



2023
SUSTAINABILITY REPORT
Connecting the Future with Technology

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About this Report

Introduction

Luxshare Precision Industry Company Limited releases a sustainability report every year, which focuses on the disclosure of the concepts, goals, work progress and future plans of the Company and its subsidiaries in terms of sustainable development.

Preparation Basis

Luxshare Precision has prepared this Report in accordance with "the GRI Standards" and taken reference to the *Social Responsibility Instructions to Listed Company* issued by the Shenzhen Stock Exchange as well as the issues MSCI and others are concerned with in respect of the Environmental, Social and Governance (ESG) rating of capital market. In the process of preparation, this Report was prepared by identifying the important stakeholders, analyzing and arranging substantial issues about the sustainable development, defining the contents of this Report, and summarizing, sorting and reviewing the relevant information.

Data Source

All data used in this Report originates from Luxshare Precision Industry Company and its subsidiaries.

Terms Definition

For the convenience of expression and reading, "Luxshare Precision", "We" and "us", "the Company" in this Report refer to Luxshare Precision Industry Company Limited. Unless otherwise specified, the terms and abbreviations of subsidiaries used in this Report have the same meanings as those defined in the Company's *2023 Annual Report*.

Reporting Entities and Period

Unless otherwise specified, the policies, statements and materials in this Report cover the actual business scope of the Company, and the reporting entities in the Report are the same as those of the *2023 Annual Report* of the Company. The Reporting Period is from January 1, 2023 to December 31, 2023.

Reliability Statement and Assurance

The Board of Directors is responsible for the truthfulness, accuracy and completeness of the Report. Luxshare Precision has commissioned TÜV Rheinland (Shanghai) Co., Ltd. to conduct an external audit according to AccountAbility AA1000 Verification Standards. The statement of independent verification is provided on page 76 of the Report.

Confirmation and Approval

This Report was approved by the Board of Directors for release on April 24, 2024.

Availability of this Report

Luxshare Precision Sustainability Report is released annually at the same time as the Annual Financial Report. You can access the simplified Chinese and the English version of this Report through the following website. In case of any inconsistency between the versions, the Simplified Chinese version shall prevail.

<https://www.luxshare-ict.com/sustainability/reports-and-policies.html>

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Wang Laichun
Chairman of Luxshare Precision

Looking back in 2023, we saw slow recovery of the global economy and fierce competition in the industry. In the face of challenging environment, we truly felt the strength of Luxshare Precision, who showcased the mission and commitment of "Made in China" in the international arena. The responsibility grew even clearer to us to push forward with the development of the electronic industry and become a high-end brand in the global value chain. It is our faith and belief that underlie the responsibilities. We are in the conviction that the sustainability of our business stems from the mission to create long-term value. While designing and practicing the corporate vision, mission and values, we keep exploring how to take advantage of our products to implement the ESG strategies, how to better incorporate ESG into our business, and how to leverage on our capabilities to solve social problems. In the process of addressing a series of issues, we gain insight into the relationships of Luxshare Precision with the era, the nation, the society and the industry.

We strengthen strategic leadership, understand and take responsibilities with fulfilling market expectations.

Luxshare Precision always considers standard operations as a starting point, value realization as footholds, and investor needs as orientation, in a bid to improve the governance compliance and risk control systems of the Company and has also won long-term trust of the consumers, customers and other stakeholders. The Board of Directors of the Company meticulously puts the regulatory requirements into practice, empowers the corporate strategies, and consistently gives impetus to the corporate governance mechanism with well-defined power and responsibilities and well-maintained balance. While constantly improving the Company's governance capabilities, we aggregate and consolidate our R&D advantage. In the future, digital technologies will play an increasingly significant role. Embarking on the journey of Industry 4.0, the Company rigorously develops Intelligent Manufacturing, continues to accumulate the technological and manufacturing advantages, and further steps up the

R&D of Intelligent Manufacturing by virtue of artificial intelligence, 5G, cloud computing, big data and other new-generation information technologies.

We delve into sustainability and perform meticulously to drive the sustainable value chain.

