

XALLOY Biodiversity & No Deforestation Commitment

XALLOY paid continuous attention to climate change, and we have also extended our focus to preserving biodiversity and forest conservation, XALLOY has formulated the “XALLOY Biodiversity & No Deforestation Commitment”. XALLOY is committed to preserving biodiversity and forest conservation within our own operations, while also urging supply chain partners (tier-1 critical suppliers and non-tier-1 critical suppliers) to jointly support the initiatives and declaring the company’s spirit in protecting the environment.

- **Commitments and Actions**

1. Avoid choosing an area that is within or adjacent to globally or nationally protected biodiversity areas when establishing a new operating site, while also requiring supply chain partners relating to XALLOY's operations to endorse and jointly comply.
2. In addition to our commitment to avoiding any harm to protected forests and species through our operational activities, we also strive towards the goals of achieving a Net Positive Impact (NPI) and No Net Deforestation.
3. When it is necessary to engage in operational activities adjacent to key biodiversity areas, measures such as impact avoidance, impact mitigation, and restoration will be taken in that order to reduce ecological impact.
4. Promote the concept and values of biodiversity preservation and forest conservation to internal and external stakeholders, and raise the stakeholders' awareness on environmental protection.
5. Ensure that XALLOY's operations and its supply chain partners are compliant with international or local forestry laws or policies and are committed to avoiding deforestation and development in forest areas, areas of high conservation value, and peat lands.
6. With the best knowledge available, refrain from sourcing from suppliers that cause biodiversity loss, deforestation, and or violate the laws.
7. Cooperate with value chain partners and external stakeholders to support preserving biodiversity, forest conservation, and ecological protection.

Chairman



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