

About this Report

Chairman's Statement

About Luxshare Precision

Sustainability Governance

Way of Governance

Leading the Green Path

Green and Low-carbon Strategy

Reduction of Greenhouse Gas Emissions

Water Resource Management

Pollutant Discharge Management

Green Product Exploration

People-oriented Approach

The Path to Development

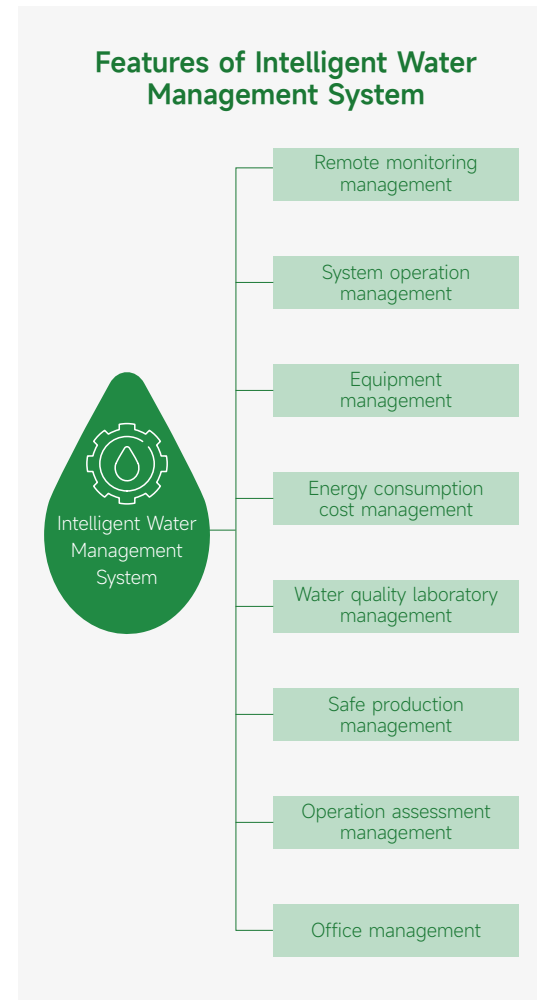
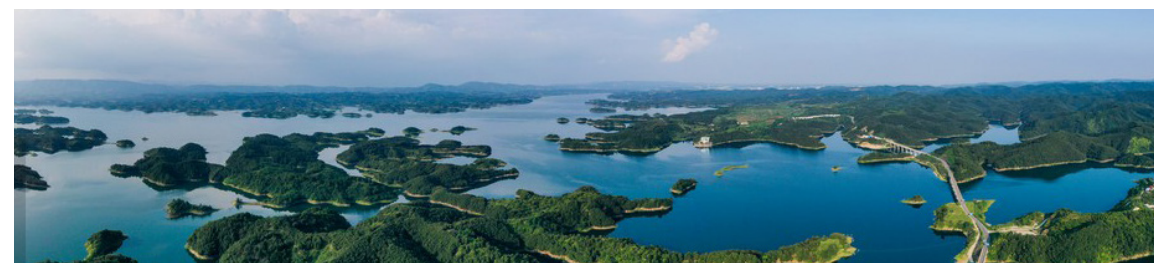
Appendix

Water Resource Management

In managing the utilization of water resources¹ in our daily operations, we adhere rigorously to all local regulations governing water usage, water recycling, and wastewater discharge quality across our operational locations. Building upon the previous year's actual water consumption and our corporate development strategy, we devise annual water resource management action plans. We strictly regulate wastewater discharge within our factories and consistently pursue water recycling and zero-waste-water-discharge projects to reduce wastewater discharge and minimize our impact on surrounding aquatic ecosystems.

Water Resource Utilization

We continuously monitor and account for production and domestic water intake, drainage, and overall water balance, tracking usage patterns to minimize wastage in our factories. Some factories have adopted intelligent water management systems to promptly identify and address irregularities in water use. Across all factories, we promote water-saving initiatives by transforming to water-efficient fixtures, repurposing rainwater for landscaping irrigation, and implementing reclaimed water reuse schemes, thereby maximizing the reuse of water resources. **During the Reporting Period, major production bases of Luxshare Precision achieved an impressive reclaimed water usage rate of 85.88%.**



The Company has established the *Operational Procedures for Sustainable Water Management* to strengthen water resource management, in addition to advancing towards obtaining certificate of AWS International Water Stewardship Standard. Adhering to AWS management requirements, each subsidiary gathers relevant water data to analyze risks and opportunities related to water usage, and then integrates the results with strategic water resource planning, setting five dimensions of sustainable water management objectives and proactively implementing key management initiatives to enhance water utilization efficiency.