Against the backdrop of global climate change and shouldering the responsibility of facilitating "carbon peaking and carbon neutrality", we are well-aware that change and transformation entail concerted efforts along the whole value chain. In January 2024, Luxshare Precision's emissions reduction targets were officially validated and approved by the Science Based Targets initiative (SBTi). We will advance the attainment of the climate targets in an orderly and phased manner in the future as guided by the overall plan for climate transformation path. Despite all the difficulties and challenges, we speak with conviction that a sustainable future is inevitably driven by new energy and new technologies. Luxshare Precision integrates energy management with smart park management, and unleashes the potential of energy efficiency improvement, by boosting the development of the Internet of Energy (IOE) smart energy management platform. Meanwhile, the Company continues to expand the proportion of clean energy usage and optimize the energy structure by developing rooftop PV systems, purchasing green electricity directly and other methods.

We join forces with our employees to share accomplishments and build a harmonious workplace.

The progress and advancement of the Company can't be achieved without the unremitting efforts made by our talents. We hold fast to strict management combined with genuine care, provide various channels to recruit talents, and build a stage for our employees to make their dreams come true. Considering people's needs and well-being as central, we have established a sophisticated human resources system, continuously ramp up the management of employee benefits and

the mechanism of protection within the Company, and render competitive compensation and benefits as well as diversified career development opportunities to our employees. It is always our mission to help every employee grow in an equal, respectful, happy, inclusive and diverse environment.

We create shared value and build trust to deliver our social responsibilities.

Luxshare Precision has always been trying to expand its responsibilities it undertakes for many years. We endeavor to develop a responsible and sustainable supply chain system with suppliers and other partners, give full play to our industrial influence, and assist our suppliers in constantly improving their environmental and social performance. On top of that, we proactively encourage our suppliers to invest in energy conservation and deliver our commitment to reduce pollution and carbon emissions along the whole value chain. In the meantime, we keep abreast of and take initiative to respond to the actual needs of the communities where the Company operates. We lead the community development and volunteer services, demonstrating the responsibilities and commitments of Luxshare Precision as a corporate citizen.

With a well-designed blueprint, it is imperative to make continuous contributions.

Our future is full of challenges mixed with hopes. By staying true to the original aspiration of "Connecting the Future with Technology", Luxshare Precision underpins smart manufacturing with technologies and innovations, and injects new productive forces as new momentum into corporate development, to mark the new milestone. In addition, Luxshare Precision will hone the Company's own competence and capitalize on the strength of the industry, with a view to moving towards the world's top-notch and globally competitive enterprise.

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About Luxshare Precision

Company Profile

Established on May 24, 2004, Luxshare Precision Industry Company Limited was successfully listed on the Shenzhen Stock Exchange on September 15, 2010 (Stock Code: 002475). Headquartered in Dongguan City, Guangdong Province, China, the Company has over 100 subsidiaries, mainly located in Guangdong, Jiangxi, Jiangsu, Zhejiang, Anhui and other regions of China, and foreign countries such as Vietnam, India, and Mexico, and has established R&D centers in Shanghai, Dongguan, Shenzhen, Xi'an, the United States, etc.

Main Business

Luxshare Precision adheres to the core corporate value of "Pragmatism, Enterprising, Developing, Innovation, Cooperation, Fusion, Thanksgiving, and Return", always insists on the technology orientation as the core, integrates the product research & development and application services, and gradually realizes the leap from traditional manufacturing to intelligent manufacturing. We are committed to providing integrated intelligent manufacturing solutions from core components and modules to the system assembly for consumer electronics, automotive products and enterprise communication products. For more information about the industry and business of the Company, please refer to Section III Management Discussion and Analysis of the *2023 Annual Report*.

