے نتائج کی روشنی میں اسٹریٹجک منصوبہ بندی کے باعث، رواں سال ملازمین کی شمولیت کے اقدامات میں دو گنا سے زیادہ اضافہ ہوا۔ ان اقدامات میں لیڈرشپ کنیکٹ فورمز، جسمانی و ذہنی صحت کے پروگرام، سیکھنے کے عمل پر مبنی سرگرمیاں، فیملی ڈے جیسی اہل خانہ کے لیے مخصوص تقریبات اور باہمی تعاون کو فروغ دینے والے اقدامات جیسے کہ ڈیپارٹمنٹ اوے ڈیز اور اسپورٹس فیسٹ شامل تھے۔ ان سب کا مقصد ادارے میں باہمی تعلق، شمولیت اور یگانگت کے احساس کو مضبوط بنانا تھا۔

ہیومن ریسورسز (HR) کے شعبے نے بورڈ آف ڈائریکٹرز کو باقاعدگی سے اپ ڈیٹس فراہم کرنا جاری رکھا تاکہ گورننس کی نگرانی اور ہم آہنگی کو یقینی بنایا جاسکے، جبکہ قیادت کے عہدوں پر تقرریاں اور ترقیاں کمپنی کی اقدار اور ثقافتی ترجیحات کے مطابق کی گئیں۔

صلاحیت اور اسکالرز کی ترقی

سال 2025 کے دوران، کمپنی نے ایک ایسے فیوچر ریڈی ٹیلنٹ پائپ لائن کی تیاری پر اپنی توجہ مزید مستحکم کی جو پیچیدہ ماحول میں آپریشنز کو سنبھالنے کے لیے ضروری بصیرت اور قابلیت کی حامل ہو۔ پورے ادارے میں تکنیکی مہارت اور قائدانہ صلاحیتوں کو بہتر بنانے پر زور برقرار رہا۔

انٹیگریٹڈ کیبلٹی ماڈل (ICM) کمپنی کے ٹیکنیکل ٹیلنٹ ڈیولپمنٹ فریم ورک کی بنیاد کے طور پر کام کرتا رہا، جس نے کاروباری ضروریات کے عین مطابق مہارتوں کی منظم نشوونما، قیادت کی تیاری، اور جانشینی کے تسلسل کو ممکن بنایا۔ قابلیت سازی کو سبجیکٹ میٹریکس (SME) پروگراموں کے ذریعے مزید تقویت دی گئی، جس سے فرنٹ لائن تکنیکی قیادت اور آپریشنل احتساب کو استحکام ملا۔

حفاظتی روایت کی چٹنگی کو مزید مستحکم کرنے کے لیے ٹارگٹڈ مہمات چلائی گئیں، جن میں سیلف رپورٹنگ (خود آگاہی) کے اقدامات، ہاتھوں کی حفاظت (Hand Safety) کی مہم، ہیٹ اسٹریٹس مینجمنٹ پلان (شدید گرمی سے بچاؤ کا منصوبہ)، روایتی حفاظتی ٹولز (Inherent Safety Tools) کا تعارف شامل تھے۔ قیادت کی جوابدہی کو بھی مضبوط بنایا گیا، جس کے لیے ہیلمٹ کے رنگ کی شناخت کے ذریعے مینجمنٹ کی فیلڈ میں موجودگی کی نگرانی کی گئی، تاکہ فرنٹ لائن ملازمین کے ساتھ قیادت کے براہ راست رابطے اور شمولیت کو یقینی بنایا جاسکے۔

SDG9: صنعت، جدت اور انفراسٹرکچر

ہدف 7: مناسب قیمت اور صاف توانائی

EPCL نے پائیدار، موثر اور ڈیجیٹل طور پر فعال انفراسٹرکچر میں سرمایہ کاری جاری رکھی۔ گیس ٹربائن کی کارکردگی کی بحالی کے ذریعے توانائی کی بچت میں بہتری لائی گئی، جس سے سالانہ تقریباً 172,000 MMBTU ایندھن کی بچت ہوئی۔ اسٹیم سسٹم کی بہتری، انسولیشن اپ گریڈ اور اسٹیم ٹریپ کی درستگی نے توانائی کے ضیاع کو مزید کم کیا اور سسٹم کی پائیداری کو بہتر بنایا۔

وسائل کے متوازن استعمال کے اقدامات، بشمول اضافی کولنگ واٹر پمپس کی بندش نے آپریشنل تحفظ پر سمجھوتہ کیے بغیر بجلی کی نمایاں بچت میں مدد دی۔ یہ اقدامات EPCL کی اس حکمت عملی کی عکاسی کرتے ہیں کہ صلاحیت میں اضافے سے قبل موجودہ اثاثوں سے زیادہ سے زیادہ کارکردگی حاصل کی جائے۔

ڈیجیٹلائزیشن ان تمام ترقیات کی بنیاد ہے، جس کے لیے Adaptive APC، Aspen Digital Twin اور ProMV جیسے ٹولز استعمال کیے جا رہے ہیں۔ یہ ٹولز ریسک ٹائم کارکردگی کی نگرانی، پیشنگی، بصیرت اور ڈیٹا پر مبنی اصلاح کو ممکن بناتے ہیں۔ توانائی کی ٹرانزیشن کی حمایت میں، EPCL نے 2 میگاواٹ کے آن سائٹ سولر پاور پروجیکٹ کی منظوری دی ہے جو طویل مدتی توانائی کے تنوع اور استحکام کو تقویت دیتا ہے۔

SDG13: موسمیاتی اقدامات

EPCL کی موسمیاتی حکمت عملی ایک منظم ڈیکاربوناٹائزیشن روڈ میپ پر عمل پیرا ہے، جسے ٹیکنیکل اور ڈیجیٹلائزیشن ٹیموں کے اشتراک سے تیار کیا گیا ہے اور یہ ورلڈ اکنامک فورم کے گلوبل لائٹ ہاؤس نیٹ ورک کے مطابق ہے۔ توانائی کی بچت، پروسیس کی بہتری اور نظم و ضبط کے حامل آپریشنل کنٹرول کے ذریعے، EPCL نے 2022 سے 2025 کے درمیان کاربن ڈائی آکسائیڈ (CO2) کے اخراج میں اندازاً 22,000 میٹرک ٹن کمی حاصل کی ہے۔

مارکیٹ پر مبنی آف سیٹس (Offsets) پر انحصار کرنے کے بجائے، EPCL براہ راست اور پیمائش کے قابل اخراج میں کمی کو ترجیح دیتا ہے۔ اضافی قدرتی حل، بشمول پلانٹ کی حدود میں بڑے پیمانے پر شجرکاری اور ساحلی علاقوں میں میگرووڈز (تیمر کے جنگلات) کی بحالی، موسمیاتی پلگ اور ماحولیاتی نظام کے تحفظ کو مزید مضبوط بناتے ہیں۔

SDG6: صاف پانی اور نکاسی آب

SDG11: پائیدار شہر اور کمیونٹیز

پانی کی قلت والے آپریٹنگ ماحول میں واٹر اسٹیورڈشپ (پانی کا ذمہ دارانہ انتظام) ایک اسٹریٹجک ترجیح ہے۔ EPCL نے 2025 میں اپنے ایٹونٹ ٹریٹمنٹ پلانٹ کو اپ گریڈ کیا، جس سے زیادہ سے زیادہ صلاحیت پر 70 ہیکٹار استعمال شدہ پانی کو ریسائیکل کرنا ممکن ہوا، جس سے تازہ پانی کے استعمال میں کمی اور ماحولیاتی اخراج کے خطرات کم ہوئے۔

آپریشنل کنٹرولز سے ہٹ کر، EPCL اینگرو فاؤنڈیشن کے ساتھ شراکت داری کے ذریعے کمیونٹی کی بہتری میں حصہ ڈال رہا ہے۔ اس شراکت داری کے تحت شمسی توانائی سے چلنے والے واٹر فلٹریشن اور RO پلانٹس کی مدد کی جا رہی ہے جو قریبی کمیونٹیز، اسکولوں اور صحت کی سہولیات کو روزانہ 25,000 لیٹر سے زیادہ پینے کا صاف پانی فراہم کرتے ہیں۔ یہ تنصیبات بجلی کی بندش کے دوران بھی کام کرنے کے لیے ڈیزائن کی گئی ہیں، تاکہ موسمیاتی رکاوٹوں کے دوران پانی کی رسائی یقینی رہے۔

EPCL نے کارپوریٹ واٹر اسٹیورڈشپ اور واٹر رسک مینجمنٹ کے قومی پلیٹ فارمز میں شرکت کے ذریعے ادارہ جاتی صلاحیت کو بھی مضبوط کیا، جو فعال منصوبہ بندی اور شعبہ جاتی تربیت کے عمل کو تقویت دیتا ہے۔

SDG12: ذمہ دارانہ کھپت اور پیداوار

EPCL نے ایک منظم ویسٹ مینجمنٹ روڈ میپ کے ذریعے وسائل کے ذمہ دارانہ انتظام کو آگے بڑھانا جاری رکھا، جس کے نتیجے میں کچرے کی شرح 0.017 ٹن فی ٹن پروڈکٹ رہی۔ ایک بڑی کامیابی تقریباً 5,000 ٹن خطرناک فضلے کا خاتمہ تھا، جسے بطور ایندھن دوبارہ استعمال کیا گیا۔ اس اقدام سے زمین بھرائی کے اخراج، جلانے سے پیدا ہونے والی گیسوں اور ثانوی فضلے کی پیداوار میں کمی واقع ہوئی۔

سرکولر اکنومی کے تحت زیر تکمیل اقدامات میں سالٹ سلج کو تعمیراتی اینٹوں میں تبدیل کرنا اور پلاسٹک کے فضلے کو سائٹ پر استعمال ہونے والی پائیدار مصنوعات میں ری سائیکل کرنا شامل ہے۔ ملازمین اور قریبی صنعتوں کی شمولیت کے ساتھ عالمی یوم ماحول اور یوم ارض (Earth Day) جیسی سرگرمیوں کے ذریعے ماحولیاتی آگاہی کو فعال طور پر فروغ دیا جاتا ہے۔

SDG17: اہداف حاصل کرنے کے لیے شراکت داریاں

مضبوط گورننس اور شفاف رپورٹنگ EPCL کی پائیدار کارکردگی کا لازمی حصہ ہیں۔ EPCL نے سپراکی سالانہ رپورٹ میں پانچویں پوزیشن حاصل کی، جو قومی سطح پر ریگولیٹری تعمیل، آپریشنل شفافیت، پاور مینجمنٹ اور رپورٹنگ کے ضوابط میں عمدگی کی عکاسی کرتی ہے۔ یہ اعتراف مضبوط ادارہ جاتی گورننس اور توانائی کے ذمہ دارانہ انتظام کے پیش نظر EPCL کے عزم کی توثیق کرتا ہے۔

مزید برآں، ملازمین کی فلاح و بہبود کے حوالے سے EPCL کی کارکردگی کو بین الاقوامی سطح پر برٹش سیفٹی کونسل نے تسلیم کیا، جہاں EPCL ”ملازمین کی فلاح و بہبود کے اقدامات“ کے زمرے میں برٹش سیفٹی ایوارڈز کے فائنلسٹ میں شامل تھا۔

EPCL نے پورٹ قاسم انڈسٹریل ایریا میں میوچل ایڈ پروگرامز، مختلف کمپنیوں کے درمیان ہنگامی مشقوں (Emergency Drills) اور اینگرو فاؤنڈیشن، WWF پاکستان، CERB اور حصار فاؤنڈیشن کے ساتھ شراکت داری کے ذریعے تعاون کو مضبوط کیا، جو پائیداری کے چیلنجوں سے نمٹنے کے لیے اجتماعی عمل کی طاقت کا ثبوت ہے۔

انفارمیشن سسٹم

2025 میں، EPCL کا ڈیجیٹل ٹرانسفارمیشن پروگرام بنیادی ڈیجیٹائزیشن سے آگے بڑھ کر ایک مربوط، ملک گیر انٹرپرائز صلاحیت میں تبدیل ہو گیا، جس سے پیمائش کے قابل آپریشنل اور مالیاتی نتائج حاصل ہوئے۔ یہ سال تین اسٹریٹجک موضوعات کے گرد گھومتا رہا: ڈیجیٹل سرمایہ کاری کو ٹھوس لاگت اور کارکردگی کی بہتری میں تبدیل کرنا، شراکت داریوں اور بیرونی شناخت کے ذریعے عالمی سطح پر سہولیات کو طویل مدتی جدید سوچ کے لیے پائیدار اندرونی صلاحیتیں پیدا کرنا۔

