

# Zero Waste to Landfill Project Periodic Report



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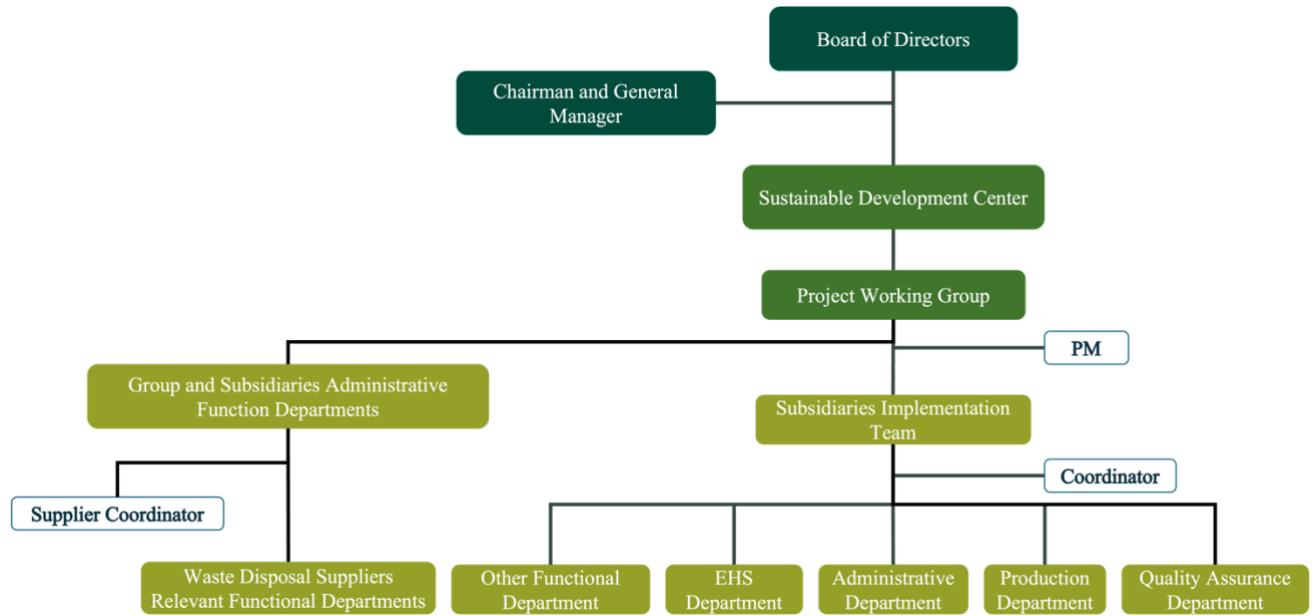
## **We Say No to Garbage Siege**

The World Bank's *What a Waste 2.0* predicts that with rapid urbanization, population growth and economic development, the annual volume of municipal waste will reach a staggering 3.4 billion tons by 2050. A large amount of waste will occupy the living space of human beings and bring extremely adverse effects on human health and the environment.

Luxshare Precision is committed to operating responsibly, and strives to reduce the disturbance to the environment and people when creating value. We are determined to take the Zero Waste to Landfill Project as a starting point to promote waste classification management, gradually improve the waste conversion rate and resource recycling efficiency, which contributes to the construction of a waste-free city and provides solutions tackling the dilemma of garbage siege.

