Luxshare Precision
Carbon Reduction Target and Action Periodic Report

Report Preparation: Sustainable Development Center

Reporting Period: 2025 Half-Yearly Progress Report

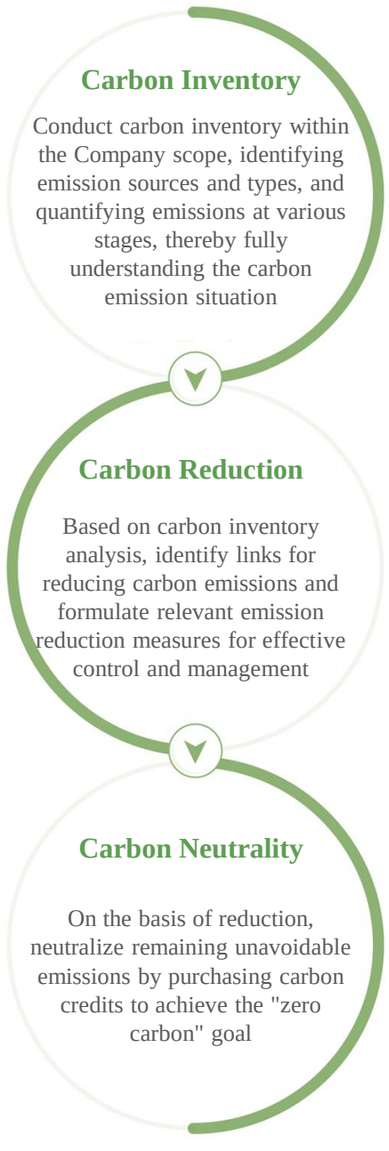
Reporting Scope: Same as that of Luxshare Sustainability Report 2024

September 2025

Contents

Carbon Neutrality Strategy & Deployment

The World Meteorological Organization's recently released *State of the Global Climate 2024 Report* shows that the global average temperature in 2024 was 1.55±0.13 ℃ above the pre-industrial level, the warmest year on record. Continued increases in greenhouse gas emissions drive global warming, posing a persistent threat to natural ecological balance and sustainable economic and social development. Luxshare Precision steadily deploys carbon inventory, carbon reduction, and carbon neutrality, contributing to mitigating climate change and promoting a low-carbon transition in society, as a pioneer in the green transformation of the electronics manufacturing industry, .

