



No Deforestation Policy

Animal Health Business Group

This policy is part of the "Environmental Policy and Guidelines" that the Animal Health Business Group (Including with Charoen Pokphand Enterprise Co., Ltd., Advance Pharma Co., Ltd. and Bangkok Vet Drug Co., Ltd.) adheres to. We recognize that our business operations and those of our supply chain, and business partners can have a significant impact on the environment, particularly on forests and ecosystems. Animal Health Business Group therefore must comply with all applicable laws, regulations, policies, guidelines, and standards related to no-deforestation in all countries where the company operates.

Animal Health Business Group is committed to protecting, restoring, and sustainably managing forests throughout its operations and those of its supply chain partners to support the achievement of the United Nations' Sustainable Development Goal 15 and CP Group's own sustainability goal of achieving No Gross Deforestation, promoting Net Positive impact on biodiversity, and implementing a traceability system to ensure that high-risk raw materials do not come from sources or suppliers involved in deforestation within the year 2030.

To achieve these goals, the Animal Health Business Group has established the following guidelines:

1. Prioritize operating in areas with no-deforestation, burning, or land conversion in the forest areas and environmental conservation areas.
2. Conduct an assessment and evaluation of deforestation risks across all operations, supply chain, and business partner activities. The result of assessment will be used to establish risk management plan
3. Adhere to the Hierarchy of Control Principle starting from avoidance of impacts on forest. If it is proven that impacts have occurred, implement measures for minimizing the impact, followed by forest restoration and compensation planting, in that order.
4. Establish a robust traceability system to verify that high-risk key raw materials are not sourced from deforestation-linked producers or suppliers.



5. Regularly monitor and report the performance of traceability efforts and no-deforestation initiatives to internal oversight bodies on an annual basis
6. Support and collaborate with government agencies, non-governmental organizations (NGOs), educational institutions, and other stakeholders to implement forest conservation and restoration initiatives.
7. Continuously communicate and raise awareness about the importance of forests, the risks associated with deforestation, and no-deforestation measures to employees, partners, surrounding communities, and relevant stakeholders.
8. Publicly disclose progress and performance against no-deforestation commitments through sustainability reports or other relevant disclosure channels.

Directors, executives and employees of Animal Health Business Group must comply with all applicable laws, regulations, standards, policies, and procedures related to no-deforestation.

Appendix A

Definitions

1. Forest Areas

Forest areas encompass a wide range of national reserved forest, national parks, wildlife sanctuaries, or permanent forests according to the Cabinet's resolution, etc.

2. Forest

An area covered by vegetation that can be identified as continuous tree cover of no less than 3.125 rai, including natural grasslands and rock fields surrounded by areas identified as forest land, but excluding eucalyptus plantations or areas with trees where the primary output of the operation is not timber

3. Environmental Conservation Area

An area established to conserve and protect natural resources, biodiversity, and important environmental features, with examples as follows

3.1 Conservation Forest

Conservation forests encompass legally protected land areas that may include woodlands, coastal zones, or other landscapes characterized by pristine or minimally altered ecosystems. These areas are designated for conservation purposes, potentially allowing for limited activities that align with conservation goals, such as tourism, recreation, and education-research endeavors.

3.2 High Carbon Stock (HCS)

Forest areas with high carbon storage in vegetation and soil. According to the High Carbon Stock (HCS) Approach, the four types of forests considered as carbon storage sources are high-density forests, medium-density forests, low-density forests, and new plantations.

3.3 World Heritage Site

A landmark or area with legal protection by an international convention administered by UNESCO for having cultural, historical, or scientific significance. The sites are judged to contain "cultural and natural heritage around the world considered to be of outstanding value to humanity".

3.4 Ramsar Site

A wetland site designated as being of international importance under the Convention on Wetlands, also known as the Ramsar Convention.

3.5 Key Biodiversity Areas (KBAs)

KBA is a geographically defined area that supports significant concentrations of biodiversity, particularly those that contain threatened or endemic species and/or provide important habitat for these species.

3.6 Biosphere Reserve

Terrestrial and/or coastal ecosystems designated under the Man and the Biosphere (MAB) Programme of the United Nations Educational, Scientific and Cultural Organization (UNESCO).

3.7 Alliance for Zero Extinction: AZE

An AZE Site is a geographically defined area identified by the Alliance for Zero Extinction (AZE) as being critical for the survival of one or more Critically Endangered or Endangered species. These sites are recognized for their exceptional conservation importance and serve as priority areas for targeted protection and conservation action.

3.8 International Union for Conservation of Nature (IUCN) Site

IUCN protected area has developed a global system of protected area categories to classify and manage areas dedicated to the conservation of nature. This system comprises six categories, each with specific objectives and management approaches. However, this policy will only address the first four categories

Type 1: this consists of 2 sub-characteristics which are Type 1a - strict natural reserve; and Type 1b - protected area managed for wilderness area.

Type 2 National Park: protected area managed for ecosystem protection and recreation.

Type 3 Natural Monument or Feature: areas containing unique natural or cultural features.

Type 4 Habitat or Species Management Area: areas managed to conserve and sustain population of habitats/ species.

Type 5 Protected landscape/ Seascape: areas where the conservation of terrestrial and marine natures through the sustainable use of natural resources.

Type 6 Managed Resource Protected Area: Areas under conservation with the primary objective of sustainable resource use.

3.9 Protected Area

Designated terrestrial or marine areas, established by law, under public or private ownership, which are regulated and managed to achieve specific conservation objectives

3.10 High Conservative Value Area (HCVA)

Territories and physical areas that must be preserved to maintain biological, ecological, social, or cultural values.

4. No Gross Deforestation Target

A voluntary commitment to conducting business in a way that does not cause deforestation or reduces deforestation entirely from production, export, or sale of goods. A key operational goal is the traceability of high-risk raw materials to ensure they do not come from sources or suppliers involved in deforestation, by the year 2030.

5. Net Positive Impact on Biodiversity Target

The company's or organization's commitment to reducing the negative impact of its operations on nature and contributing to the conservation and restoration of biodiversity. This goal includes integrating biodiversity considerations into business practices and implementing projects that promote a better natural environment. A key operational objective is for the business group to collaborate with relevant national and international partners to manage and monitor biodiversity within its operations by the year 2030.

6. Key Raw Materials

Commodities that are basic raw materials used in the production of goods or provided as services for everyday use, such as wheat, soybeans, coffee beans, copper, crude oil etc.

7. Mitigation Hierarchy Principle

A framework that helps companies reduce their negative impact on nature in the long term. This framework advises companies to first avoid causing any impact, and if avoidance is not possible, to limit or reduce the impact on nature. It is then the company's responsibility to restore the forest areas affected by their business operations. Additionally, offsetting is an option aimed at compensating for the remaining negative impact after following the previous three steps of impact reduction.