



Biodiversity and Forested Resource Conservation Commitments

Electricity Generating Public Company Limited

EGCO recognizes the importance of protecting forests and other natural ecosystems to maintain biodiversity and promoting sustainable practices. To align with the Post-2020 Global Biodiversity Framework, Sustainable Development Goals (SDGs) and UN Global Compact, EGCO is committed to Biodiversity and Forested Resource Conservation Commitments to ensure outcomes in which the impacts on biodiversity across a company's value chain are stabilized by 2030 and allow for the recovery of natural ecosystems in the following 20 years with net improvements by 2050 to achieve the Convention's vision of "living in harmony with nature by 2050".

By embracing this commitment, EGCO aims to promote sustainability practices across all operations, while also contributing to global efforts to halt biodiversity loss and ensure a healthy planet for future generations.

I, hereby, declare that this policy must be strictly adhered to.

This policy shall be effective on June 23, 2023.

Announced on June 23, 2023.

A handwritten signature in blue ink, appearing to read "Kulit Sombatsiri", with a stylized flourish at the end.

(Mr. Kulit Sombatsiri)

Chairman

Biodiversity Commitment

Biodiversity Commitment aligns with the principles and guidelines laid out in the Post-2020 Global Biodiversity Framework, UN Global Compact, SDG 14 (Life below Water) and SDG 15 (Life on Land), and IFC Performance Standard 6. The policy also follows the Science-Based Targets (SBTs) for nature, Taskforce on Nature-Related Financial Disclosure, Align Project, Biological Diversity Protocol, and Enabling a Natural Capital Accounting and incorporates many of its terms and definitions to help clarify the intentions of these commitments and promote alignment in sustainability practices across our value chain.

Scope of Commitment

The provisions in this policy apply to:

- All EGCO operations and adjacent areas, products and services globally, including those of our subsidiaries, we own or manage. This includes existing and future power plants located in nationally or internationally recognised areas of high/important biodiversity value that the company has majority control over, until the end of their operations located.
- All value chain partners. We also require our value chain partners to avoid operational activities near sites containing globally or nationally important biodiversity.
- Upstream activities include all suppliers, direct and indirect suppliers. To fulfill this policy across our entire business, we require our suppliers to adhere to our Supplier Code of Conduct, and comply with, the commitments stated in this policy.
- Downstream activities include key clients.
- Nationally or internationally recognised areas of high biodiversity value refer to areas in close proximity to World Heritage areas, IUCN Category I-IV protected areas and national reserved forest.
 1. Forests are defined and spanning more than 0.5 hectares with trees higher than five meters and a canopy cover of more than 10%, or trees able to reach these thresholds in situ' (FAO, 2020)
 2. Partners in businesses that are not directly under EGCO operational responsibility, such as associate companies, principal contractors, suppliers tier 1 & non tier 1, and group companies in which EGCO has a substantial involvement, are expected to maintain their own performance standards that align with the EGCO Biodiversity Commitments.

Targets

- Achieve a no net loss of biodiversity by 2030, and EGCO is committed to preventing and reducing the effects of our actions throughout the lifecycle of our power plants.
- Operate the biodiversity initiatives beyond the no net loss target and achieve net positive impact (net gain) across all our operations by 2040.
- Require our critical suppliers and partners to achieve a net positive impact by 2040.
- Avoid operation/exploration/M&A in World Heritage areas and IUCN Category I-IV protected areas

We will aim to achieve this by applying the mitigation hierarchy the mitigation hierarchy set out in the International Financial Corporation's (IFC) Performance Standard 6 to avoid and minimize any negative impacts, restore impacted areas, and finally offset any residual impacts that remain.

This company-wide policy is supplemented by the following commitments, which include time-bound targets and action plans for achieving the commitments stated in this policy.