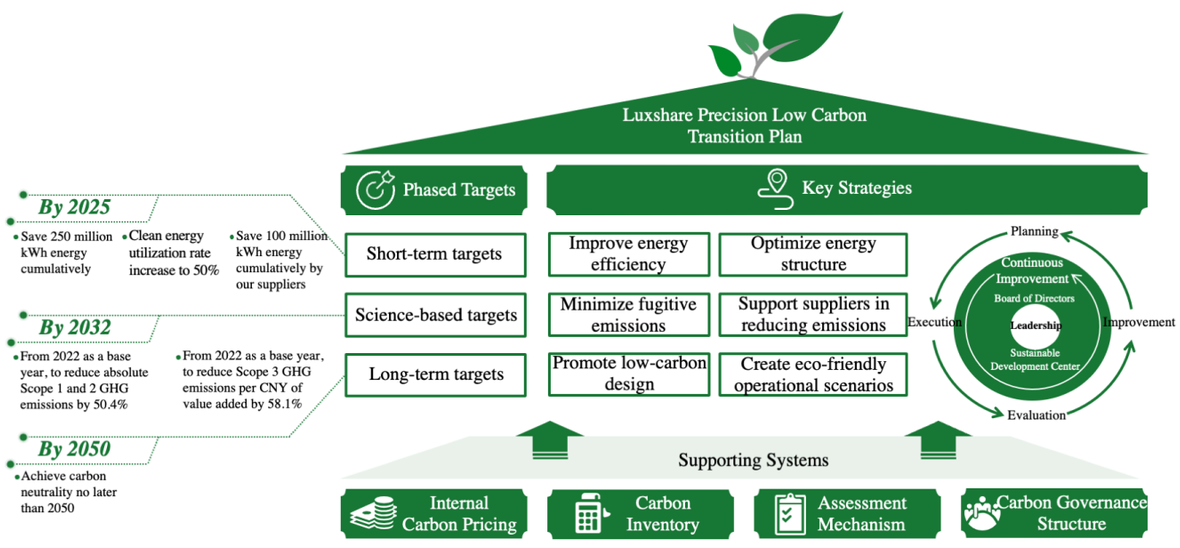


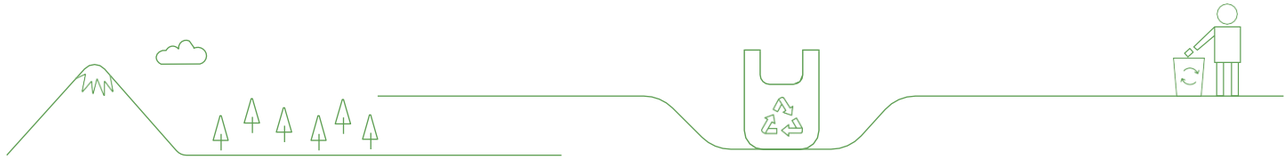
Luxshare Precision
Low-carbon Transition Planning

Low-carbon Transition Planning

Under the carbon management architecture system led by the Board of Directors, we follow the four-step climate action path of "Plan-Do-Check-Act". Guided by the dual carbon goals, and considering the carbon inventory results and our own business development, the Sustainable Development Center leads the setting of short, medium, and long-term targets, formulating 6 key action strategies, and continuously driving the Company towards the carbon neutrality goal. Among these, we actively respond to the Paris Agreement, set mid-term carbon emission reduction targets according to the Science Based Targets initiative (SBTi) 1.5 ℃ pathway requirements, and received official SBTi validation approval in 2024. The Company is steadily advancing green and low-carbon transition work as planned.

Luxshare Precision Carbon Neutrality Path



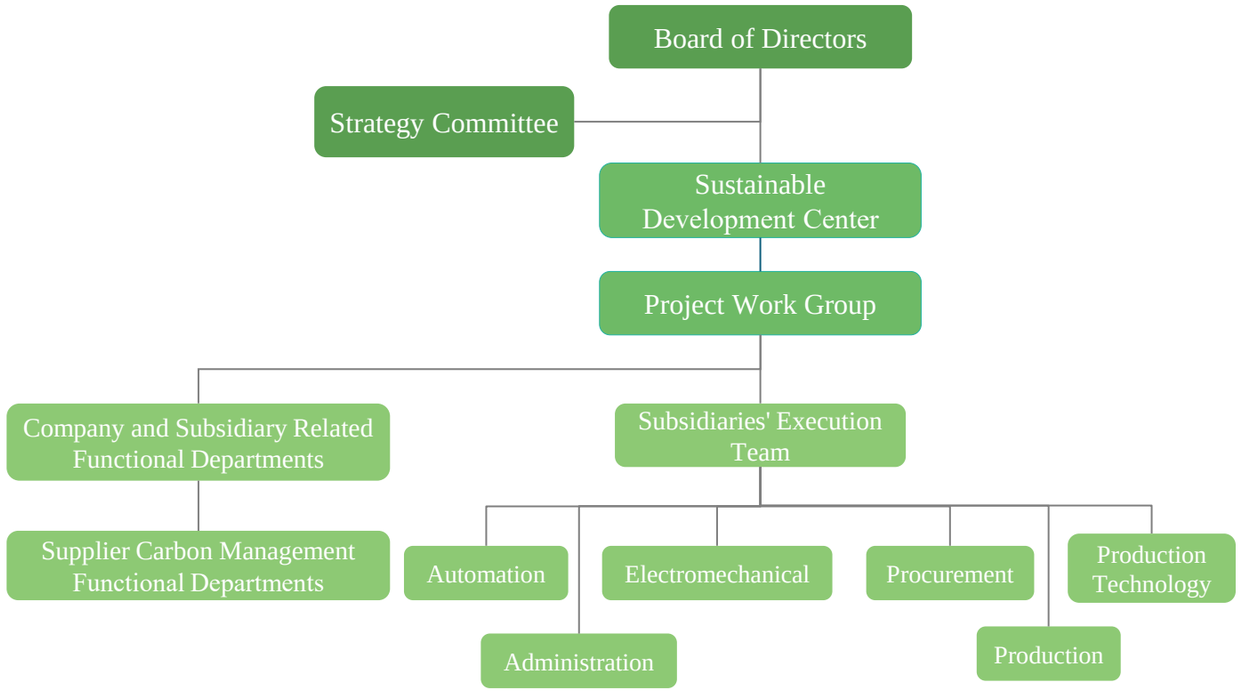


Carbon Governance

We have established a three-level project organizational structure of "Decision-Making - Planning - Execution" led by the Board of Directors, spearheaded by the Sustainable Development Center, and composed of project promotion teams from various subsidiaries. We orderly promote the implementation of low-carbon transition projects in a special project format, collaborating with subsidiaries and supplier carbon emission management functional departments.

