

DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the Company's Audited Financial Statements along with Auditors' Report thereon for the year ended June 30, 2025.

1. FINANCIAL RESULTS:

The financial results are summarized below:

| Major Financial Results | (Rupees) |
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| Net Revenue including other income for the year | 112,350,385 |
| Operating, administrative and general expenses for the year | (96,640,122) |
| Surplus for the year | 15,710,263 |

2. NCPC MANAGEMENT AND OPERATIONS:

National Cleaner Production Center Foundation (NCPC) aims to introduce and promote Cleaner Production (CP) techniques for pollution prevention at source along with integrated waste management targeting sustainable development and community prosperity. It was established by United Nations Industrial Development Organization (UNIDO) in 1999 with collaboration of United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), EPAs, Ministry of Climate Change (MOCC) and Ministry of Energy (Petroleum Division). It is registered as not-for-profit organization under Section 42 of the applicable Companies Ordinance, 1984 (repealed by the Companies Act, 2017) and is certified by Pakistan Centre for Philanthropy (PCP) and Federal Board of Revenue (FBR). Cleaner Production provides an integrated preventive environmental strategy to processes and products in order to reduce risks to human and the environment. Through the CP program, NCPC is bridging the gap between competitive industrial production and environmental concerns.

NCPC has established global linkages particularly with RECPnet (UNEP and UNIDO global network), China NCPC and other international organizations through meetings, training programs and other events.

The Company has partnership with different institutes and universities like Institute of Rural Management (IRM), Human Development Foundation (HDF), Pakistan Girl Guides Association (PGGA), Mir Chakar Khan Rind University of Technology, PMAS Arid Agriculture University, Government College University Faisalabad (Sahiwal Campus), Shaheed Benazir Bhutto University Sheringal, Mirpur University of Science and Technology, International Islamic University, Abbottabad University of Science and Technology, Pakistan Institute of Engineering and Applied Sciences, Sardar Bahadur Khan Women's University, Fatima Jinnah Women University, University of Engineering and Technology, Lahore College for Women University, Government College University Lahore, Bahauddin Zakariya University, National University of Sciences and Technology, Quaid-e-Azam University, University of the Punjab and Forman Christian College & University for joint environmental protection, knowledge sharing and capacity building activities.

The company is carrying out broad categories of Environmental, Analytical, Energy, Waste Management Services (incineration, bioremediation and compositing), Capacity Building and Philanthropy Activities. Different Eco Model Projects regarding environment like Eco Model Villages, Societies, Oilfields, Universities, Colleges, Schools, Madrassas, Churches, Mandirs, Hospitals, Streets, and Parks have been initiated.

The Company has expertise in providing quality services in the following areas:

a) ANALYTICAL SERVICES

Monitoring of stack emissions, waste and drinking water, ambient air, vehicular emissions, noise emissions and petroleum products analysis provided to multi sector organizations and industries by NCPC environmental laboratory, Attock Refinery Limited quality control laboratory and other certified laboratories like PINSTEC, PCRWR, PCSIR, Green Crescent, ESPAK and Target Lab.

b) WASTE MANAGEMENT SERVICES

The incinerators having capacity of 150 kg/hr to incinerate hospital, pharmaceutical and industrial waste are fully operational. The community as well as industry is being benefited through this facility.

The hazardous waste management services have been provided to various hospitals, labs and clinics, power plants, petroleum and gas sector, multinational Non-Governmental Organizations, food and pharmaceutical industries.

c) ENVIRONMENTAL SERVICES

Environmental Impact Assessment (EIA), Initial Environmental Examination (IEE), Energy Conservation Audits, Hydrological Studies, Environmental and Social Monitoring, Trainings etc. under the category of Environmental Services have been provided to various sectors.

3. CORPORATE SOCIAL RESPONSIBILITY:

a. CAPACITY BUILDING

Training sessions and Internship opportunity has been provided to the students and fresh graduates for their capacity building through eco internship program. Internship experience covers field activities i.e. Surveys, Risk Assessment, Environmental Studies, Life Cycle Assessment (LCAs), Biodiversity Conservation, Environmental Monitoring, Environmental awareness campaigns in different segments of society like universities, colleges, schools, mosques, madrassa, mandirs, churches, NGO's, orphanages, old age homes, transgender community etc. and office-based activities i.e. administration, information technology and research for development.

