Biodiversity Policy
Group

Framework

The Biodiversity Policy comprises of:

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Annex 1:   Document Approval and Version History
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1.   Objective

The main objective of the Biodiversity Policy (BP) is to define the Group Biodiversity Management approach, which Siam City Cement Public Company Limited ("the Company" or "SCCC") and its Subsidiaries directly and indirectly held (collectively called the "Group") are required to implement in its operations.

As a Company active in mining and cement production, we know that our activities have an impact on biodiversity. Therefore, we shall strictly follow the mitigation hierarchy of avoiding, minimizing, rehabilitating, and off-setting the biodiversity impacts. In doing so, we aim for a Net Positive Impact (NPI) on biodiversity by 2030. In this context, we are evaluating and implementing nature-climate or nature-based solutions (e.g., artificial reefs for marine habitat or mangrove nurseries or protecting precious wetland) which also contribute to the climate and energy ambition of our company.

To reach the biodiversity net positive impact ambition, we prioritize impact avoidance as the most preferred option, followed by impact mitigation and rehabilitation, and finally, once these options have been exhausted, biodiversity offsetting to cover any residual impact that cannot be otherwise addressed. During these activities, we are challenged, guided, and supported by external partners such as biological and ecological experts, and as well by International Union for Conservation of Nature (IUCN) with which we have an MOU, which is detailed out in country-specific agreements ensuring that the roadmaps are implemented, and local specificities considered appropriately.

2. Scope

This Policy applies to all employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group.

3. Definitions

Not Defined.

4. Responsibilities

Group CEO (GCEO) shall be responsible for approval of the Biodiversity Policy and accountable for supporting necessary organizational structure and competence across all levels of management in the Group.

Group Company CEO (GC-CEO) shall be responsible for assuring the implementation of the Biodiversity Policy in accordance with the operational Company's country biodiversity roadmap and in full alignment with relevant local laws and regulations.

Group Company EXCO Members and other Line Functions shall support the successful implementation of the operational Company's country biodiversity roadmap in line with the Biodiversity Policy in their field of responsibility.

Group Company Environmental Manager is responsible for proposing the country roadmap in line with the Biodiversity Policy, initiating the actions, and tracking the progress. She/he reports regularly to the operational Company CEO about progress and potential challenges.

Employees and Contractors are obliged to take appropriate actions in line with the Biodiversity Policy to ensure a successful achievement of our Net Positive Impact (NPI) ambition 2030.

5. Policy Directives

5.1 **Mitigation Hierarchy:** sets out the priorities regarding biodiversity impact mitigation.

5.2 **Biodiversity Impact:** Actions can have a positive impact on biodiversity (+) e.g., by increasing the biodiversity value thanks to rehabilitation efforts, or actions can have a negative impact on biodiversity (-) e.g., by reducing the biodiversity value due to mining activities.
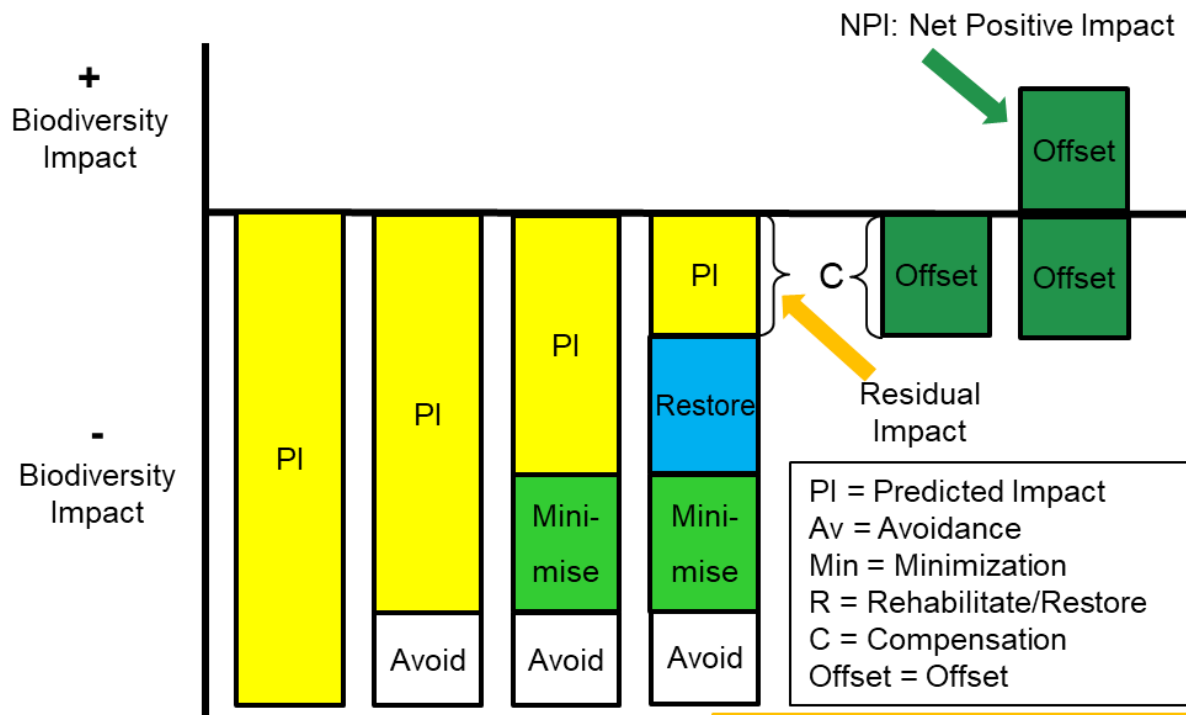
5.3 **Avoid:** First priority is to avoid a negative impact on biodiversity. Example: avoid new mining in high biodiversity value areas.