We also link part of the senior management's performance bonus to the achievement of the Company's carbon goals, to fully leverage the leadership role of management, focus on achieving climate goals in decision-making and actions, and optimize the Company's efficient utilization and value release of key elements such as capital, technology, and human resources, thereby accelerating the Company's progress in energy saving, carbon reduction, and green transformation.

Project Organizational Structure



Carbon Emissions Management

Through carbon inventory, we accurately identify and quantify GHG emissions generated in various aspects of our operations, understand energy usage structure and main energy consumption types, laying a solid data foundation for formulating scientific carbon reduction strategies.


Greenhouse Gas Verification Statement
Luxshare Precision Industry Co., Ltd.
ISO 14064-1:2018

2024 Third-party Greenhouse Gas Verification Statement

Comprehensive Carbon Inventory

Starting from 2021, we have annually conducted greenhouse gas emission data inventory and third-party verification covering Scope 1, 2, and 3, referencing ISO 14064-1:2018.

Luxshare Precision's verified total greenhouse gas emissions for 2024 were 6,307,488.41 tons, a decrease of 22.02% compared to the base year. Among these, total Scope 1 and 2 emissions were 730,527.06 tons, a decrease of 50.61% compared to the base year. Total Scope 3 emissions were 5,576,961.35 tons, a decrease of 15.63% compared to the base year. Emissions per unit of value added decreased by 21.31% compared to the base year.

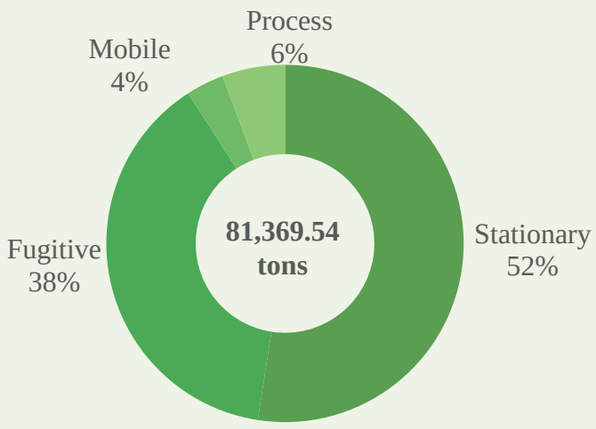
2024 Total Greenhouse Gas Emissions and Composition

Scope	2024	2022 (Baseline Year)	Absolute Emissions Reduction
	Unit: tCO_2e	Unit: tCO_2e	Unit: %
Scope 1	81,369.54	93,645.54	13.11%
Scope 2[1]	649,157.52	1,385,529.80	53.15%
Scope 3	5,576,961.35	6,609,751.98	15.63%
Total	**6,307,488.41**	**8,088,927.32**	**22.02%**

[1] Calculation method is market-based

Scope 1 Emission Composition

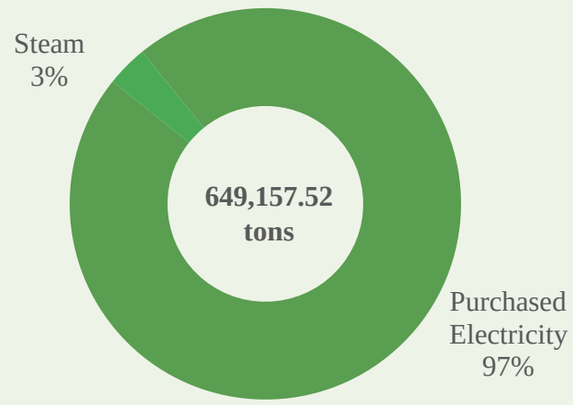
Scope 1 emissions come from direct emissions owned or controlled by the Company's subsidiaries, accounting for approximately 1.29% of total GHG emissions. These include stationary combustion emissions from natural gas, diesel, LPG, etc.; mobile combustion emissions from gasoline, diesel, etc.; fugitive emissions from domestic/industrial wastewater methane, refrigerants, etc.; and process emissions from dry ice usage.