Product Application Scenes

Consumer Electronics

- **Office scene:** Smart display, intelligent conference system, AR/VR/MR, smart speakers, laptops, controllers, tablet computers, smart phones, wireless charging and security cameras
- **Indoor family scene:** Smart vacuum cleaners, gamepads, smart adapters, routers, smart speakers, e-book, robot vacuum cleaners, cosmetic instruments, TAG trackers, VR, etc.
- **Outdoor application scene:** AR glasses, bone conduction headphones, wireless bluetooth headphones, smart bracelets, smart watches, outdoor power supply, balance cars, electric scooters, smart safety lock, electric vehicle chargers and smart helmets

Automotive

- Multi-category product lines within and outside the cockpit, covering core components including vehicle wiring harnesses, connectors, intelligent network, smart cockpit and new energy vehicle power systems

Communication and Data Center

- **Data center scene:** Extend from components and modules products to complete server assembly, develop optical and electrical transmission and power supply products of low-speed and high-speed IO interface, expand thermal management system modules and vertically integrate the complete solution of the data center
- **Wireless base station application scene:** Deeply integrate and focus on the antenna, CPE, tower amplifiers, RF units and other product lines

Medical Health

- Start from consumable products, carry out rapid integration towards surgery, imaging and other equipment product lines

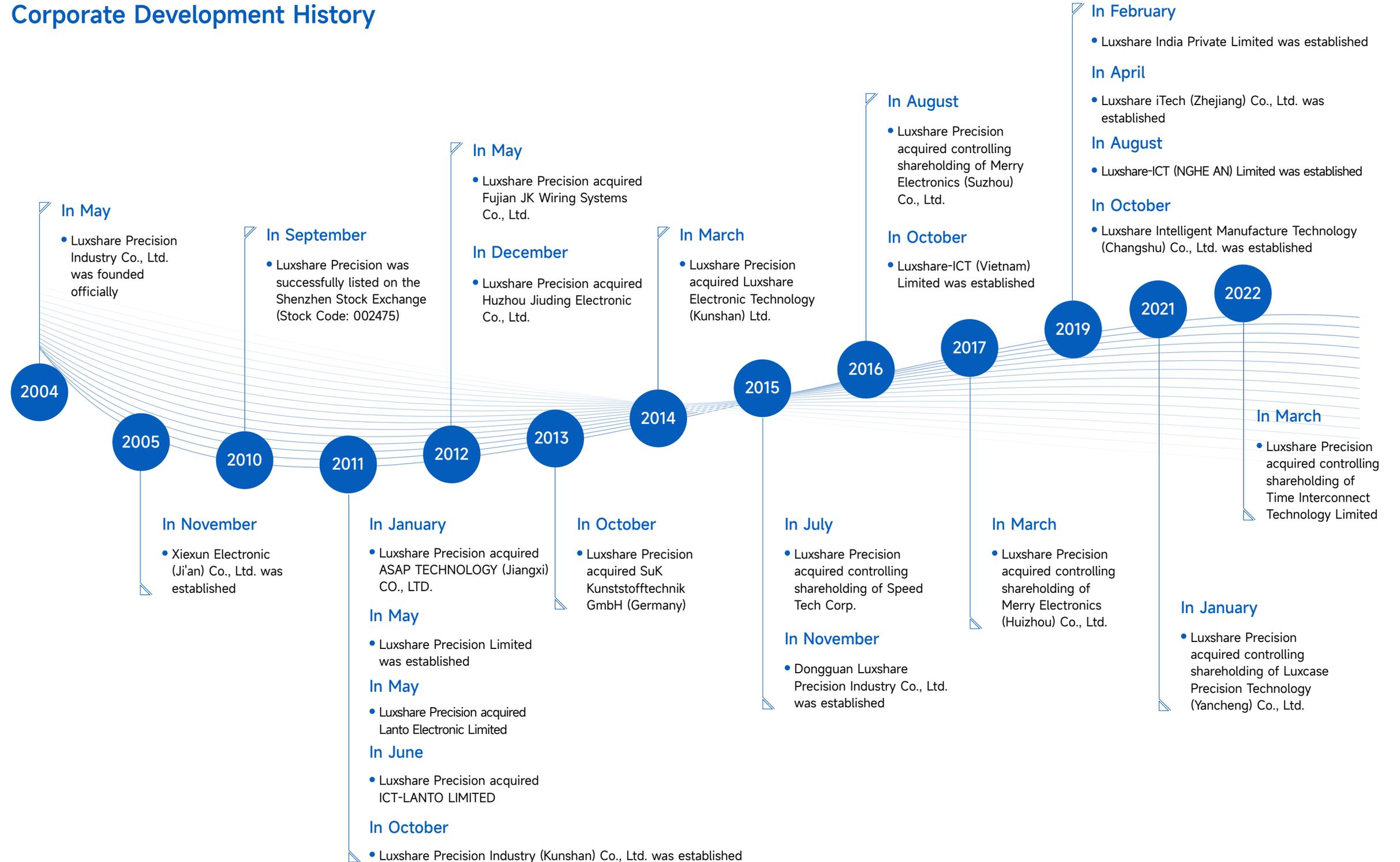
Industry Cooperation¹

As a leading enterprise in the industry of electronic components, Luxshare Precision and its subsidiaries have become formal members of more than 50 industry associations. They participate in industry conferences, assist in the formulation of industry standards, and share the latest industry technologies to enthusiastically promote industry management normalization and unification, and impel the healthy and stable development of the industry.



¹ This chapter only shows some of the industry associations that Luxshare Precision has participated in.

Corporate Development History



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"BB" Level

Morgan Stanley Capital International (MSCI) Index



"A-" Rating in Climate Change
"B" Rating in Water Security

Carbon Disclosure Project



Silver Medal

EcoVadis Certification



2023 "Golden Key · Honor Award"

China Sustainability Tribune



Ranked 3rd in Industry in CITI
Ranked 6th in Industry in CATI

The Institute of Public &
Environmental Affairs



2023 ESG Best Practice Case
of Chinese Listed Companies

China Association for Public
Companies



