

# Highnoon Laboratories Limited

## Environmental, Social and Governance (ESG) Policy Framework

ESG POLICY	
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# 1. Purpose

Highnoon Laboratories Limited is committed to conducting its business responsibly, ethically, and in compliance with applicable laws, regulations, and international standards while advancing sustainable value creation for all stakeholders. As a leading pharmaceutical company in Pakistan, Highnoon recognizes that responsible growth depends not only on operational excellence but also managing the sustainability and climate-related risks and opportunities that influence the long-term resilience and success of the Company.

This Environmental, Social, and Governance (“ESG”) Policy establishes the overarching principles and framework for integrating sustainability into Highnoon’s corporate strategy, governance systems, and operational practices. These policies represent the initial framework for Highnoon Laboratories Limited’s sustainability management approach. The Company will continue to refine its policies, targets, and practices as sustainability data systems and management capabilities evolve.

By implementing this Policy, Highnoon reaffirms its belief that responsible business practices not only enhance corporate resilience and reputation but also contribute to a healthier, more equitable, and sustainable future for all.

# 2. Scope

This Policy applies to:

- All Highnoon employees, including permanent, contractual, temporary staff, and interns.
- Executive leadership, management teams, and members of the Board of Directors, who are responsible for oversight, implementation, and performance monitoring of ESG initiatives.
- Subsidiaries, affiliates, joint ventures, and project offices where Highnoon exercises management control or significant influence.
- Business partners, distributors, marketing agents, suppliers, procurement agents, intermediaries, contractors, and consultants engaged in any capacity on behalf of Highnoon.
- Third-party service providers and value chain partners whose operations may have a material environmental, social, or governance impact related to Highnoon’s activities.

All individuals and entities covered under this Policy are required to:

- Read, understand, and comply with the provisions outlined herein.
- Uphold Highnoon’s standards of ethical conduct, sustainability, and transparency in all professional dealings.
- Certify adherence to the Policy and actively support its implementation through day-to-day business decisions and actions.

The scope of this Policy extends to all operational locations, supply chain activities, and stakeholder relationships that may influence or be influenced by sustainability and climate related risks, opportunities, impacts, and performance.

## 3. Environmental Policy

Highnoon recognizes that responsible environmental management is fundamental to sustainable growth, operational resilience, and the protection of public health. As a pharmaceutical company, Highnoon acknowledges that environmental factors can present material risks to operations and supply chains, while also creating opportunities for efficiency, innovation, and long-term value creation. Following are the policies relating to environmental matters.

### 3.1 Climate Change Policy

#### Purpose

Highnoon Laboratories Limited recognizes climate change as a significant environmental and business risk that can affect manufacturing operations, supply chain continuity, regulatory requirements, and long-term business resilience. The Company is committed to identifying, managing, and mitigating climate-related risks while pursuing opportunities that enhance energy efficiency, operational resilience, and sustainable growth.

#### Policy Statement and Commitment

Highnoon Laboratories Limited is committed to:

- Identify, assess, and manage climate-related physical and transition risks affecting operations, supply chains, and long-term business resilience.
- Integrate climate-related risks and opportunities into enterprise risk management, capital allocation, and strategic planning processes.
- Conduct periodic climate risk and scenario analysis aligned with recognized frameworks
- Measure, monitor, and report greenhouse gas (GHG) emissions across operations and progressively improve emissions data systems.
- Improve energy efficiency across manufacturing, laboratory, and administrative operations.
- Assess opportunities for the adoption of renewable and lower-carbon energy sources.
- Incorporate climate considerations into investment decisions, infrastructure planning, and procurement processes.
- Engage suppliers and value chain partners to support emissions reduction and responsible climate practices.
- Promote employee awareness and participation in climate-related initiatives.
- Monitor regulatory developments and emerging climate risks that may affect business continuity and operational resilience.
- Support transparency in climate disclosures through sustainability reporting and stakeholder communication.

#### Objectives and Targets

Highnoon aims to:

- Establish a baseline for greenhouse gas emissions across operational facilities.
- Improve energy efficiency across production and operational processes.

- Identify opportunities to increase renewable energy use where feasible.
- Integrate climate risk considerations into corporate risk management systems.

### **Responsibilities**

- **Management:** Ensure integration of climate-related risks into corporate strategy, oversee emissions monitoring, and implement energy efficiency initiatives.
- **Employees:** Support energy conservation initiatives, follow environmental procedures, and contribute to responsible climate practices.