Internship opportunities have been provided to the wide range of students from the top leading universities of Pakistan.

b. PHILANTHROPY AND COMMUNITY DEVELOPMENT ACTIVITIES

Philanthropy and Community Development activities performed during the year 2024-2025 are tabulated below:

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| 1. | Pilot Projects in Universities of Pakistan | Pilot Projects Phase 8, a total of fourteen projects has been funded across leading universities of Pakistan, focusing on environmental sustainability, renewable energy and climate change mitigation. The projects span institutions such as Quaid-i-Azam University Islamabad, PMAS Arid Agriculture University Rawalpindi, University of Veterinary and Animal Sciences Lahore, Forman Christian College & University Lahore, University of Agriculture Faisalabad, University of the Punjab Lahore, Bahria University Karachi, Hamdard University Karachi, Federal Urdu University Karachi, Mehran University Jamshoro, BUTEMS Quetta, and AJ&K University Bhimber. The key themes include carbon capturing, bio-fuel and bio-plastic production, waste-to-energy conversion, avian and animal health monitoring and ground water vulnerability assessment. Innovative solutions such as biomass-derived electrodes, fungi-based bio-fuels, biochar composites for waste water treatment and floating wet lands are being developed to tackle pollution and climate impacts. Marine and coastal resources are also explored through projects on seaweed utilization and shellfish by-product valorization. Additionally, forest resource conservation through ex-situ approaches (ex-situ conservation involves cultivating them outside their natural environment, like nurseries) and community participation in nursery development highlights the focus on biodiversity. Smart technologies such as IoT-based (Internet of Things) gas leakage detection systems and mobile health apps further expand the scope towards digital environmental management. Overall, these projects emphasize sustainable development, circular economy practices and scientific innovation to address pressing environmental challenges. |
| 2. | Plantation Drive | Monsoon and spring tree plantation activities on ownership basis were performed at different educational centers like Schools, Colleges, Universities, Housing Colonies, Villages, Orphanages, Industries, Grid Stations, NGOs, Government and Private sectors of society. More than eighteen thousand trees have been planted. |

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| 3. | IESCO Green Grid Station | IESCO Green Grid Stations Project focuses on sustainability by integrating fruits and shady trees, creating an ecofriendly environment at all grid stations of IESCO. This initiative reduces carbon emissions, improves the air quality and enhances biodiversity within the station area. The project reflects a commitment to green infrastructure, fostering environmental stewardship while contributing to the overall well-being of the community. |
| 4. | Awareness Sessions/Trainings/ Workshops/Walks/ Stalls | <ul style="list-style-type: none"> a) Environmental awareness session at The Smart School System b) Climate Change awareness session at Govt. Secondary School of Special Education, Rawalpindi c) Environmental session at Allied School 6th Road Rawalpindi d) Environmental session on single use plastic at Quest School & College Rawalpindi e) No Littering Campaign at Ayub National Park, Rawalpindi f) Smog and Dengue awareness walk and session in collaboration with EP&CCD g) Awareness session on Dengue at Junior Model School Morgah, Rawalpindi h) Participated in awareness seminar for prevention of single-use plastic organized by EP&CCD i) Environmental awareness session Noreen Zindagi Welfare Trust, Ghauri Town j) Session on climate change at Hope for Children Orphanage in Islamabad k) Environment awareness session with Dareecha Community (Transgender), Rawalpindi l) Session on three (3) "R" of waste management at Govt Primary School Goppi, Gilgit Baltistan m) Awareness session on waste management at Sooner Public School Khaplu, Gilgit Baltistan n) Awareness session on climate change at Fauji Foundation College Rawalpindi o) Stall at ASF Meena Bazaar p) Session on "Flood Precautionary Measures and The Importance of Rain water harvesting at "Nishaan-e-Haider" School and Academy q) Environment awareness session at Fauji Foundation School Choa Saidan Shah, Chakwal r) Climate change awareness session at Islamabad Model Postgraduate College, H-8, Islamabad s) Environment awareness session and tree plantation at Bestway Foundation School Tatral |