Scope 1 Total Emissions & Composition

Scope 2 Emission Composition

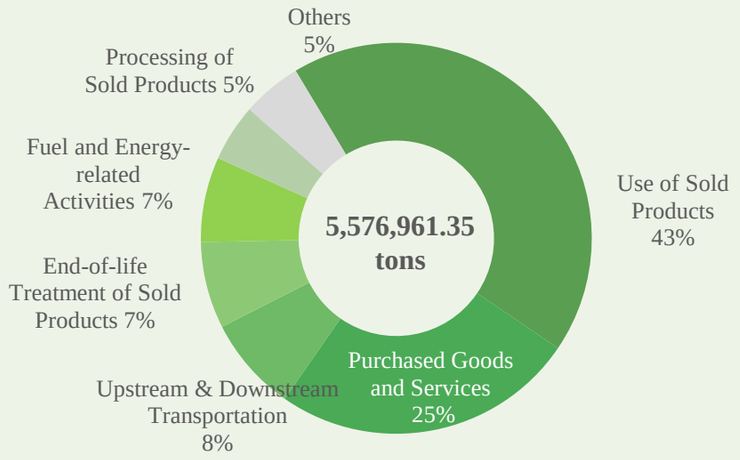
Scope 2 emissions are indirect emissions from purchased electricity and steam, accounting for approximately 10.29% of total GHG emissions. **Purchased electricity is the main emission source for our operational activities**, therefore we carry out a series of energy efficiency improvement and clean energy use projects specifically to reduce Scope 2 emissions.



Scope 2 Total Emissions & Composition

Scope 3 Emission Composition

Scope 3 emissions are indirect emissions from the Company's value chain, accounting for approximately 88.42% of total GHG emissions. **Among these, the use of sold products, purchased goods and services, and transportation of products account for nearly 80% of total Scope 3 emissions.** We hope to extend our accumulated carbon reduction experience and practices throughout the entire value chain by setting carbon reduction targets at the value chain level, thereby motivating and collaborating with upstream and downstream partners to jointly advance emission reduction actions.



Scope 3 Total Emissions & Composition

Internal Carbon Pricing

The Company introduced an internal carbon pricing mechanism starting in 2024, leveraging economic means to stimulate internal low-carbon transition momentum by combining historical and future carbon price predictions. We use a shadow price form, referencing the annual carbon emission target value and carbon inventory results, converting the excess emissions of each subsidiary into tangible "carbon costs", incentivizing them to spontaneously review and continuously optimize management models and production technologies, and actively explore new paths for energy saving and emission reduction. Simultaneously, we also consider fluctuations in carbon emission compliance costs, adjusting the carbon price annually by a fixed ratio, using the carbon pricing mechanism as a lever to promote a low-carbon and sustainable business model transformation.

2025 Carbon Reduction Actions & Progress

Operational Carbon Management Practices

Indirect greenhouse gases from purchased electricity constitute the main emission source of the Company's operational activities. Therefore, we focus on strategies for energy saving, emission reduction, and decarbonization of the energy structure to achieve green and low-carbon transition goals.

Promoting Energy Efficiency & Green Energy Coverage

At the beginning of each year, the Sustainable Development Center leads the setting of annual carbon reduction targets for the Company and subsidiaries. Each subsidiary plans its Energy Efficiency Projects (EEP) and Clean Energy Projects (CEP) work for the year based on the targets. The task force provides necessary technical support and resource coordination for subsidiaries, and closely tracks the execution of carbon reduction projects through a quarterly reporting mechanism.

Meanwhile, we continuously strengthen internal professional capacity building to enhance environmental management capabilities and efficiency. As of end of the reporting period, the Company has achieved 100% coverage of carbon skills training for designated personnel for three consecutive years.

In 2025, the Company selected 15 mature energy efficiency improvement projects for comprehensive promotion company-wide. We developed energy saving and emission reduction project guidelines, provided project implementation frameworks and cases, standardized energy-saving project acceptance criteria, strictly controlled project implementation quality, and promoted standardized, orderly, and steady development of energy conservation work.

