

Luxshare Precision Green Supply Chain Periodic Report

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS

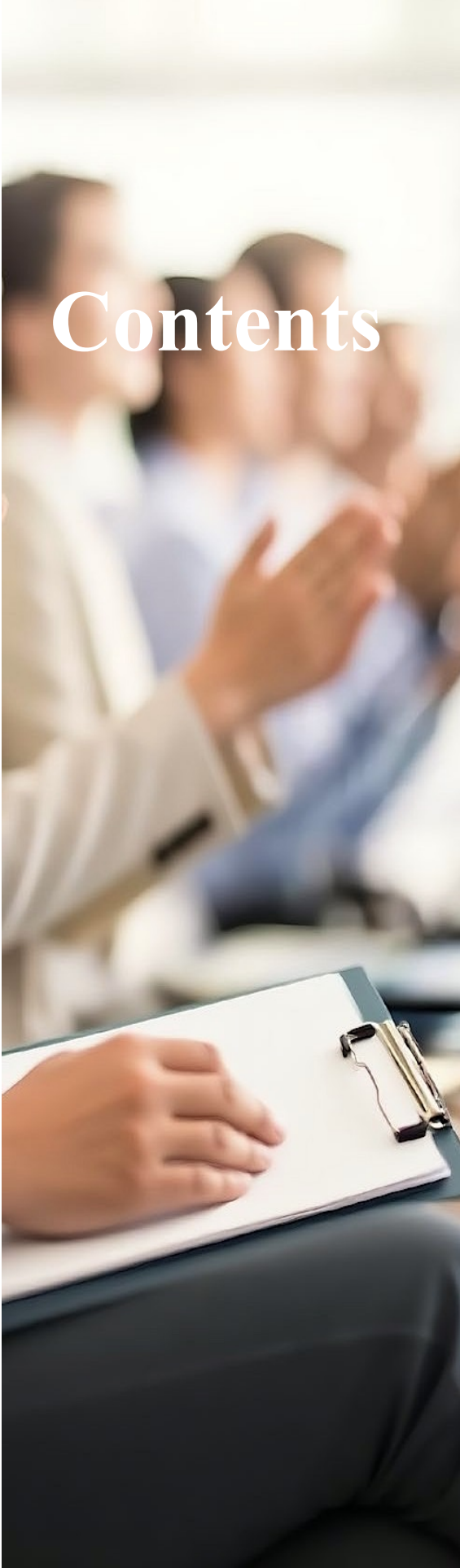


Report Preparation: Sustainable Development Center

Reporting Period: 2026 Half-Yearly Progress Report

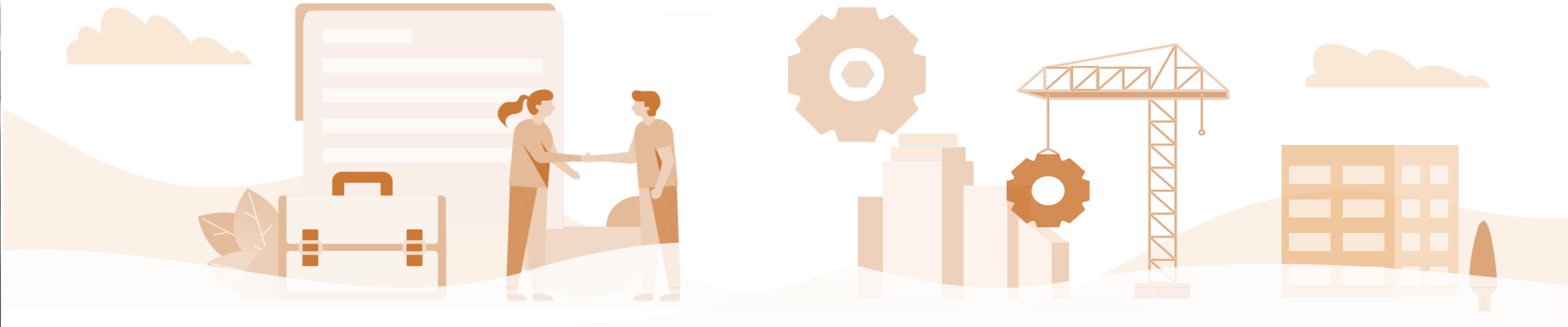
Reporting Scope: Same as that of Luxshare Sustainability Report 2025

