

Dynamic' s Biodiversity targets for priority areas

Our Huangshi plant in Hubei Province is located near the Chihu National/Provincial Nature Reserve and wetland ecosystem. In active response to the Yangtze River protection policy, we adhere to the principles of ecological priority and green development, and are committed to building a green enterprise where humans and nature coexist harmoniously.

The Huangshi plant is committed to achieving zero net loss to the Chihu Nature Reserve and surrounding aquatic ecosystem by 2030, and a net positive impact by 2040. The plant will comprehensively implement mitigation measures, integrating them into factory operations and future expansion plans, to ensure that PCB production does not negatively impact Chihu's migratory bird habitat, water quality, and biodiversity.

The Huangshi plant's quantifiable targets and KPIs for 2030 are as follows:

- I. Water Resources and Wastewater Management (Impact Reduction and Mitigation) As an important lake and wetland in the Yangtze River basin, Chihu Lake is extremely sensitive to water quality. The etching and electroplating processes at the Huangshi plant will be the core of management.
 - Indicator 1: Ultra-Low Heavy Metal Discharge and Zero Liquid Discharge (ZLD) in Wastewater
 - Target: By 2028, the concentrations of heavy metals such as total copper (Cu) and total nickel (Ni) in the wastewater discharged from the Huangshi plant must be 60% stricter than the water pollutant discharge standards or the local standards for the Yangtze River Basin.
 - Target: By 2030, expand the wastewater recycling system to increase the plant's "process water recycling rate" to over 65%, and achieve zero liquid discharge (ZLD) for high-pollution processes, completely eliminating the risk of wastewater overflowing into the Chihu Lake system.
 - Indicator 2: Zero Pollution Risk Control for Groundwater and Soil
 - Target: By 2027, complete a 100% leak-proof upgrade of all hazardous waste warehouses and chemical storage tank areas within the Huangshi plant area, and install online monitoring wells for groundwater at the Chihu Lake boundary to ensure zero

potential threat to the surrounding soil and groundwater ecosystem.

II. Habitat Conservation and Ecological Restoration (Compensation and Positive Impacts)

Chihu Lake is an important wintering ground for migratory birds and a habitat for aquatic life.

- Indicator 3: Chihu Lake Wetland Ecological Restoration and Bird Conservation
 - Target: Before 2030, the Huangshi Plant will collaborate with the Huangshi Environmental Protection Bureau and local ecological NGOs at least twice to jointly carry out the "Chihu Lake Reclamation/Wetland Restoration Project," such as wetland environmental restoration and environmental cleanup, or the plant will fund and participate in the restoration of wetland vegetation (such as reeds and cattails) to provide safe habitats for migratory birds (such as rare birds like Oriental White Storks).
- Indicator 4: Plant Area Noise Control (Avoiding Disturbance)
 - Target: Nighttime noise control at the plant boundary will be at least 5 decibels stricter than the national Class I area standard.

III. Green Procurement at the Source of the Supply Chain (Local and Upstream Management)

- Indicator 5: Green Access for Major Raw Materials and Chemicals
 - Target: By 2029, 100% of the key raw material suppliers such as copper foil and fiberglass cloth procured by the Huangshi plant must be ISO 14001 certified, and their production sites located in the Yangtze River Basin must have no record of major environmental violations.

The company's biodiversity management achievements, funding (such as wetland restoration funding), and target achievement rates will be disclosed in the company's ESG Report.