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Green Product Exploration

Within the framework of an increasingly popular global consensus on environmental protection, Luxshare Precision understands that green products are not only a necessary option for the development of manufacturing in the future, but also a vital tool for promoting corporate green transformation and upholding social conscience. We vigorously promote comprehensive lifecycle management of chemical substances, adhering to the core principles of resource conservation and environmental protection, while actively expanding into clean technology domains to jointly forge a sustainable future.

Luxshare Precision places significant emphasis on the potential adverse impacts of chemicals on both the environment and human health. We proactively implement green chemical projects, working with suppliers to comprehensively manage chemical substances involved in production processes and product compositions, striving to minimize associated risks.

We continuously monitor the latest domestic and international regulations related to hazardous substance management as well as our clients' most up to date restrictions on hazardous materials. This includes adherence to conventions such as *the Stockholm Convention on Persistent Organic Pollutants*, *the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)* and its list of Substances of Very High Concern, *the Directives 2011/65/EU and 2015/863/EU on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment and the Revision, Regulation (EU)2019/1021 on Persistent Organic Pollutants POPs Directive*, *EC on Waste Electrical and Electronic Equipment WEEE*, *California Safe Drinking Water and Toxic Enforcement Act of 1986*, and China's Volatile Organic Compounds (VOCs) standards. These efforts enable us to thoroughly identify and control hazardous substances within our processes and products. We have updated our *Management Standard for Restricted Substances of Materials and Finished Products* to Version 35, which stipulated a total of 77 prohibited substances, 264 restricted substances and 76 declared substances.

List of Prohibited and Restricted Substances Managed Ahead of Legal Requirements

Restricted Substance	Regulatory Requirement	Date of Official Implementation	Internal Management Requirement	Date of Internal Implementation
Medium chain Chlorinated Paraffins (MCCPs)				

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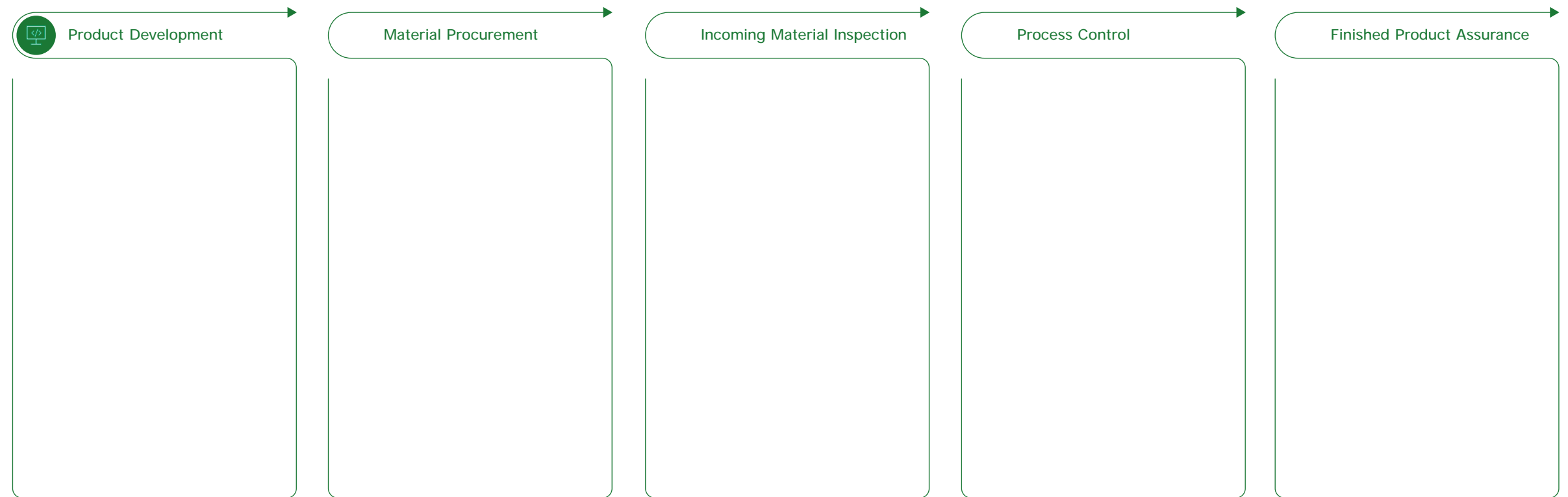
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In adherence to the IECQ Hazardous Substance Process Management (HSPM) requirements, we have established a comprehensive lifecycle management system for hazardous substances across our products, encompassing meticulous risk identification and tiered control measures for chemical substances inherent to both the products and manufacturing processes. During the Reporting Period, a total of 22 subsidiaries attained the QC 080000 hazardous substances process management system certification.



Regarding the management of hazardous chemicals, Luxshare Precision rigorously adheres to pertinent domestic laws and regulations such as the *Regulation of the People's Republic of China on the Administration of Chemicals Subject to Supervision and Control* and the *Regulations on the Safety Management of Hazardous Chemicals*. We have also formulated internal management policies such as the *Chemical Control Operating Procedures* to systematically regulate the handling of chemicals throughout the procurement, transportation, warehousing, storage, usage, emergency response, and waste disposal processes.

