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Implement Strict Waste Management

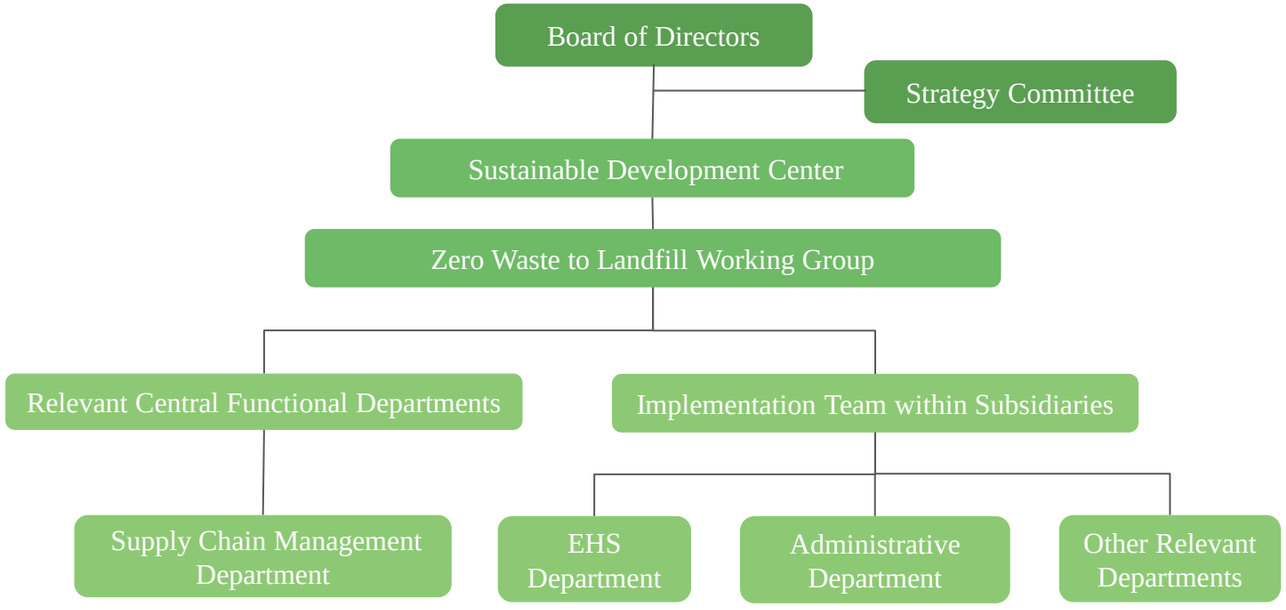
Luxshare Precision Industry Company Limited (hereinafter referred to as R A T 4 R or adheres to the waste management principle of T R collection, centralized storage, and unified disposal. We implement meticulous management of all waste generated during operations, strictly complying with relevant regulations, including the *Law of the Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, to ensure proper transfer and disposal of waste.

Waste Management Structure

We have established a three-level sustainability governance structure. The Board of Directors and the Strategy Committee provide oversight to ensure environmental commitments and targets are met. The Sustainable Development Center coordinates with internal units to implement efficient waste management practices.

The Zero Waste to Landfill Working Group develops policies, monitors progress, and reports directly to the Board of Directors and the Strategy Committee. Central functional departments support waste management efforts across the supply chain, while subsidiary execution teams including EHS and administrative departments carry out risk mitigation and waste reduction initiatives.

Waste Management Organizational Structure



Waste Management Process

Luxshare Precision has established and implemented the *Waste Control Operating Procedure* to standardize the entire process of waste management, including classification, storage, disposal, and recording.

Classification: In accordance with national standards such as the GB 34330, solid waste generated during production is identified and classified based on the *National List of Hazardous Wastes* and recyclability, with regular updates.

Classification of Solid Waste

Waste Type	Recyclable	Non-recyclable
Non-hazardous Waste	Category A	Category B
Hazardous Waste	Category C1	Category C2

Disposal: In accordance with the principles of harmlessness, recycling, and reduction, the solid waste is processed and handled by certified third-parties, strictly following environmental mandates.

- **Category A:** Recycled by specialized recycling companies;
- **Category B:** All processed by qualified companies or local environmental protection departments;
- **Categories C1 & C2:** The disposal requirements and methods are specified in contracts with agencies, whose qualifications and compliance status are annually audited.

Storage: Construct storage facilities in full compliance with GB 18599 and GB 18597. All waste must be stored by category with strict segregation between hazardous and non-hazardous types, in order to prevent secondary pollution of the surrounding environment.

Recording: Maintain a solid waste ledger via an electronic system to document key management process information.