### **KPIs**

- Scope 1 and Scope 2 greenhouse gas emissions
- Total energy consumption
- Energy intensity relative to production output
- Number of climate risk assessments conducted

## **3.2 Water Management Policy**

### **Purpose**

Water is a critical resource for pharmaceutical manufacturing and community well-being. Inefficient water uses and water scarcity risks may affect operational continuity, environmental sustainability, and regulatory compliance. This policy establishes Highnoon's commitment to responsible water stewardship through efficient resource management, regulatory compliance, and continuous improvement of water use practices.

### **Policy Statement and Commitments**

Highnoon is committed to:

- Identify and manage water-related risks across operational facilities.
- Monitor water withdrawal, consumption, and discharge.
- Improve water-use efficiency through operational improvements and technology upgrades.
- Treat wastewater in compliance with environmental regulations.
- Explore opportunities for water recycling and reuse.
- Promote responsible water stewardship among employees and stakeholders.

### **Objectives and Targets**

Highnoon aims to:

- Establish baseline water consumption data across operational sites.
- Identify opportunities for water efficiency improvements.
- Strengthen water monitoring systems.

### **Responsibilities**

- **Management:** Ensure compliance with environmental regulations and oversee water efficiency initiatives.

- **Employees:** Monitor water usage in operational processes and support water conservation practices.

#### **KPIs**

- Total water withdrawal
- Water consumption intensity
- Wastewater discharge compliance rate
- Water recycling and reuse rate

### **3.3 Waste Management Policy**

#### **Purpose**

Waste generation from manufacturing and operational activities presents environmental, regulatory, and operational risks. Responsible waste management helps minimize environmental impact, improve resource efficiency, and maintain regulatory compliance. This policy outlines Highnoon's approach to reducing waste generation and promoting sustainable waste management practices.

#### **Policy Statement and Commitments**

Highnoon is committed to:

- Minimize waste generation across operational processes.
- Promote recycling and recovery practices.
- Ensure safe handling and disposal of hazardous and non-hazardous waste.
- Comply with applicable environmental regulations governing waste management.
- Promote responsible waste management practices across operations.

#### **Objectives and Targets**

Highnoon aims to:

- Reduce waste generation intensity.
- Improve recycling and waste recovery practices.
- Strengthen monitoring of waste streams across facilities.

#### **Responsibilities**

- **Management:** Oversee waste management systems and ensure regulatory compliance.
- **Employees:** Follow waste segregation procedures and support waste reduction initiatives.

#### **KPIs**

- Hazardous waste generated
- Non-hazardous waste generated
- Waste recycling rate

## 3.4 GHG Emissions and Energy Policy

### Purpose

Energy consumption is a key operational cost and environmental impact factor for pharmaceutical manufacturing. Efficient energy management reduces operational risks, lowers greenhouse gas emissions, and improves environmental performance. This policy establishes Highnoon's commitment to responsible energy use and emissions management.

### Policy Statement and Commitments

Highnoon is committed to:

- Monitor energy consumption across operational facilities.
- Improve energy efficiency through operational improvements and technology upgrades.
- Reduce greenhouse gas emissions associated with operational energy use.
- Promote responsible energy use across the organization.
- Set energy intensity reduction targets linked to operational output.
- Prioritize energy-efficient technologies and operational improvements.
- Increase the share of renewable energy where feasible.
- Incorporate energy and emissions considerations into investments, equipment, and processes.
- Regularly track and review energy and emissions performance

### Objectives and Targets

Highnoon aims to:

- Improve operational energy efficiency
- Reduce energy intensity relative to production output.

### Responsibilities

- **Management:** Oversee energy management initiatives and integrate energy considerations into operational planning.
- **Employees:** Promote energy conservation practices in daily operations.

### KPIs

- Total energy consumption
- Energy intensity per production unit
- Renewable energy share in total energy mix

## 4. Social Policy

Highnoon recognizes that sustainable business performance is inseparable from the well-being, safety, and dignity of its people and stakeholders. Social sustainability is at the heart of Highnoon's commitment to "Enriching Lives", ensuring that all individuals connected to the Company, whether employees, partners, or community members, are treated with fairness, respect, and care. Highnoon adopts a structured, transparent, and human-centered approach to managing social performance. The Company seeks to continuously improve working conditions, protect fundamental human rights, and foster diversity, inclusion, and professional growth across its operations and value chain. Following are the policies relating to social matters.