## **Zero Waste to Landfill Project Underway**

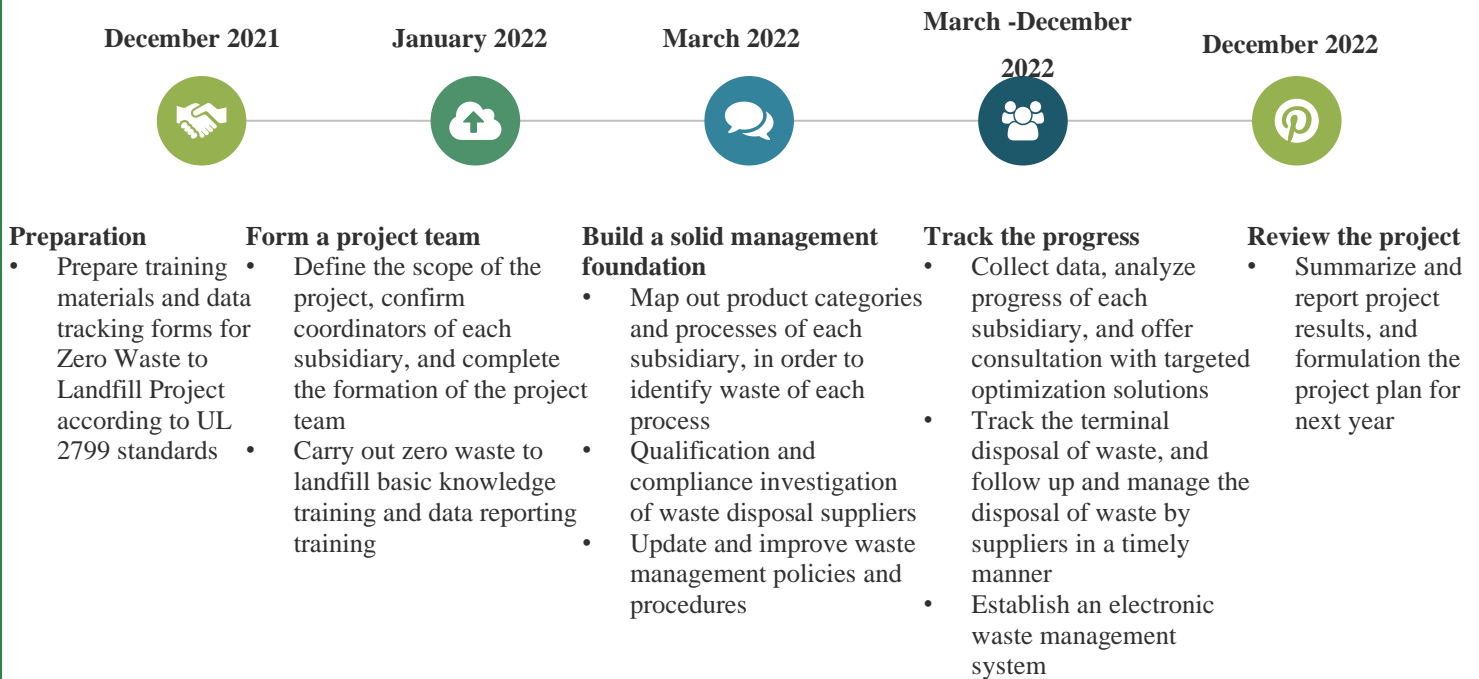
Under the supervision and guidance of the board of directors, the Sustainable Development Center has established a special project working group, cooperated with subsidiaries and related waste disposal suppliers, to jointly promote the zero waste to landfill project.



Project Organizational Structure

**Our Project Goals:**

- Clarify the diversified waste conversion methods under the principle of 4R (reduction, reuse, recycle and replace), and organize trainings to improve the waste management and disposal capacity of each production base
- Realize zero waste to landfill and replace waste incineration without energy recovery
- Reduce the proportion of waste-to-energy incineration with a phased plan
- Anchor the highest requirements of UL 2799 certification for zero waste to landfill, optimize resource utilization, improve waste conversion rate, and actively undertake environmental responsibility
- Monitor waste disposal suppliers to ensure compliance with waste disposal regulations



### 2022 Luxshare Precision Zero Waste to Landfill Project Plan

At present, the first three tasks have been completed as planned, and the collection and analysis of data will continue to be promoted.