Objectives

Initiatives

Water Management

- Elevating and refining water resource management standards and capabilities
- Boosting employee awareness on water conservation
- Conducting eco-friendly energy-saving campaigns to raise environmental consciousness among employees and the public
- Fostering green supply chain management

- Aligning with AWS requirements and enhancing water resource management practices to obtain AWS certification
- Posting water-saving signage
- Posting related promotional content
- Encouraging supplier disclosure of data and removal of non-compliance records

Water Balance

- Enhancing water resource utilization rate, reducing withdrawal and consumption
- Controlling water consumption per unit of product

- Developing water-saving technologies at the source and promoting water reuse in production

Water Quality

- Ensuring compliance with effluent water quality standards
- Frequency of monitoring effluent water quality

- Regularly monitoring water quality

Water, Sanitation, and Hygiene (WASH)

- Guaranteeing adequate WASH provisions for employees
- Enhancing WASH provisions for visitors

- Continuously providing suitable WASH facilities for employees
- Adding visitor hygiene amenities

Important Water-Related Areas

- Improving cleanliness and aesthetics of important water-related areas

- Regularly cleaning water bodies and assisting relevant departments in water management efforts

¹ Luxshare Precision primarily draws its water resources from municipal supply systems, which are utilized for various purposes including domestic consumption, indirect cooling of refrigeration equipment integral to the manufacturing process, and a limited quantity of other production-related applications that involve direct integration into the production lines.

About this Report

Chairman's Statement

About Luxshare Precision

Sustainability Governance

Way of Governance

Leading the Green Path

Green and Low-carbon Strategy

Reduction of Greenhouse Gas Emissions

Water Resource Management

Pollutant Discharge Management

Green Product Exploration

People-oriented Approach

The Path to Development

Appendix

Management Efficiency of Sustainable Water Management

For details of the measures taken by piloting factories in the field of sustainable water management in 2023 and their specific quantitative performances, please refer to [the Announcement - 2023 Lantao Electronic Sustainable Water Management Plan](#) and [the Announcement - 2023 Luxshare Electronic Technology Sustainable Water Management Plan](#).

During the Reporting Period, **2 subsidiaries of Luxshare Precision have obtained the AWS Gold Level Certificates**, and 4 subsidiaries of Luxshare Precision have initiated relevant certification processes with the ambition to attain the AWS Gold Level Certificate by 2024.



Lantao Kunshan and Luxshare Electronic Kunshan Awarded the First-ever Chinese-language AWS Gold Level Certification

In a systematic effort to identify potential water-related risks across our factories, we assess the operational conditions at each factory annually and utilize the "Aqueduct" water risk tool developed by the World Resources Institute to systematically identify and address enterprise-level water risks. Based on these risk assessments, we tailor water-saving strategies specific to the needs of individual factory in different operational locations, thereby effectively enhancing water use efficiency.

Publicity to and Cooperation with Stakeholders

With unwavering attention to the needs and suggestions of our stakeholders regarding water resource management, we employ multifaceted strategies such as training sessions, collaborative exchanges, and comprehensive water usage surveys to jointly address water stress and associated risks alongside our stakeholders.

Supplier/Service Provider Analysis and Survey

- We conduct water consumption analysis and surveys for suppliers/service providers to our pilot factories, mandating annual water quality reports from those whose annual water consumption exceeds 10,000 tons.
- Carry out AWS certification promotion activities to discuss sustainable water management cooperation issues, and encourage suppliers/service providers of our pilot subsidiaries to participate in AWS certification
- Push suppliers to remove water-related violation records on the Institute of Public & Environmental Affairs (IPE) -- in 2023, Luxshare Precision collaborated with two of our suppliers to remove their water-related violation records on the website of IPE.