Listed in "Pioneer 100 China ESG Listed Companies"

China Media Group



People's Corporate Social
Responsibility Award
Green Development Award

People.cn



Excellent Case of ESG
Responsibility for "Xinhua
Credit Jinlan Cup"

China Economic Information
Service

Recognition and Honors (Continued)

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Listed in "2023 Forbes China ESG Innovation Enterprise Selection"

Forbes China



Listed in "Top 100 Listed Companies of China in ESG"

Securities Times



2023 Award for ESG Model Enterprise among Listed Companies

Times Media Group



2023 "Evergreen Award" Green Award for Sustainability

Caijing Magazine



"Golden Awards" Annual Sustainability Award Best Environmental (E) Responsibility Award

Sina Finance



Environmentally Friendly Pioneer Enterprise Award

CLS.CN



2023 Fortune Global 500

Ranked 479th

Fortune



Women's Enterprise Certificate

MSD China



2023 Green Sustainable Development Contribution Award

2023 International Green Zero Carbon Festival

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Excellent Performance

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Driven by Intelligent Manufacturing, Led by Governance

The signing rates of the *Employee's Letter of Integrity Commitment* and *Employee's Letter of Commitment on Code of Conduct* reached

100%



Handling rate of business ethics related complaints was

100%



Accumulated patents granted reached

6,202



Number of information leakage incidents was

0



Special ESG investor communications were carried out

17 times



Number of internal audit tasks completed was

56



Leading the Green Path

A Low-Carbon Approach to Preserving the Eco-Friendly Legacy

From 2022 as a base year, absolute Scope 1&2¹ GHG emissions reduced year on year by

54%



From 2022 as a base year, Scope 3 GHG emissions per CNY of value added decreased by

13%



Investment in clean technology research and development was over

RMB 300 million



Number of energy conservation transformation projects was

284



Energy saved reached

143,893 MWh

Overall installed capacity of rooftop solar PV power generation reached

85 MW



Utilization rate of clean energy reached

63%



Number of green factories was

14



Number of subsidiaries certified by the ISO 14001 environmental management system was

54



Accumulative number of subsidiaries that obtained UL 2799 Zero Waste to Landfill validation was

14



Number of subsidiaries that received AWS International Sustainable Water Management Standard Gold Level certification was

2



¹The result was calculated based on operational boundary data, the statistical method was market-based, and the current data has not been verified.

