

Green Chemicals

Luxshare Precision fully implements the concept of hazardous substance reduction and full-process management, collaborating with supply chain partners to control chemicals involved in products and processes, thereby reducing related environmental and health risks.

Lifecycle Management of Hazardous Substances

The Company continuously monitors the latest laws and regulations regarding hazardous substance management in all global regions where its business operates, as well as customers' latest requirements for restricted substances. This includes compliance with the *Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive and its amendments (RoHS)*, the *Waste Electrical and Electronic Equipment Directive*, the *Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and its Substances of Very High Concern (SVHC) list*, the *Stockholm Convention on Persistent Organic Pollutants*, the *California Safe Drinking Water and Toxic Enforcement Act of 1986*, and *China's Volatile Organic Compounds (VOCs) Emission Standards*. The Company implements comprehensive management of relevant chemicals.

We assess the potential risks associated with all relevant chemicals in our products, fully considering their potential impacts on human health and the environment during product use and disposal. We identify potentially hazardous substances and develop internal response strategies for all substances of very high concern. Through procurement management, **we ensure 100% coverage of all chemicals used in our products** and provide Safety Data Sheets (SDS) to customers upon request. For chemical substances that have not yet been formally incorporated into regulatory frameworks but pose potential environmental and health risks, we implement forward-looking control measures exceeding current regulatory requirements, proactively including them within the Company's restricted and prohibited management scope.

List of Restricted and Prohibited Substances Managed Ahead of Regulatory Requirements

Restricted Substances	CAS Number	Regulatory Requirements	Internal Management Requirements
Medium-chain Chlorinated Paraffins (MCCPs)	85535-85-9	REACH SVHC List	Included in the restricted list
Pigment Violet 29	81-33-4	Toxic Substances Control Act (TSCA) - First Batch of Risk Evaluation Substances	Included in the restricted list
1,1'-(ethane-1,2-diyl)bis[pentabromo-benzene] (DBDPE)	84852-53-9	REACH SVHC List State of Washington Chemicals of High Concern to Children (CHCC)	Included in the restricted list
2,4-Di-tert-butylphenol	96-76-4	Not yet included in the regulatory framework	Listed in the declared list and deployed a phase-out and replacement plan
p-Cresol and DCPD Butylated Products	68610-51-5	REACH CoRAP List	Listed in the declared list and deployed a phase-out and replacement plan
2,6-Di-tert-butyl-p-cresol	128-37-0	REACH CoRAP List	Listed in the declared list and deployed a phase-out and replacement plan
Hydrogenated rosin pentaerythritol ester	64365-17-9	REACH CoRAP List	Listed in the declared list and deployed a phase-out and replacement plan



Full-Process Management of Hazardous Chemical Substances in Products



Product Development

In compliance with the *General Principles for Ecological Design of Products* and the *Management Standards of Restricted Substances of Materials and Finished Products*, and referencing the *Principles of Green Chemistry*, the Company integrates environmental and health impact assessments throughout the entire lifecycle during the feasibility analysis and product design phases. The requirements for hazardous substance management are implemented within product design specifications and subsequent verification processes to minimize hazardous substances at the source.



Material Procurement

A comprehensive identification and supervision process has been established. Verified qualified suppliers are required to submit full material composition declarations and test certificates for materials through the Green Products (GP) module of the GSCM system. Specialists are responsible for reviewing these submissions to ensure compliant material inflow.



Incoming Material Inspection

Identify the material properties and hazardous substance risk levels of raw and auxiliary materials of different types. Implement a layered and graded inspection management system by establishing corresponding test items and frequencies. Enforce the principle of "no acceptance for non-conforming products" for all inbound shipments to strictly control the incoming quality inspection gate.



Process Control

Based on production processes, conduct a risk assessment for equipment, tooling, and auxiliary materials that directly or indirectly contact products. Implement corresponding preventive measures and regularly test auxiliary materials and semi-finished goods to prevent cross-contamination during the manufacturing process.