Implementation of Water Resource Regulatory Requirements

- Actively cooperate with the local government in water usage declaration, water balance test, industrial water reuse survey and other work
- Maintain an in-house water quality testing laboratory that conducts routine water quality tests
- Attend water conservation employee training
- Work with relevant departments to protect key water-related areas

Water-saving Promotion and Employee Awareness Improvement

- Develop the *Citizen's Guide to Water Conservation Practices*
- Implement company-wide water-saving awareness campaigns through the use of water conservation labels, promotional posters, and educational articles on our official social media channels
- Provide WASH training to employees



Collaborative Efforts with River Administration: Over 30 Joint River Cleanup Campaigns Conducted

"世界水日、中国水周"的来源

联滔电子 2023-03-22 18:57 江苏 新闻全文



世界水日宗旨是唤起公众的节水意识，加强水资源保护。为满足人们日常生活、商业和农业对水资源的需求，联合国长期以来致力于解决因水资源需求上升而引起的全球性水危机。1977年召开的“联合国水事会议”，向全世界发出严重警告：水不久将成为一个深刻的社会危机，石油危机之后的下一个危机便是水。1993年1月18日，第四十七届联合国大会作出决议，确定每年的3月22日为“世界水日”。

Promotional Activities Highlighting World Water Day and China Water Week

About this Report

Chairman's Statement

About Luxshare Precision

Sustainability Governance

Way of Governance

Leading the Green Path

Green and Low-carbon Strategy

Reduction of Greenhouse Gas Emissions

Water Resource Management

Pollutant Discharge Management

Green Product Exploration

People-oriented Approach

The Path to Development

Appendix

Wastewater Management

In strict adherence to the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations, Luxshare Precision has formulated the *Operating Procedure of Waste Water, Waste Gas and Noise Control* to regulate wastewater management across all production sites, ensuring discharge water quality meets national and local standards. To mitigate wastewater generation and pollutant emissions, we relentlessly enhance daily management practices and continuously upgrade our water treatment technologies at various production bases to minimize our impact on receiving waters.

Wastewater Management Initiatives

Operational Maintenance

- Ensuring normal and stable operation of wastewater treatment facilities, eliminating any leakage or other malfunctions.

Process Upgrades

- Persistent advancement in wastewater treatment processes, embracing technologies such as reverse osmosis concentrate recycling, nitrogen-free neutralizers, etc.

Equipment Enhancement

- Introduction of state-of-the-art water treatment equipment including heavy metal wastewater treatment devices, phosphorus removal systems, and integrated wastewater treatment systems.

Moreover, we mandate that each factory undergoes **at least one** wastewater discharge monitoring per year by external agencies to continually evaluate the performance and effectiveness of our wastewater management technologies and infrastructures.

Case | Recycling of Reclaimed Water from Cutting and Grinding Processes at Luxshare Electronic Kunshan

In recognition of its superior conductivity, ultra-pure water used for cutting and grinding is being effectively recycled by Luxshare Electronic Kunshan, who redirects wastewater from thinning and slicing processes back into the reverse osmosis system, replacing tap water as the feed water source in production lines with an impressive 95% reuse rate, thereby significantly reducing freshwater consumption.

Case | Zero Discharge of Industrial Wastewater Pollutants at Luxcase Factory

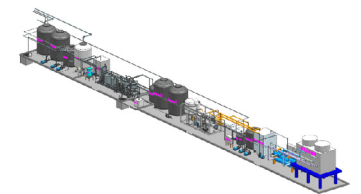
Luxcase Factory has been committed to a zero discharge initiative since 2019 for industrial wastewater pollutants. By consistently adopting advanced wastewater treatment technologies, it aims to enhance the overall recycling rates of industrial wastewater and waste acids.

Wastewater Reuse

Wastewater processed utilizing ultraviolet sterilization system and Polymer Film Evaporation Equipment (PFET) heavy metal wastewater treatment equipment is reused twice within the production lines, while a small portion of the concentrated water, after evaporation treatment, is entrusted to qualified third-party organizations for disposal of the resulting crystalline salts. In 2023, Luxcase Factory significantly curtailed industrial wastewater discharge and achieved a water reuse rate exceeding 99% on its anode line.

Acid Waste Reuse

In 2023, Luxcase Factory completed the construction of acid reuse infrastructure for an anode line. Leveraging anion resin exchange technology in its acid purification apparatus, it attained a more than 98% reuse rate of sulfuric acid and phosphoric acid. Furthermore, through trial implementation of processes such as Dual Purification Unit (DPU) filtration for aluminum and trace metal elements, as well as evaporator concentration, it has achieved a recycling rate of over 95% for chemical polishing acids.



Acid Recovery Equipment and System

As of the end of the Reporting Period

The total number of factories generating industrial wastewater in Luxshare Precision was

12

The number of factories achieving zero discharge of industrial wastewater was

7