یہ رپورٹ کاروباری برتری، صارف کے تجربہ، ٹیکنالوجی کی تنصیب، افرادی قوت کو بااختیار بنانے اور بیرونی مشغولیت کے حوالے سے اہم کامیابیوں کا خلاصہ پیش کرتی ہے۔

شجرکاری اور ایکوسسٹم کی بحالی کا منصوبہ

ماحول کے ساتھ اپنی وابستگی کے تحت، اینگروورلڈوائیڈ فنڈ فار نیچر (WWF) کے ساتھ اپنے شجرکاری پروگرام کے ذریعے پورے پاکستان میں درختوں اور پودوں کی اہم اقسام لگانے میں مصروف ہے۔

سال 2025 کی اہم جھلکیاں:

- WWF کی ٹیم نے بارش کی کمی کے باوجود پودوں کی صحت مند نشوونما اور بقاء کے لیے شجرکاری کے تمام مقامات پر اپنے ہاتھوں سے پانی دینے کا کام کیا۔
- WWF کی ٹیم نے جہلم میں شجرکاری کے تمام مقامات کا ہفتہ وار دورہ کیا تاکہ جانوروں کے ضائع کرنے کی نگرانی کی جاسکے اور حفاظتی اقدامات کو نافذ کیا جاسکے۔ یہ کوششیں سائٹ کی سالمیت کو یقینی بناتی ہیں اور شجرکاری کو ضائع ہونے سے روک رہی ہیں۔
- جہلم میں چار بڑے مقامات (چبر سیداں، راکھ پکی قبر سائٹ 1، راکھ پکی قبر سائٹ 2، اور پدھاری) پر شجرکاری کی حدود کو واضح کرنے اور آگاہی کے لیے سائن بورڈز نصب کیے گئے۔
- پودوں کے بچاؤ اور محفوظ رہنے کی مجموعی شرح 75 سے 80 فیصد ریکارڈ کی گئی ہے، جو بہتر انتظام اور حفاظتی اقدامات کی عکاسی کرتی ہے۔

اس اقدام پر تقریباً 15 ملین روپے خرچ کیے گئے۔

کمپنی کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) میں سرکولر پلاسٹک انسٹیٹیوٹ (CPI) کو بھی فنڈز فراہم کرتی ہے، جو سرکولر اکانومی کے ذریعے پائیداری کی تحقیق اور فروغ پر توجہ مرکوز کرتا ہے۔

مختصر عرصے میں CPI نے نمایاں ترقی کی ہے، جس کی چند مثالیں درج ذیل ہیں:

- پاکستان ایگریکلچر ریسرچ کے تعاون سے ایشین ڈویلپمنٹ بینک انسٹیٹیوٹ کے ساتھ مل کر ”رائس ڈائنامکس اسٹڈی“۔
- اختر حمید خان فاؤنڈیشن (AHKF) کے تعاون سے ”ویسٹ فار ویلیو“ پروجیکٹ کا آغاز۔
- ترکی میں یوریشیا IFAT کانفرنس میں شرکت اور پاکستان میں ٹیکسٹائل ویلیو چین پر پریزنٹیشن۔
- ”کچر اگلانے کی مہینگ“ پر ورکشاپ کا انعقاد۔
- WWF کے ایکوانٹرن شپ پروگرام کے تحت 160 طلباء کے لیے موسمیاتی تبدیلی پر سیشن کا انعقاد۔
- پاکستان میں کچر اچھنے والوں کے حالات، چیلنجز اور حکمت عملی پر مبنی رپورٹ کی اشاعت۔
- پاکستان کی ٹیکسٹائل سپلائی چین کی مہینگ کے حوالے سے وائٹ پیپر کی تیاری۔

کاروباری اخلاقیات اور انسداد بدعنوانی

شفافیت اور جوابدہی کمپنی کے طرز حکمرانی کے بنیادی ستون ہیں۔ ہم نے پالیسیوں اور معیارات کا ایک مضبوط فریم ورک نافذ کیا ہے، جس کی اعلیٰ سطحی کمیٹیوں کی طرف سے کڑی نگرانی کی جاتی ہے، کردار، دیانتداری اور اعتماد پر مبنی ثقافت کو فروغ دیا جاتا ہے۔ یہ یقینی بناتا ہے کہ ہر عمل اخلاقی اور آپریشنل بہترین طریقوں

سے ہم آہنگ ہو، سچائی، عاجزی، اور مشکل وقت میں بھی ذمہ داری کے ساتھ کوشش کرنے کے عزم سے رہنمائی ہو۔ اس طرح کی پالیسیوں میں شامل ہیں:

- ضابطہ اخلاق
- فراڈ رسک مینجمنٹ
- مفادات کے تنازعات کی حکمرانی
- اخلاقیات اور کاروباری طریقوں کا بیان
- آواز اٹھانے کی پالیسی
- تحفہ اور کاروباری تفریح کی پالیسی
- انسداد بدعنوانی کی پالیسی
- متعلقہ فریقوں کے ساتھ لین دین / معاہدوں کا نظم و نسق

سال کے دوران، کمپنی میں اخلاقیات اور تعمیل پر تفصیلی سیشن منعقد کیے گئے جس میں ہمارے ”اسپیک آؤٹ“ پلیٹ فارم، انسداد بدعنوانی کے طریقوں، مفادات کے تصادم اور اندرونی تجارتی پالیسیوں پر توجہ مرکوز کی گئی۔

پائیداری، صحت، حفاظت اور ماحولیات

اینگروپولیمرائز کیمیکلز لمیٹڈ (EPCL) میں، پائیداری کو ایک علیحدہ شعبے کے بجائے انتظامی برتری، کاروباری لچک اور اسٹیک ہولڈرز کے اعتماد کے ایک بنیادی محرک کے طور پر دیکھا جاتا ہے۔ سال کے دوران، EPCL نے نظام میں بہتری، صلاحیت میں اضافے اور اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDGs) کے مطابق طویل مدتی سرمایہ کاری کے ذریعے اپنے صحت، حفاظت، ماحول، توانائی اور موسمیاتی فریم ورکس کو مزید مستحکم کیا ہے۔

SDG3: اچھی صحت اور تندرستی

SDG8: مناسب کام اور معاشی ترقی

ملازمین کی صحت، حفاظت اور فلاح و بہبود EPCL کے کاروباری فلسفے کا سنگ بنیاد ہیں۔ 50 ملین سے زائد محفوظ مین آؤرز کا حصول نہ صرف قانونی تعمیل کو ظاہر کرتا ہے، بلکہ ایک ایسی زبردست حفاظتی روایت کی عکاسی کرتا ہے جسے فعال قیادت، افرادی قوت کی شمولیت اور نظام پر مبنی کنٹرولز کی مدد حاصل ہے۔

سال کا ایک اہم سنگ میل EPCL کی مکمل طور پر ایسیسٹس سے پاک سائٹ میں کامیاب منتقلی تھی۔ ایسیسٹس پر مشتمل مواد کا مکمل خاتمہ ایک ایسے پیشہ ورانہ صحت کے خطرے کو ختم کرتا ہے جو عالمی سطح پر دیرپا بیماریوں کا باعث سمجھا جاتا ہے۔ یہ اقدام عالمی انڈسٹریل ہائی جین کے معیار کے مطابق خطرے کو جڑ سے ختم کرنے کے سلسلے میں EPCL کے عزم کا ثبوت ہے، جس سے ملازمین کی طویل مدتی صحت کے تحفظ کو تقویت ملتی ہے۔

EPCL کے پاس پروسیس سیفٹی کے ماہرین کا ایک انتہائی قابل پول موجود ہے، جس میں منظور شدہ HAZOP اور PHA لیڈرز، QRA کے ماہرین، ایسوسی ایٹ سیفٹی پروفیشنلز (ASP) اور ایک AWS کریڈنشل اسپیشلسٹ شامل ہے۔ یہ اندرونی صلاحیت آپریشنز کے پورے دورانیہ میں خطرات کی مضبوط نشاندہی، مقداری تخمینہ اور فعال تدارک کو ممکن بناتی ہے۔ اپ ڈیٹ شدہ RBHSE تقاضوں کے مطابق، EPCL نے بیس لائن پروسیس ہیزڈ اینالیسیس (PHA) مکمل کیا اور ہیلتھ رسک ایسیمنٹ (HRA) کے عمل کو جاری رکھا، جس کے نتیجے میں سال کے دوران ملازمین کی پیشہ ورانہ صحت سے متعلق صفر (Zero) مسائل سامنے آئے۔

ذمہ دار شہریت اور CSR سرگرمیاں

کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) تعلیم، صحت کی دیکھ بھال، مہارتوں کی ترقی، ماحولیاتی تحفظ، پانی کے تحفظ، اور کمیونٹی کی شمولیت کو اپنی بنیادی اقدار کے ساتھ ہم آہنگ کرنے کو ترجیح دیتی ہے۔ یہ پروگرام ماحولیاتی تحفظ اور پائیدار ترقی میں ایک ذمہ دار کاروباری رہنما کے طور پر کمپنی کی سادھ کو برقرار رکھتا ہے اور ان کمیونٹیز کی مدد کرتا ہے جن میں یہ کام کرتی ہے۔ اپنے مقصد کو آگے بڑھانے کے لیے، ہم اینگرو فاؤنڈیشن کے ساتھ شراکت داری کرتے ہوئے اپنی CSR سرگرمیاں انجام دیتے ہیں، ایسے پائیدار منصوبوں میں سرمایہ کاری کرتے ہیں جو مثبت سماجی اور اقتصادی تبدیلی کا باعث بنتے ہیں۔

کمپنی اپنی حدود سے باہر ایک محفوظ، صحت مند، اور قابل ماحول کو فروغ دینے کے لیے پر عزم ہے، تاکہ تعلیم کی فراہمی کے ذریعے پسماندہ کمیونٹیز کو بااختیار بنایا جاسکے۔ کمپنی نے اپنا ہدف گھگھر پھانک کے دیہاتوں (جو کمپنی کے مینوفیکچرنگ پلانٹ کے آس پاس واقع ہیں) کو ماڈل دیہات میں تبدیل کرنا کا عزم کر لیا ہے۔

تعلیم

تعلیمی محاذ پر، کمپنی "دی سٹیزنز فاؤنڈیشن (TCF)" کے ساتھ شراکت میں چار پرائمری اسکول چلاتی ہے اور Magnificience سینٹر کے قریب گھگھر پھانک اور ریلوے کالونی کے دیہات میں "Teach the World Foundation (TTWF)" کے ساتھ دو ڈیجیٹل مائیکرو اسکول چلاتی ہے۔ یہ اسکول ایسی آبادی کی خدمت کرتے ہیں جنہیں پہلے علاقے میں معیاری تعلیم تک رسائی حاصل نہیں تھی۔ TCF کے ساتھ پرائمری اسکول علاقے میں شرح خواندگی کو بہتر بنا کر رہائشیوں کی سماجی و اقتصادی حالت کو بہتر بنانے اور ترقی دینے کے اینگرو کے طویل المدتی منصوبے کا حصہ ہیں۔ ڈیجیٹل مائیکرو اسکولوں کا مقصد اسکول سے باہر بچوں کو پانچویں جماعت کی سطح تک بنیادی خواندگی فراہم کر کے باقاعدہ تعلیمی نظام میں دوبارہ ضم ہونے میں مدد کرنا ہے۔

تعلیم کو فروغ دینے کے لیے کمپنی کی کوششیں کارپوریٹ ذمہ داری سے زیادہ ہیں۔ کمپنی تعلیم کو پائیدار اقتصادی ترقی اور سماجی ترقی کے کلیدی محرک کے طور پر دیکھتی ہے۔ معیاری تعلیم تک رسائی فراہم کر کے، کمپنی ان کمیونٹیز کے مستقبل میں سرمایہ کاری کر رہی ہے، انہیں علم اور ہنر کے ساتھ بااختیار بنا رہی ہے جو کہ انہیں کامیابی اور ترقی کے لیے درکار ہے۔ تعلیم کو فروغ دینے اور کمیونٹیز کو بااختیار بنانے کے لیے کمپنی کا عزم کمپنی کی اقدار اور زندگیوں اور کمیونٹیز کو تبدیل کرنے کے لیے تعلیم کی طاقت پر اس کے یقین کا ثبوت ہے۔

2025 کی اہم جھلکیاں یہ ہیں:

- ان سکولوں سے 920 سے زائد طلباء تعلیم حاصل کر رہے تھے جن میں سے 49% لڑکیاں تھیں۔
- تمام کیمپسز میں 2025 کے دوران تقریباً 32 ملین روپے کی فنڈنگ فراہم کی گئی۔