Excellent Performance (Continued)

People-oriented Approach Progressing Together with Care and Sincerity

Number of incidents involving human rights violations and discrimination was

0



Compared to the previous year, work-related injuries decreased by

46%



Total number of requests and suggestions the employee platform received was

18,487



The case closure rate was

100%



The coverage rate of employee engagement and satisfaction survey was

100%



The number of valid responses collected was over

210,000



The total expenditure on employee training programs was

RMB 10.95 million



Average training time per person was

23 hours



The Path to Development Striving Forward Together for Harmonious Future

Number of supplier training sessions organized was

9



The total number of participants in the training reached

5,529



CSR¹ audits ratio for new suppliers was

100%



The signing rate of the *Letter of Guarantee on the Responsible Business Alliance Code of Conduct* for new suppliers reached

100%



Number of suppliers and subsidiaries assisted in achieving the removal of environmental violation records was

59



Promoted suppliers to save energy by

15,890 MWh



Proportion of SORs² involving 3TG³ in the supply chain that passed RMAP⁴ certification was

100%



The total investment in public welfare and charity undertakings was

RMB 12.63 million



¹ CSR: Corporate social responsibility.

² SORs: Smelters or refineries.

³ 3TG: Tantalum, tin, tungsten, and gold. These four metal minerals are collectively referred to as 3TG minerals.

⁴ RMAP: A third-party responsible mineral source certification program publicly released by the Responsible Minerals Initiative (RMI) industry organization, verified by the Responsible Business Alliance (RBA).

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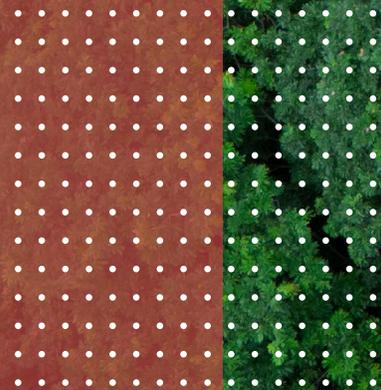
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01

Sustainability Governance

Luxshare Precision regards sustainable development as a part of the Company's overall strategy, focusing on the aspects such as climate-related risks and opportunities, protection of employee rights and interests, responsible supply chain management, and business ethics, and seizing the opportunities for sustainable development in the new era.

Internally, we continuously track cutting-edge information related to sustainable development, make comparison with advanced industry practices, and constantly improve our internal sustainable development and management capabilities; externally, we have established a normalized communication mechanism, proactively listen to and respond to the demands of stakeholders in a timely manner, and work together with enterprises and the society to stride towards a more sustainable future.