Promoting Zero Waste to Landfill

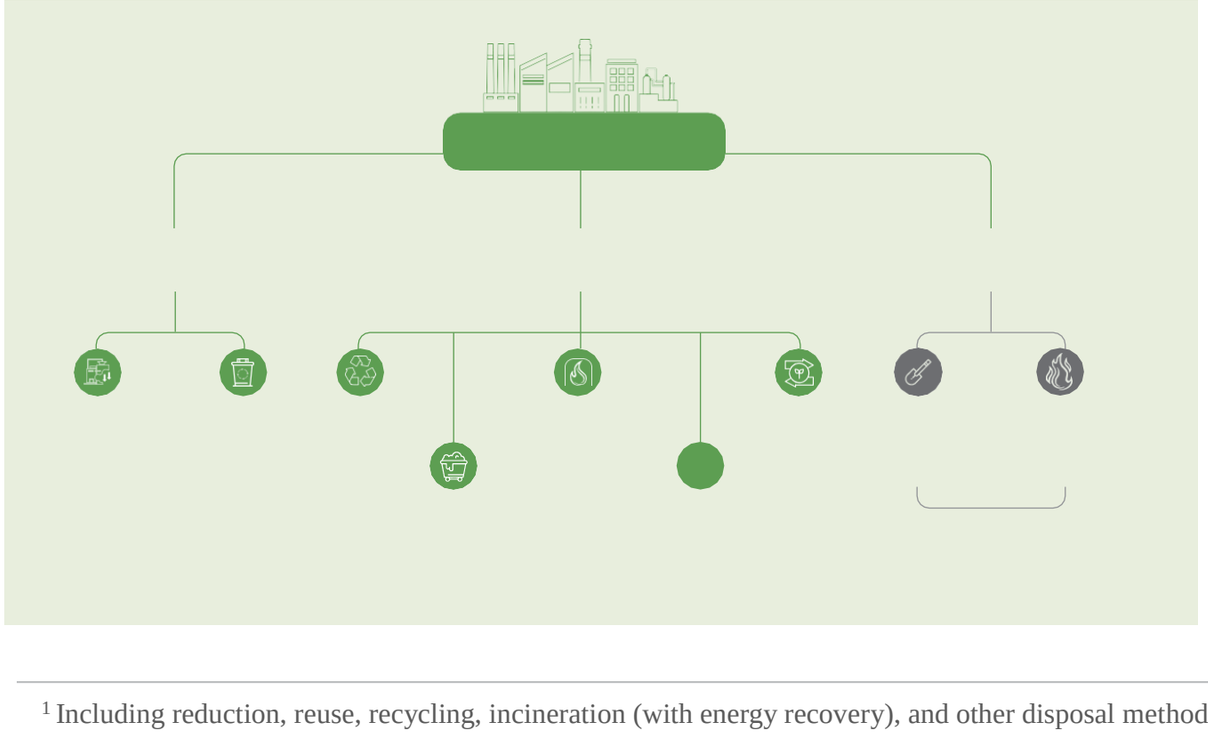
In adherence to refined management principles and the UL 2799 Zero Waste to Landfill standard, Luxshare Precision has established a *Zero Waste to Landfill Management Procedure*. This involves exploring diversified conversion pathways, including reduction, recycling, and reuse, to advance zero waste to landfill and develop resource circulation models.

Practice Zero Waste to Landfill Concept

We follow the waste management hierarchy reduce, reuse, recycle, recover energy applying multiple conversion pathways to build a circular economy that improves resource efficiency.

For production waste, our priority is on-site conversion through reduction and reuse, striving to achieve "zero waste leaving the factory." The remaining waste is processed off-site via recycling and energy recovery. Residual waste is subject to strictly restricted disposal methods, with clear prohibitions against landfilling and incineration without energy recovery. From 2022 to 2024, Luxshare Precision maintained a 100% waste diversion rate [1] for three consecutive years.

Waste Disposal Methods



Zero Waste to Landfill Certification

We actively promotes our subsidiaries to implement zero waste to landfill management practices in accordance with UL 2799 standard and obtain third-party external certifications. We encourage subsidiaries to convert over 90% of waste into resources, reducing landfill and incineration rates to below 10% to align with the core requirements of UL 2799.

As of the end of the Reporting Period

Accumulative UL 2799 certified subsidiaries reached
14

Platinum-level certified subsidiaries reached
13

UL 2799 Platinum Level Certification of Luxshare ICT Yancheng and Jia Shan Ri Shan

[1] Including reduction, reuse, recycling, incineration (with energy recovery), and other disposal methods (such as reduction, composting, anaerobic digestion).

Enhance Waste Conversion

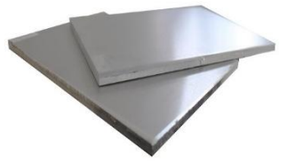
Amid growing circular economy efforts, Luxshare Precision explores waste circularity models. The Company implements company-wide reduction, recycling, and reuse solutions, diverting waste to conversion pathways and establishing resource circulation.

Case | Rida Intelligent Manufacture Advances Packaging Stretch Film Reduction

Rida Intelligent Manufacture reduces stretch film use by systematically decreasing film thickness, increasing roll length, reducing weight, and optimizing processes. This improves packaging efficiency and significantly cuts consumption and plastic waste while maintaining quality.

Case | Luxshare ICT Yancheng Metal Recycling and Material Exchange Project

The production at Luxshare ICT Yancheng uses aluminum alloy as raw material and generates scraps. These waste are collected and sent to our suppliers to be recycled into new material, achieving 100% reuse in a closed loop.



100% Recycled
Aluminum Materials

Case | Luxshare Xuancheng's Pallet and Skid Reuse Initiative

Luxshare Xuancheng aims to achieve a 25% reuse rate with 5 cycles per tray by 2025, promoting reuse in production. The facility is also advancing pallet standardization by requiring suppliers to use uniform specifications for all logistics operations. This effort maximizes utilization rate and reduces waste.

Reused Trays

Standardized Pallets

Advance towards Zero Waste to Landfill

In H1 2025, we audited 15 subsidiaries, assessing waste management in production and operational zones. Factories, cafeterias, and waste storage areas were inspected, focusing on the implementations of sorting, storage, labeling, and disposal standards. Key data was digitally collected to drive ongoing environmental improvements.

Raise Waste Conversion Rate

We set annual waste conversion rate targets for 2023 2025, and both the 2023 and 2024 goals are achieved. During the reporting period, the Company actively pursued reduction, recycling, reuse, and other methods. After three years of innovation, the average conversion rate exceeded 90% six months ahead of plan in H1 2025, laying a strong foundation for