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| | | <ul style="list-style-type: none"> t) Climate change adaptation and mitigation awareness session organized at Islamabad Model College for Boys, Humak, u) Environment awareness session at Bait-e-Mariam Orphanage and School Rawalpindi v) Environment awareness session and tree plantation at EFA School System Basharat Campus |
| 5. | Kitchen Gardening | More than 200 packets of seeds were distributed in order to promote the culture of organic gardening to different organizations, institutes and community |
| 6. | International Observance Days | <ul style="list-style-type: none"> a) Global Family Day b) World Forest Day c) World Biodiversity Day d) World Environment Day e) International Ozone Preservation Day f) Global Handwashing Day g) Volunteers Day Celebration h) World Mountain Day i) World Water Day j) World Cleanup Day |
| 7. | Model Schools and Colleges | Model Schools and College regarding water and sanitation, environment clubs, tree plantation and waste management have been established. Govt. Boys High School AOC Morgah, Elliot High School, Govt. Girls High School Chahan Chakri Road, Govt. Boys High School Chahan Chakri Road, Govt. Primary School No.1 Nowshera, Government High School Nowshera, Govt. Associate College Rawalpindi |
| 8. | Model University | Quaid-e-Azam University was declared as Model University regarding waste management, capacity building and HSE |
| 9. | Model Park F-11 | F-11 park was declared as Model Park regarding waste management, tree plantation and capacity building |
| 10. | Model Masjid | Masjid Ghousia Morgah declared as Model Mosque regarding clean drinking water. |
| 11. | Pakistan Girl Guides Association and Chapters | Tree plantation, kitchen gardening and capacity building activities with Pakistan Girl Guides Association to spread the message of clean and green Pakistan. |
| 12. | Philanthropy activities with transgenders | By acknowledging the importance of everyone in society, awareness campaigns and tree plantation had been arranged at Transgender Community like Dareecha, Rawalpindi |
| 13. | Philanthropy activities with Orphanages | Different philanthropy activities like environment awareness sessions and tree plantation have been conducted at Hope for Children Orphanage, Bait e Maryam and Noreen Zindagi Welfare Trust. |

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| 14. | Clean Drinking Water | Electric water coolers were distributed to schools, madrassas, mosques, orphanages, and special education etc. to improve their drinking water facility. |
| 15. | Health and Safety | Fire extinguishers were distributed to schools, universities, institutes for special children, clinics, mosques, churches, girl guides, orphanages and mandars to literate them about health and safety issues. |
| 16. | Waste Management | The concept of waste management was elaborated by arranging different awareness sessions and distributing waste segregated bins to different areas of community. |

4. ONGOING AND FUTURE PROJECTS:

Analytical and environmental services, energy auditing, capacity building, and waste management services are being provided on regular basis. Continuous efforts are being made to increase services network in government, not for profit organizations, industries, hospitals and multi sectors organizations.

Ongoing projects are encompassing:

- Up gradation of Incinerator
- NEECA Registration/Renewal
- PEC Registration
- Hydrological and Environmental Studies of Oil and Gas Sector
- EIA's and IEE's of Oil and Gas Exploration, Water Filtration and Assembling Facility
- IMCs of Oil and Gas exploration and health sectors
- Regular Environmental Monitoring Analytical of Fauji Cement, Danas Pharmaceuticals, Evolution Pharmaceutical, Madera Pharmaceutical, Shifa International, Attock Refinery Limited, OGDCL, Pakistan Oilfields Limited, Attock Gen Limited, Attock Petroleum Limited, MOL Pakistan, Friesland Campina Engro Sahiwal, CCDC, Weatherford Oil Tools, Telenor Pakistan Limited, OPI Ratana Field, HDIP, Ghazi Gas, Atlas Honda, Meezan Bank, IESCO, PSO etc
- Waste management of Hospitals like Fauji Foundation Hospital, Alkhidmat Raazi Hospital, Dr. Akber Niazi Hospital, Labs like Citi Lab, Islamabad Diagnostic Center, Clinics like Tayyab Poly Clinic, Shams Medicare, Industry like Friesland Campina Engro, Pepsi Cola International and Pharmaceutical sectors
- Community development projects
- Pilot Projects in Universities of Pakistan

The future projects include:

- Addition of New Lab Equipment
- Paper Shredder and Compactor
- Environmental laboratory certification renewal
- Energy Audits
- Sponsorship to research and model projects – 9th phase (Call for Pilot Projects - Universities)
- Networking and MOUs with Universities especially having Environment Departments

- g) Community awareness campaigns regarding Climate Change
- h) Celebration of all environment related International Observance Days
- i) Massive tree plantation to Combat Climate Change
- j) Community development activities in selected Eco model villages, Eco model institutes, Eco model mandars, churches and gurdwaras

