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Climate Risks and Opportunities



Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) governance, strategy, risk management, and metrics and targets

Governance

- operational decisions

Strategy

Risk Management

Metrics and Targets

Key Climate Risk Responses

Risk Item	Risk Type	Risk Description	Impacted Stages	Time Horizon	Current Financial Impact	Expected Financial Impact	Risk Response Measures
Increase in raw material costs	- Market					•	• • •
Carbon pricing mechanism		levels	Operations		compliance costs and	• • •	• • •
Transition to low-emission technologies and products		Government policies on	Operations		in increased capital	• • •	• • •
Increased concerns and negative feedback from stakeholders			Operations			•	• •
Changes in consumer behavior	- Market					• • environmental protection, and	• • •

Key Climate Risk Responses (Continued)

Risk Item	Risk Type	Risk Description	Impacted Stages	Time Horizon	Current Financial Impact	Expected Financial Impact	Risk Response Measures
Heavy precipitation (rain, hail, snow/ice)		precipitation and a rise in	Operations		systems	• asset maintenance or replacement, and delays	• • • •

Key Climate Opportunity Responses

Opportunity Item	Opportunity Type	Opportunity Description	Impacted Stage	Time Horizon	Current Financial Impact	Expected Financial Impact	Opportunity Response Measures
Leverage public-sector incentive mechanisms	Market		Operations			•	• •
Develop new products or services			Operations			•	• •

Carbon Targets and Progress

Carbon Management Commitment and Statement

Paris Agreement

Carbon Neutrality Roadmap

	Short-term (By 2025)[18]	Mid-term (Science-Based Targets by 2032)	Long-term (By 2050)
Targets			
Progress			

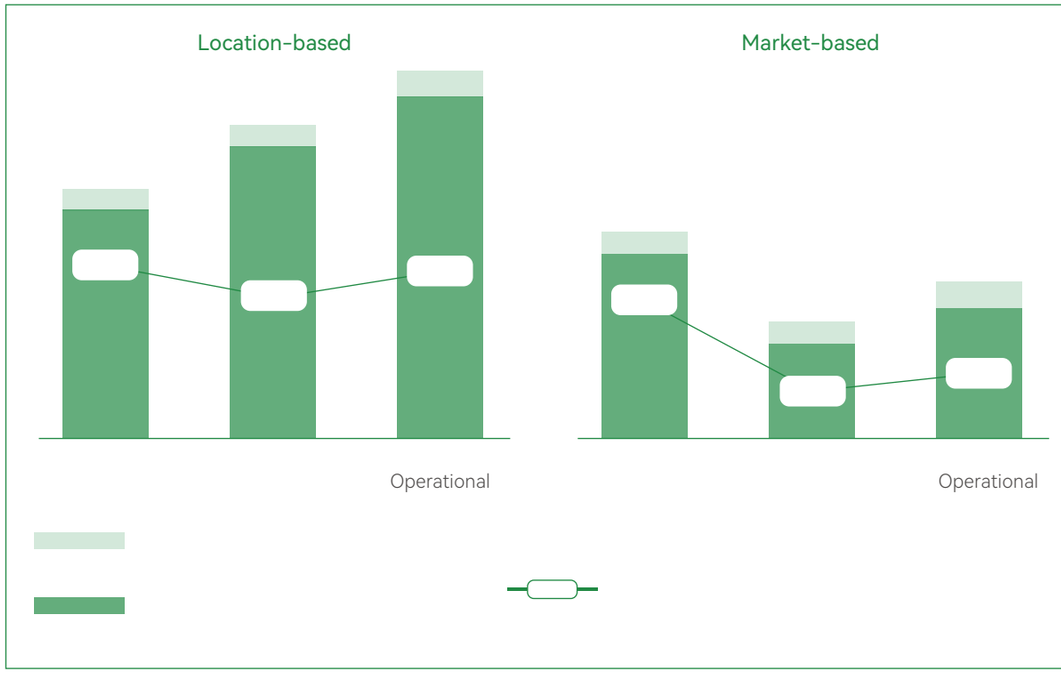
	Improve Energy Efficiency	Optimize Energy Structure	Minimize Fugitive Emissions	Support Suppliers in Reducing Emissions	Promote Low-Carbon Design	Create Eco-Friendly Operational Scenarios
Key Strategies	processes	projects			materials and recycled materials	
Highlights of Key Initiatives in 2025	emissions e GHG	emissions e GHG				employees