### 4.1 Occupational Health and Safety

#### Purpose

Protecting employee health and safety is essential for sustainable operations, workforce well-being, and regulatory compliance. Highnoon is committed to proactively identifying workplace hazards and maintaining safe working conditions across all operational locations.

#### Policy Statement and Commitments

Highnoon is committed to:

- Provide safe and healthy working conditions for employees and contractors.
- Identify and manage occupational health and safety risks.
- Maintain an OHS Management System aligned with best practices.
- Provide safety training and operational guidance.
- Prepare for and respond to emergencies through plans and drills.
- Encourage reporting of hazards and incidents without fear of retaliation.
- Support employee health and well-being initiatives.

#### Objectives and Targets

Highnoon aims to:

- Reduce workplace injuries and incidents.
- Strengthen workplace safety awareness.

#### Responsibilities

- **Management:** Implement safety management systems and ensure regulatory compliance.
- **Employees:** Follow safety procedures, report hazards, and participate in safety training.

#### KPIs

- Lost Time Injury Frequency Rate (LTIFR)
- Workplace incident rate
- Safety training completion hours

## 4.2 Human Rights

### Purpose

Respecting human rights is fundamental to responsible business conduct. Highnoon recognizes its responsibility to ensure fair treatment, dignity, and equality for all employees and stakeholders.

### Policy Statement and Commitments

Highnoon is committed to:

- Respect internationally recognized human rights standards in all business operations.
- Uphold principles of dignity, equality, and fair treatment for all employees and stakeholders.
- Provide a workplace free from discrimination, harassment, intimidation, and abuse.
- Promote ethical labor practices and fair working conditions.
- Establish grievance and whistleblowing mechanisms to report human rights concerns.
- Encourage suppliers and partners to comply with internationally recognized human rights standards.

### Objectives and Targets

Highnoon aims to:

- Promote awareness of human rights principles across the workforce.
- Strengthen responsible labor practices within the value chain.

### Responsibilities

- **Management:** Ensure compliance with human rights standards across operations and suppliers.
- **Employees:** Respect human rights principles and report violations.

### KPIs

- Human rights related grievances reported
- Supplier compliance with human rights standards
- Human rights training participation

## 4.3 Professional Development and Training Policy

### Purpose

Continuous learning supports operational excellence, innovation, and employee engagement. Highnoon is committed to developing its workforce capabilities through structured training and professional development initiatives.

### Policy Statement and Commitments

Highnoon is committed to:

- Support a culture of continuous learning and professional growth aligned with business needs and strategic priorities.
- Integrate talent development and skills-related risks and opportunities into workforce planning and organizational decision-making.
- Provide access to role-relevant training, including technical, functional, compliance, quality, health and safety, and leadership programs.
- Promote fair and equitable access to training and development opportunities.
- Strengthen leadership and managerial capabilities to support ethical conduct and effective decision-making.

### Responsibilities

- **Management:** Ensure implementation of workforce development initiatives.
- **Employees:** Participate actively in training and professional development activities.

### KPIs:

- Average training hours per employee
- Participation in training programs
- Leadership training participation

## 4.4 Child and Forced Labor

### Purpose

Highnoon Laboratories Limited recognizes that the protection of children's rights and the elimination of forced labor are fundamental principles of responsible and ethical business conduct. The Company is committed to ensuring that all employment practices within its operations and across its value chain comply with applicable labor laws and internationally recognized human rights standards. This policy establishes Highnoon's commitment to preventing child labor, forced labor, bonded labor, and any form of exploitation, while promoting ethical labor practices that safeguard the dignity, safety, and well-being of all individuals associated with the Company's operations.

## Policy Statement and Commitment

Highnoon is committed to:

- Prohibit the employment of child labor in all operations and supply chain i.e., suppliers, contractors, vendors and other business partners engaged in the Company's value chain in accordance with applicable national labor laws and internationally recognized standards.
- Respect the legal minimum age requirements for employment and ensure that no person below the legally permitted working age is employed in the Company's operations.
- Prohibit all forms of forced labor, compulsory labor, human trafficking, or involuntary work arrangements.
- Maintain fair recruitment practices and ensure that employees are not required to pay recruitment fees or surrender identity documents as a condition of employment.
- Encourage suppliers and vendors to adopt responsible labor practices and comply with applicable labor standards.
- Provide mechanisms for employees and stakeholders to report concerns related to child labor, forced labor, or unethical labor practices without fear of retaliation.
- Investigate and address any reported violations promptly and take corrective action where necessary.