Simultaneously, we actively deploy diversified channels for obtaining clean energy, promote rooftop PV construction, explore green electricity and green certificate applications, and take multiple measures to promote the decarbonization of the energy structure. Additionally, we also focus on and promote the supporting construction of energy storage projects, reasonably formulate charging and discharging strategies, and help optimize the energy usage structure.

During the Reporting Period, Luxshare Precision:

- Electricity Saved **9,249** MWh
- Newly Installed Energy Storage **15** MW
- Cumulative Capacity of Rooftop PV achieved **164** MW
- Directly Purchased Green Electricity **805,438** MWh

Luxshare Precision 2025 Energy Saving and Carbon Reduction Plan

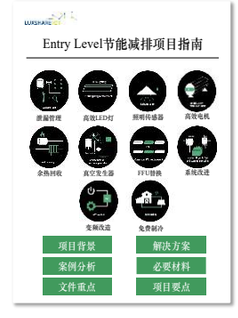
Q1
Project Training & Promotion
- Develop guidelines for carbon reduction projects
- Kick-off training

Q2
Information Collection and Communication
- Evaluate carbon reduction plans feedback from subsidiaries
- Follow up on project progress and regular review.

Q3
Offline Audit & Verification
- Joint offline audit of carbon reduction projects with Electromechanical and other technical departments
- Q&A and resolve key bottleneck issues

Q4
Summary & Experience Sharing
- Summarize project achievement, lessons learned, carbon reduction benefits and suggestions.
- Reporting and experiences sharing

Jinxi Factory Rooftop PV & Energy Storage

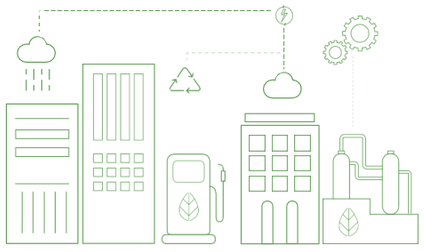


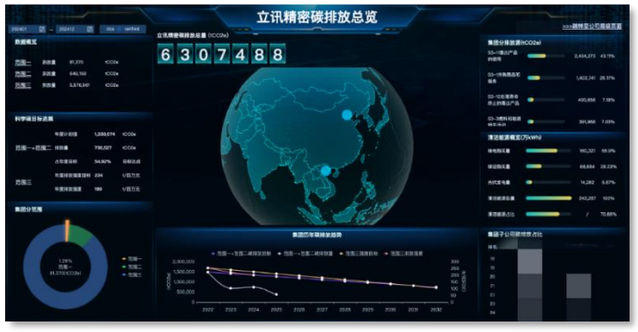
Energy Saving and Emission Reduction Project Guidelines

Building a Digital Carbon Accounting Platform

Luxshare Precision fully leverages its technological advantages to build an electronic carbon data information system and a carbon data module within the Green Supply Chain Management (GSCM) system, respectively collecting and managing carbon emission information for its own operations and core suppliers. The system is equipped with appropriate emission factors, enabling automated calculation of carbon emissions, improving the efficiency of carbon data collection and accounting for the Company.

In 2025, we upgraded the functionality of the carbon data visualization platform, connecting it with the electronic carbon data information system to enable the presentation and multi-dimensional analysis of carbon emission data at both the entire company and subsidiary levels, strengthening the monitoring of carbon emission data, and providing a data foundation for reviewing phased carbon reduction targets and progress.





Carbon Data Visualization Platform

The platform's core values include:

- **Precise Data Collection:**
  Automatically captures basic data from various operational links and calculates carbon emissions
- **Visualization Display:**
  Uses visual reports to present emission structure and trends across different dimensions
- **Carbon Target Tracking:**
  Displays progress towards science-based carbon targets, helps track achievement progress
- **Refined Management:**
  Enables refined carbon emission management through modules like emission source management and clean energy overview

Value Chain Carbon Reduction

The use of sold products and purchased goods and services account for a significant proportion of the Company's Scope 3 emissions. Therefore, we consider promoting carbon reduction among core suppliers and optimizing the carbon footprint management of our own products as key strategies for achieving value chain emission reduction targets.

