



Xtep Group's Biodiversity Conservation Policy

2025 Edition

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1. Purpose

Biodiversity is the foundation for the stable operation of the Earth's ecosystems and an important support for human survival and development. As a socially responsible enterprise, Xtep Group is well aware of the significant significance of protecting biodiversity for maintaining ecological balance and achieving sustainable development. This policy is formulated to clarify the Group's position, goals, and operational guidelines in terms of biodiversity conservation. By taking active and effective measures throughout the entire value chain, including the Group's own operations, suppliers, and partners, it aims to avoid and reduce adverse impacts on biodiversity, proactively participate in biodiversity conservation actions, promote the harmonious coexistence between the Group and the natural ecology, and contribute to global and national biodiversity conservation efforts.

2. Scope of Application

This biodiversity conservation policy applies to all operational activities of the company and encourages relevant business partners to comply with it.

3. Responsibilities

The Group has established an ESG management structure with the Board of Directors as the highest decision-making level. The Board of Directors is responsible for determining the company's ESG management structure and management strategies, and ensuring the establishment of appropriate and effective ESG risk management and internal monitoring systems. The Board of Directors has incorporated environmental protection management, climate change management, biodiversity conservation, etc., into the scope of ESG management.

4. Measures

● Value Chain Biodiversity Conservation Control

The Group pays attention to avoiding impacts on important biodiversity areas throughout the entire value chain and advocates focusing on biodiversity factors in the planning of operational activities. When planning the site selection and expansion of its own operations, it refers to biodiversity-related assessment information; conducts reasonable audits on the environmental conditions of the business locations of suppliers and partners, and guides them to avoid important biodiversity-

sensitive areas. For the arrangement of relevant activities under special circumstances, standardized assessment and approval procedures are required.

- **Establishment of Biodiversity Risk Assessment Mechanism**

Establish a biodiversity risk assessment framework, and conduct biodiversity risk assessments on the business activities of own operations, suppliers, and partners at reasonable intervals, focusing on the potential impact of business activities on surrounding ecological elements. Set the assessment frequency in combination with business characteristics, identify risk points based on assessment results, formulate targeted response measures, and track the implementation status.

- **Setting Goals for Reducing Biodiversity Impacts**

Combining the Group's actual situation and conservation needs, set 2030 directional goals for reducing biodiversity impacts, covering own operations, suppliers, and partners. The goals involve reducing the interference of operational activities on the ecological environment, promoting environmental protection improvements in the supply chain, and uniting partners to participate in conservation actions. The progress of the goals will be tracked regularly and dynamically adjusted.

- **Construction of External Stakeholder Consultation Mechanism**

In the process of policy formulation and implementation, emphasis is placed on communication and exchanges with external stakeholders, and extensive opinions and suggestions are solicited from government departments, conservation organizations, scientific research institutions, communities, and industry associations. Feedback information is collected through appropriate means to provide references for policy improvement and implementation optimization, and to promote the policy to be more in line with actual needs.

Xtep Group will strictly implement this biodiversity conservation policy. Through the joint efforts of all employees, and in cooperation with suppliers, partners, and all sectors of society, it will contribute to protecting the global environment and achieving sustainable development.