5.4 **Minimize:** Second priority is to minimize the negative impact on biodiversity. Example: Move flora and fauna to another area before mining activities start.

5.5 **Rehabilitate:** Third priority is to rehabilitate a previous negative impact. Example: Rehabilitate the finished mining quarry.

5.6   **Offset:** The residual impact shall be offset in order to achieve a net positive impact on biodiversity. Example: set up artificial reefs.

5.7   **Net Positive Impact:** overall negative impacts on biodiversity are outweighed by the biodiversity gains that are achieved through conservation activities.

Biodiversity Loss Mitigation Hierarchy

Source: adapted from Rio Tinto and Government of Australia

6.   Compliance and Consequence for Non-Compliance

All entities and their employees, management, directors as well as any person who represents or performs work on behalf of any entity under the Group shall ensure full compliance with this Policy. They are expected to assure that appropriate resources are available. Reviews are always regularly undertaken to ensure that the implementation and application of this Policy remain robust.

Anyone who breaches the Policy shall be subject to disciplinary action, which could result in dismissal or termination.

7.   Policy Measurement Metrics

The Biodiversity Value (BV) must be calculated yearly internally by using the Global Cement and Concrete Association (GCCA) Biodiversity guidelines and then validated by an independent external expert (such as IUCN or other qualified and competent external partners) every three years. The result must be reported yearly to the Group Sustainable

Development (SD) Steering Committee in order to track progress towards the 2030 SD ambition of having a Net Positive Impact on biodiversity.

Net impact is assessed by first calculating the **biodiversity value (BV)** of each habitat. For each scenario, the biodiversity value of each habitat is calculated as follows:

Biodiversity value (BV) =

Area of each habitat (A) x Importance of each habitat (I) x Condition of each habitat (C)

Summing up the **biodiversity value** of each habitat gives the biodiversity index (BI)

- Biodiversity index (Baseline) = ∑ Biodiversity value of each habitat (Baseline) / ∑ Area

- Biodiversity index (moment of analysis) = ∑ Biodiversity value of each habitat (moment of analysis) / ∑ Area

The difference between the two biodiversity indexes represents the net impact

- Net impact = Biodiversity index (moment of analysis) – Biodiversity index (baseline)

8.   Policy Exemptions

No exceptions are permitted.

This Policy may be amended in accordance with any changes in law and regulation issued by the Authority on the subject.

Variations to this Policy shall be reviewed by the Document Manager, Document Owner, and proposed to the Group CEO for approval.

9.   Reference

The Net Positive Impact on biodiversity is a key metric in the Group Sustainability Ambition 2030.

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