- Climate Change Target
- Sustainable Water Target

Actions:

Protection of Biodiversity

To achieve our biodiversity commitment, EGCO will take the following actions:

- Prioritize areas for biodiversity¹ involve a location screening process, where potential critical biodiversity features related to EGCO's operational sites are identified. This process assesses the risk level of each site based on its proximity to key biodiversity areas and integrates land cover assessment to identify habitat types and losses linked to site construction activities.
- Screen operations and adjacent areas including value chain (upstream and downstream) to determine location-specific and ecosystem-specific nature-related impacts and dependencies using standardized methodologies such as Integrated Biodiversity Assessment Tool (IBAT), Biodiversity Risk Filter and Water Risk Filter.
- Perform assessment and develop mitigations through environmental and social impact assessment.
- Adopt the mitigation hierarchy approach as a basis for action.
- Conduct a biodiversity risk assessment and integrate nature-related risks and opportunities into company-wide risk management process and operational decision-making.

¹ See **Annex** for more detail.

- Collaborate with NGOs, government, businesses, and civil society to drive systemic change.
- Assess environmental impacts using the Science Based Target Network's technical methodologies and prepare to set targets which can be validated by SBTN .
- Transparently disclose performance against nature-related commitments, including governance of nature-related risks and opportunities.
 - Conduct a pilot project based on the Taskforce on Nature-related Financial Disclosures (TNFD) framework within EGCO's own operational sites to help identify any challenges or opportunities specific to our business related to biodiversity risks.
 - Proactively gather and compile all relevant biodiversity data related to EGCO's own operations, including impacts, dependencies, and risks, to ensure that we have comprehensive information to report once the TNFD framework is finalized and ready for market adoption.
 - Conduct a thorough assessment within EGCO to develop an internal business case and understand the potential benefits and implications of implementing the TNFD framework.
 - Develop clear and actionable roadmaps outlining the steps and timelines for implementing the TNFD framework.

Application of a Mitigation Hierarchy

EGCO will employ the mitigation hierarchy (Avoidance, Reduction, Restoration/Regeneration, and Transform) to manage potential biodiversity risks related to our power plants. The mitigation hierarchy will be applied iteratively to ensure that residual impacts are reduced to as low as reasonably possible. In addition, we will engage with our suppliers and partners to manage and mitigate biodiversity and deforestation risks.

Avoidance - EGCO is committed to implementing avoidance measures, i.e., measures to 'design out' an impact or risk to prevent impacts expected on biodiversity. We will also employ design criteria to evaluate all infrastructure development options and look at alternatives when significant impacts to biodiversity are likely. The key good practice avoidance measures include:

- Avoid developing in nationally or internationally recognized areas of high biodiversity value, which include:
 - UNESCO World Heritage Sites.
 - Wetlands listed in the Ramsar list of sites;
 - UNESCO Man and the Biosphere (MAB) reserves;
 - Key Biodiversity Areas;
 - Alliance for Zero Extinction (AZE) sites; and
 - IUCN Category I-IV protected areas

- Relocate project facilities away from areas containing critical biodiversity, where feasible.
- Avoid clearing forested areas for the development of project facilities, where possible.

Reduction - EGCO is committed to implementing minimisation measures to reduce the severity of impacts on biodiversity by controlling or limiting the source of impact at power plants in development/operation.

Restoration/Regeneration - We will seek to restore/rehabilitate areas where impacts cannot be prevented. Where existing power plant(s) were developed on degraded forest areas, we intend to restore such areas to a better quality to enable us to make a positive contribution to the landscape.

Offset - EGCO will seek to assess the need for, and feasibility of achieving no net loss of biodiversity for its operational facilities with negative biodiversity impacts through compensation/offset measures. Such measures will be developed in line with international best practices such as the Principles on Biodiversity Offsets developed by the Business and Biodiversity Offset Program (BBOP).

Transform – EGCO will seek to transform the underlying systems, at multiple levels, to address the drivers of nature loss.

Monitoring - EGCO will develop and implement monitoring system used to ensure compliance to group-wide commitment and to provide data and tools for monitoring forests allowing for effective monitoring of supply chain compliance with Forested Resource Conservation commitment. We are committed to undertaking group-wide compliance with forest regulations and/or mandatory standards.