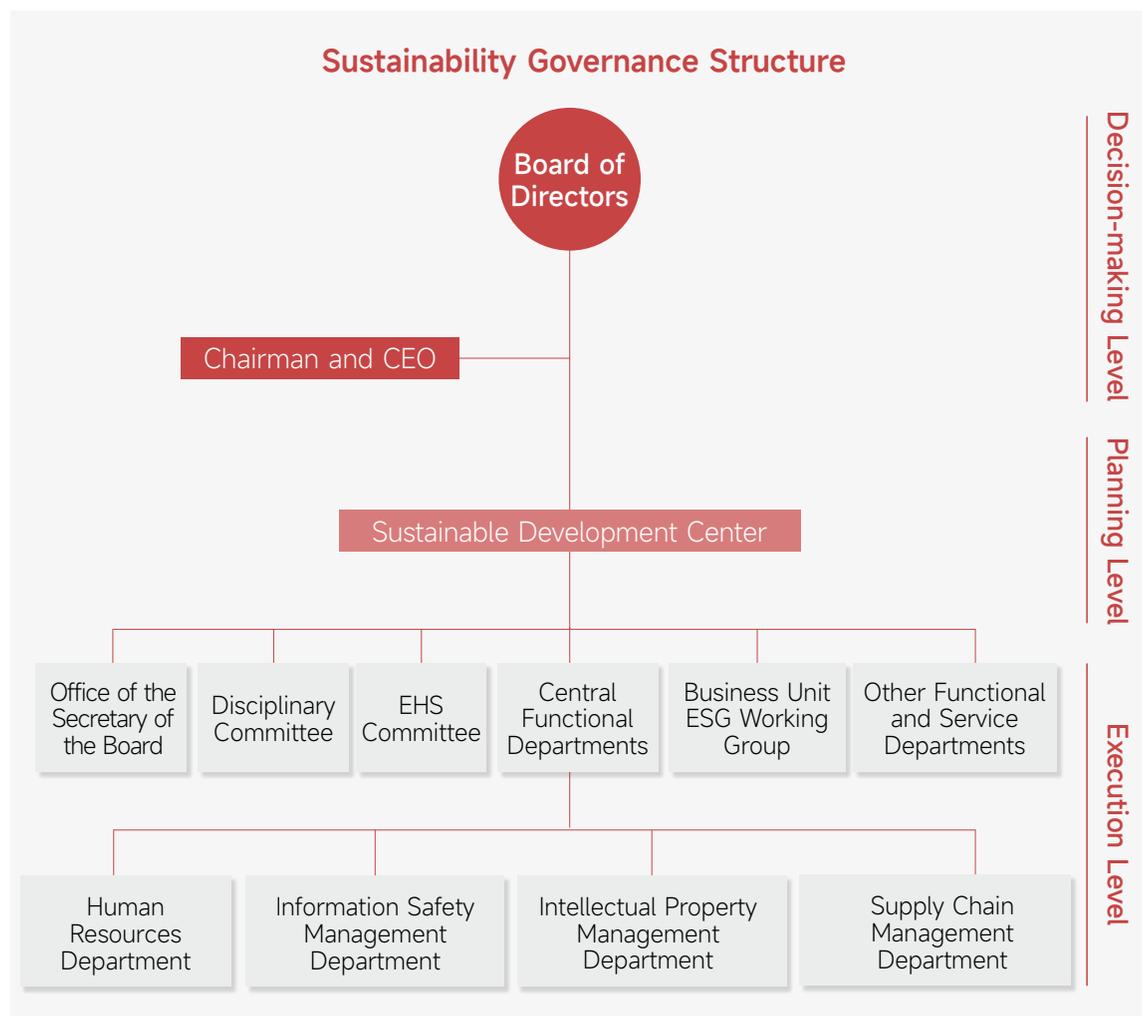


ESG



Sustainability Governance Structure

Luxshare Precision has established a **three-level sustainability governance structure featuring "decision-making - planning - execution"**. We invite professional third-party institutions to provide annual training on the latest trends and excellent practices in the field of sustainable development for all team members, effectively enhancing our internal sustainable development management capabilities. As the highest decision-making body of the governance team, the Board of Directors reviews important sustainable development work matters such as the overall plan, strategies, management policies, and goals proposed by the Sustainable Development Center by combining regular meetings and ad hoc meetings. Moreover, it reviews the progress of achieving the goals in accordance with the various sustainable development goals and provides action requirements and suggestions for areas or aspects that need to be improved. For more information about the responsibilities of Luxshare Precision ESG governance team, please refer to the [Company's official website](#).



Targets and Strategies

Luxshare Precision always adheres to the ESG management policy of **"Scientific Governance, Green and Low Carbon, Harmony and Health, Responsible Procurement"**, pursuing a balance between social impact, environmental benefits, and corporate financial performance to create more shared value. We will uphold the principle of sustainable development throughout our development and pass it on to our upstream and downstream partners, with a view to jointly forging sustainable competitiveness in the global value chain.

ESG Management Policy

Scientific Governance

Continuously improve corporate governance structure, enhance corporate governance, follow the requirements of business ethics, build trust with all stakeholders, boost the long-term value of the Company, and pursue sustainable corporate development and business model.