Supporting Supplier Emission Reduction

At the end of 2024, Luxshare Precision formulated and released the *Green and Low-Carbon Commitment Letter* strengthening cooperation with core suppliers to continuously optimize the environmental performance of the supply chain. The Company developed on-site guidance and audit plans, promoted the requirements of the *Green and Low-Carbon Commitment Letter* to core suppliers, provided professional technical Q&A and guidance to help them achieve the goals, and assisted them in solving practical problems encountered in carbon reduction actions. For issues found during on-site audits, we assisted suppliers in developing improvement plans, required them to provide feedback on rectification within a specified time frame, and supervised and guided until improvements were completed and cases closed. During the reporting period, , we have completed on-site guidance for 39 suppliers.

Furthermore, we regularly share carbon management experiences with suppliers, conduct basic knowledge training, share best practices, etc., to promote mutual learning and common progress among suppliers, thereby enhancing the carbon reduction level of the entire supply chain. In March 2025, the Company jointly conducted a supply chain organizational carbon methodology seminar with a third party, with 250 participants in this training.

Supply Chian Organizational Carbon Methodology Seminar

Promoting Low-carbon Design

Luxshare Precision collaborates with customers and suppliers, focusing on optimizing product design and the use of low-carbon raw materials to reduce product carbon footprint from the source. In 2025, we launched product carbon reduction projects, promoting low-carbon raw materials such as recycled metals, recycled plastics, reusable polyester resin, etc., and practicing the Reduce, Reuse, Recycle (3R) principle to reduce the raw material carbon footprint in the Scope 3 purchased goods and services category. During the reporting period, we jointly held one product carbon reduction training with third-party experts.

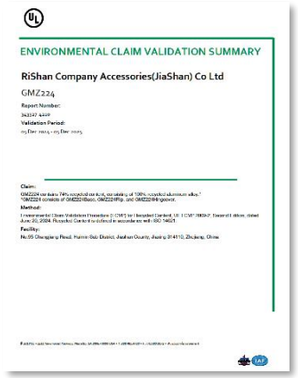
Optimize Design

- Improve Material Utilization
- Reduce Material Usage
- Improve Product Energy Efficiency

Low-carbon Raw Materials

- Use Recycled Materials
- Use Renewable Materials
- Low Emission Factor Materials

Product Carbon Reduction Concept


ENVIRONMENTAL CLAIM VALIDATION SUMMARY

RiShan Company Accessories(JiaShan) Co Ltd

GMZ224

Jiashan Rishan Recycled Aluminum Certification

Creating Green Operation Scenarios

Employees play a crucial role in the Company's journey towards carbon neutrality. We strive to foster an energy-saving and emission-reduction culture within the enterprise, integrating green and low-carbon concepts into employees' daily lives and work, making them a key force driving the carbon neutrality process. Responding to the 2025 National Energy Conservation Publicity Week theme "Energy Conservation and Efficiency, Leading with 'Renewal'", we issued an energy saving and low-carbon initiative to all employees and produced promotional posters on energy conservation achievements to inspire active employee action, embedding energy conservation awareness and making low-carbon life a new trend.

New Trend of Green Office

- ✓ Set air conditioning temperature constant at 26℃, turn off power when leaving, reduce energy waste
- ✓ Promote video conferences, reduce business travel, lower carbon emissions.
- ✓ Practice double-sided printing, reduce paper consumption, protect forest resources

Low-carbon Life Starts with Me

- ✓ Practice the "Clean Plate" campaign, reject food waste
- ✓ Bring your own water bottle and utensils, reduce the use of disposable items.
- ✓ Encourage taking stairs, use elevators off-peak, saving energy and promoting health

Green, Low-carbon, Healthy Travel

- ✓ Advocate walking, cycling, or using public transportation, reduce private car travel
- ✓ Prioritize public transportation or high-speed rail for business travel, low-carbon, environmentally friendly, and efficient

Energy Saving and Low-Carbon Initiative

Energy Conservation Poster

Facing frequent extreme climate warnings, Luxshare Precision proactively implements carbon reduction strategies aligned with the 1.5 ℃ goal. Recognizing the challenges of green transformation, we maintain self-reflection and progress, turning commitments into action. We will enhance carbon governance, increase clean energy investment, explore energy-saving potential, and actively collaborate externally while regularly evaluating progress, steadfastly advancing toward our 2050 carbon neutrality vision.