صحت کی دیکھ بھال

کمپنی نے، SINA وولفیر ٹرسٹ کے ساتھ شراکت میں، ایک اسپتال تعمیر کر کے گھگھر پھانک کے علاقے میں صحت کی دیکھ بھال کی سہولت قائم کی ہے۔ کلینک مختلف خدمات بشمول طبی مشوروں، اوپی ڈی، الٹراساؤنڈ، ویکسینیشن، لیب ٹیسٹنگ، اور کمیونٹی کو مفت ادویات فراہم کرتا ہے کیونکہ تمام اخراجات اینگرو پو لیمر اور کیمیکلز برداشت کرتی ہے۔ کمپنی کے پاس ایک کمیونٹی انگیجمنٹ ٹیم ہے جو قریبی دیہاتوں کو SINA کلینک میں مفت صحت کی دیکھ بھال کی خدمات کی دستیابی کے بارے میں آگاہی فراہم کرتی ہے، جبکہ باقاعدگی سے چیک اپ کی حوصلہ افزائی اور صحت سے متعلق خدشات کو دور کرنے کے لیے باقاعدگی سے میڈیکل کیمپ لگاتی ہے۔ مذکورہ اسپتال میں تین ڈاکٹر، ایک فیملی ہیلتھ کنسلٹنٹ اور چار کمیونٹی ہیلتھ ورکرز موجود ہوتے ہیں۔

2025 کی اہم جھلکیاں یہ ہیں:

- 31,900 سے زائد مریضوں کا علاج کیا گیا۔
- یہاں پر 12,654 سے زیادہ بچوں کا علاج کیا گیا، جو کہ کل مریضوں کا 40% بنتا ہے۔
- یہاں پر 14,000 سے زائد خواتین مریضوں کا علاج کیا گیا۔
- اوسطاً 107 مریضوں کا روزانہ علاج کیا گیا۔
- 108 بچوں بشمول 61 بچیوں نے کلینک سے ریڈی ٹویز تھراپیونک فوڈ حاصل کیا۔

کمپنی نے گھگھر پھانک اور اس کے گرد و نواح میں کمیونٹیز کے لیے ذہنی صحت کی سہولیات کی کمی کو بھی تسلیم کیا۔ اس اہم ضرورت کو پورا کرنے کے لیے، کمپنی نے اپنے ایگزیکٹو پارٹنر "کاروان حیات" کے ساتھ دماغی صحت کا کلینک قائم کیا۔ یہ کلینک نہ صرف مریضوں کو مفت علاج اور ادویات فراہم کرتا ہے بلکہ مقامی کمیونٹی کو ذہنی صحت سے متعلق طبی مدد حاصل کرنے کی اہمیت سے آگاہ کرنے کے لیے باقاعدہ آگاہی سیشن بھی منعقد کرتا ہے۔ اس سے پہلے، ڈپریشن اور گھبراہٹ جیسی بیماریوں کو عام طور پر ممنوع قرار دیا جاتا تھا۔ تاہم، کلینک نے کمیونٹی میں لوگوں کی فلاح و بہبود کو بہتر بنانے میں اہم کردار ادا کیا ہے۔

2025 کی اہم جھلکیاں یہ ہیں:

- 3,900 سے زائد مریضوں کا علاج کیا گیا۔
- آبادی کا 57% خواتین مریضوں پر مشتمل تھا۔
- 55 کمیونٹی آگاہی سیشن منعقد کیے گئے جس میں گھگھر پھانک کے 1900 سے زائد مکینوں نے شرکت کی۔

سال 2025 کے دوران صحت کی سہولیات کے لیے تقریباً 31.8 ملین روپے کی فنڈنگ فراہم کی گئی۔

پینے کے صاف اور محفوظ پانی تک رسائی

کمپنی نے گھگھر پھانک کی کمیونٹی میں صحت کے ایک بڑے مسئلے، یعنی پینے کے صاف اور محفوظ پانی کی کمی کو حل کیا۔ عوامی پانی کی فراہمی کا نظام ناقابل اعتبار، نایاب اور ای کوئی جیسے خطرناک بیکٹیریا سے آلودہ تھا، جو عوامی صحت کے لیے سنگین خطرات کا باعث بن رہا تھا۔ اس کی وجہ سے لاکھوں ورننگ آورز (کام کے گھنٹے) ضائع ہوئے اور علاج معالجے کے اخراجات میں اضافہ ہوا۔ اس مسئلے سے نمٹنے کے لیے، کمپنی نے "دی واٹر فاؤنڈیشن" کے تعاون سے اب 4 واٹر فلٹریشن پلانٹس اور ایک RO پلانٹ فعال کیے ہیں تاکہ کمیونٹی کو صاف پانی فراہم کیا جاسکے۔ یہ سہولیات پانی سے پیدا ہونے والی بیماریوں کو روکنے اور علاقے میں پانی کے وسائل کے موثر استعمال کو فروغ دینے میں اہم کردار ادا کر رہی ہیں۔

ان سہولیات کی اہم جھلکیاں:

- سال 2025 میں 9.6 ملین لیٹر سے زیادہ صاف پانی فراہم کیا گیا۔
- کمیونٹی کے تقریباً 180,000 افراد واٹر فلٹریشن پلانٹس سے مستفید ہوئے۔
- کمیونٹیز کو روزانہ اوسطاً 25,000 لیٹر صاف پانی فراہم کیا جاتا ہے۔
- ان پلانٹس کی دیکھ بھال کے لیے 5.9 ملین روپے کی فنڈنگ فراہم کی گئی۔

کمپنی منظم طریقے سے خطرات کے امکان اور اثرات کا جائزہ لیتی ہے اور انہیں مختلف سطحوں پر اسکور تفویض کرتی ہے۔ یہ اسکور خطرات کی ترجیح طے کرنے اور ان کے مسلسل انتظام کے لیے متعلقہ قیادت کو ذمہ داری سونپنے کی بنیاد بنتے ہیں۔ ایک بار شناخت ہونے کے بعد، ان کے اثرات کو کم کرنے کے لیے جوابی حکمت عملی تیار کی جاتی ہے اور اسے رسک اپنی ٹائٹ اسٹیٹمنٹ (RAS) کے مطابق ڈھالا جاتا ہے۔

رسک مینجمنٹ فریم ورک کی تاثیر، بشمول اہم خطرات اور ان کے تدارک کے اقدامات، کی نگرانی اور جائزہ باقاعدگی سے مینجمنٹ کمیٹی اور بورڈ آف ڈائریکٹرز لیتے ہیں۔ بورڈ کی آڈٹ اور رسک کمیٹی کمپنی کے رسک مینجمنٹ اور اندرونی کنٹرول کے نظام کی موزونیت اور تاثیر کی نگرانی میں بورڈ کی معاونت کرتی ہے اور انتظامیہ کی جانب سے ان خطرات کو کم کرنے کے اقدامات کے ساتھ ساتھ اہم خطرات کا جائزہ لیتی ہے۔

کمپنی رسک مینجمنٹ کی ایک مضبوط روایت کو فروغ دینے پر شدید ازور دیتی ہے۔ باقاعدہ تربیتی سیشن اور مسلسل رابطے کو یقینی بنایا جاتا ہے تاکہ انتظامیہ اور ملازمین رسک مینجمنٹ کے اصولوں کو سمجھیں اور انہیں روزمرہ کے آپریشنز میں شامل کریں۔ یہ طریقہ کار جو اب بھی کو مضبوط بناتا ہے اور پورے ادارے میں خطرات سے نمٹنے کے لیے ایک فعال طرز عمل کو فروغ دیتا ہے۔

پائیداری سے متعلق خطرات کا جائزہ اور انتظام

اینٹروپولیمیر اینڈ کیمیکلز لمیٹڈ میں پائیداری (Sustainability) کو ایک متوازی فنکشن کے طور پر نہیں بلکہ انتظامی برتری، کاروباری پائیداری اور اسٹیک ہولڈرز کے اعتماد کے ایک بنیادی محرک کے طور پر دیکھا جاتا ہے۔ سال کے دوران، کمپنی نے سسٹم کے ذریعے بہتری، استعداد کار میں اضافے اور اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDGs) کے مطابق طویل مدتی سرمایہ کاری کے ذریعے اپنے صحت، حفاظت، ماحول، توانائی اور موسمیاتی فریم ورکس کو مزید مضبوط کیا ہے۔

کمپنی کے پاس ایک اچھی طرح سے قائم ماحولیاتی مینجمنٹ سسٹم موجود ہے جس میں تفصیلی تکنیکی معیارات اور آڈٹ و معائنے کا ایک وسیع پروگرام شامل ہے۔ ماحولیاتی کارکردگی اور پروسیس کی حفاظت کے اقدامات کی منظم نگرانی کی جاتی ہے، جس میں HAZOP، LOPA، معیاری خطرے کی تشخیص کے مطالعے، اثرات کے خطرے کی تشخیص، ڈسپریشن ماڈلنگ اور اخراج وڈسچارج کی ریسک ٹائم نگرانی جیسے ٹولز شامل ہیں۔

بڑے ماحولیاتی خطرات کو انٹرپرائز رسک مینجمنٹ (ERM) کے عمل میں شامل کیا گیا ہے اور ان کا باقاعدگی سے انتظام اور نگرانی کی جاتی ہے۔ ماحولیاتی کارکردگی کی نگرانی اور رپورٹنگ اندرونی طور پر وقتاً فوقتاً اور بیرونی طور پر ماہانہ بنیادوں پر سندھ انوائرنمنٹل پروفیکشن ایجنسی (SEPA) کو اور سالانہ بنیادوں پر ہماری سسٹین ایبلٹی رپورٹنگ کے حصے کے طور پر کی جاتی ہے۔

موسمیاتی تبدیلی کی وجہ سے مالیاتی خطرات اور مواقع

کمپنی تسلیم کرتی ہے کہ موسمیاتی تبدیلی فزیکل اور مالیاتی دونوں طرح کے خطرات کے ساتھ ساتھ مواقع بھی پیدا کرتی ہے، جو اس کے آپریشنز، منافع، طویل مدتی ترقی اور مجموعی کاروباری قدر پر اثر انداز ہو سکتے ہیں۔ موسمیاتی تبدیلی سے متعلقہ خطرات کی اہمیت اور ان کے ممکنہ اثرات کے پیش نظر، EPCL نے اپنے کاروباری مقاصد میں ڈیکاربنائزیشن کو شامل کیا ہے۔ اس سلسلے میں، کمپنی نے ماحولیاتی کارکردگی کو بہتر بنانے کے مقصد سے مختلف اقدامات کی نشاندہی کی ہے اور ان پر عمل درآمد کر رہی ہے، جس کا بنیادی مقصد گرین ہاؤس گیسوں (GHG) کے اثرات کو بتدریج کم کرنا ہے۔

ان خطرات کو بہتر طور پر سمجھنے کے لیے، ہم نے موسمیاتی تبدیلی سے متعلق خطرات اور مواقع کا جائزہ لیا ہے اور ٹاسک فورس آن کلائمٹ ریلیٹڈ فائنیشنل ڈسکلوژرز (TCFD) فریم ورک کی رہنمائی میں انہیں فزیکل یا ٹرانزیکشن کے خطرات کے طور پر درجہ بندی کیا ہے۔ یہ مشق تمام کاروباری شعبوں میں کی جا رہی ہے جس کا مقصد موسمیاتی خطرات اور مواقع کے بارے میں ہماری سمجھ بوجھ کو بڑھانا اور مستقبل کی حکمت عملی اور ایکشن پلان تیار کرنا ہے۔ منظر نامے کی منصوبہ بندی کی بنیاد پر مالیاتی اثرات اور خطرات کو کم کرنے یا مواقع سے فائدہ اٹھانے کے لیے درکار اخراجات سے متعلق وسیع ڈیٹا تیار کیا جائے گا، جو ہمیں اپنے طریقہ کار اور رپورٹنگ کو TCFD فریم ورک کی ضروریات کے مطابق ڈھالنے میں مدد دے گا، جسے ہم مستقبل میں نافذ کرنے کا ارادہ رکھتے ہیں۔ ایک ذمہ دار کارپوریٹ ادارے کے طور پر، ہم اپنے اخراج کی سطح اور کاربن فوٹ پرنٹ کی نگرانی کرتے ہیں اور شجرکاری، پانی کے تحفظ، تکنیکی بہتری، آگاہی سیشن اور حیاتیاتی تنوع کو بہتر بنانے جیسے پروگراموں کے ذریعے ماحولیاتی تحفظ میں باقاعدگی سے سرمایہ کاری کرتے رہتے ہیں۔

ہم آئی ایف آر ایس (IFRS) جیسے معتبر فریم ورکس کے ذریعے موسمیاتی انکشافات کی رپورٹنگ کی بڑھتی ہوئی اہمیت سے باخبر ہیں اور وقت کے ساتھ ساتھ اپنی موسمیاتی رپورٹنگ کو ان کے مطابق ڈھال لیں گے۔

