

# **Grand Pharmaceutical Group Limited Biodiversity and Forest Conservation Commitment**

## **Chapter I General Provisions**

Article 1 In order to further clarify the strategies and approaches to biodiversity and forest conservation in the operation and provision of products and services by Grand Pharmaceutical Group Limited (hereinafter referred to as “Grand Pharma”, the “Company”, “we” or “us”), the Company has formulated this policy.

Article 2 This policy applies to all operational activities conducted by Grand Pharma and its member companies. We encourage suppliers and other business partners to comply with this policy.

## **Chapter II Biodiversity and Forest Conservation Commitment**

Article 3 Grand Pharma is committed to protecting wildlife and the natural environment as far as possible without causing direct or indirect harm to biodiversity and forests in the decision-making on its production and operations.

## **Chapter III Approaches to Biodiversity and Forest Conservation**

Article 4 Under our Biodiversity and Forest Conservation Commitment, we will:

- (1) encourage new projects in which the Company has controlling interests to carry out site-related biodiversity risk assessments;
- (2) reduce the adverse impacts of our business operations on biodiversity and ecosystems, including promotion and use of renewable resources that are key to biodiversity;
- (3) follow the principle of “progressive implementation of mitigation measures”:
  - Avoidance: to take corresponding measures in avoiding impacts on biodiversity prior to commencement of and during early stages of projects;
  - Minimisation: where they are unavoidable, to minimise impacts on biodiversity;
  - Remediation: where “avoidance” and “minimisation” measures have been implemented and there remain risks of impacts on ecosystems, to implement “remediation” actions in the affected area;

- Compensation: to consider carrying out projects outside the affected area for biodiversity compensation.
- (4) strictly avoid or reduce acts of deforestation in association with production activities to ensure ecosystems nearby and their ecological attributes are not negatively affected.

#### **Chapter IV Oversight**

Article 5 The Company's Safety and Environmental Protection Centre is responsible for organising and directing the day-to-day operation of this policy within the Company to ensure the effectiveness of implementation of this commitment. The Strategy and ESG (Promotion) Committee of Grand Pharma shall oversee the implementation of the Company's Biodiversity and Forest Conservation Commitment.

#### **Chapter V Supplementary Provisions**

Article 6 Any matters not mentioned in this commitment or in conflict with relevant laws, regulations and normative documents shall be executed in accordance with such relevant laws, regulations and normative documents.

Article 7 This commitment is formulated, revised and interpreted by the Company's ESG Working Group and shall take effect from the date of issuance.