## Objective and Targets

Highnoon aims to:

- Ensure full compliance with national labor laws and internationally recognized labor standards across its operations.
- Promote responsible labor practices throughout the supply chain.
- Strengthen monitoring and due diligence processes to identify and mitigate labor-related risks.
- Increase awareness among employees and suppliers regarding responsible labor practices.

## Responsibilities

- **Management:** Ensure compliance with this policy by implementing appropriate controls, monitoring labor practices across operations and suppliers, and addressing any violations promptly.
- **Employees:** Comply with the policy requirements and promptly report any suspected cases of child labor, forced labor, or unethical labor practices through established reporting channels.

## KPIs:

- Compliance with minimum age employment requirements across operations.
- Number of reported incidents related to child labor or forced labor.
- Supplier compliance with responsible labor standards.
- Employee and supplier awareness initiatives related to ethical labor practices.

## 4.5 Diversity Equity and Inclusion

Please refer to Policy No. xxx for detailed policy of diversity, equity and inclusion.

## 4.6 Whistle blowing policy

Please refer to Policy No. xxx for detailed whistle blowing policy.

## 4.7 Anti-harassment policy

Please refer to Policy No. xxx for detailed anti-harassment policy.

# 5. Governance Policy

Strong governance is the cornerstone of Highnoon Laboratories Limited's long-term sustainability, ethical integrity, and stakeholder trust. It defines how the Company makes decisions, manages risks, and ensures accountability across all levels of the organization.

For Highnoon, governance goes beyond compliance. It is about embedding transparency, integrity, and ethical behavior into every aspect of business operations. The Company recognizes that sound corporate governance is vital for building investor confidence, protecting reputation, and driving sustainable value creation. The Company's governance approach integrates sustainability-related risks and opportunities into its enterprise management system, ensuring that decision-making processes are guided by transparency, fairness, and accountability.

Highnoon intends to continuously strengthen its governance culture through strong internal controls, ethical decision-making, data protection, and stakeholder engagement. The policies that follow define the Company's commitments under key governance topics, providing clarity on expectations, responsibilities, and the ethical standards by which Highnoon conducts its business.

Following are the policies relating to governance matters:

## 5.1 Ethical Marketing

### **Purpose**

Ethical marketing ensures trust among healthcare professionals, regulators, and patients while maintaining compliance with pharmaceutical regulations. Highnoon Laboratories Limited ensures all marketing activities align with scientific evidence, regulatory requirements, and professional ethics to keep healthcare decisions objective and patient-centered.

### **Policy Statement and Commitments**

Highnoon is committed to:

- Conduct marketing and promotions truthfully, accurately, and balanced, in line with DRAP rules, IFPMA Code, and WHO Ethical Criteria.

- Ensure communications to healthcare professionals are ethical, non-misleading, and patient-focused.
- Avoid inducements or practices that may influence prescribing or purchasing decisions.
- Promote transparency and integrity in all stakeholder interactions.
- Promote products only for DRAP-approved indications in accordance with registered labels and marketing authorizations.

## Objectives and Targets

Highnoon aims to:

- Strengthen compliance with ethical marketing standards.
- Improve employee awareness of responsible marketing practices.

## Responsibilities

- **Management:** Ensure marketing and promotional activities comply with ethical standards, regulatory requirements, and approved product information.
- **Employees:** Conduct marketing activities responsibly and adhere to ethical marketing guidelines and regulatory requirements.

## KPIs

- Compliance with DRAP marketing and promotional rules.
- Completion of ethical marketing training.
- Approval of promotional materials before use.
- Monitoring and audit of marketing activities.
- % of workforce certified for ethics compliance

## 5.2 Product Safety and Quality

### Purpose

Product safety and quality are fundamental to patient health, regulatory compliance, and corporate reputation. Highnoon Laboratories Limited recognizes that product quality is a key determinant of sustainable success, stakeholder confidence, and enterprise value.

### Policy Statement and Commitments

Highnoon is committed to:

- Ensure all products comply with applicable laws, DRAP regulations, Good Manufacturing Practices (GMP), and international quality standards.
- Maintain a robust Quality Management System (QMS) to monitor, control, and improve product safety and quality.
- Implement risk-based quality controls to identify and mitigate potential product safety and quality risks.

