



Biodiversity and No-Deforestation Policy

**Remark: This policy has been approved by Board of Directors
on 1 October 2024**

1. Principle

CP Aextra Public Company Limited (The Company) is committed to responsible business practices, maintaining the balance of nature, and giving priority to ecosystem restoration and biodiversity protection following internationally accepted principles, including The Rio Declaration on Environment and Development and The Convention on Biological Diversity. Supporting the UN SDG 14 (Life under Water) and SDGs 15 (Life on Land), By 2030, the Company aims to stop deforestation, no net loss and towards to achieve the net positive impact (NPI) on biodiversity in our operation, subsidiaries, partners, suppliers and throughout the value chain

2. Scope

This policy applies to the Company and its subsidiaries, own operation, business facilities, products and services, distribution, logistics, management of waste, suppliers, service providers, contractors, partners, e.g. non-managed operations, joint venture partners, licensees, outsourcing partners, etc. including the due-diligence, mergers, and acquisitions.

3. Definition

Biodiversity	means	The presence of various species and organisms in ecosystems, which serve as habitats on land, in oceans, and in different aquatic environments, coexisting in a complex manner. This also includes diversity among species, within species, and across ecosystems.
Alliance for Zero Extinction (AZE)	means	A joint initiative of biodiversity conservation organizations from around the world working to prevent extinctions by promoting the identification and ensuring the safeguard and effective conservation of key sites that are the last remaining refuges of one or more Endangered or Critically Endangered species.
Critical habitats	means	Areas with high biodiversity value, including. (i) Habitat of significant importance to Critically Endangered and/or Endangered species. (ii) Habitat of significant importance to endemic and/or restricted-range species. (iii) Habitat supporting globally significant concentrations of migratory species and/or congregator species. (iv) Highly threatened and/or unique ecosystems; and/or (v) Areas associated with key evolutionary processes

Deforestation	means	Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation
High Carbon Stock (HCS)	means	High concentrations of carbon contained in the vegetation and soils of High Carbon Stock (HCS) forests.
High Conservation Value Area (HCVA)	means	Critical areas in a landscape which need to be appropriately managed to maintain or enhance High Conservation Values (HCVs).
IUCN Category I-IV Protected Area	means	<p>Categories used to classify protected areas in a system developed by the International Union for Conservation of Nature (IUCN).</p> <ul style="list-style-type: none"> • Category Ia – strict nature reserve. • Category Ib – wilderness area. • Category II – national park. • Category III – natural monument or feature. • Category IV – habitat or species management area. • Category V – protected landscape or seascape. • Category VI – protected area with sustainable use of natural resources.
Key Biodiversity Areas (KBA)	means	Sites contributing significantly to the global persistence of biodiversity', in terrestrial, fresh water and marine ecosystems. This is based on criteria defined by the Global Standard for the Identification of Key Biodiversity Areas.

4. Biodiversity Policy

The company aims to create a "positive impact" to halt and restore the natural losses caused by its activities, its partners, or business alliances by the year 2030, under the following framework:

- 4.1 Identify biodiversity risk factors and integrate them into the company's risk management process by assessing both biodiversity-related risks to the business and environmental impacts resulting from activities across the value chain, including deforestation or biodiversity loss.
- 4.2 Avoid conducting business in critical areas that may affect biodiversity, such as legally protected forests, High Conservation Value Areas (HCVA), High Carbon Stock forests (HCS), Ramsar-certified sites, UNESCO World Heritage Sites, Biosphere Reserves, Key Biodiversity Areas (KBAs), Alliance for Zero Extinction (AZE) sites, and IUCN-protected areas (Categories I-IV), to prevent impacts on biodiversity.
- 4.3 Establish preventive and corrective measures to address biodiversity risks and forest encroachment, based on a hierarchy of risk levels, such as avoidance, reduction, restoration, and compensation, to ensure effective operations.

- 4.4 Protect and restore rare or endangered plant and animal species by minimizing the use of harmful chemicals or technologies throughout the value chain, preserving soil, and preventing ecosystem degradation and destruction.
- 4.5 Assess biodiversity risks to develop plans that mitigate risks and impacts on biodiversity in areas where company activities are conducted.
- 4.6 Sustainably source key raw materials from sources that do not harm ecosystems, ensuring that irreversible biodiversity loss is prevented.
- 4.7 Promote fair and equitable sharing of living resources to encourage joint utilization and appropriate access to those resources.
- 4.8 Train and communicate to raise awareness of the importance of biodiversity, ecosystem protection, and restoration.
- 4.9 Collaborate with partners, academic institutions, local communities, government bodies, and experts to conduct research projects, as well as projects aimed at protecting ecosystems and biodiversity.
- 4.10 Publicly disclose performance and progress towards biodiversity and ecosystem protection goals annually.

5. No-Deforestation Policy

The company is committed to protecting, conserving, and sustainably managing forests, with the goal that its activities, as well as those of its partners and business alliances across the value chain, must result in "No Gross Deforestation" by the year 2030, under the following framework:

- 5.1 Identify and assess deforestation risks resulting from the company's activities, partners, and alliances throughout the value chain. These risks should be integrated into the company's risk management system, with a focus on risk mitigation strategies such as avoidance, reduction, restoration, and compensation.
- 5.2 Develop measures and plans to reduce or prevent deforestation, conserve forest ecosystems, restore degraded forests, and implement appropriate compensation mechanisms.
- 5.3 Refrain from engaging in activities that may cause deforestation, forest burning, or encroachment into legally protected or conservation-designated areas, such as legally protected forests, High Conservation Value Areas (HCVA), High Carbon Stock forests (HCS), Ramsar-certified sites, UNESCO World Heritage Sites, Biosphere Reserves, Key Biodiversity Areas (KBAs), Alliance for Zero Extinction (AZE) sites, and IUCN-protected areas (Categories I-IV), to avoid biodiversity loss.
- 5.4 Establish plans to protect and restore rare or endangered plant and animal species by limiting the use of harmful chemicals or technologies at all stages of the value chain.
- 5.5 Operate without impacting local communities, while ensuring the protection of ecosystems and forests in accordance with the principles of Free, Prior, and Informed Consent (FPIC).
- 5.6 Promote and support the sourcing of raw materials from trusted and certified deforestation-free suppliers.
- 5.7 Implement monitoring systems for project plans and report progress in accordance with international reporting standards.

- 5.8 Encourage and support the selection of business partners who prioritize ecosystem protection and species diversity.
- 5.9 Implement tracking and analysis systems to verify product sourcing from deforestation-free areas and/or certified products adhering to relevant standards.
- 5.10 Monitor the activities of partners and establish systems to detect illegal logging or forest encroachment.
- 5.11 Promote and support collaboration with government agencies, non-profit organizations, academic institutions, local communities, and other stakeholders to conserve and restore forest ecosystems.
- 5.12 Provide training and communication to raise awareness of the risks and impacts of deforestation, as well as the company's goals and risk reduction plans, to employees, partners, business allies, and stakeholders.
- 5.13 Publicly disclose performance and progress toward deforestation-free goals annually.

This policy implementation is consistent with the intent of the Company based on the core philosophy “3-Benefit to Sustainability (for the Country, People and Company)” that operates on good governance, social and environmental responsibility. This includes encouraging business partners to grow responsibility together in accordance with the international practice for sustainability development.