کاروبار کے تسلسل کا منصوبہ

کمپنی نے ایک جامع بزنس کنٹینینٹی پلان (BCP) وضع کیا ہے جس میں پالیسیوں اور طریقہ کار کا خاکہ پیش کیا گیا ہے، اس کا مقصد کسی بھی خلل ڈالنے والے واقعے کے ممکنہ اثرات کو کم کرنا ہے۔ یہ منصوبہ 2013 میں شروع کیا گیا تھا اور اس کی تاثیر کو یقینی بنانے کے لیے اسے 2018 سے باقاعدگی سے اپ ڈیٹ کیا جاتا رہا ہے۔ اس کے بنیادی مقاصد درج ذیل ہیں:

- ایک موثر ریسپانس کے لیے پائیداری اور صلاحیت پیدا کرنے کے لیے ایک فریم ورک فراہم کرنا جو اہم اسٹیک ہولڈرز کے مفادات، کمپنی کی ساکھ اور برانڈ امیج کا تحفظ کرتا ہے اور قدر پیدا کرنے والی سرگرمیوں کی حفاظت کرتا ہے۔
- کاروباری ترجیحات اور تنظیمی باہمی انحصار پر غور کرتے ہوئے کمپنی کے آپریشنز کو درپیش خطرات کا اندازہ لگانا اور ان خطرات کے اثرات کو سمجھنا اگر وہ عملی شکل اختیار کر لیتے ہیں۔
- اس بات کو یقینی بننا کہ مالی استحکام کو یقینی بنانا کہ کاروبار کسی بھی نقصان دہ واقعے سے لاگت پر موثر انداز میں قابو پاسکے۔
- کسی بھی ممکنہ رکاوٹ کی صورت میں ریسپانس کو موثر طریقے سے منظم کرنا اور بزنس آپریشنز پر پڑنے والے اثرات کو کم کرنا۔
- کسی واقعے کے نتیجے میں اہم کاروباری آپریشنز یا سپورٹ سروسز میں خلل پڑنے پر بزنس آپریشنز کو کم سے کم وقت میں قابل قبول سطح پر بحال کرنا۔
- کاروبار کے تسلسل کو سپورٹ کرنے والے منصوبوں کی باقاعدگی سے جانچ اور جائزہ لینا اور ضرورت کے مطابق ان پر نظر ثانی کرنا۔

2013 سے، کاروبار کے تسلسل کے منصوبے (BCP) کو کامیابی سے لاگو کیا جاتا ہے اور انتظامیہ کی طرف سے ہر سال اس کا تجربہ کیا جاتا ہے تاکہ آپریشنز کے بغیر کسی رکاوٹ اور محفوظ تسلسل کو یقینی بنایا جاسکے۔

کمپنی کی جوابی حکمت عملی کے حصے کے طور پر، BCP میں کم از کم آپرینٹنگ ضروریات، ٹیم کی تنظیم، نقصان کی تشخیص اور بنیادی سائٹ کی بحالی کی سرگرمیاں شامل ہیں۔ یہ اہم ڈیٹا کے تحفظ کو یقینی بناتا ہے اور ڈیزاسٹر ریکوری کے کلیدی عناصر کا خاکہ پیش کرتا ہے۔ انتظامیہ اپنے کاروبار اور بنیادی ڈھانچے کو درپیش ممکنہ خطرات کا باقاعدگی سے جائزہ لیتی ہے اور کسی بھی غیر متوقع چیلنج کا موثر طریقے سے جواب دینے کے لیے حکمت عملی تیار کرتی ہے۔

سال کے دوران، عالمی سطح پر ہائیڈروجن پر آکسائیڈ کی قیمتیں دباؤ کا شکار رہیں، کیونکہ ضرورت سے زیادہ رسد نے مینوفیکچررز کو جارحانہ برآمدی حکمت عملی اپنانے پر مجبور کیا۔ جنوبی ایشیا، بالخصوص بنگلہ دیش نے، توانائی کی کم لاگت اور اضافی پیداوار کی بدولت علاقائی قیمتوں پر اپنا دباؤ برقرار رکھا۔ مجموعی طور پر مارکیٹ کی صورت حال محتاط رہی اور منافع کے مارجن مسلسل دباؤ میں رہے۔

مقامی محاذ پر، برآمدات کو سہولت دینے کی اسکیم (EFS) کے تحت ہونے والی درآمدات ایک بڑا چیلنج بنی رہیں۔ کسٹم اور ریگولیٹری ڈیوٹی میں بجٹ کی تبدیلیاں اور ہائیڈروجن پر آکسائیڈ پر اینٹی ڈمپنگ ڈیوٹی کے خاتمے نے بھی مقامی مینوفیکچررز پر مسابقتی دباؤ بڑھا دیا، جس سے قیمتوں کے تعین کی گنجائش محدود ہو گئی۔

ان مشکلات کے باوجود، کمپنی نے بہترین تجارتی اور آپریشنل استحکام کا مظاہرہ کیا۔ پچھلی سہ ماہی کے دوران فروخت کے حجم میں بتدریج بہتری آئی، جسے صارفین کی منتقلی کی کوششوں اور مارکیٹ میں بہتر رسائی سے تقویت ملی۔ آپریشنل لحاظ سے، ہائیڈروجن پر آکسائیڈ پلانٹ بغیر کسی تکنیکی خرابی کے بخوبی چلتا رہا۔

آئندہ کے لیے، کمپنی کی توجہ اپنے صارفین کو برقرار رکھنے اور اہم کلائنٹس کے ساتھ طویل مدتی تعلقات کو مضبوط بنانے پر مرکوز رہے گی۔ مارکیٹ کے مروجہ معیاروں کے مطابق مصنوعات کے معیار اور تسلسل کو بہتر بنانا کمپنی کی ترجیح ہے۔ اس کے علاوہ، کمپنی ایک منصفانہ مسابقتی فریم ورک کے لیے متعلقہ حکام کے ساتھ بھرپور رابطے میں رہے گی تاکہ مقامی ہائیڈروجن پر آکسائیڈ انڈسٹری کے طویل مدتی استحکام کو یقینی بنایا جاسکے۔

آپریشنل افادیت

کمپنی میں، وسائل کا تحفظ اور آپریشنل کارکردگی اسٹیک ہولڈرز کے لیے زیادہ سے زیادہ قدر بڑھانے اور پائیداری کے ایجنڈے میں مثبت کردار ادا کرنے کے لیے اعلیٰ توجہ کے شعبے قائم ہیں۔ اس کی مناسبت سے، کمپنی نے OxyVentRecycle (OVR) اور زیر و گپ ٹیکنالوجی جیسے منصوبوں میں اہم سرمایہ کاری کی ہے تاکہ نہ صرف ہمارے آپریشنل عمل کو بہتر بنایا جاسکے بلکہ ماحولیاتی ذمہ داری میں بھی فعال طور پر تعاون کیا جاسکے۔

اسی طرح، کمپنی نے اپنے ہائی ٹمبر پچر ڈائریکٹ کلورینیشن (HTDC) پروجیکٹ کا کامیاب آغاز کر دیا ہے، جو طویل مدتی توانائی کی لاگت میں خاطر خواہ بچت فراہم کرے گا اور توانائی کے محاذ پر کمپنی کے کاربن اثرات کو کم کرنے میں مددگار ثابت ہوگا۔ کمپنی نے متغیر لاگت کی اصلاح پر بھی توجہ مرکوز کی، جس سے 2025 میں کیش فلو کو برقرار رکھنے میں مدد ملی۔ اس کے علاوہ، پلانٹ کی کارکردگی کو بہتر بنانے اور ڈیٹا کی بنیاد پر حاصل ہونے والی معلومات کے ذریعے صلاحیت بڑھانے کے لیے مختلف اہم ڈیجیٹائزیشن اقدامات بھی اٹھائے گئے۔

مالی جائزہ اور انتظام

سیلز کا جائزہ

2025 میں، کمپنی کی آمدنی میں 2024 کے مقابلے میں 3 فیصد اضافہ ہوا، جس کی بنیادی وجہ پی وی سی اور کاسٹک سوڈا کی مقامی فروخت کے حجم میں اضافہ تھا۔ تاہم، حجم میں اس اضافے کا اثر پی وی سی کی قیمتوں میں کمی کی وجہ سے جزوی طور پر زائل ہو گیا جو منفی عالمی معاشی اور جغرافیائی سیاسی حالات کے باعث 2025 میں مسلسل گرتی رہی تھیں۔

منافع

کمپنی نے PVC کی کم قیمتوں کی وجہ سے آمدنی میں کمی کی وجہ سے 3,898 ملین روپے کا خالص نقصان رپورٹ کیا جبکہ توانائی کی قیمتوں میں اضافے کے بعد فروخت کی لاگت میں اضافہ ہوا۔

قومی خزانے میں حصہ ڈالنا

2025 کے دوران، کمپنی نے سرکاری خزانے میں 4,402 ملین روپے سے زیادہ ٹیکس کی شکل میں حصہ ڈالا، جس میں ایکسائز ڈیوٹی، کسٹم ڈیوٹی، انکم ٹیکس اور سیلز ٹیکس شامل ہیں۔ مزید برآں، کمپنی نے 1.6 ملین ڈالر درآمدی متبادل اور 99 ملین ڈالر برآمدات کے ذریعے زر مبادلہ کی بچت پیدا کی۔

لیکویڈیٹی اور کیش فلو

سال کے دوران، کمپنی نے اپنی آپریٹنگ سرگرمیوں سے 17,471 ملین روپے کا کیش فلو پیدا کیا۔ کسی بھی اضافی قلیل مدتی نقد کا انتظام ڈیٹ مارکیٹ انسٹرومنٹس، میوچل فنڈز اور TDRs میں سرمایہ کاری کے ذریعے کیا گیا تھا۔

فنانسنگ

کمپنی نے تقریباً 30 ارب پاکستانی روپے کی فنانسنگ سہولت کے لیے ایم سی بی اسلامک بینک لمیٹڈ، میزان بینک لمیٹڈ، فیصل بینک لمیٹڈ، الائیڈ بینک لمیٹڈ، بینک الفلاح لمیٹڈ، بینک اسلامی پاکستان لمیٹڈ، عسکری بینک لمیٹڈ اور دی بینک آف خیبر کے ساتھ کامیابی سے معاہدے کر لیے ہیں۔

کریڈٹ ریٹنگ

2025 میں، پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی طویل مدتی کریڈٹ ریٹنگ AA اور اس کی مختصر مدت کی ریٹنگ A1+ برقرار رکھی۔ کریڈٹ ریٹنگ ایجنسی نے کمپنی کی درجہ بندی کو 'مستحکم' قرار دیا جو اس کی اچھی کریڈٹ کی اہلیت کو اجاگر کرتی ہے۔ ایجنسی نے کمپنی کے اپنے کاروبار، مالیاتی پروفائل کو بڑھانے اور مستحکم آپریشنز کو برقرار رکھنے کی صلاحیت کے پیش نظر ریٹنگ سے نوازا۔

کیپٹل اسٹرکچر

2025 میں کمپنی کے اثاثوں کی مالی اعانت کے لیے طویل مدتی قرض اور ایکویٹی کا تناسب 71:29 رہا، جبکہ 2024 میں یہ تناسب 52:48 تھا۔ سال کے دوران، کمپنی کے مالیاتی ڈھانچے میں قرض کی ایک بڑی تبدیلی دیکھی گئی، کیونکہ حاصل کیے گئے نئے قرضوں کی مالیت قرضوں کی واپسی سے زیادہ رہی، جس کے نتیجے میں کمپنی کی قدر میں نمایاں اضافہ ہوا۔