ESG Practice

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Way of Governance

Green and Low Carbon

Implement the national green development strategy, advance green and low-carbon transformation, reduce waste and increase efficiency, promote green and eco-friendly products and services, help achieve scientific carbon goals, seize clean technology opportunities, and drive green and low-carbon development of the whole industry and society.

ESG Practice

Leading the Green Path

Harmony and Health

Build a harmonious workplace, respect the rights and interests of employees in each operation site, establish smooth communication channels, continuously improve the democratic management system, provide diversified development pathways and a sound occupational health management system for employees, and create a harmonious, democratic, safe and comfortable work environment.

ESG Practice

People-oriented Approach

Responsible Procurement

Maintain a benign relationship with suppliers of mutual benefit, win-win cooperation and common development, establish a sound supply chain social responsibility management system, build a green and responsible value chain, and jointly work for a sustainable future.

ESG Practice

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Commitment for Critical Goals

The UN Sustainable Development Goals (SDGs) function as an important guide for Luxshare Precision in carrying out sustainable development work. We are committed to promoting the achievement of SDGs as our main task, enhancing our management capabilities in matters such as supply chain, production/operation, products, employees, and social participation, and continuously optimizing the direction and path of action.

| Value Chain | Sustainable Development Goals and Commitments | Progress in 2023 |
|---|---|--|
| Production / Operation      | Environmental Goals Set GHG emission reduction goals consistent with the scientific carbon reduction goal of a 1.5° C pathway | Progress of Environmental Goals The formulation of scientific carbon reduction goals has been completed and the Company has been certified by the SBTi |
| | Reduce absolute Scope 1 and 2 emissions 50.4% by 2032 from a 2022 base year | The absolute emissions (market-based) of Scope 1 and 2 decreased by 54% from a 2022 base year |
| | The Company shall save 250 million kWh energy cumulatively from 2023 to 2025 | Saved 140 million kWh energy cumulatively |
| | The utilization rate of clean energy will reach 30% by 2023, 40% by 2024 and 50% by 2025 | The utilization rate of clean energy reached 63% |
| | The withdrawn water utilization rate will increase by 20% by 2025 compared with that of 2021 | The withdrawn water utilization rate increased by 17.03% in 2023 compared with that of 2021 |
| | Employ the third party to conduct wastewater detection at least once a year | 100% of the factories have met the standards |
| | Achieve a waste transformation rate of 85.5% by 2023, 88% by 2024, and 90% by 2025 | The average waste transformation rate reached 86.06% |
| | Impose strict graded control of hazardous substances and gradually materialize replacement and reduction goals comprehensively | Developed and promoted hazardous substance phased-out plans based on domestic and international policy trends and customer standards |

| Value Chain | Sustainable Development Goals and Commitments | Progress in 2023 |
|---|---|--|
| Production / Operation   | Corporate Governance Goals Continue to improve corporate governance and internal control system | Progress of Corporate Governance Goals Establish three defense lines for risk management and internal control under the guidance of COSO framework |
| | Conduct regular stakeholder communication through multiple channels | Conducted 17 ESG special investor communications sessions |
| | Percentages of female directors and independent directors in the Board are not less than one third | Female directors accounted for 42.86%; independent directors accounted for 42.86% |
| | Continuously improve the business ethics standards and unblock whistleblowing channels to complete a 100% handling rate of business ethics related complaints | 100% handling rate of business ethics related complaints |
| | Conduct regular business ethics training and build a culture of honest management | The employee anti-corruption training coverage was 100%, and the total duration of anti-corruption and business ethics related training reached 293,076 hours |
| | Zero major information leak, zero major information system failure and zero business continuity interruption incident | Passed the annual audit of ISO 27001 information security standard certification, and zero relevant incident took place |
| Community Engagement     | Maintain good communications with local communities where operations are conducted | Actively participate in community activities, and care for and visit vulnerable groups |
| | Actively contribute to local community development | A total of RMB 12.63 million was invested in public charity activities |
| | Actively contribute to local community construction | Devote to social welfare activities such as disaster relief and rural revitalization, and contribute to community construction |