Through the EHS Information System, we conduct rigorous approvals for chemical purchase requests and the introduction of new chemicals within the factories, and control the procurement and storage of restricted substances, highly toxic chemicals and chemicals with serious occupational health and safety hazards in strict accordance with laws and regulations in the locations of operation. We stringently regulate storage conditions, usage protocols and operator guidelines for these chemicals implementing end to end process management

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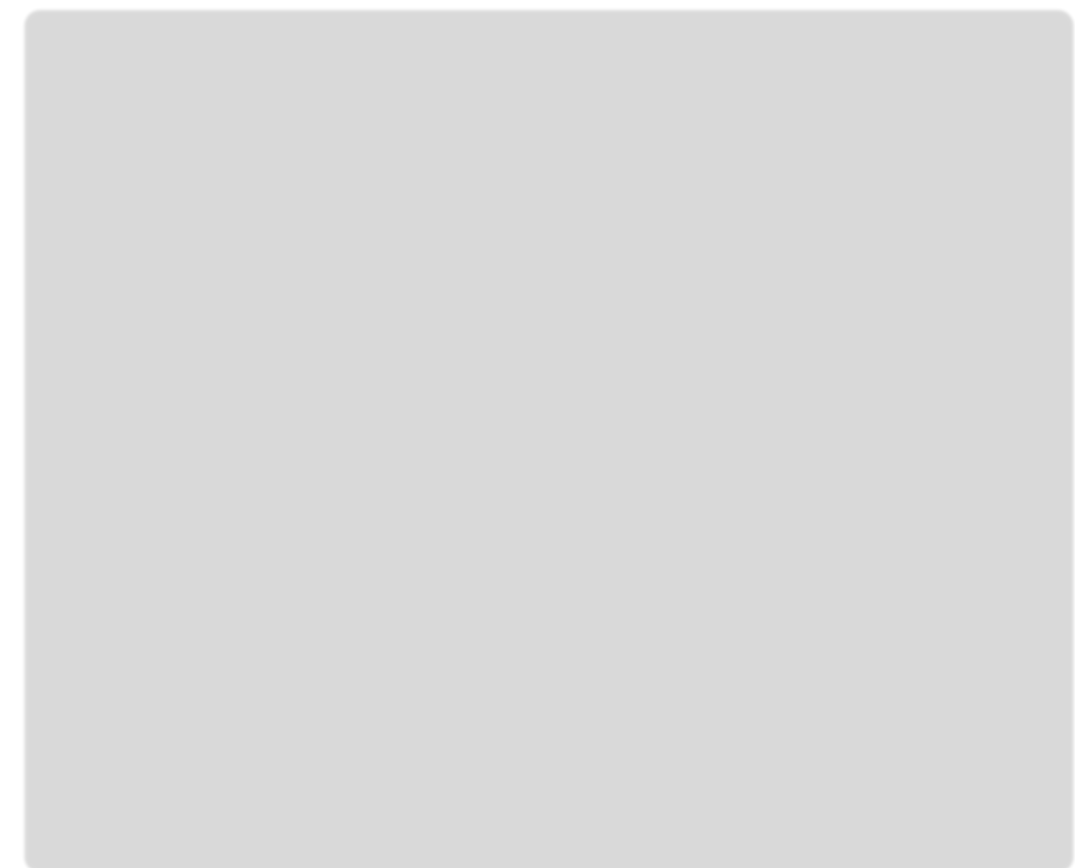
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Luxshare Precision places great emphasis on the daily safe management of chemicals, with an overarching goal of fully phasing out all chemicals of concern. We implement the applicable standards of chemical safety at home and abroad and the customer's relevant requirements for the specifications of restricted substances with high standards. A series of phased out plans for harmful substances have been devised and implemented to proactively seek alternatives and reduce or eliminate the use of such substances.

Our ongoing efforts include the continuous evaluation of the hazardous nature of chemicals used in our production and operational activities, proactive initiatives to decrease chemical quantities, and substitution programs targeting specific chemicals for which reduction or replacement plans have been tailored.

Scheduled Phase out Replacement Year	Substance (substance group)	Affected Materials/ Product	Progress/Status
2015	Bis ethylhexyl phthalate (DEHP), Butyl benzyl phthalate (BBP), Dibutyl phthalate (DBP), and Diisobutyl phthalate (DIBP)	All Materials	Full Replacement
2019	Lead and Its Compounds	Copper Alloy Materials	Full Replacement
2019	Antimony trioxide	Wire/Cables	Full Replacement
2021	VOC	Cleaning Agents	Partial Replacement
2022	Decabromodiphenyl Ethane	All Materials	Full Replacement
2022	Triphenyl phosphate	All Materials	Full Replacement
2022	Tributyl phosphate	All Materials	Full Replacement
2023	PFBS and PFBS -Related Substances	All Materials	Full Replacement
2023	PFHxA, its Salts, and PFHxA-Related Substances	All Materials	Full Replacement
2023	EDCs	All Materials	Full Replacement
2029	Substances of Concern in Components/Parts Exempted under RoHS Directive	All Materials	Partial Replacement

In adherence to the principles of resource conservation and environmental protection, Luxshare Precision persistently integrates the 4R philosophy throughout its operations to minimize material usage.



Case Aluminum Scrap Exchange Program at Suzhou Luxshare Technologies

Suzhou Luxshare Technologies has partnered with vendors to exchange aluminum scrap for new aluminum raw materials at a set ratio, thus reducing new material purchases and waste generation. During the Reporting Period, this initiative successfully exchanged 15,992 kg of aluminum scrap.