September 2026



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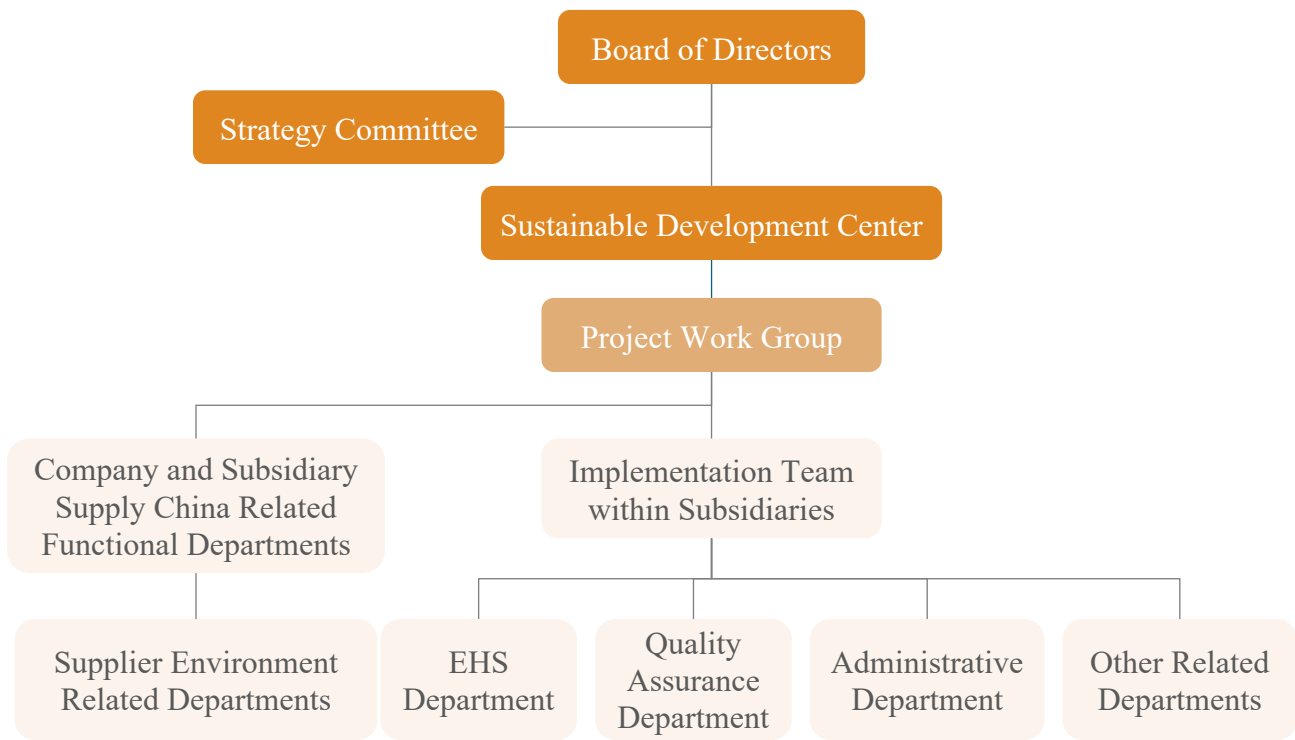
Green Supply Chain Management System

Luxshare Precision Industry Co., Ltd. (hereinafter referred to as "Luxshare Precision", "the Company" or "we") believes that building a sustainable value chain calls for collaborative governance among all stakeholders. We regard suppliers as our partners driving the industry’s green and low-carbon transition. We uphold shared responsibility and value co-creation. Based on this philosophy, we proactively build a green supply chain ecosystem and adopt systematic measures to fully enhance the environmental resilience of our supply chain, working together for a sustainable future.

Governance Structure

Under the supervision of the Board of Directors and the Strategy Committee, the Sustainable Development Center has set up a dedicated Green Supply Chain Project Work Group. It collaborates with internal and external stakeholders to carry out green and low-carbon initiatives.

Green Supply Chain Management Framework



Planning and Deployment

To systematically advance green supply chain management, the Company has established a management mechanism covering benchmarking analysis, compliance audit, capacity building and performance improvement. We accurately identify risks and gaps, assess supplier performance and deliver empowerment support, so as to drive the coordinated improvement of supply chain environmental performance and management efficiency. Meanwhile, we encourage suppliers to voluntarily implement sustainability initiatives, and prioritize cooperation with suppliers with outstanding sustainability performance.

Green Supply Chain Management Mechanism

**Benchmarking Analysis**

- Benchmark against domestic and international compliance requirements and industrial evaluation criteria to proactively identify supply chain environmental risks
- Formulate audit indicators and evaluation criteria aligned with internal and external requirements to unify the baseline for supplier assessment

**Compliance Audit**

- Conduct annual environmental audits for key suppliers to accurately identify compliance risks
- Deliver customized improvement recommendations and support suppliers in closing gaps found in audits to achieve closed-loop management

**Capacity Building**

- Establish an empowerment mechanism combining in-house special training, one-on-one coaching and external training. Focus on high-priority topics and practical pain points to boost suppliers’ awareness and management capabilities

**Performance Improvement**

- Track supplier non-compliance records via the Institute of Public and Environmental Affairs (IPE) platform and support rectification implementation
- Promote suppliers to build regular environmental information disclosure mechanisms for greater transparency of environmental data

Supplier Audit and Empowerment

Within green supply chain management, supplier audits serve as a core lever. We adopt online-offline audits to pinpoint environmental risks and consolidate compliance fundamentals. Audits are also treated as opportunities for supplier empowerment. Special training and targeted coaching are provided to raise suppliers' awareness and practical capacity for green development, facilitating their transition from passive compliance to active performance improvement.

