Contents

01 Sustainable Water Management

Professional Management and Execution Team 03

Sustainable Water Management System 03

Sustainable Water Management Process 04

Sustainable Water Management Targets and Actions 04

02 Water Resources Management

Water Resources Risk Identification and Management 05

Promotion of Sustainable Water Management Concept 05

Enhancement of Water Use Efficiency 06

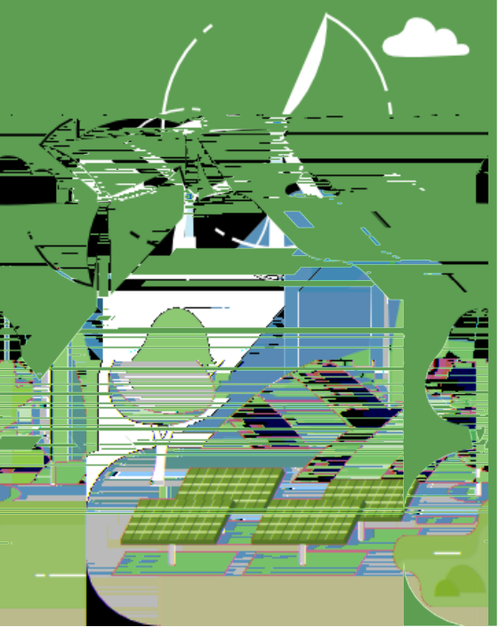
03 Wastewater Management

Approaches to Wastewater Management 07

04 Our Actions and Progress

Promotion of Sustainable Water Management Certification 08

Future Actions 08



Sustainable Water Management

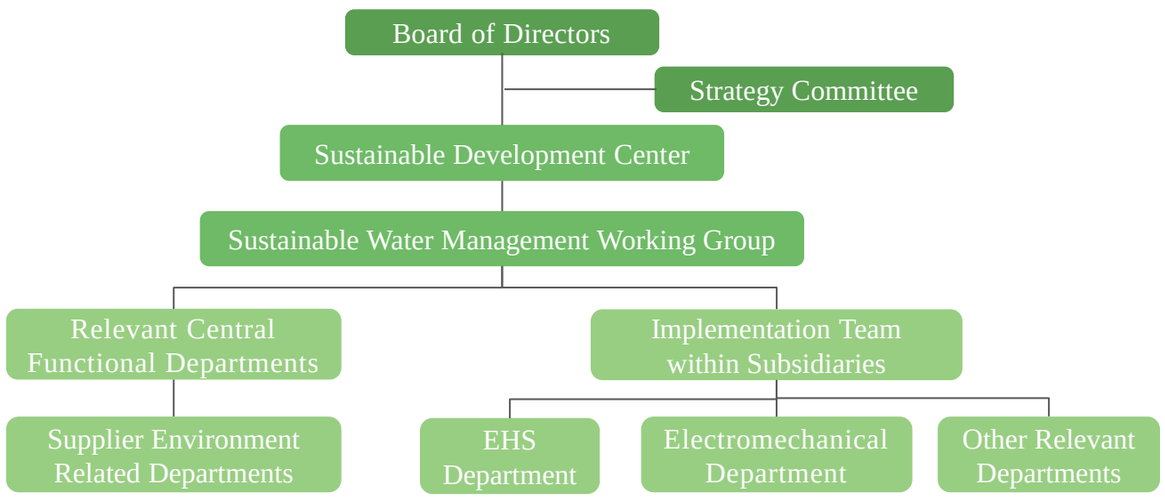
According to the World Resources Institute (WRI), China is projected to face high water stress by 2040, with growing conflict between water demand and limited supply. Luxshare Precision Industry Company Limited (hereinafter referred to as "Luxshare Precision" or "the Company" or "we") adheres to the principle of "scientific compliance, balanced health, sufficient sanitation, and watershed protection" to promote sustainable water management and implement related management practices.

Professional Management and Execution Team

We have established a three-level sustainability governance structure to manage water resources and other environmental issues. The Board of Directors, as the highest decision-making body, provides oversight of environmental decisions to ensure our commitments are met. The Sustainable Development Center leads water management efforts, collaborating with internal units. Under it, the Sustainable Water Management Working Group develops specific policies and reports progress regularly to the Board.

At the execution level, central functional departments communicate and drive water management within the supply chain. Subsidiary execution teams consist of members from relevant departments. The EHS department handles water risk identification and mitigation and the Electromechanical department leads water-saving projects.

