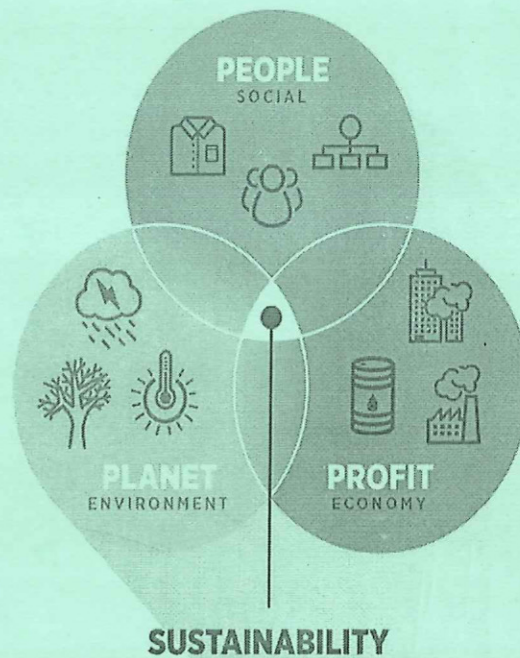


Policy for Environmental, Social & Governance (ESG) and Sustainability Framework



All directors
to sign on
each page

Objective and Scope

ESG (Environmental, Social and Governance) is a concept about an organization's ability to create and sustain long-term value in a rapidly changing world, and managing the risks and opportunities associated with these changes.

Board of Directors(BOD) of UDL International Limited adopted this ESG policy and sustainability framework in compliance with Code of Corporate Governance of Pakistan and in line with guidance provided by the Securities and Exchange Commission of Pakistan (SECP). It provides confidence to Investors to ensure that the company they're investing in is engaging in sustainable and ethical business practices. BOD understands that ESG factors give investors a broader view of a company's performance, allowing them to make more sound investment decisions.

This Policy applies to our operations and employees including subsidiary and associated companies , and UDLI encourages working with organizations and people who applies and promotes ESG compliances.

Understanding ESG:

E – Environmental factors such as climate change, water, land air.

S – Social factors relate to society, the right of individuals and well being of communities within which a company operates such as human capital, management, diversity, health and safety.

G - Governance factors include board quality, independence and accountability, board oversight of executive performance and compensation and the boards oversight of company strategy, risk management, performance, and disclosure including disclosure of E&S factors

Why is ESG important?

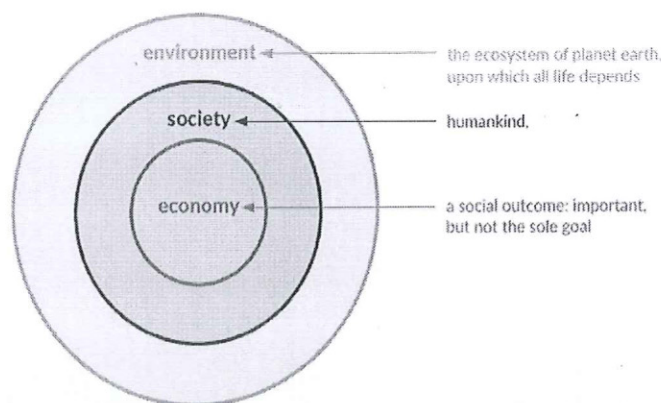
The impact a company can have on its surrounding ecosystem has become vividly clear, whether it's on a global scale or within its local community. At the same time, people have become increasingly concerned about ESG issues such as climate change, human rights and executive compensation, therefore, embedding sustainability in business is top-of-mind for executives and investors alike in today's eco-conscious business landscape.

ESG identifies and mitigate risk risk related to environmental, social and governance issues to protect the company's reputation, financial performance and long term sustainability.

Sustainability

The integration of environmental health, social equity and economic vitality in order to create thriving, healthy, diverse and resilient communities for this generation and generations to come. The practice of sustainability recognizes how these issues are interconnected and requires a systems approach.

Sustainability presumes that resources are finite, and should be used conservatively and wisely with a view to long-term priorities and consequences of the ways in which resources are used. In simplest terms, sustainability is about our children and our grandchildren, and the world we will leave them.



What are greenhouse gases?

Greenhouse gases (also known as GHGs) are gases in the earth's atmosphere that trap heat. Without this greenhouse effect, temperatures would drop to as low as -18°C (-0.4°F); too cold to sustain life on earth. Carbon dioxide, methane, and water vapour are the most important greenhouse gases.

Human activities(primarily through the burning of fossil fuels (oil, natural gas, and coal), solid waste, and trees and wood products by way of industrial process, transport and agriculture practices are changing earth's natural greenhouse effect with a dramatic increase in the release of Carbon dioxide, methane, and water vapour.

Scientists agree greenhouse gases are the cause of global warming and climate change.

Sustainability Framework

UDLI presumes its long term and short term business objectives and apply the policy on present and future projects. The board will review below matrix annually, before start of each project or when needed.

| Category | Matrix | Procedure |
|----------|-------------------------|--|
| E | GHG Emissions | Total exposure to Green House Emission |
| E | Energy consumed | Total amount of energy directly and indirectly consumed |
| E | Environmental operation | Environment policy specifically for each manufacturing facility |
| E | Sustainable sourcing | Integration of social, ethical and environmental performance factors into the process of selecting suppliers |
| E | Water usage | Total water consumed and total recycled |
| E | Waste management | Program for waste management |
| S | CEO payout | Disclosure reporting |
| S | Employee turnover | Percentage reporting on year to year basis for permanent and contract employees |
| S | Gender diversity | Head count review for both men and women |
| S | Non Discriminatoin | Anti harassment policy in place |

| Category | Matrix | Procedure |
|----------|--|--|
| S | Employees Health | Medical coverage and healthy environment |
| S | Working conditions | Numbers of complaints received from employees and its resolution during the period |
| S | Appraisal process | Employees promotion and appraisal process |
| S | Employees Training | Training on skill up gradation, soft skills and training on health and safety |
| S | Corporate Social Responsibilities(CSR) | CSR activities undertaken including charitable contribution, environment protection, fair and ethical treatment with employees, Volunteering for community |
| G | Board Diversity | Compliance with local laws for board composition |
| G | Board Independence | In line with local laws |
| G | Board Competence | Awareness with ESG |
| G | Data protection | Data privacy and safety |
| G | Disclosure Practices | Publication of sustainability report with local laws compliances |

Communication of the Policy

UDLI as part of its sustainability objectives is committed to communicate these objectives to its suppliers, employees and other stakeholders and to support, promote and conform with this Policy.

The related contents of the policy are also available on website of UDLI.