## Our Effort in 2022

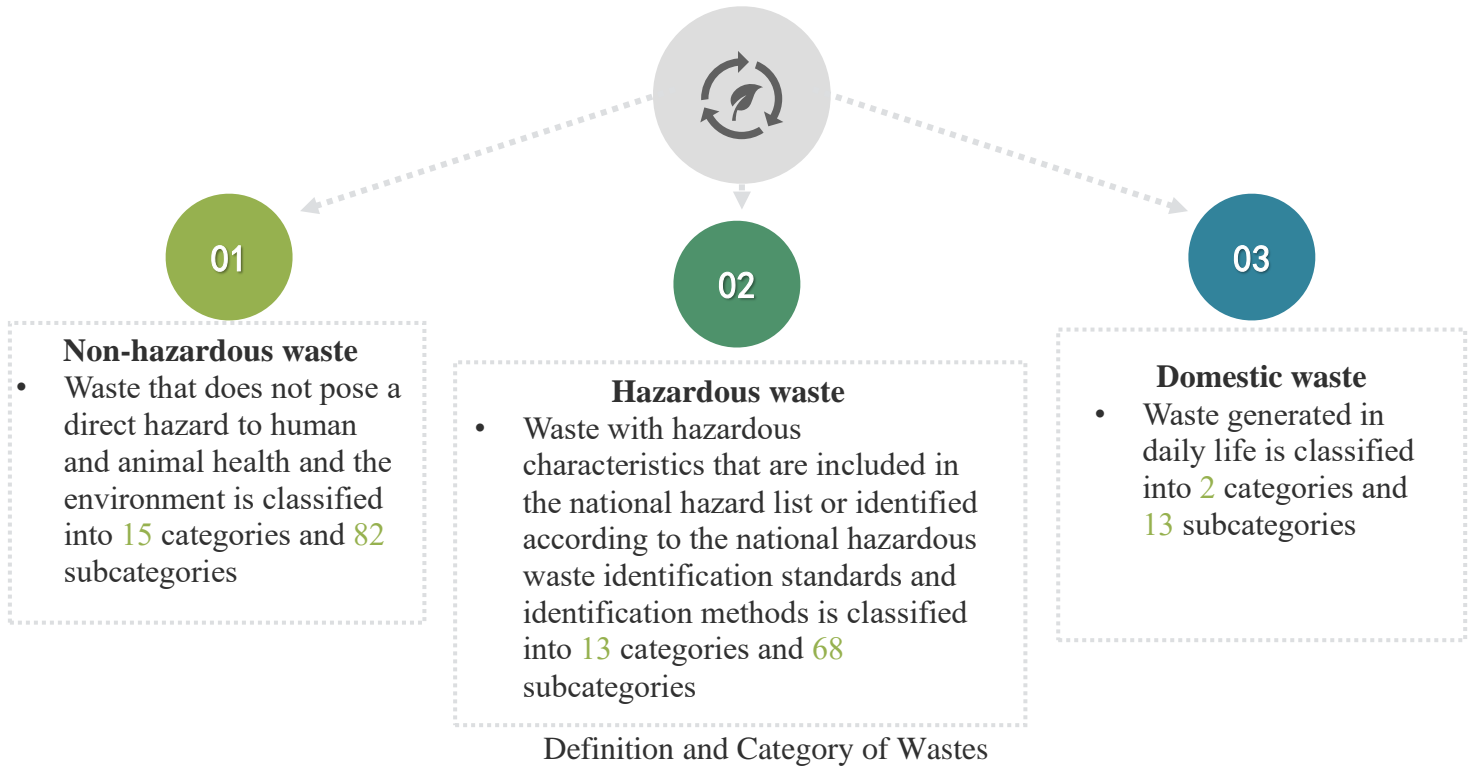
### Sort Out the Regulations for Zero Waste to Landfill

Luxshare Precision always complies with the current laws and regulations to identify, classify and dispose of industrial and domestic wastes. Meanwhile, we aim to higher requirements on waste management in our production bases.

In December 2021, we benchmarked the international leading zero waste to landfill certification standard UL 2799 to comprehensively sort out the management requirements. Whereafter, we compiled standardized training materials, clarifying waste classification standards, listing common waste conversion methods, and highlighting factory management points, which served as the implementation guide of the project. In addition, we developed a data tracking from with reference to the UL 2799 standards, and planned to track and manage waste data.



In this project, we defined the three-level classification standard of wastes. Subsidiaries were required to identify and categorize wastes, thoroughly record the amount and conversion methods of each type of waste, aiming to realize tracking from generation to disposal and enhance end-to-end management of all wastes.