Sustainable Water Management Organizational Structure



Sustainable Water Management System

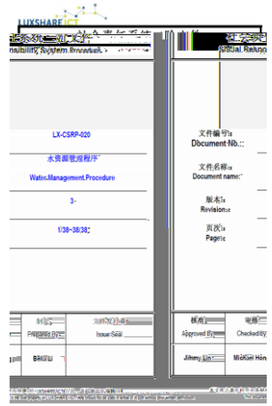
During our operations, we strictly comply with the *Water Law of the Republic of China* and other applicable regulations in the jurisdictions where our subsidiaries operate. Also, we develop a comprehensive water management system in accordance with relevant requirements and standardize our best practices in water management.

Best Practices in Sustainable Water Management System

- Define responsibilities of senior personnel for sustainable water management
- Regularly review and update comprehensive water management plans
- Provide training to employees on sustainable water management principles
- Demonstrate commitment to sustainable water management publicly
- Share best practices in sustainable water management to set an example
- Collaborate with stakeholders to advance sustainable water management

In addition, we have published the *Luxshare Precision Water Management Commitment and Statement*, and further developed procedural documents such as the *Water Management Procedure* and the *Waste Gas, Waste Water, Noise Management*. These documents define standards for implementing water conservation measures at the source, continuously promoting water reuse and wastewater treatment, and carrying out sustainable water management activities in a standardized manner.

Luxshare Precision Water Management Commitment and Statement



Water Management Procedure

Waste Gas, Waste Water and Noise Management Procedure

Sustainable Water Management Process

The Company has developed a systematic workflow for sustainable water management, providing detailed guidance on various processes, including data collection, planning, implementation, performance evaluation, stakeholder engagement, and information disclosure. This ensures the efficient use and effective protection of water resources while promoting transparency in management to enhance stakeholder involvement and oversight, ultimately

Sustainable Water Management Targets and Actions

Each pilot subsidiary, in accordance with the requirements of the *International Water Stewardship Standard* issued by the Alliance for Water Stewardship (AWS), gathers relevant data to identify and analyze water-related risks and opportunities. On this basis and integrated with strategic water management planning, the subsidiary establishes sustainable water management goals across the following five dimensions, actively implements key management measures, and increases water use efficiency.

Water Resources Management

Luxshare operations rely on a stable water supply. We recognize the scarcity and vital role of water resources in global sustainability. Driven by our sustainability vision, we leverage scientific management, technological innovation, and system optimization to improve water efficiency and advance intelligent, and green water management.

Water Resources Risk Identification and Management

We identify water risks and opportunities company-wide. Using Aqueduct Water Risk Atlas, we assess site-level challenges related to water quality and infrastructure, then develop tailored management plans for each location.

Our intelligent water management system is operational at multiple factory sites, enabling remote monitoring of water volume and pressure, real-time data analysis, equipment checks, and early alerts, thus supporting precise control and efficient operation.

During the reporting period, we enhanced the data features and interface for integrated water consumption and discharge monitoring for some factory sites. Water data is now visualized through charts, usage breakdowns, and load curves, enabling rapid response to alerts and efficient diagnosis of operational faults.

Intelligent Water Management System

Promotion of Sustainable Water Management Concept

Luxshare Precision actively promotes water conservation through its management initiatives. The Company raises awareness by sharing learning materials internally and displaying water-saving posters across all facility areas, including water dispensers and sinks. These measures encourage sustainable practices among employees and visitors.

Additionally, the Company extends its green supply chain outreach by sharing sustainable water management principles at supplier conferences. A pilot program in East China now prioritizes AWS-certified suppliers where possible, encouraging proactive water management across the supply chain.

Case | - -

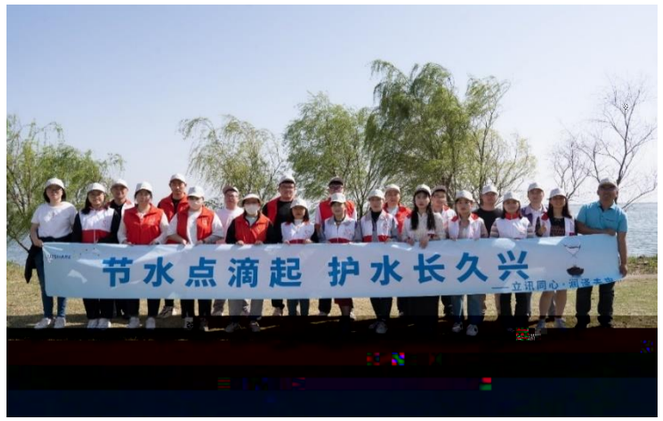
In March 2025, Luxshare Precision released an educational poster titled *World Water Day Knowledge Guide*, introducing the origins of World Water Day, the importance of conservation, and practical saving tips. Subsidiaries like Lanto Kunshan responded by launching a initiative, sharing tips and stewardship updates via official channels to drive company-wide participation and strengthen water protection awareness.