Finished Product Assurance

Conduct spot checks and compliance verification prior to finished goods shipment. Affix environmental labels, issue material composition declarations and test reports in accordance with regulations and customer requirements. Disclose product chemical compositions and potential risks through product labels, client portals, International Material Data System, China Automotive Material Data System, and other third-party platforms.

Replacement of Hazardous Substances

Luxshare Precision has established the long-term plan to phase out all chemicals of concern. The Company closely monitors dynamic changes in domestic and international laws, regulations, and customer standards, systematically reviewing and optimizing all aspects of restricted substance management. We have formulated and are actively advancing a series of hazardous substance phase-out initiatives, **focusing on the development and implementation of safer alternative materials and production processes** to minimize the use of hazardous substances in our products.

Schedule and Implementation Progress of Hazardous Substance Phase-out and Replacement Plans

Scheduled Phase-out / Replacement Year	Substance (Substance Group)	Affected Materials/ Products	Progress/Status
2019	Lead and its compounds	Copper Alloy Materials	Full Replacement
2019	Antimony Trioxide	Wire/Cables	Full Replacement
2021	VOCs	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	Endocrine Disrupting Chemicals (EDCs)	All Materials	Full Replacement
2025	Per- and Polyfluoroalkyl Substances (PFAS)	All Materials	Partial Replacement ²³
2029	Substances of Concern in Component/Parts Exempted under RoHS Directive	All Materials	Partial Replacement

²³ Immediate phase-out implementation across all new products



Case | Lanto Kunshan Conducted Hazardous Substance Phase-out for Eco-Friendly Cable Product Advancement

Lanto Kunshan actively responds to the hazardous substance phase-out plan by conducting a comprehensive screening of hazardous substances in new product materials and initiating the selection process for alternative material solutions for homogeneous materials containing PFAS. Following rigorous technical comparison and feasibility analysis, we have selected PFAS-free materials that meet the requirements for replacement and have completed the comprehensive implementation of these materials.



Case | Luxshare Xuancheng Advanced the Upgrade of Cleaning Agents, Achieving a Significant Reduction in VOCs Emissions

Luxshare Xuancheng responded to the Company's ongoing plan to phase out VOCs by upgrading cleaning agents for environmental compliance. The original general solvent-based cleaning agents were replaced with semi-aqueous cleaning agents, resulting in an 86% reduction in VOCs content within the solvents. This process replacement not only further solidifies environmental compliance and risk management but also significantly reduces VOCs emissions at the source of the production process.

Hazardous Substance Management Requirements of the Supply Chain

As a critical link connecting suppliers and customers, we recognize that conveying clear raw material requirements to suppliers is a vital prerequisite for delivering high-quality green products. To ensure the environmental compliance of procurement materials, **we integrate green product requirements throughout the entire supplier management process. By applying the GSCM system's GP module for full-chain digital management**, we standardize supplier behavior with high standards consistent with Luxshare Precision's own management practices. This initiative drives suppliers to enhance their management of hazardous substances and reduce supply chain risk.

Hazardous Substances Management Requirements of the Supply Chain



Entry Conditions

Require raw material suppliers to sign the *Letter of Guarantee for Environmental Protection* to ensure that raw materials, components, packaging materials, semi-finished products and finished products supplied to Luxshare Precision meet the management requirements of the *Management Standard for Restricted Substances of Materials and Finished Products*



Change Management

Timely communicate with and require suppliers to complete self-inspection, feedback and confirm compliance within the prescribed time limit after the *Management Standard for Restricted Substances of Materials and Finished Products* is updated. Moreover, suppliers are required to proactively report any changes related to raw material properties and other relevant aspects. Where applicable, they should also provide relevant information and samples as required, implement supply changes only after approval is obtained



Regular Audit

Conduct regular audits related to the control of hazardous substances, check the product ingredient list and third-party hazardous substance testing report, and send it to the Company's internal laboratory for hazardous substance testing to prevent the non-environmentally friendly materials and products from flowing into the Company's product chain



Replacement or Reduction

Actively carry out the replacement or reduction of hazardous chemical substances, and phase out hazardous chemical substances or replace them with safer chemical substances as soon as practicable