5. DIRECTORS OF THE COMPANY

Election of directors was held during the year in which nine directors were elected for a term of three years commencing from March 28, 2025. The names of the Directors are:

| Sr. No. | Name of Directors | Designation |
|---------|-------------------------|---------------------|
| 1 | Mr. M. Adil Khattak | Chairman & Director |
| 2 | Dr. M. Ilyas Fazil | Director |
| 3 | Syed Asad Abbas | Director |
| 4 | Mirza Munir Azam Temuri | Director |
| 5 | Mr. Ziauddin Kirmani | Director |
| 6 | Dr. Samra Mohsin Khan | Director |
| 7 | Dr. Farida Faisal | Director |
| 8 | Mr. Salman Tariq | Director |
| 9 | Mr. Khalid Mehmood | Director |

The Audit & Finance Committee of the Board was reconstituted during the year and following persons were members of the Committee during the year:

| Sr. No. | Name of Members | Designation |
|---------|-------------------------|---------------------------|
| 1 | Dr. M. Ilyas Fazil | Chairman of the Committee |
| 2 | Syed Asad Abbas | Member |
| 3 | Mirza Munir Azam Temuri | Member |

6. BOARD MEETING HELD DURING THE YEAR

During the year under review, three meetings of the Board of Directors were held and attended by the Directors. During the year, no payment of meeting fee or reimbursement of actual expenses was made to the Directors or Chief Executive Officer for attending the Board or its Committee's meetings.

7. BOARD COMMITTEE MEETINGS HELD DURING THE YEAR

During the year under review, three meetings of the Audit & Finance Committee of the Board were held and attended by the Members.

8. COMPLIANCE

It is confirmed that Company is fully compliant with all the relevant provisions of the Company Act, 2017 and conditions as laid down in the Companies Regulations, 2024.

It is also confirmed that no foreign donation was received during the year. Further it is also confirmed that all Members, Directors and Chief Executive Officer of the Company are Pakistani nationals. Accordingly, obtaining prior security clearance in respect of foreign donation, foreign member, foreign director and foreign Chief Executive Officer was not applicable.

9. PRINCIPAL RISKS AND UNCERTAINTIES

There is no immediate risk or uncertainty foreseen by the Company's management.

10. INTERNAL CONTROLS

The system of internal controls is sound in design and has been effectively implemented and monitored.

11. CERTIFICATION / REGISTRATION

After amendments in the Associations with Charitable and Not for Profit Objects Regulations, 2018 (repealed by Companies Regulations, 2024), the need of renewing license under section 42 of the **Securities & Exchange Commission of Pakistan** had been abolished.

PCP Certification had been awarded on July 28, 2025, **ISO 14001:2015 certification** had been awarded to the Foundation on March 28, 2025 and Laboratory also got certification as **Environment Laboratory** on May 28, 2019 for next three years. Recertification process has been initiated. The Company has been registered with **NEECA** as **Energy Audit Firm** on July 01, 2023.

12. DIVIDEND PAYMENT

No dividend is paid by the Company as it is a not-for-profit organization (NPO) incorporated under Section 42 of the applicable Companies Ordinance, 1984 (repealed by the Companies Act, 2017). Moreover, Securities and Exchange Commission of Pakistan also restricted distribution of dividend to members at the time of issuance of its NPO renewal certificate.

13. AUDITORS

The Auditors M/s. A. F. Ferguson & Co. Chartered Accountants retired and offered themselves for reappointment. The Audit & Finance Committee has recommended the reappointment of M/s. A. F. Ferguson & Co. Chartered Accountants as auditors for the financial year ending on June 30, 2026 on such terms and conditions and remuneration to be mutually decided.

14. AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The Company's External Auditors M/s. A. F. Ferguson & Co. Chartered Accountants have audited the Company's financial statements and issued unqualified audit opinion stating

that the financial statements give a true and fair view of the state of affairs as at June 30, 2025.

15. OUTSTANDING GOVERNMENT PAYMENTS

All due payments of applicable taxes, duties etc. have been paid during the year except the normal and routine payments which have been paid subsequently.

16. SHAREHOLDERS

NCPC is a company limited by guarantee and not having share capital. All members of the company are individuals. The Foundation is not having any of its holding or parent Company.

On behalf of the Board of Directors



M. Adil Khattak
Chairman/Chief Executive Officer



Mirza Munir Azam Temuri
Director

Rawalpindi
October 10, 2025