World Water Day Educational Poster

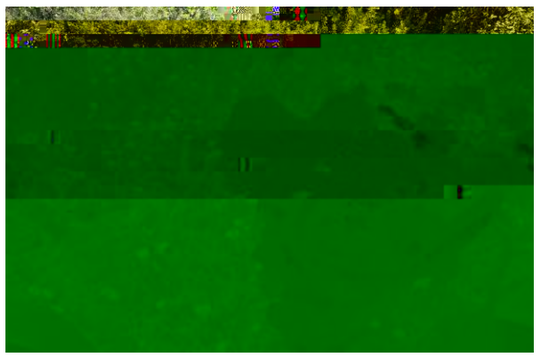
Lanto Kunshan World Water Day Poster

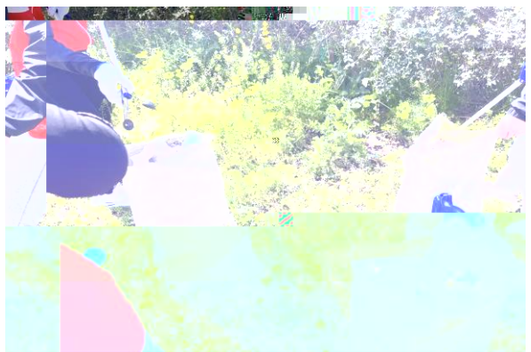
Case | Jinxi Factory held "Join the Hour to Guard Our Water" Activity

On the occasion of 2025 World Water Day and Earth Hour, Jinxi factory partnered with the local Water Affairs Management Center, EHS Office, neighboring company representatives, and environmental NGOs to hold a river protection and patrol activity along Dianshan Huanhu Avenue in Sheng Tang Village. The team removed 120 kg of shoreline waste, contributing to local ecological restoration and demonstrating the commitment to water conservation, ecosystem protection, and innovative water stewardship.



The Word Water Day Activity





Comparison of River Protection and Patrol Efforts Before and After Cleanup

Enhancement of Water Use Efficiency

To standardize water use and reduce waste, we utilize a digital platform to continuously track water consumption, discharge, and balance across production and domestic activities. We also implement water management upgrades across factory sites through water-saving fixtures, rainwater reuse, and recirculating cooling systems, thus improving water efficiency and supporting water conservation goals.

Case | Luxshare Precision Launched Multiple Water-Saving Projects

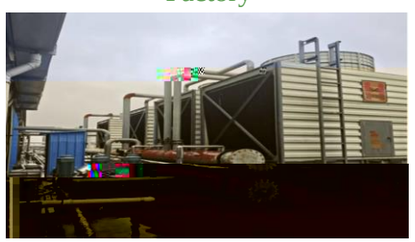
Luxshare Precision has actively adopted cutting-edged water-saving equipment across factory sites and subsidiaries to improve water use efficiency.

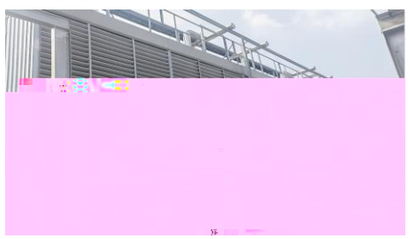
At Jinxi factory, water-efficient fixtures were prioritized during expansion, reducing water consumption to 30% of baseline levels and significantly decreasing tap water usage. Water-saving labels were also posted at over 90% of usage points to raise awareness.

Luxshare Electronic Kunshan introduced a rainfall collection system to collect, store, and purify rainwater for non-potable uses such as irrigation and landscaping. In addition, its central cooling system utilizes indirect cooling technology, where heated cooling water is recycled through cooling towers, significantly improving water reuse rates

Water-Efficient Faucets at Jinxi Factory

Rainfall Collection System at Luxshare Electronic Kunshan





Circulating Cooling System at Luxshare Electronic Kunshan

Wastewater Management

Luxshare Precision prioritizes environmental protection and sustainable development, strictly complying with national and local regulations including Water Pollution Prevention and Control Law of the People's Republic of China. We employ scientific management and resource-oriented strategies for wastewater across all factories.

