

Biodiversity and Zero Deforestation Policy

Introduction

NIU Technologies (together with its subsidiaries and consolidated affiliated entities, “NIU”, “We” or the “Company”) is committed to protecting and enhancing biodiversity and zero deforestation to sustainable development, integrating the need for biodiversity and zero deforestation conservation into operational decision-making processes and taking measures to minimize impacts. The Policy applies to all employees and is comprehensively applied to corporates, agents, and supply chains engaged in a working relationship with NIU.

Core Principles

To protect values of biodiversity and zero deforestation, NIU applies the mitigation hierarchy of avoidance, minimization, mitigation through restoration, and offsets during all lifecycle stages of our business activities from upstream to downstream, current and future, we commit:

- NIU will comply with biodiversity and deforestation laws and mandatory standards in all countries and regions in which NIU operates. NIU is committed to stop or reduce all deforestation associated with the production, trade, or sale of products.
- NIU will identify impacts and dependencies on biodiversity and ecosystem services in all countries and regions in which NIU operates. NIU is planning to follow a four-stage approach of Taskforce on Nature-related Financial Disclosures (TNFD) for assessing and managing nature risks and opportunities. The methodology is referred to as the LEAP approach, which stands for:
 - Locate the interfaces with nature across geographies, sectors and value chains.
 - Evaluate dependencies and impacts on nature.
 - Assess nature-related risks and opportunities to your organization.
 - Prepare to respond to nature-related risks and opportunities, including reporting on material nature-related issues.
- NIU will minimize damage to biodiversity in all countries and regions in which NIU operates, NIU is working toward the goal of no net loss of biodiversity and no deforestation for new sites and major expansion projects. NIU commits to achieving a net positive impact on biodiversity across the value chain. For priority areas identified through biodiversity risk assessment, NIU will define and pursue targets to achieve no net loss. NIU will avoid operational activities in or near sites containing globally or nationally important biodiversity and will require relevant value-chain parties to avoid such activities in relation to NIU's products and services.

- NIU will develop a biodiversity and zero deforestation management plan, including actions of supply chain impacts.
- NIU will monitor and evaluate biodiversity and zero deforestation performance of NIU, including performance of supply chain.
- NIU will promote effective and transparent internal and external communication channels for biodiversity and zero deforestation performance, reporting on biodiversity and zero deforestation performance regularly with TNFD recommendation's general requirements*. NIU will engage relevant stakeholders, including suppliers, partners, technical experts, non-governmental organizations, local communities, Indigenous Peoples and other affected stakeholders, on material biodiversity-related matters.

*There are six general requirements included in the TNFD Recommendations. These are in addition to the provisions laid out in the International Sustainability Standards Board (ISSB) standards, IFRS-S1 and IFRS-S2. The requirements are:

- The application of materiality
- The scope of disclosure
- The location of nature-related issues
- Integration with other sustainability-related disclosure
- The time horizons considered
- The engagement of Indigenous Peoples, local communities and affected stakeholders in the identification and assessment of the organization's nature-related issues
- NIU will strive in all circumstances to promote the values of biodiversity and zero deforestation among our stakeholders.

Review and Update

The policy has been approved by the management and will be reviewed and updated regularly to reflect changes in regulations, industry best practices, and the evolving needs of NIU.