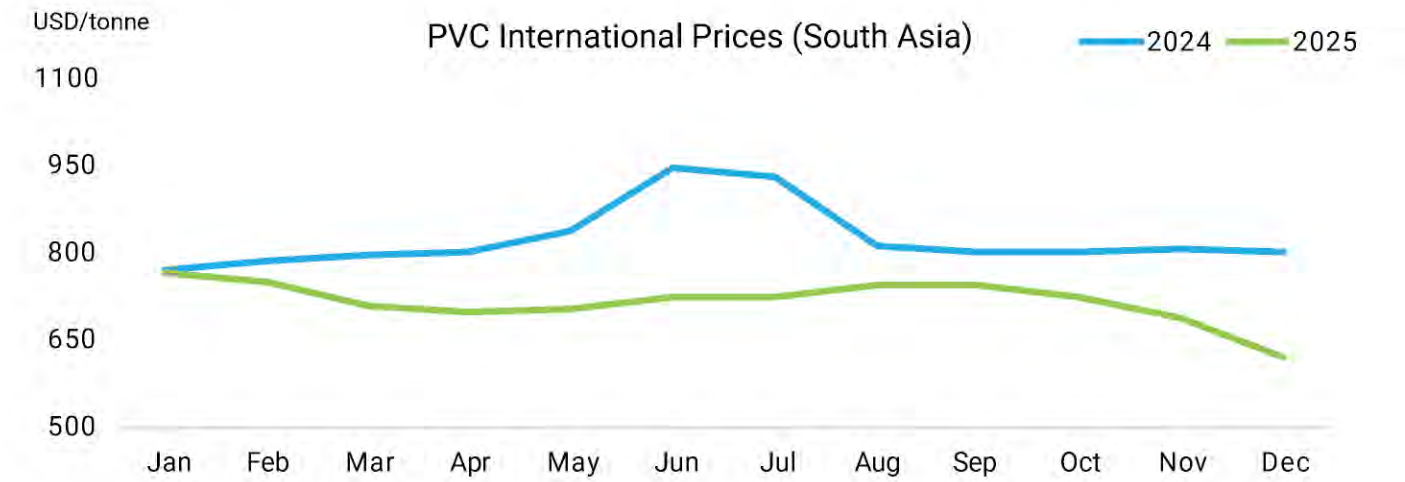
رиск مینجمنٹ فریم ورک

کمپنی انٹرپرائزر رиск مینجمنٹ (ERM) فریم ورک پر عمل پیرا ہے، جو خطرات کے پیشگی جائزے اور ان کے انتظام کے لیے عالمی سطح پر تسلیم شدہ معیاروں سے ہم آہنگ ہے۔ اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ کی پالیسی اس بات کو یقینی بناتی ہے کہ رиск مینجمنٹ شیئر ہولڈرز کی قدر تخلیق کرنے، اسے محفوظ رکھنے اور اس میں اضافے کا سنگ بنیاد ہے۔ یہ مقصد کارپوریٹ اہداف کی راہ میں حائل غیر یقینی صورتحال اور ممکنہ خطرات کو حکمت عملی کے تحت کم کر کے اور بصیرت کے ساتھ مواقع سے فائدہ اٹھا کر حاصل کیا جاتا ہے۔ کمپنی رиск مینجمنٹ کے ذریعے ان خدشات کا انتظام کرتی ہے جو کمپنی کے مقاصد کے حصول پر اثر انداز ہو سکتے ہیں۔ کمپنی اپنے کاروباری ماحول کی پیچیدگی کو تسلیم کرتی ہے اور تمام سطحوں پر ذمہ داریوں کے تعین کے ساتھ ساتھ حکمت عملی اور رиск لینے کی صلاحیت کے باقاعدہ جائزے کو ضروری سمجھتی ہے۔ موثر نگرانی کے لیے، تمام خطرات کو وسیع پیمانے پر چار کیٹگریز میں تقسیم کیا گیا ہے: اسٹریٹجک، حفاظتی اور آپریشنل، لیگل اور کپلائنس اور مالیاتی ورپورٹنگ کے خطرات۔

مجموعی طور پر، یہ اقدامات ڈاؤن اسٹریم شعبے کی ترقی، جدت کے فروغ اور صنعتی شراکت داروں کے ساتھ ساتھ وسیع تر مینوفیکچرنگ ایکوسیستم کے لیے طویل مدتی قدر پیدا کرنے کے لیے اینگروپولیمیر اینڈ کیمیکلز لمیٹڈ کی مستقل لگن کی عکاسی کرتے ہیں۔

بین الاقوامی وینائل چین کی قیمتیں

عالمی سطح پر ٹریڈ کی جانے والی پروڈکٹ ہونے کے باوجود، PVC کی قیمتیں تمام خطوں میں مختلف ہوتی ہیں۔ پاکستان کے لیے قیمتوں کا متعلقہ بیچ مارک CFR ساؤتھ ایشیا ہے۔ سال 2025 میں، وافر سپلائی اور تعمیرات سے وابستہ شعبوں میں کم طلب کی وجہ سے قیمتوں میں تیزی سے کمی واقع ہوئی۔ سال کے آغاز میں قیمتیں تقریباً 765 امریکی ڈالر تھیں جو سال کے بیشتر حصے میں مسلسل گرتی رہیں اور سال کے اختتام تک 620 امریکی ڈالر تک پہنچ گئیں۔ تیسری سہ ماہی (Q3) میں قیمتوں میں تھوڑا اضافہ دیکھا گیا، جس کی بڑی وجہ بھارت میں اینٹی ڈمپنگ ڈیوٹی (ADD) کی تحقیقات کے اختتام کے بعد مارکیٹ کی صورتحال تھی۔ تاہم، عمل درآمد کی تاریخ واضح نہ ہونے کی وجہ سے مارکیٹ میں دوبارہ محتاط رویہ اختیار کر لیا گیا اور قیمتیں معمول پر آگئیں۔ مجموعی طور پر، سال کا اختتام کمزور رجحان پر ہوا، البتہ 2026 کے لیے توقعات مثبت ہیں۔



اتھیلیٹین جو پی وی سی کا بنیادی خام مال ہے، اس کی قیمتوں میں سال بھر کمی کی وجہ سے 2025 میں لاگت کے دباؤ میں کمی آئی۔ عالمی سطح پر ضرورت سے زیادہ سپلائی اور ڈاؤن اسٹریم پولیمر کی کمزور طلب کے درمیان CFR ساؤتھ ایشیا میں اتھیلیٹین کی قیمتیں مسلسل کم ہوئیں۔ اس سال کے دوران تقریباً 6 ملین میٹرک ٹن کی نئی پیداواری صلاحیت، (خاص طور پر چین میں) سامنے آئی جس نے سپلائی کے دباؤ میں مزید اضافہ کیا۔

2025 میں قیمتیں 928 امریکی ڈالر فی میٹرک ٹن سے شروع ہوئیں اور مسلسل گرتے ہوئے دسمبر تک 735 امریکی ڈالر فی میٹرک ٹن تک پہنچ گئیں، یوں سال کا اختتام آغاز کے مقابلے میں تقریباً 200 امریکی ڈالر کم پر ہوا۔ یہ گراؤت وافر دستیابی، کربن آکسائیڈ ریش میں احتیاط، پولی اتھیلیٹین (جو کل طلب کا 60 فیصد سے زیادہ ہے) جیسی مارکیٹوں سے کمزور طلب، اور جغرافیائی سیاسی لچل اور نان اوپیک پلس سپلائی میں اضافے کی وجہ سے خام تیل اور نیفتھا کی قیمتوں میں اتار چڑھاؤ کے سبب سامنے آئی۔

مستقبل پر نظر (آؤٹ لک)

آئندہ مدت میں، ہماری توقع ہے کہ پی وی سی (PVC) کی قیمتیں مستحکم سے مضبوط رہیں گی۔ چینی حکومت کی جانب سے ایکسپورٹ ٹیکس ری بیٹ ختم کرنے کے منصوبے اور پی وی سی انڈسٹری کے بنیادی ڈھانچے کو مستحکم کرنے کے لیے سپلائی سائیڈ پر سخت اصلاحات کی توقعات کے باعث قیمتیں قدرے زیادہ رہنے کا امکان ہے۔ لاگت کے حوالے سے، اتھیلیٹین کی قیمتیں 2025 کی اوسط سے کم رہنے کی توقع ہے، جس کی وجہ فیڈ اسٹاک کی کم قیمتیں اور مسلسل وافر سپلائی ہے۔ تاہم، مختلف خطوں میں پیداوار کو متوازن کرنے کے لیے اپنائے جانے والے اقدامات قیمتوں کو کسی حد تک سہارا دیں گے۔ پی وی سی کی مستحکم قیمتیں اور اتھیلیٹین کی کم قیمتیں مل کر کوریڈیلٹا اور منافع کے مارجن کو مضبوط رکھیں گی۔

کلور الکل مارکیٹ

عالمی محاذ پر، زائد سپلائی اور کلورین نیٹیکس میں کمی کے باعث کاسٹک کی مارکیٹ سال کے بیشتر حصے میں دباؤ کا شکار رہی۔ اس صورتحال نے اپ اسٹریم پروڈیوسرز کو مجبور کیا کہ وہ مجموعی کلور الکل چین کے منافع کو برقرار رکھنے کے لیے کاسٹک پر انحصار کریں۔ نتیجتاً، سال کے اختتام پر قیمتیں بڑھنے کے بجائے زیادہ تر مستحکم رہیں۔

توقع ہے کہ رسد کی زیادتی کی یہ صورتحال 2026 تک برقرار رہے گی، جس کی بڑی وجہ چین ہے جہاں 2025 میں تقریباً 800 کلو ٹن (KT) کی نئی پیداواری صلاحیتوں نے کام شروع کیا، جو مستقبل قریب میں عالمی توازن پر اثر انداز ہوتی رہیں گی۔ اس کے برعکس، یورپ اور شمالی امریکہ میں پیداوار کو متوازن کرنے کی طرف پیش رفت ہو رہی ہے، مثال کے طور پر ویسٹ لیک نے 2025 کے اختتام پر اپنا 410 کلو ٹن کا کلور الکل پلانٹ بند کر دیا۔

پاکستان میں کاسٹک سوڈائیٹکسٹائل سیکٹر کے لیے ایک بنیادی جزو ہے اور اس کی طلب کا زیادہ تر انحصار ٹیکسٹائل انڈسٹری کی کارکردگی پر ہوتا ہے۔ گیس لیوی کے نفاذ کے بعد کیمپو گیس کی قیمتوں میں اضافے کی وجہ سے کمپنی کے منافع پر منفی اثر پڑا، جو انڈسٹریز کے لیے ایک سنگین تشویش کا باعث رہا۔ تاہم، خاص طور پر برآمدات سے وابستہ ٹیکسٹائل سیکٹر سے کاسٹک کی مجموعی طلب میں بہتری آئی، جس نے مالی سال 2025 کے دوران برآمدات میں 7 فیصد اضافہ ریکارڈ کیا۔

کمپنی کے کلور الکل پورٹ فولیو میں سوڈیم ہائیڈروکلورائیڈ اور ہائیڈروکلورک ایسڈ بھی شامل ہیں۔ سوڈیم ہائیڈروکلورائیڈ بنیادی طور پر ٹیکسٹائل میں پلیٹنگ ایجنٹ کے طور پر استعمال ہوتا ہے، جبکہ اس کے دیگر استعمالات میں جراثیم کشی اور پانی کی صفائی شامل ہیں۔ ہائیڈروکلورک ایسڈ اسٹیل گیٹوانائزنگ، فضلے کے پانی کی صفائی، بجلی کی پیداوار اور جیلیٹن سمیت کئی صنعتوں میں کام آتا ہے۔ کمپنی ان دونوں پروڈکٹس کے ڈاؤن اسٹریم استعمالات میں ترقی کے پرجوش مواقع دیکھ رہی ہے، خاص طور پر سوڈیم ہائیڈروکلورائیڈ کے پانی کی صفائی اور ہائیڈروکلورک ایسڈ کے لیے پاور سیکٹر میں استعمال کے حوالے سے پرامید ہے۔

آؤٹ لک

کلور الکل کا بزنس بنیادی طور پر توانائی کی لاگت سے متاثر ہوتا ہے۔ بڑے پیمانے کی مینوفیکچرنگ میں بتدریج بحالی اور ٹیکسٹائل کی برآمدات بڑھانے پر بڑھتی ہوئی توجہ کی وجہ سے طلب کے امکانات حوصلہ افزا ہیں۔ ٹیکسٹائل کے شعبے میں ترقی کے ساتھ ساتھ کاسٹک سوڈا کی کھپت میں بھی بہتری متوقع ہے؛ تاہم، اس شعبے کی پیش رفت کا دارومدار سستی قیمتوں پر گیس کی مسلسل فراہمی پر رہے گا، جو کہ اب بھی ایک چیلنج ہے۔

ہائیڈروجن پر آکسائیڈ

کمپنی نے 17 فروری 2025 کو اپنے ہائیڈروجن پر آکسائیڈ (HPO) پلانٹ کا کامیاب آغاز کیا، جس کے تحت کلور الکل آپریشنز سے حاصل ہونے والی باقی پروڈکٹ ہائیڈروجن کو صنعتی استعمال، بنیادی طور پر ٹیکسٹائل سیکٹر کے لیے ویلیو ایڈڈ ہائیڈروجن پر آکسائیڈ میں تبدیل کیا گیا۔