Approaches to Wastewater Management

Tailored treatment processes are applied based on pollutant type and concentration to ensure all discharges meet regulatory standards. Through integrated measures such as rainwater-sewage separation, discharge control, and monitoring, along with advanced treatment technologies and reuse initiatives, we effectively reduce wastewater generation and improve recycling efficiency.

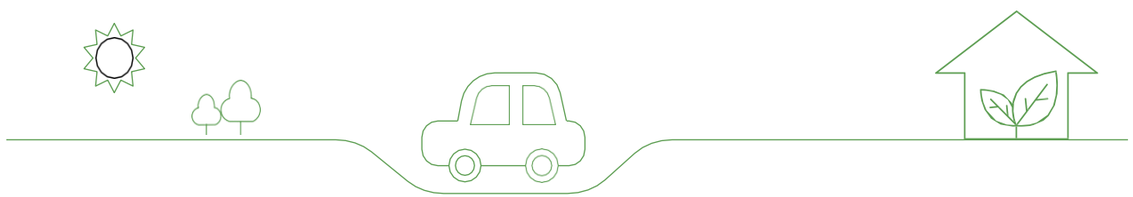
Major Approaches to Wastewater Management

- Identify polluting equipment
- Ensure separate sewage and stormwater networks
- Implement engineering controls for compliance

- Create rainfall pipeline map
- List industrial activities and associated pollutants exposed to

- Commission annual 3rd-party audits

- Monitor discharges to prevent anomalies and ensure compliance



To minimize wastewater discharge and enhance resource efficiency, the Jinxi factory is actively promoting the construction and upgrade of wastewater reuse systems.

New treatment system has been built for wastewater from de-welding and grinding cleaning processes

Upgraded treatment system with improved wastewater reuse rate

and

Our Actions and Progress

Through ongoing promotion of water stewardship, optimized water use, and water-saving projects, Luxshare Precision has achieved significant results in sustainable water management.

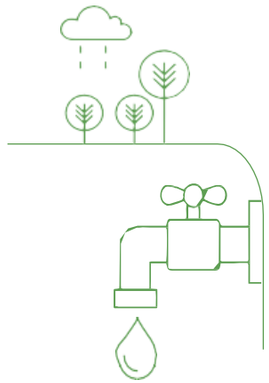
Promotion of Sustainable Water Management Certification

The Company actively supports subsidiaries in pursuing AWS certification by forming dedicated teams, benchmarking against standards, and systematically developing model practices in water stewardship.

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

AWS certified subsidiaries reached
6

Platinum-level certified subsidiaries reached
4



AWS Platinum Level Certification of Luxcase ICT Yancheng, Rida Intelligent Manufacture, Shanghai Ri Ming and Jia Shan Ri Shan

Future Actions

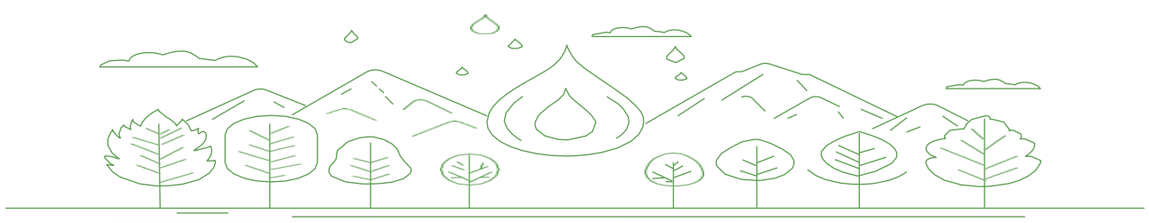
We will continue to advance sustainable water management by deepening actions, raising awareness, innovating technology, and optimizing practices. We remain committed to transparent stakeholder communication and regularly disclose our water management goals, commitments, and performance via the website, sustainability reports, and periodic reports.

- Develop and update courses like Introduction to AWS Water Stewardship and Water Risk and Watershed Survey Guide. Release them on Luxshare iSchool in Q3 for managers to strengthen team knowledge and supplier support.

- Research improvement projects at subsidiaries and share best practices to raise water management standards.

- Assess setting company-wide goals on water pollution, intake, and WASH, plus requirements for key suppliers. Build site capacity to measure rainfall and usage.

Water Management Activities

- Conduct water efficiency actions, comply with government applications, and improve operational water-use efficiency.

Water is the driving force for all nature. Guided by sustainability, Luxshare Precision implements high-standard, full-cycle water management and practices. Together with our partners, we are dedicated to conserving, protecting, and optimizing water resources building a resilient and sustainable water circulation system.