



Xtep International Holdings Limited

Incorporated in the Cayman Islands with limited liability (HKSE Stock Code: 1368)

Xtep's first Mass Balance low-carbon eco-friendly running shoes 360-ECO makes global debut at China International Import Expo To create a sustainable future for footwear industry with Covestro and Silan Group

(9 November 2022, Hong Kong) – Leading PRC-based professional sportswear enterprise **Xtep International Holdings Limited** (the “Company”, together with its subsidiaries, the “Group”) (Stock code: 1368. HK) established a strategic cooperation arrangement with Covestro, a global leader in premium polymers, and Silan Group, an integrated footwear platform, on 7 November at the 5th China International Import Expo (“CIIE”). Xtep also released its first Mass Balance low-carbon eco-friendly running shoes, 360-ECO, at the event, thus contributing to the collective development of a zero-carbon future through international cooperation on the green front and under its “World-class Chinese Running Shoes” strategy and circular economy solutions.

Xtep's Mass Balance low-carbon eco-friendly running shoes made their debut at the CIIE, empowering innovation and development through technology, and helping sports enthusiasts enjoy a healthy and sustainable lifestyle. The newly launched low-carbon eco-friendly running shoes have been certified by ISCC (International Sustainability and Carbon Certification) as having biomass raw materials that boast a lower carbon footprint, and can even achieve zero-carbon emissions throughout the product lifecycle, thus contributing to the realization of the country's dual-carbon goals.

Compared with traditional petroleum-based polyurethane raw materials, this constitutes a reduction in carbon emissions of 212g, and a carbon reduction rate of 81%, based on a shoe in size 41. With the help of Covestro Mass Balance quality balance system, assuming that Xtep produces 50 million pairs of shoes per year based on its Mass Balance system, it can reduce its carbon emissions by approximately 26,600 tons per year, which is equivalent to planting approximately 1.478 million trees per year. (According to a study by State Forestry Administration, a tree can absorb and store approximately 18 kg of carbon dioxide each year). This is another step in the development of eco-friendly products, with Xtep having released the 100% polylactic acid windbreaker this June. Xtep has therefore achieved two breakthroughs, spanning apparel to footwear, and from the raw materials of polylactic acid to palm oil.



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Build a green supply chain and create a sustainable future

Xtep, as one of the leading sportswear companies in the PRC, regards sustainability as its long-term responsibility and goal, and thus has commenced exploration of green initiatives and green management, both internally and externally. In 2020, Xtep established the XTEP-ECO environmentally friendly technology platform to cover all segments of supply chain management by “Using environmentally friendly materials”, “Employing environmentally friendly production processes” and “Developing environmentally friendly products”. Among them, “Using environmentally friendly materials” is an important direction for realizing a sustainable circular economy. To this end, Xtep has strived to build a comprehensive environmentally friendly supply chain. It has strictly controlled the sustainability of the upstream businesses of the industry, and has constantly explored and sought partners who share common values, in a bid to bring high-quality and eco-friendly sports products to runners in the PRC.

The three parties will continue to seek innovation and upgrade for low-carbon, environmentally friendly athletic footwear on 360-ECO foundation in the future. In 2023, low-carbon environmentally friendly running shoe collections will gradually be launched to the market. Xtep plans to apply the low-carbon environmentally friendly materials used in the shoes in more product categories and products in 2024.

Commit to sustainability plan and “Run” into an environmentally friendly lifestyle

In recent years, Xtep has been constantly creating environmentally friendly materials and products, achieving innovation, and realizing positive results in the management of ESG. Regarding its core Xtep brand, in addition to the 100% polylactic acid windbreaker and 360-ECO running shoes, the new XDNA brand has incorporated the sustainability concept into the Shaolin collaborative collection and introduced environmentally friendly denim-themed clothing. As for new brands, Saucony used recycled materials and pineapple fibers to produce new shoes, while Palladium has suggested a new trend of recycling and transformation. Since the release of the first ESG report in 2016, Xtep has made various efforts, including the establishment of a sustainability committee, the launch of an environmentally friendly technology platform, and the establishment of a supplier evaluation system. Furthermore, its ESG management system has been continuously enhanced and optimized, and steadily advanced towards its sustainability goals.

For Xtep, setting up goals at different stages provide strong momentum for realizing long-term social benefits. Xtep’s “10-year sustainability plan” released in 2021 promised that its core brand would launch at least 60 apparel products using environmentally friendly fabrics each year, and at the same time, it would continue to increase the proportion of recyclable and organic materials used in its branded products. Moreover, Xtep would further increase the proportion of polylactic acid materials used in its products in 2023.

Mr. Ding Shui Po, Chairman and Chief Executive Officer of Xtep International Holdings Limited, said, “Through the ‘green’ experience offered by our products and the ‘green’ concept promoted by our brand, we hope to influence consumer behavior from product selection to healthy running lifestyle, turning environmental protection to a daily habit and infusing sustainability into people’s daily lives. Xtep will continue to draw on our leading position in the sportswear market, step up sustainable development and promote road races in the PRC based on our ‘World-class Chinese Running Shoes’ brand positioning as well as accelerate green development, and transform and create healthy and sustainable lifestyles for more consumers.”

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About Xtep International Holdings Limited

Xtep International Holdings Limited (SEHK stock code: 1368) is a leading multi-brand sportswear company listed on the Main Board of the Hong Kong Stock Exchange on 3 June 2008. The Group engages mainly in the design, development, manufacturing, sales, marketing and brand management of sports products, including footwear, apparel and accessories. Established since 2001, its own signature brand “Xtep” is a leading professional sports brand with an extensive distribution network of over 6,200 stores covering 31 provinces, autonomous regions and municipalities across the PRC and overseas. In 2019, the Group has further diversified its brand portfolio which now includes four internationally acclaimed brands, namely K-Swiss, Palladium, Saucony and Merrell.

Xtep is a constituent of the MSCI China Index, Hang Seng Composite Index Series, Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. For more information, please visit Xtep’s corporate website: www.xtep.com.hk or scan the Group’s Wechat QR code below.



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