**01 Non-hazardous waste**

- Waste that does not pose a direct hazard to human and animal health and the environment is classified into 15 categories and 82 subcategories

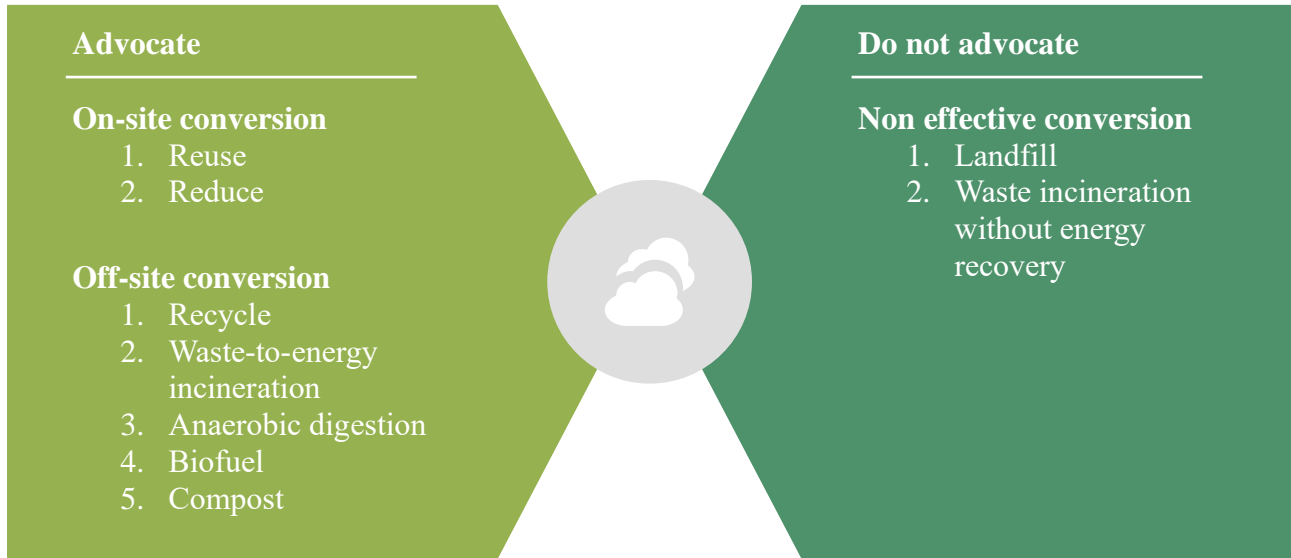
**02 Hazardous waste**

- Waste with hazardous characteristics that are included in the national hazard list or identified according to the national hazardous waste identification standards and identification methods is classified into 13 categories and 68 subcategories

**03 Domestic waste**

- Waste generated in daily life is classified into 2 categories and 13 subcategories

At the same time, we tried to list and give examples of all feasible waste conversion methods, in accordance with the 4R waste disposal principles. We hope that wastes can be recycled, effectively transformed or harmlessly disposed, to avoid secondary pollution to the environment. Therefore, in principle we advocate that subsidiaries should prioritize conversion on-site and off-site, independent and cooperating with qualified suppliers, and resolutely put an end to landfill, incineration without energy recovery and other treatment methods without effective conversion.



Principles of Waste Conversion

### Form an Energetic Project Team

In January 2022, Luxshare Precision initiated the 2022 Zero Waste to Landfill Project. We set up an executive and professional project team covering 52 subsidiaries, and implemented systematic management throughout the chain of waste generation to disposal of our own operations.

We organized the first on-line seminar of Zero Waste to Landfill Project for project leaders of each subsidiary. The training slides have been uploaded to the e-learning platform – i School, for relevant personnel to consult and learn at any time.



Number of Participants    Participation Rate

### Strengthen Waste Management from Generation to Disposal

To further clarify blind spots of waste management, the project team carried out waste inventory of each subsidiary, to categorize wastes and record the complete

process of wastes generation and disposal. Based on the preliminary investigation, we updated and issued the *Waste Control Procedures*, which added requirements for waste transportation within the production base, and refined requirements for hazardous waste identification in hazardous waste warehouses.

Luxshare Precision is a manufacturing company, and we do not have the professional qualifications and capabilities to directly dispose of many types of wastes, including hazardous waste. Therefore, we screen rigorously and work closely with waste disposal suppliers, to ensure that the disposal and conversion methods of wastes met our requirements.