- Monitor product performance post-market and comply with pharmacovigilance and adverse event reporting requirements.
- Promote a culture of quality through training, clear procedures, and accountability.
- Ensure suppliers and contract manufacturers meet Highnoon's quality, safety, and ethical standards.

## Objectives and Targets

Highnoon aims to:

- Strengthen compliance with ethical marketing standards.
- Improve employee awareness of responsible marketing practices.

## Responsibilities

- **Management:** Oversee implementation of quality management systems and ensure compliance with product safety and regulatory standards.
- **Employees:** Follow quality procedures, maintain product safety standards, and report any quality or safety concerns promptly.

## KPIS:

- Number of internal and external quality audits conducted.
- Post-market product safety monitoring and reporting.
- Pharmacovigilance reports
- Employee training completion on product quality and safety.

## 5.3 Data Privacy and Cybersecurity

### Purpose

In a digital, data-driven world, information security and privacy are critical to trust, regulatory compliance, and operational resilience. Highnoon Laboratories Limited recognizes that personal data, confidential business information, intellectual property, and digital systems are vital to business continuity and stakeholder trust.

### Policy Statement and Commitments

Highnoon is committed to:

- Protect the confidentiality, integrity, and availability of information assets in line with the Company's Confidentiality Policy, Code of Conduct, and applicable laws.
- Treat information as a strategic business asset requiring safeguards against loss, misuse, or unauthorized access.
- Integrate data privacy and cybersecurity risks into enterprise risk management, business continuity, and operational planning.
- Maintain defined governance roles and responsibilities, with senior management oversight.

- Require compliance with policies governing information handling, communication systems, and secure internet use.
- Encourage prompt reporting of security incidents for timely investigation and response.

### **Objectives and Targets**

Highnoon aims to:

- Strengthen cybersecurity controls.
- Improve employee awareness of information security risks.

### **Responsibilities**

- **Management:** Ensure data privacy and cybersecurity policies are implemented, monitored, and aligned with regulatory requirements.
- **Employees:** Handle all personal and business data responsibly, follow security protocols, and report any data breaches or concerns.

### **KPIs:**

- Completion of employee and contractor cybersecurity training.
- Number of reported and resolved security incidents.
- Compliance with data protection and cybersecurity policies.
- Effectiveness of access control and incident response mechanisms.
- Periodic audits and assessments of information security controls.

## **5.4 Anti-corruption and Anti-bribery**

Please refer to Policy No. xxx for detailed anti-corruption and anti-bribery policy.

## **5.5 Directors Remuneration**

Please refer to Policy No. xxx for detailed director's remuneration policy.

## **6. Monitoring and Review**

Highnoon Laboratories Limited will monitor and evaluate its Environmental, Social, and Governance (ESG) performance through established internal monitoring and reporting mechanisms aligned with recognized international sustainability reporting frameworks. Progress against ESG commitments, objectives, and key performance indicators (KPIs) will be assessed periodically to identify areas for improvement, ensure effective implementation of the policy framework, and maintain alignment with applicable regulatory requirements, evolving sustainability standards, and stakeholder expectations.

## **7. Review Frequency**

This policy framework shall be reviewed on an annual basis or more frequently if necessary to reflect regulatory developments, operational changes, emerging sustainability risks, or updates in ESG reporting standards and industry best practices. Periodic reviews will ensure that the policy remains relevant, effective, and aligned with the Company's strategic objectives and sustainability commitments.

## **8. Oversight**

Oversight of ESG performance and sustainability practices is exercised by senior management and the Board of Directors as part of the Company's overall governance and enterprise risk management framework. The Board provides strategic direction and supervision to ensure that ESG considerations are integrated into business operations, risk management processes, and long-term corporate strategy.

## **9. Public Disclosure**

Highnoon Laboratories Limited may disclose information regarding its ESG policies, initiatives, and performance through sustainability reports, ESG disclosures, annual reports, or other corporate communications, where appropriate. Such disclosures aim to enhance transparency, demonstrate accountability, and provide stakeholders with relevant information regarding the Company's sustainability commitments and progress.

## **10. Effective date**

This ESG Policy Framework shall become effective from \_\_\_\_\_, upon approval by the Board of Directors of Highnoon Laboratories Limited and will remain in force until amended, replaced, or withdrawn in accordance with the Company's policy review procedures.