

NANPAO Group Biodiversity Policy

NANPAO remains vigilant on climate change issues, and in recent years, it has recognized the importance of biodiversity conservation and forest protection. The company has formulated the "NANPAO Group Biodiversity Policy," dedicating efforts to implement preventive, mitigative, and monitoring measures within the scope of corporate capabilities. It also calls upon its supply chain partners to collectively support and collaborate to achieve the following commitments and guidelines:

1. Ensure that NANPAO and its relevant supply chain partners refrain from establishing operational bases in areas internationally or nationally designated as important habitats, biodiversity-sensitive, or planned as natural conservation zones. Also, avoid locating facilities in adjacent regions with ecological corridors, interconnected hydrological and vegetation conditions, or mutual influences.
2. Avoid operational activities that damage or impact protected forests and species. Actively support initiatives related to biodiversity conservation and conduct biodiversity risk assessments.
3. If changes in land use are involved in the company's operations, including the construction of factories, adjustments to land configurations and utilization, or the use of vacant land, assess potential ecological value losses. Implement mitigation actions to compensate and achieve No Net Loss (NNL).
4. When operations must take place in proximity to crucial biodiversity areas, follow a sequence of measures such as impact avoidance, reduction, restoration, and compensation to minimize ecological impacts. Strive towards achieving a Net Positive Impact (NPI) on the environment.
5. Promote biodiversity maintenance and forest conservation concepts to internal and external stakeholders, raising awareness of environmental protection.
6. Ensure that NANPAO and its relevant supply chain partners comply with international and local laws and regulations. Operations should not involve deforestation, and development activities should avoid areas with tree cover, highly conservation-worthy locations, peatlands, etc., to realize the goal of No Gross Deforestation.
7. In informed situations, refrain from procuring from suppliers causing biodiversity loss, logging, or violating regulations.
8. Collaborate with supply chain partners and stakeholders to actively support biodiversity maintenance, forest conservation, and ecological protection efforts.

Chairman: *Wu Cheng-Hsien*