Environmental Compliance Management

Guided by the *Green and Low-Carbon Commitment Letter*, we define clear management objectives and compliance baselines for suppliers. Integrating IPE rating standards with sector-specific characteristics, we systematically identify potential supply chain environmental risks, opportunities and key concerns. Audit indicators and evaluation criteria are formulated to ensure precise implementation of compliance management.

In 2026, Luxshare Precision further expanded its audit scope. Beyond carbon emission reduction, environmental assessment now covers water resources, waste, pollutants, chemicals and biodiversity. This enables a more comprehensive environmental compliance evaluation system across the supply chain and strengthens risk identification and control along the whole supply chain.

Audit Modules for Suppliers



Supplier Audit

At the beginning of each year, Luxshare Precision finalizes the audit plan for key suppliers and conducts audits and site visits as scheduled. Based on standard audit questionnaires completed by suppliers, we verify documentation and conduct on-site interviews to evaluate suppliers' environmental management status and detect weak points. After audits, assessment reports with targeted corrective suggestions are issued. We support suppliers throughout the whole improvement process to realize closed-loop rectification. In 2026, the Company plans to audit 50 suppliers, and 46 suppliers have been audited during the reporting period.



On-site Visit of Core Suppliers



During the Reporting Period, suppliers audited by Luxshare Precision:

2025 Carbon Emission Reduction Target Achievement Rate
72%

2025 Clean Energy Target Achievement Rate
65%

Training and Empowerment

To effectively empower suppliers, we focus on high-priority topics and practical challenges. Our multi-faceted empowerment system includes in-house special training, one-on-one coaching and external training resources. Special training addresses common shortcomings, one-on-one coaching solves individual difficulties, external training broadens professional horizons. We also engage third-party institutions for technical exchanges and sharing of leading-edge practices, comprehensively improving suppliers' environmental compliance performance. During the reporting period, we organized 3 specialized and external training sessions.



External Training Resource Sharing



During the Reporting Period,
number of participants in special
supplier audit training **64**

Dynamic Monitoring of Environmental Performance

For several consecutive years, Luxshare Precision has partnered with IPE to drive supplier environmental disclosure. Utilizing the Blue Eco-Chain platform, we monitor our supply chain's environmental performance and manage non-compliance records, working together to build a green supply chain.

Environmental Information Disclosure

Leveraging IPE's Pollutant Release and Transfer Register (PRTR) and carbon information modules, we drive our suppliers to strengthen environmental information disclosure and help them establish standardized, long-term environmental management mechanisms. In 2026, we plan to engage no fewer than 400 subsidiaries and suppliers to complete both PRTR and carbon information disclosures. Concurrently, we will extend our efforts to Tier-2 suppliers, driving the comprehensive green transformation of our supply chain through broader coverage and deeper supply chain collaboration.



During the Reporting Period, Luxshare Precision:

Number of subsidiaries that completed carbon emission disclosure	Number of subsidiaries that completed PRTR disclosure
61	61
Number of suppliers that completed carbon emission disclosure	Number of suppliers that completed PRTR disclosure
188	199

Non-compliance Rectification Tracking

Luxshare Precision leverages the Blue Map system for dynamic early warning and continuous tracking of supply chain environmental compliance. We promptly alert suppliers to risks, assist with rectification plans and improvement measures, and support the removal of non-compliance records. This has led to a significant downward trend in supplier environmental violations as green supply chain management deepens.



As of the end of the Reporting Period, Luxshare Precision:

Number of subsidiaries with outstanding environmental non-compliance records on the IPE platform	Number of suppliers' environmental non-compliance records removed from IPE platform with assistance
0	12

Long-term Commitment

In the face of escalating climate challenges and resource constraints, Luxshare Precision remains steadfast in optimizing its green supply chain management system as a core strategic priority and enduring commitment. We are committed to broadening the scope of audits for core suppliers, with enhanced compliance reviews focused on critical areas including carbon reduction, water stewardship, and waste management. By utilizing platforms such as IPE, we will continuously monitor supplier environmental performance, facilitate rectification and verification, thereby ensuring a robust closed-loop risk management system. Through advancing targeted training programs, on-site green assessments, and the exchange of best practices in emission reduction, we will cultivate deeper partnerships with our suppliers to holistically elevate their environmental management capabilities. Ultimately, we aspire to collaborate with our suppliers in building a transparent, mutually beneficial, and responsible supply chain, making unremitting efforts toward a sustainable future.