By the end of March 2022, we had issued qualification research requirements to all waste disposal-related suppliers, requiring them to declare in detail the method of disposal, the effect of conversion, and the final flow of wastes. By the end of June 2022, the signing rate of supplier declarations had reached 63%, and we will continue to promote the signing of supplier declarations. Meanwhile, we illustrated Luxshare Precision's zero waste to landfill requirements to relevant supplier through the research.

### **Track Every Step towards Zero Waste to Landfill**

We established a monthly reporting mechanism, quantitatively tracking the progress of the project. The project working team reviewed and analyzed data reported of each subsidiary, and provided targeted guidance for subsidiaries in need.

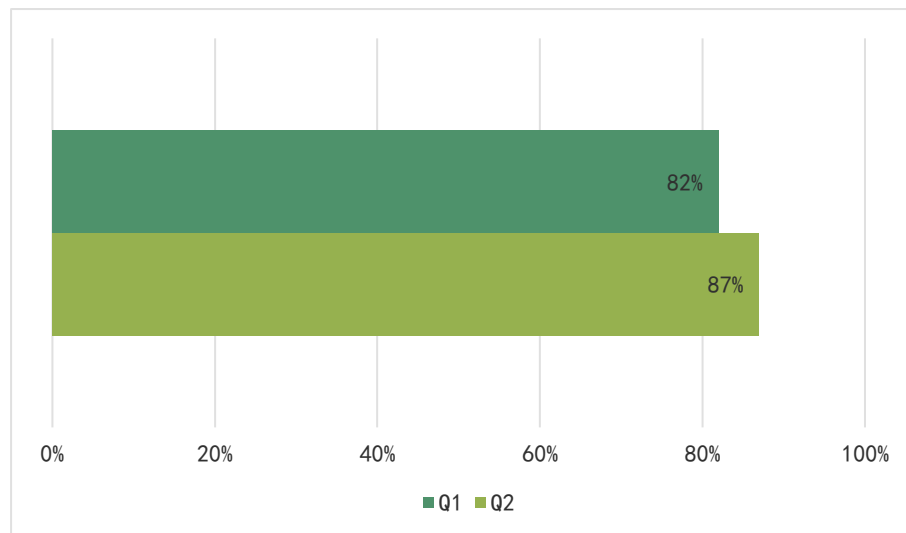


After targeted guidance, 6 subsidiaries have formulated optimization plans for waste classification, reuse and disposal, and the waste conversion rate indicator has been significantly improved.



Trageted Guidance    Number of Participants

Number of Targeted Guidance and Participants by the End of June 2022



Average Conversion Rate of Q1 and Q2 2022

Dongguan Xuntao Electronic Co., Ltd. has carried out specific improvement project for domestic wastes which accounts for 15% of the total wastes of the factory. After thorough negotiation with domestic waste disposal suppliers, Dongguan Xuntao Electronic Co., Ltd. replaced incineration with energy recovery with waste-to-energy, which maximized the value of thermal energy generated from domestic wastes incineration.

In the meantime, we hope that subsidiaries should benchmark zero waste to landfill standards to optimize waste management procedures, and strive for relevant

international and domestic certifications with advanced management and practices. In 2022, we planned to assist 2 subsidiaries to complete the renewal of the UL 2799 international certification for zero waste to landfill, guide 5 subsidiaries to optimize the management mechanism of zero waste to landfill, and strive to apply for and obtain the UL 2799 certification for the first time.

In addition, we planned to establish an electronic waste management system to strengthen and standardize managerial mechanism, reduce errors caused by manual reporting, and improve the accuracy of data. We'll promote this task persistently in the second half of the year.

### **A Long-term Object that Needs Continuous Effort**

Short-term plan: Review and analyze the waste conversion rate, provide counseling for subsidiaries with slow progress, and help them improve their waste conversion plans

Long-term plan: Achieve zero waste to landfill. Average conversion rate of the Company reaches no less than 90%, and WTE accounts for no more than 10%

Luxshare Precision will promote zero waste to landfill and harmless disposal of wastes persistently and rigorously, to contribute to building a resource-saving and environmentally-friendly society.