پاکستان

مقامی پی وی سی مارکیٹ بین الاقوامی قیمتوں میں کمی کے باعث مسلسل دباؤ کے دور سے گزری۔ اس کے نتیجے میں، درآمدی مال کا مقابلہ کرنے کے لیے مقامی قیمتیں بھی کم سطح پر رہیں۔ تاہم، 2025 میں مقامی مارکیٹ میں 19% کی نمو دیکھی گئی، جس میں میکرو اکنامک حالات کی بہتری اور سیلاب کے بعد بحالی کے کاموں کی بدولت تعمیراتی شعبے سے وابستہ ذرائع میں بہتری آئی۔

طلب کا بنیادی مرکز عمارتوں، میونسپل واٹر سسٹم اور آبپاشی کے لیے استعمال ہونے والے پائپس اور فٹنگز ہے، جبکہ کیلنڈر فلیم، ریچڈ اور فلیکس ایبل پروفا ٹلز اور دیگر مصنوعات جیسے کہ فلورنگ، روٹنگ اور وال پنیلز میں بتدریج بڑھوتری آتی رہی۔

مارکیٹ کے رجحانات میں تجارتی سرگرمیوں کا اہم کردار رہا، تاہم مقامی سطح پر اینگرو پولیمر اینڈ کیمیکلز نے 82% مارکیٹ شیئر کے ساتھ اپنی گرفت برقرار رکھی۔ پورے برصغیر کے برعکس، جہاں 2025 میں پی وی سی کی مقامی طلب کا تقریباً 67% درآمدات سے پورا کیا گیا، پاکستان بیرونی سپلائی پر اتنا زیادہ انحصار نہیں کرتا۔ اس کے بجائے، یہاں درآمدات کا استعمال مقامی دستیابی اور گریڈس کی کمی کو پورا کرنے کے لیے کیا جاتا ہے، جو عموماً شمال مشرقی ایشیا سے حاصل کی جاتی ہیں تاکہ مارکیٹ میں توازن برقرار رہے۔

مجموعی طور پر، آئندہ سال کا منظر نامہ پر امید ہے۔ تعمیراتی سرگرمیوں میں بحالی سے مقامی طلب کو سہارا ملنے کی توقع ہے، جبکہ مختلف خطوں میں پرانے پلانٹس کی بحالی پر زور دینے والی حکومتی پالیسیاں قیمتوں کو مستحکم کرنے میں مدد دیں گی۔ اگرچہ عالمی ونا ٹلز مارکیٹ اس وقت ضرورت سے زیادہ سپلائی کے بوجھ تلے دبئی ہوئی ہے، لیکن توقع ہے کہ 2026 سے منافع اور قیمتوں میں بتدریج بہتری آئے گی۔

مارکیٹ ڈویلپمنٹ سرگرمیاں

سال کے دوران، مارکیٹ ڈویلپمنٹ ٹیم نے مقامی پی وی سی انڈسٹری میں جدت اور صلاحیتوں میں اضافے کے لیے اپنا متحرک کردار مزید مستحکم کیا۔ ٹیم نے درآمدی متبادل، مصنوعات کی تیاری اور ڈاؤن اسٹریم سیکٹر کی ترقی کے لیے اپنے عزم کو آگے بڑھایا۔

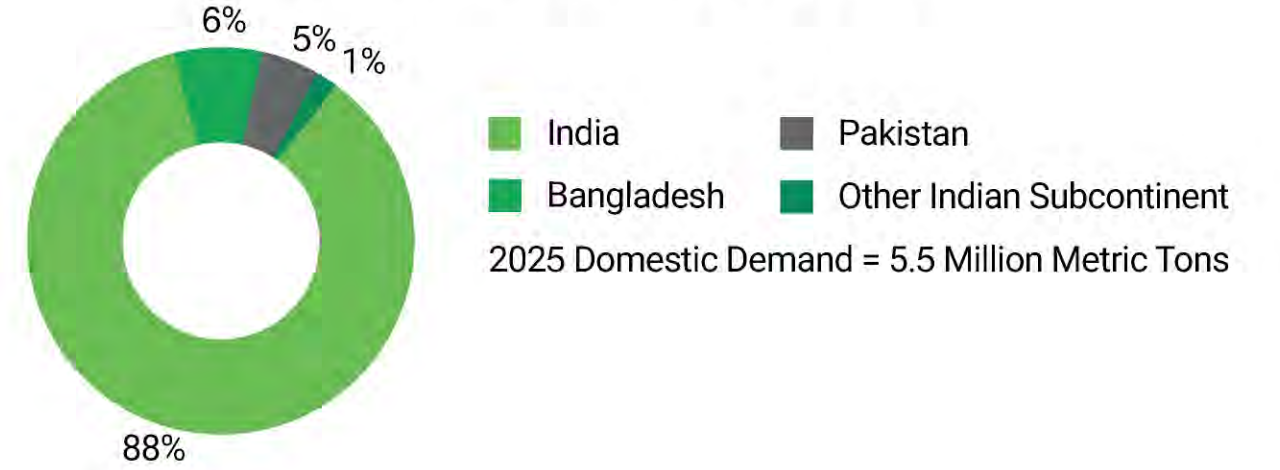
درآمدی متبادل اور نئی پروڈکٹ کی تیاری میں نمایاں پیش رفت ہوئی، جس میں مقامی طور پر تیار کردہ کمپاؤنڈز جیسے کہ نیبولائزیشن ماسک کمپاؤنڈ اور LED روپ کمپاؤنڈ متعارف کرائے گئے۔ یہ کامیابی مشینوں کی آپٹیمائزیشن، فارمولیشن میں بہتری اور اندرونی تحقیق و ترقی (R&D) کے ذریعے حاصل کی گئی۔

تعمیراتی شعبے میں پی وی سی کے استعمال کو وسعت دینے کی کوششیں جاری رہیں، جس کے تحت موجودہ صارفین کو WPC دروازوں، وال کلیڈنگ، اینجینئرنگ اور پی وی سی ڈور اور وینڈو پروفا ٹلز کے لیے معاونت فراہم کی گئی۔ اس اقدام نے 10 مینوفیکچررز کو اپنی مصنوعات میں تنوع لانے اور آپریشنل کارکردگی بہتر بنانے کے قابل بنایا۔

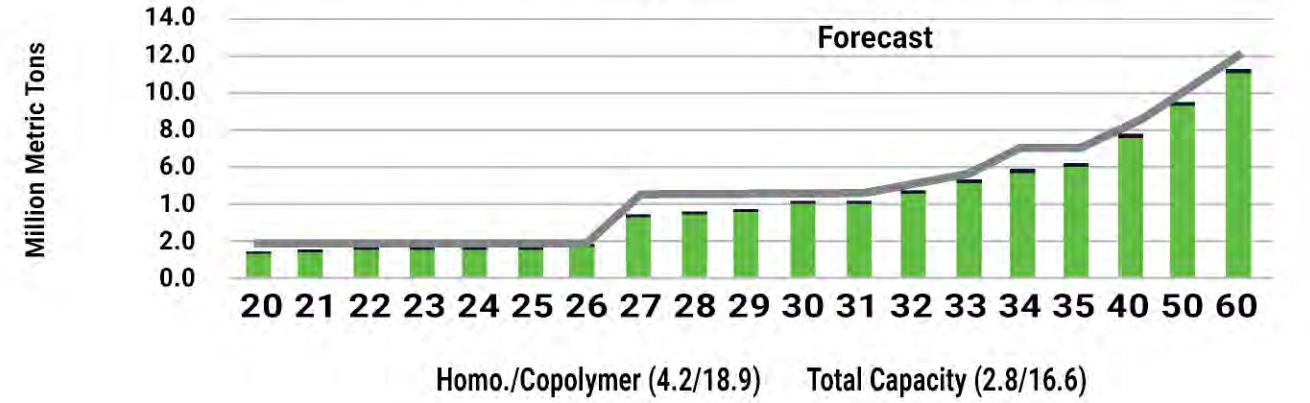
افراد کی قوت کی ترقی کے لیے ٹارگٹڈ کوششیں کی گئیں، جن کے تحت سرکاری اور نجی اداروں کے 200 سے زائد ڈاؤن اسٹریم آپریٹرز اور سائٹ انجینئرز کے لیے OSHA پر مبنی 20 سے زیادہ حفاظتی اور آپریشنل تربیتی سیشن منعقد کیے گئے۔

کمپنی نے نیشنل ریگولیٹری فریم ورک میں لازمی شمولیت کے لیے پی وی سی کے اپ ڈیٹ شدہ معیاروں کا مسودہ تیار کر کے پیش کیا۔ اس کوشش کا مقصد انڈسٹری کی واضح اور جدید تکنیکی رہنمائی کی ضرورت کو پورا کرنا ہے تاکہ پروڈکٹس کی کارکردگی میں تسلسل، حفاظت میں اضافہ اور مقامی مینوفیکچررز کی عالمی سطح پر مسابقت کو بہتر بنایا جاسکے۔

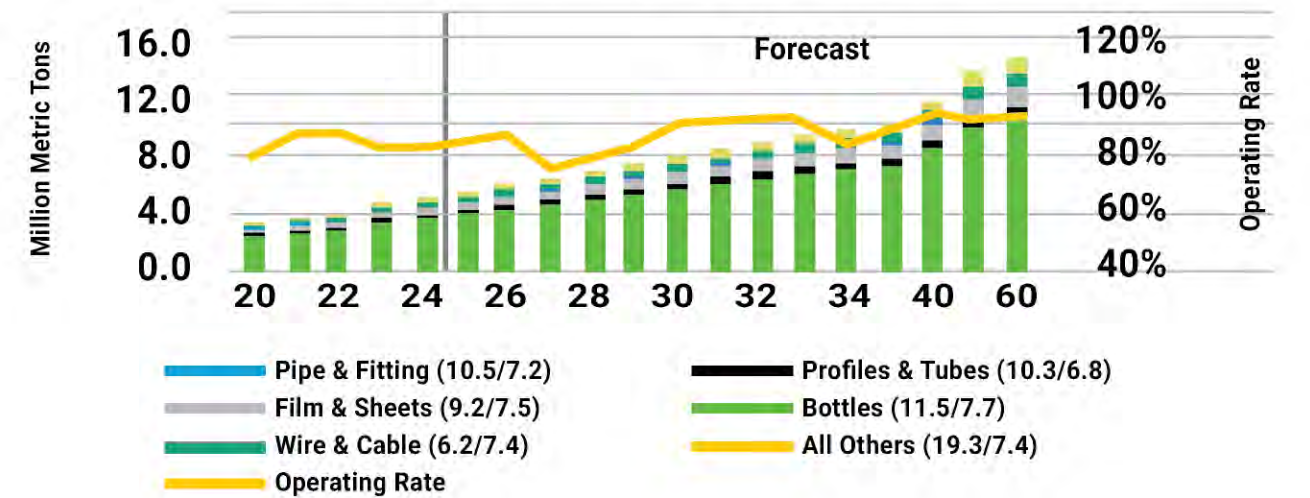
Indian Subcontinent: pvc demand by geography



Indian Subcontinent: PVC Capacity by Process

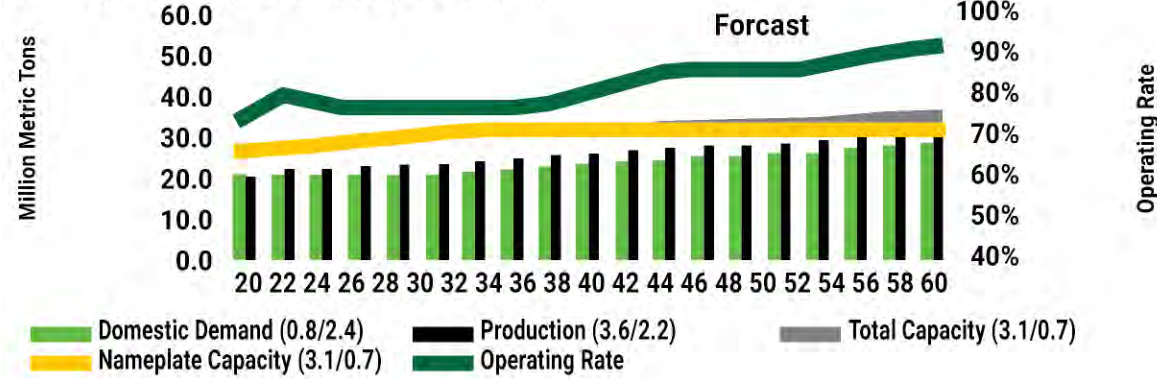


Indian Subcontinent: PVC Demand



مستقبل میں، چین میں ریگولیٹری تبدیلیاں اینٹی انولوشن (Anti-involution) اقدامات پر منحصر ہیں، اس میں برآمدی مراعات کا خاتمہ اور پیداواری گنجائش کو بہتر بنانا شامل ہے۔ توقع ہے کہ ان اقدامات سے قیمتوں کو سہارا ملے گا۔ مینوفیکچررز اب اپنی توجہ پیداواری انضمام، منتخب برآمدات اور لاگت میں کمی پر مرکوز رکھیں گے، جبکہ زیادہ لاگت والے پلانٹس کی ممکنہ بندش کے اشاروں پر بھی نظر رکھی جائے گی۔

