
Biodiversity Protection and Deforestation Prevention Policy



Cosmax Biodiversity Protection and Deforestation Prevention Policy

Enacted: May 28, 2024

1. Purpose

This policy was established to actively implement biodiversity protection and deforestation prevention by monitoring the risk of biodiversity loss within the value chain of Cosmax's business and assessing and managing the impacts.

In addition, we will also adhere to international standards and guidelines for the implementation of our biodiversity protection and deforestation prevention policies, including the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and the International Union for Conservation of Nature's Global Protected Areas Programme, as follows.

To join the global community's efforts to restore biodiversity and forests, Cosmax will continue to expand biodiversity restoration activities in the areas of natural ecological environment, air environment, water environment, soil environment, etc. at its business sites and surrounding areas and local communities.

2. Scope

This policy applies to all employees of Cosmax, its subsidiaries and second-tier subsidiaries, and is recommended to all business relationships and stakeholders, including all suppliers, local residents, and employees of national organizations, to promote and disseminate the need to protect biodiversity and deforestation.

3. Basic Principles

1) Biodiversity assessment and protection

With this Biodiversity Policy as the centerpiece, we review and support the status and distribution of biodiversity species and potential biodiversity risks and assess biodiversity risks at all sites by 2030. In addition, when biodiversity degradation/loss is confirmed or biodiversity-related risks are recognized, we strive for appropriate measures and response systems to protect biodiversity.

- ① Cosmax identifies the status of biodiversity around its workplaces, implements natural habitat protection activities to maintain/expand biodiversity, and checks the progress of its implementation.
- ② Cosmax considers the biodiversity impacts of its operations in the vicinity of its sites and in the local community when making decisions about new, modified, expanded, or closed sites, and

takes measures to protect biodiversity.

- ③ Cosmax checks the biodiversity risks of our suppliers' business operations and guides them on improvement measures for possible risks in the value chain, such as biodiversity risks at the source for sustainable raw material procurement.

2) Deforestation assessment and protection

To fulfill its deforestation prevention policy, Cosmax checks and prevents 1) the status of deforestation and 2) the potential occurrence of deforestation risks. If deforestation status is confirmed or deforestation risks are recognized, we establish a response system to take appropriate measures to protect or restore forest areas. We also regularly check whether the measures to protect or restore forest areas are being implemented as planned.

- ① Establish greening plans and procedures to check and respond to deforestation risks that may occur in the course of business operations and maintain/expand green areas near business sites and in local communities, and check the progress of their implementation.
- ② We identify whether there is a risk of deforestation in the business operations of our suppliers and guide improvement measures for possible risks in the value chain, such as the risk of deforestation at the source for sustainable sourcing of raw materials.

3) Strengthen recovery and community network collaboration

Cosmax works with a wide range of stakeholders to prioritize restoration of biodiversity and habitat loss, including the restoration and closure of habitats and land, and supports and actively participates in national and international initiatives related to this.

4. Management Structure and Performance Management

1) Management and Fulfillment activities

Cosmax manages and oversees biodiversity and deforestation risks through its top management and ESG Committee, which reviews biodiversity and deforestation risks and deliberates on risk response measures and related investment decisions, including regulatory responses. In addition, we expand education and dissemination for biodiversity and forest protection, and cooperation with external stakeholders and partner organizations.

2) Goal Setting

Cosmax sets and manages medium- and long-term goals for expanding its biodiversity and deforestation risk reduction activities.

- ① Biodiversity conservation goals
 - [No Net Loss] Operate our business with no biodiversity loss by 2050
 - [Net Positive Impact] Drive investments and activities to increase biodiversity
 - [Strategic Mitigation] Protect species at high biodiversity risk, including endangered species.

- [External Collaboration] Build partnerships with industries, communities, and specialized organizations to protect biodiversity

② Deforestation prevention goals

- [Future Reforestation]

Cosmax collaborates with organizations, sectors, and stakeholders to restore ecosystems and actively promotes communication and education for forest protection.

- [End All Deforestation]

Cosmax will continue to invest in forest and landscape restoration globally through 2050 to fulfill its global commitment to ecosystem restoration and meet internationally agreed targets.

- [Carbon Offset]

Cosmax commits to reducing residual greenhouse gas emissions through forest carbon offsetting activities by 2050.

3) Check Implementation Status

Cosmax defines biodiversity assessments and protected areas based on a combination of national and international laws and regulations governing biodiversity or wildlife protection, and the International Union for Conservation of Nature's protected area categories (ICUN Category I ~ IV Protected Areas). Consider the biodiversity/forest composition, role and potential of the area, and the historical, cultural, scientific, and educational significance of the biodiversity/forest, if there are operations located nearby, supply chains including suppliers and originating countries, or if there is a clear indication of negative impacts on the area from operations.

① International Community Conservation Areas (ICUN Category Ia, etc.)

② Pristine wilderness intact areas (ICUN Category Ib, etc.)

③ National protected areas (ICUN Category II, etc.)

④ Natural and cultural heritage areas (ICUN Category III, etc.)

⑤ Species and habitat management areas (ICUN Category IV, etc.)

4) Review Cycle and Reporting Procedures

① Cosmax will identify domestic laws and international ecosystem guidelines every year and review this Biodiversity Policy once a year based on them. Through this, we review and manage to ensure that domestic and international ecological trends and the requirements of international guidelines are reflected in our management activities.

② Cosmax operates a channel through which various stakeholders, including employees, can report biodiversity and deforestation-related issues arising during business operations, either anonymously or by name, and assigns dedicated personnel to handle such issues.

- Reporting channels: Whistleblower system (cos-114@naver.com), Integrated reporting channel (homepage post)

ADDENDUM

This policy is effective May 28, 2024.

1. Enacted May 28, 2024