Appendix - Key Performance Data

2024 Verified Key Performance Data

Indicator	Unit	2024
Energy consumption within the organization		
Non-renewable energy consumption	MWh	223,575,10
Gasoline	MWh	4,362.17
Diesel oil	MWh	6,641.04
Liquefied petroleum gas	MWh	249.06
Natural gas	MWh	212,322.83
Renewable energy consumption	MWh	143,477.35
Biomass energy (ethanol gasoline)	MWh	656.26
PV power consumption	MWh	142,821.09
Purchased municipal electricity	MWh	3,290,655.64
Purchased green electricity	MWh	1,603,209.65
Purchased green certificates	MWh	686,839.05
Purchased thermal energy	MWh	0.00
Purchased cold energy	MWh	0.00
Purchased steam	MWh	55,965.41
Total energy consumption	MWh	3,713,673.50
Energy intensity		
Energy consumption intensity per unit of business revenue	MWh/million RMB	13.82
Electricity consumption intensity per unit of business revenue	MWh/million RMB	12.77

Indicator	Unit	2024
Reduction of energy consumption		
Annual electricity savings	MWh	209,435.36
Installed photovoltaic capacity	MW	149.89
Direct (Scope 1) GHG emissions		
Total Scope 1 Greenhouse Gas emissions	tCO_2e	81,369.54
Total CO_2 emissions	tCO_2e	49,947.47
Total CH_4 emissions	tCO_2e	24,641.17
Total N_2O emissions	tCO_2e	118.39
Total HFCs emissions	tCO_2e	6,662.51
Total PFCs emissions	tCO_2e	0.00
Total SF_6 emissions	tCO_2e	0.00
Total NF_3 emissions	tCO_2e	0.00
Gasoline	tCO_2e	1,111.74
Diesel oil	tCO_2e	1,796.60
Liquefied petroleum gas	tCO_2e	55.49
Natural gas	tCO_2e	42,494.09
Biogenic CO_2 emissions	tCO_2e	167.08
Energy indirect (Scope 2) GHG emissions		
Total Scope 2 Greenhouse Gas emissions (Location-based)	tCO_2e	2,086,738.39

2024 Verified Key Performance Data (Continued)

Indicator	Unit	2024
Total Scope 2 Greenhouse Gas emissions (Market-based)	tCO_2e	649,157.52
Other indirect (Scope 3) GHG emissions		
Total Scope 3 Greenhouse Gas emission	tCO_2e	5,576,961.35
Category 1: Purchased goods and services	tCO_2e	1,403,740.91
Category 2: Capital goods	tCO_2e	82,341.12
Category 3: Fuel and energy-related activities (excluded in Scope 1 or Scope 2)	tCO_2e	391,967.87
Category 4: Upstream transportation and distribution	tCO_2e	382,534.23
Category 5: Waste generated in operations	tCO_2e	4,753.81
Category 6: Business travel	tCO_2e	11,509.44
Category 7: Employee commuting	tCO_2e	38,369.81
Category 8: Upstream leased assets	tCO_2e	76,867.49
Category9: Downstream transportation and distribution	tCO_2e	54,877.67
Category 10: Processing of sold products	tCO_2e	264,394.77
Category 11: Use of sold products	tCO_2e	2,404,273.31
Category 12: End-of-life treatment of sold products	tCO_2e	400,658.10
Category 13: Downstream leased assets	tCO_2e	36,001.63
Category 14: Franchises	tCO_2e	/
Category 15: Investments	tCO_2e	24,671.19

Indicator	Unit	2024
Total Greenhouse Gas emissions		
Total Scope 1 & 2 Greenhouse Gas emissions (Location-based)	tCO_2e	2,168,107.93
Total Scope 1 & 2 Greenhouse Gas emissions (Market-based)	tCO_2e	730,527.06
GHG emissions intensity		
Scope 1 & 2 Greenhouse Gas emission intensity per unit of business revenue (Location-based)	tCO_2e /million RMB	8.07
Scope 1 & 2 Greenhouse Gas emission intensity per unit of business revenue (Market-based)	tCO_2e /million RMB	2.72
Scope 1 Greenhouse Gas emission intensity per unit of business revenue	tCO_2e /million RMB	0.30
Scope 2 Greenhouse Gas emission intensity per unit of business revenue (Location-based)	tCO_2e /million RMB	7.76
Scope 2 Greenhouse Gas emission intensity per unit of business revenue (Market-based)	tCO_2e /million RMB	2.42
Reduction of GHG emissions		
Total reduction of GHG emissions	tCO_2e	1,658,578.86