China (mainland): pvc supply & demand



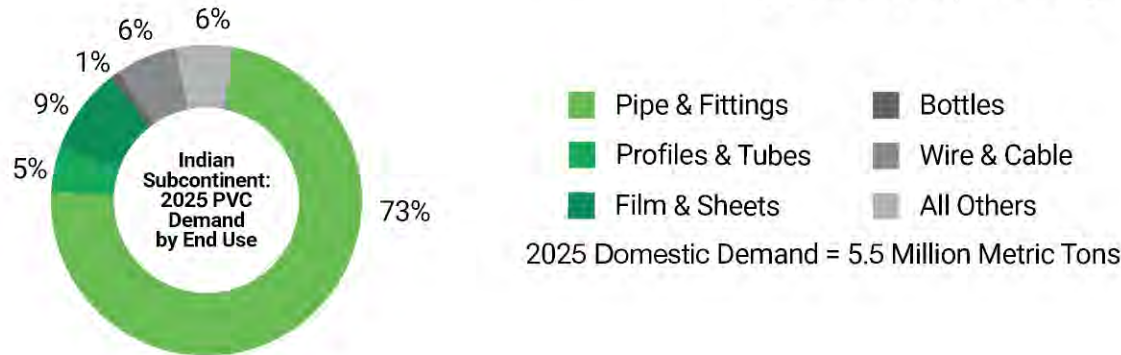
جنوبی ایشیا

2025 میں علاقائی طلب میں تیزی آئی اور اس میں سالانہ بنیادوں پر 9% اضافہ ریکارڈ کیا گیا، جبکہ اگلے سال اس شرح میں مزید 7% اضافے کا امکان ہے۔ اس ترقی کی بڑی وجہ پانی کی فراہمی، صفائی ستھرائی، بجلی کی فراہمی اور تعمیراتی سرگرمیوں میں بڑھتی ہوئی طلب کے ساتھ ساتھ 6% جی ڈی پی کی ترقی بھی ہے۔

اگرچہ مقامی کھپت مستحکم رہی، لیکن 2025 میں پیداواری صلاحیت میں کوئی نیا اضافہ نہیں ہوا، جس کی وجہ سے پروڈیوسرز نے اپنی صلاحیت کے استعمال کی شرح بڑھا کر 85% کر دی، جو 2024 میں 83% تھی۔ طلب میں کمی کو درآمدات کے ذریعے پورا کیا گیا، جبکہ امریکہ، چین اور مشرق وسطیٰ کے پروڈیوسرز کے لیے بھارت ایک منافع بخش برآمدی منزل کے طور پر برقرار رہا۔

علاقائی طلب اور پیداوار میں بھارت کا حصہ سب سے زیادہ رہا جہاں فی کس پی وی سی (PVC) کی کھپت 3.8 کلو گرام ہے، جبکہ بنگلہ دیش اور پاکستان میں بدستور صرف ایک ایک بڑا پی وی سی پروڈیوسر کام کر رہا ہے۔ 2025 کے پیشتر حصے میں پالیسی سے متعلق پیش رفت مارکیٹ کے رجحانات پر اثر انداز رہی، تاہم 2025 کے آخر میں مجوزہ BIS سرٹیفیکیشن کی شرط ختم کر دی گئی اور بھارت میں PVC کی درآمدات پر اینٹی ڈپٹنگ تحقیقات فی الحال زیر التوا ہیں جن کے ختم ہونے کی توقع ہے۔

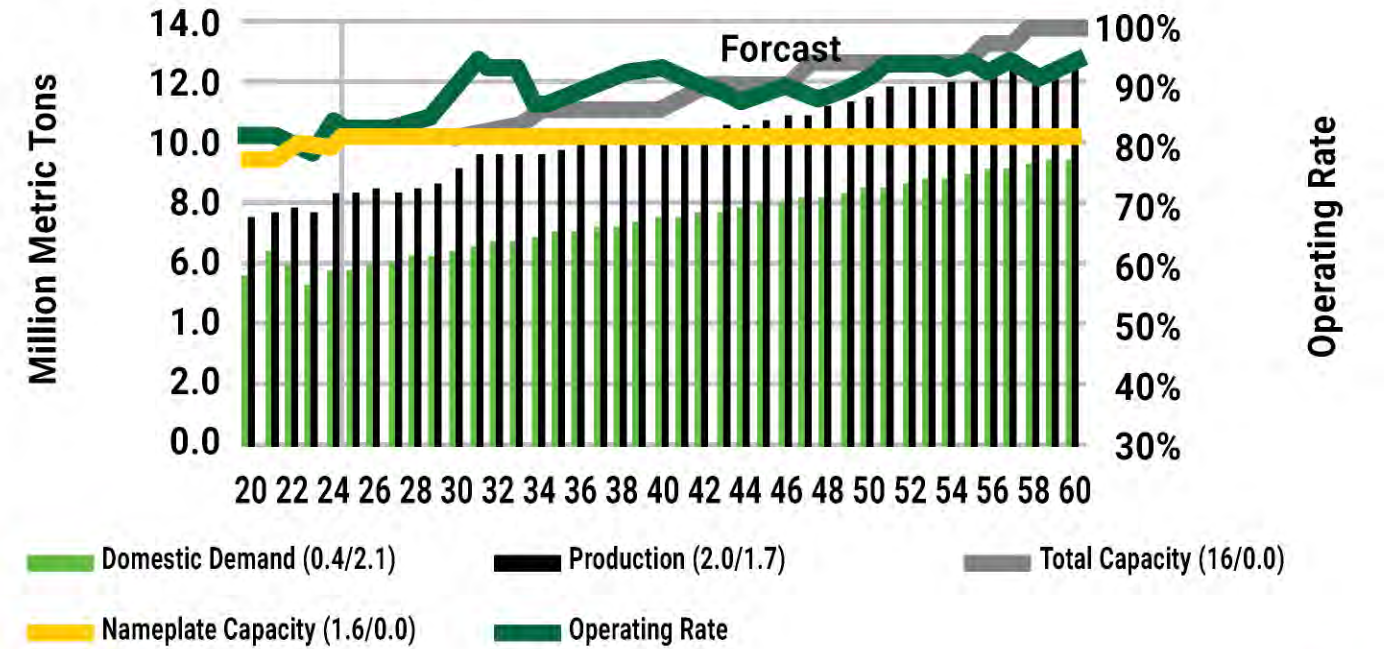
جنوبی ایشیا کی مارکیٹ کے مستقبل کے حوالے سے بھارت میں 2028 تک 2.5 ملین میٹرک ٹن کی نئی پیداواری صلاحیت کے اضافے کی توقع ہے، جس کا مقصد خود کفالت کو بڑھانا اور درآمدات پر انحصار کم کرنا ہے۔ بھارت آنے والے برسوں میں بھی طلب کا بڑا مرکز رہے گا اور یہاں طلب کافی حوصلہ افزا ہے کیونکہ فی کس پی وی سی کی کھپت اب بھی 6 کلو گرام کی عالمی اوسط سے کم ہے۔



تجارتی حالات مقابلے کا شکار رہے۔ لاگت کی بچت اور اسپیشلسٹی گریڈز کی دستیابی سے درآمدات میں 5 فیصد اضافہ ہوا، جبکہ برآمدی مواقع محدود رہے کیونکہ یورپ اور ایشیا میں امریکی پی وی سی پر اینٹی ڈپٹنگ تحقیقات میں تیزی آئی اور امریکہ کی جانب سے پی وی سی ریزن، کمپاؤنڈز اور تیار شدہ وینائل پروڈکٹس پر نئے ٹیرف نافذ کیے گئے۔

امریکہ میں مقامی طلب میں تقریباً 2 فیصد معتدل اضافے کی توقع ہے، جبکہ شرح سود میں ممکنہ کمی 2026 کے وسط تک نئی رہائشی تعمیرات کو سہارا دے سکتی ہے۔ پیداواری پلانٹس کی منظم سوچ قیمتوں کے استحکام میں مددگار ثابت ہو سکتی ہے۔ تاہم ایکسپورٹ مارکیٹ بدستور اہم رہے گی اور طلب اور ٹریڈ ریگولیشنز کے حوالے سے بھارت اور جنوب مشرقی ایشیا کی منڈیوں میں کام کرنے کی صورت حال بہتر رہے گی۔

North America: PVC Supply & Demand



چین

سال 2025 میں چین کی PVC مارکیٹ کو رسد کی زیادتی اور طلب میں سست روی کے باعث عدم توازن کا سامنا رہا۔ پیداواری گنجائش میں سالانہ بنیادوں پر 3 فیصد اضافہ ہوا، جبکہ مقامی طلب میں صرف 1 فیصد کا معمولی اضافہ دیکھا گیا۔ ریئل اسٹیٹ سے منسلک شعبوں میں صورت حال غیر مستحکم رہی، البتہ بلدیاتی اور صنعتی منصوبوں کی جانب سے طلب نسبتاً مستحکم رہی۔

اوسط آپریٹنگ ریٹ 78 فیصد کی سطح پر رہا، جو کہ 2024 کی سطح کے برابر ہے۔ چین نے خطے میں بقیہ ضرورت پوری کرنے والے سپلائرز کے طور پر اپنا کردار جاری رکھا اور مقامی عدم توازن کو سنبھالنے کے لیے برآمدات کا سہارا لیا۔ چین کی PVC پیدا کرنے کی مجموعی صلاحیت 31 ملین میٹرک ٹن تک پہنچ گئی ہے جو عالمی گنجائش کا 48 فیصد ہے۔ توقع ہے کہ 2026 میں چین مزید 1 ملین میٹرک ٹن گنجائش کا اضافہ کرے گا، جس سے سپلائی پر دباؤ برقرار رہے گا۔

پیداواری لاگت کے نظام میں تبدیلیاں آتی رہیں۔ سخت ماحولیاتی پالیسیوں اور ضوابط کی وجہ سے ایتھیلین پروجیکٹس کی اہمیت بڑھ گئی، جبکہ کولے (Carbide) پر مبنی چھوٹے اور غیر مربوط یونٹس کو منافع میں کمی اور وقتاً فوقتاً پابندیوں کا سامنا کرنا پڑا۔

میکرو اکٹامک صورت حال

سال 2025 میں عالمی معیشت کی رفتار میں تھوڑی کمی آئی لیکن یہ مستحکم رہی۔ پچھلے سال کے مقابلے میں معمولی گراؤٹ کے بعد شرح نمو 3 فیصد رہی۔ یہ صورت حال متضاد عوامل کا مجموعہ تھی۔ ایک طرف تجارت اور پالیسیوں کے حوالے سے غیر یقینی صورتحال نے سرگرمیوں کو متاثر کیا تو دوسری طرف آسان مالیاتی حالات، ٹیکنالوجی اور مصنوعی ذہانت (AI) میں سرمایہ کاری اور نجی شعبے کی ہم آہنگی نے معاشی رفتار کو برقرار رکھنے میں مدد دی۔ اس کے باوجود، درمیانی مدت کی شرح نمو عالمی وبائے پہلے کی صورت حال سے کم ہے اور تجارتی پابندیوں، جغرافیائی و سیاسی تناؤ اور مارکیٹ کرپشن (قیمتوں میں اتار چڑھاؤ) کے امکانات کی وجہ سے خطرات برقرار ہیں۔

مالی سال 2025 میں ملکی معیشت استحکام کی طرف گامزن رہی اور حقیقی جی ڈی پی میں 3 فیصد اضافہ ریکارڈ کیا گیا، جسے مالیاتی، بینکاری اور بیرونی شعبوں میں ہونے والی مجموعی بہتری سے مدد ملی۔ مہنگائی کی شرح معتدل رہی؛ اپریل 2025 میں افراط زر اپنی کم ترین سطح 0.5 فیصد تک گر گئی، جبکہ پورے کیلنڈر سال کی اوسط 4 فیصد رہی۔ اسی تناسب سے پالیسی ریٹ میں بھی کمی دیکھی گئی اور سال کے آغاز میں 12 فیصد سے کم ہو کر سال کے آخر تک 10.5 فیصد پر آگیا جو آسان مالیاتی شرائط کی جانب ایک مستحکم منتقلی کا اشارہ ہے۔