Engagement and Collaboration with Stakeholders on Biodiversity

- EGCO understands the importance of engaging with a diverse range of stakeholders to effectively address biodiversity challenges. We are committed to collaborating with our key stakeholders and external partners to promote the conservation of biodiversity through activities that include:
- Engaging with stakeholders to better understand their concerns and aspirations related to biodiversity conservation. Through this engagement, we aim to create mutually beneficial partnerships that respect the rights and values of stakeholders.
- Ensuring compliance with all applicable environmental regulations and collaborating on initiatives to protect and improve biodiversity at local, national, and international levels.
- Collaborating with external partners, such as biodiversity experts, to support the biodiversity assessment and management process. These individuals/organizations form part of the expert committee EGCO has established to regularly monitor the progress of projects and inform adaptive management where appropriate.
- Sharing experiences, best practices, and lessons learned in biodiversity management within peer industries. By working together, we can drive industry-wide improvements in environmental

performance and contribute to global efforts to protect and enhance biodiversity.

Internal Implementation Standards and Procedures

To ensure the systematic integration of biodiversity considerations across the power plant lifecycle, from the design phase to the decommissioning phase, EGCO has in place:

- Biodiversity Action Plan Development
- Environment and Social Management System Manual
- Green Investment

Annex

Definition of biodiversity-related targets for priority areas to work towards no net loss

Biodiversity-related targets for priority areas to work towards no net loss were defined by identifying potential critical biodiversity areas associated with EGCO's operational sites. The location screening process was implemented to categorize the risk level of each site based on its proximity to critical biodiversity features, such as Protected Areas (PAs), Key Biodiversity Areas (KBAs), Alliance for Zero Extinction (AZE) sites, Ramsar Sites, and World Heritage Areas. Furthermore, the assessment of land cover is integrated into the screening process to identify habitat types and losses linked to site construction activities. These priority areas then are calculated using the Habitat Hectare approach. To meet these targets, biodiversity management actions have been identified along with an evaluation plan.

Forested Resource Conservation Commitment

Forested Resource Conservation Commitment aligns with the principles and guidelines laid out in the UN Global Compact, and SDG 15 (Life on Land). The policy also follows the Accountability Framework and incorporates many of its terms and definitions to help clarify the intentions of these commitments and promote alignment in sustainability practices across our value chain.

Scope of Commitment

The provisions in this policy apply to:

- All EGCO operations globally, including those of our subsidiaries, we own or manage. This includes existing and future power plants located in nationally or internationally recognised areas of high/important biodiversity value that the company has majority control over, until the end of their operations located.
- All value chain partners. We also require our value chain partners to avoid operational activities near sites containing globally or nationally important biodiversity.
- All suppliers including direct and indirect suppliers. To fulfill this policy across our entire business, we require our suppliers to adhere to our Supplier Code of Conduct, and comply with, the commitments stated in this policy.
- Nationally or internationally recognised areas of high biodiversity value refer to areas in close proximity to World Heritage areas, IUCN Category I-IV protected areas and national reserved forest.
 1. Forests are defined and spanning more than 0.5 hectares with trees higher than five meterman a canopy cover of more than 10%, or trees able to reach these thresholds in situ' (FAO, 2020)
 2. Partners in businesses that are not directly under EGCO operational responsibility, such as associate companies, principal contractors, suppliers tier 1 & non tier 1, and group companies in which EGCO has a substantial involvement, are expected to maintain their own performance standards that align with the EGCO Biodiversity Commitments.

Target

- Achieve no (gross) deforestation across all our operations and supply chains by 2030
 - No deforestation of natural forests, including High Carbon Stock forests;
 - No conversion of other natural ecosystems, including peatlands of any depth; and
 - Protection of natural forests and ecosystems within our area of influence.

These commitments are based on the Accountability Framework definitions of deforestation, natural forest, conversion, and natural ecosystem. Where applicable, we will use the High Carbon Stock Approach (HCSA) to guide site planning that protects natural forests and other natural ecosystems.