Scientific Management of Carbon Data

conduct a comprehensive inventory and third-party verification of Scope 1, 2, and 3 emissions

Its subsidiary, Luxshare Electronic Kunshan, was selected for Suzhou's 2025 List of Enterprises with Outstanding Achievements in Zero-Carbon Factory Development

Greenhouse Gas Emissions[19]

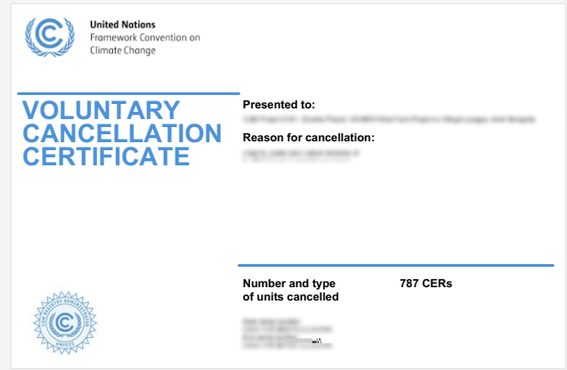




Product Carbon Footprint Certificate



Third-Party Greenhouse Gas Verification Statement (2024)



CDM Carbon Credit Voluntary Cancellation Certificate

Case Luxshare Precision Upgraded the Carbon Data Platform with Enhanced Visualization



Schematic of Carbon Data Visualization

Construction of Low-Carbon Concepts

Through systematic internal thematic training, awareness campaigns, and multi-channel external exchanges

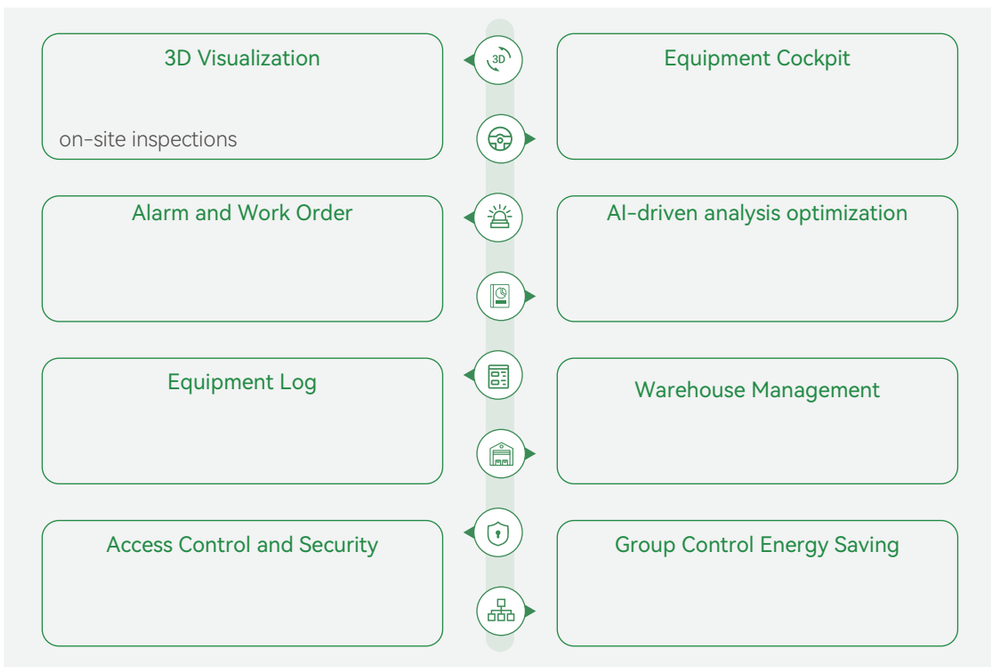
Case Luxshare Precision Conducted Product Carbon Reduction Training

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Energy Management

In 2025, the Company progressively expanded the deployment of the IOE platform, extending its coverage to 9 additional subsidiaries

IOE Platform Functionality



Case Luxshare Precision Accelerated IOE Platform Deployment and Upgrade

Achieve integrated energy management through the equipment cockpit



Luxshare Smart Manufacturing IOE Platform Equipment Cockpit Schematic

Leverage group control for energy saving and AI applications to achieve intelligent regulation and diagnosis

Case Luxshare Precision Conducted Training on Energy Management for Compressed Air Systems



Compressed Air System Energy Management Training