سال کے دوران بیرونی ادائیگیوں کے توازن میں بھی بہتری آئی۔ کرنٹ اکاؤنٹ خسارہ جو جنوری 2025 میں 420 ملین امریکی ڈالر تھا، دسمبر 2025 تک کم ہو کر 244 ملین امریکی ڈالر رہ گیا، جس کی بڑی وجہ بیرون ملک سے آنے والی مستحکم ترسیلات زر (Remittances) تھیں۔ یہ بہتری سابقہ رجحانات کے عین مطابق تھی، کیونکہ ترسیلات زر مضبوط رہیں، ٹیکنالوجی سے متعلق ایکسپورٹ آمدنی میں اضافہ ہوا، اور زر مبادلہ کے ذخائر میں مسلسل بہتری آئی، جس سے بیرونی اکاؤنٹس میں نظم و ضبط برقرار رکھنے میں مدد ملی۔

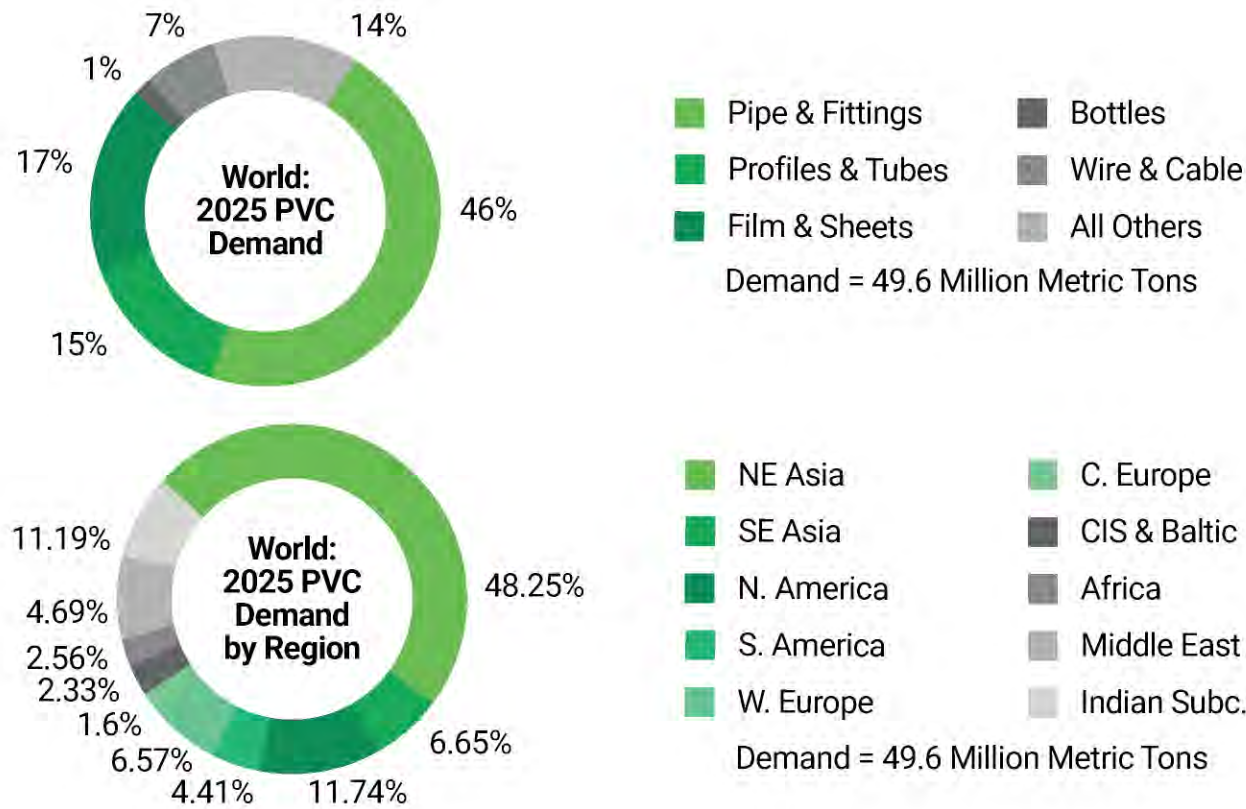
2025 میں انڈسٹری کی صورتحال ملے جلے رجحان کا شکار رہی لیکن اہم شعبوں میں بہتری دیکھی گئی۔ مینوفیکچرنگ کے شعبے میں مجموعی طور پر لارج اسکیل مینوفیکچرنگ (LSM) کی رفتار سست رہی، تاہم ٹیکسٹائل اور ملبوسات کے شعبوں نے بہترین کارکردگی دکھائی؛ ٹیکسٹائل میں 2.5 فیصد اور ملبوسات میں 6 فیصد اضافہ ہوا، جو ایکسپورٹ کی مضبوطی کی علامت ہے۔ سیمنٹ کا شعبہ، جو ملکی تعمیراتی طلب کا بڑا محرک ہے، اس کی مقامی فروخت میں 2025 کے دوران سالانہ بنیادوں پر 9 فیصد اضافہ ریکارڈ کیا گیا جو تعمیراتی شعبے میں بہتری کی عکاسی کرتا ہے۔

مستقبل کے حوالے سے، اسٹرکچرل اصلاحات اور سرمایہ کار دوست پالیسیوں پر مبنی درمیانی مدت کے راستے کی توقع ہے، جس میں 2026 کے لیے جی ڈی پی کی شرح نمو 3 فیصد رہنے کی پیش گوئی کی گئی ہے۔ اس نمو کو برقرار رکھنے کے لیے ایک سازگار ماحول کی ضرورت ہوگی، جس میں ٹیکسٹائل جیسی اہم صنعتوں کے لیے اسٹریٹجک ٹیرف پروٹیکشن بھی شامل ہے، جو ملک کی معاشی ترقی، درآمدی متبادل اور برآمدات میں اضافے کے لیے کلیدی کردار ادا کرتی ہیں۔

وینائل مارکیٹ کا جائزہ

سال 2025 میں، پولی وینائل کلورائیڈ (PVC) کی عالمی صنعت مشکل حالات کا شکار رہی، کیونکہ معاشی غیر یقینی صورتحال اور جغرافیائی سیاسی عوامل مارکیٹ پر اثر انداز ہوتے رہے۔ 2025 میں عالمی پی وی سی پیداوار کا 24 فیصد بین الاقوامی سطح پر تجارت کیا گیا، جس کی وجہ سے مختلف خطوں کے درمیان سخت مقابلہ برقرار رہا۔ پی وی سی کی طلب میں تقریباً 2 فیصد کا معمولی اضافہ ہوا، جبکہ کئی خطوں میں پیداواری صلاحیت میں ہونے والا اضافہ کھپت کی شرح سے بڑھ گیا۔ نتیجتاً، رسد طلب سے تجاوز کر گئی، جس کی وجہ سے آپریٹنگ ریٹ 77 فیصد پر رہا، جو کہ تاریخی سطح سے کافی کم ہے۔

رسد اور طلب کے اس عدم توازن نے قیمتوں اور منافع کے مارجن پر شدید دباؤ ڈالا۔ 2025 میں PVC کی قیمتیں اپنی کم ترین سطح پر آگئیں، جبکہ بڑے خطوں بالخصوص شمال مشرقی اور جنوب مشرقی ایشیا میں پروڈیوسرز کے منافع میں نمایاں کمی واقع ہوئی، کیونکہ مینوفیکچررز نے ضرورت سے زیادہ رسد کے ماحول میں ایک دوسرے سے مقابلہ کیا۔ اضافی اسٹاک کو نکالنے کے لیے ایکسپورٹ مارکیٹس ناگزیر رہیں، لیکن صرف تجارت مارکیٹ میں توازن پیدا کرنے کے لیے کافی ثابت نہ ہو سکی۔ پی وی سی کے استعمال کے طریقے مجموعی طور پر مستحکم رہے۔ تعمیرات اور انفراسٹرکچر کی بدولت رجڈ ایپلی کیشنز بالخصوص پائپ اور فٹنگز کا حصہ 46 فیصد کے ساتھ سب سے زیادہ رہا۔ تاہم، مختلف بڑی معیشتوں میں تعمیراتی اور ریل اسٹیٹ کے شعبوں میں سست روی، اور مخصوص حصوں میں دیگر متبادل میٹریلز کے ساتھ مقابلے کی وجہ سے طلب میں خاطر خواہ اضافہ نہ ہو سکا۔



شمالی امریکہ

سال 2025 میں شمالی امریکہ میں PVC کی طلب میں معمولی اضافہ ہوا اور سست معاشی پس منظر کے باوجود مقامی کھپت میں سالانہ بنیادوں پر 2 فیصد اضافہ ریکارڈ کیا گیا۔ طلب کو بنیادی طور پر مرمت و تزئین و آرائش اور انفراسٹرکچر کی سرگرمیوں سے سہارا ملا، کیونکہ فنانسنگ کی مشکل شرائط اور ہاؤسنگ مارکیٹ میں مندی کی وجہ سے نئی رہائشی تعمیرات محدود رہیں۔

سپلائی میں اضافہ طلب سے زیادہ رہا، جس کے نتیجے میں پیداواری صلاحیت میں 3 فیصد اضافہ ہوا اور پی وی سی کی عالمی پیداواری صلاحیت میں شمالی امریکا کا حصہ بڑھ کر 16 فیصد گیا۔ نئی پیداواری صلاحیت کا زیادہ تر اضافہ سپینشن گریڈز میں ہوا، جبکہ ڈسپریشن گنجائش محدود رہی، جس کے باعث خصوصی ریزنز کی درآمدات جاری رہیں۔ اوسط آپریٹنگ شرح 2024 کے 84 فیصد کے مقابلے میں کم ہو کر 82 فیصد رہ گئی، کیونکہ زائد سپلائی والی مارکیٹ میں ذخائر کو متوازن رکھنے کے لیے پیداواری اداروں نے اپنی پیداوار کو کم کیا۔ اس سال خطے بھر میں پیداواری صلاحیت کو منظم کرنے کی سوچ بھی دیکھنے میں آئی، جہاں بڑے پیداواری اداروں نے لاگت کے دباؤ کے باعث تقریباً 0.5 ملین میٹرک ٹن پی وی سی پیداواری صلاحیت کم کرنے کا اعلان کیا۔

ڈائریکٹر رپورٹ

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ ("کمپنی") کے ڈائریکٹر 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے اپنی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرنے پر خوش ہیں۔

مالیاتی بیان

سال کے دوران، کمپنی نے 78,017 ملین روپے کی آمدنی اور 3,898 ملین روپے کا بعد از ٹیکس نقصان گزشتہ سال کے 75,708 ملین روپے کی آمدنی اور 161 ملین روپے کے بعد از ٹیکس نقصان کے مقابلے میں حاصل کیا۔ نتیجتاً 2025 میں 4.29 روپے کافی شیئر نقصان سامنے آیا جو پچھلے سال 0.40 روپے فی شیئر تھا۔

پرنسپل سرگرمیاں

کمپنی اینگرو کارپوریشن لمیٹڈ کا ذیلی ادارہ ہے جو اینگرو ہولڈنگز لمیٹڈ (سابقہ داؤد ہر کو لیس کارپوریشن) کا ذیلی ادارہ ہے۔ کمپنی کا قیام 1997 میں ایک پبلک لمیٹڈ کمپنی کے طور پر منسوخ شدہ کمپنیز آرڈیننس، 1984 کے تحت عمل میں آیا تھا اور 1997 میں تجارتی آپریشنز کا آغاز کیا گیا تھا۔ کمپنی کے شیئرز تجارت کے لیے پاکستان اسٹاک ایکسچینج میں لسٹڈ ہیں۔

کمپنی کا بنیادی کام کلور وینائل (Chlor-Vinyl) پروڈکٹس کی پیداوار اور ڈسٹری بیوٹن ہے، جس میں پولی وینائل کلورائیڈ (PVC)، کاسٹک سوڈا لیکوئیڈ، کاسٹک سوڈا فلیکس اور ہائیڈروجن پر آکسائیڈ کے ساتھ، ہائیڈروکلورک ایسڈ اور سوڈیم ہائیپوکلورائیٹ جیسے انڈسٹریل کیمیکلز کی ایک رینج شامل ہے۔ کمپنی کے اہم برانڈ SABZ نے ملک میں اعلیٰ معیاری PVC کی علامت کے طور پر وسیع پیمانے پر پہچان حاصل کی ہے۔

کمپنی اپنے کاروباری امور میں تین اہم ترجیحات: افراد، زمین اور منافع (پیپل، پلینٹ اور پرافٹ) کو متوازن رکھنے کے اپنے فلسفے پر عمل پیرا ہے۔

کاروبار اور بزنس ماڈل کی نوعیت

کمپنی کلور وینائل اور صنعتی کیمیکلز کے شعبے میں کام کرتی ہے اور اس کی کارکردگی کاروباری ماحول یا ان حالات سے متاثر ہوتی ہے جس میں یہ کام کرتی ہے۔