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Commitment for Critical Goals (Continued)

| Value Chain | Sustainable Development Goals and Commitments | Progress in 2023 |
|---|---|---|
| Supply Chain        | By 2025, more than 80% SORs which involve 3TG business pass certification of Responsible Minerals Assurance Process (RMAP) or other relevant certifications | 100% of SORs involving 3TG business in the supply chain passed RMAP certification |
| | Initiate green supply chain initiatives to promote environmental and social responsibility among suppliers | Assisted 59 suppliers and subsidiaries in achieving the removal of environmental violation records |
| | Set GHG emission reduction goals consistent with the Science Based Targets (SBT) of a 1.5° C pathway and involve the Scope 3 reductions | The formulation of scientific carbon reduction goals has been completed and the Company has been certified by the Science Based Targets Initiative (SBTi) |
| | Reduce Scope 3 emissions 58.1% per CNY of value added by 2032 from a 2022 base year | Reduce Scope 3 emissions 13% per CNY of value added from a 2022 base year |
| | Promote suppliers to save 100 million kWh energy cumulatively from 2023 to 2025 | Drove suppliers to save 15.89 million kWh of energy |
| Products     | Complete the intelligent production and manufacturing system, and gradually promote the industrial intelligent transformation | The 5-year Plan for intelligent manufacturing is being prompted, and intelligent upgrade of 32 business processes was completed |
| | Strengthen the quality management system and continuously improve product quality | The Company and its major production bases have passed the ISO 9001 quality management system certification |
| | Motivate R&D and innovation of core technologies and encourage associated patent R&D and application in clean technologies | 1,527 patents were newly added, and the total number of patents reached 6,202 |
| | Constantly increase R&D investment of green products and clean technologies | More than RMB 300 million was invested in the R&D of green products and clean technology, and 46 patents related to clean technology were obtained |

| Value Chain | Sustainable Development Goals and Commitments | Progress in 2023 |
|---|---|---|
| Employees       | Value and respect the rights and interests of all employees at home and abroad, to avoid discrimination and damage to labors' rights and interests | A labor risk management framework of "identification - prevention - supervision - mitigation and remediation" was established, and zero incident of labor rights infringement and discrimination took place this year |
| | Realize "zero work-related death incident and zero occupational disease incident", and achieve 10% reduction in annual work-related injury incidents of the Company each year compared to the previous year from 2023 to 2025 | No work-related fatalities took place, and the number of work-related injuries decreased by 46% year on year |
| | Construct an occupational environment with diversity, inclusiveness and equality, provide a competitive remuneration plan for all employees, provide diverse promotion channels | We continuously promote scientific and rational adjustment of salary, improve the promotion system and mechanism, and launch the "Star Characters" and "Thanks to You" honor system to enhance the sense of identity and belonging of employees |
| | Unblock employee complaint channels, actively carry out employee communications, and build a team of employees with high satisfaction and engagement | The coverage rate of employee engagement and satisfaction survey was 100%, with over 210,000 valid questionnaires collected |
| | Retain 100% signing rate of the <i>Employee's Letter of Integrity Commitment</i> | The signing rate of the <i>Employee's Letter of Integrity Commitment</i> reached 100% |
| | Strengthen employees' awareness of confidentiality, and training on information security and privacy protection | The total duration of information security training reached 201,701 hours, with a total of 64,003 participants |
| | 100% employees receive on average 20 hours of training annually by 2025 | The employee training coverage was 100%, with an average training duration of 23 hours per person |

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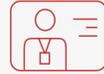
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Stakeholder Communication

Luxshare Precision actively listens to the suggestions and expectations of stakeholders on the Company's sustainable development strategies and practices, and uses them as a key reference for us to promote sustainable development work. We have identified **seven types** of stakeholders in light of the Company's own business characteristics and operational situation, and continuously improve the diversified communication mechanism.

We encourage all relevant parties to appeal against potential negative impacts that may be caused or facilitated by the Company, and ensure that multiple appeal channels, such as the open email address (public@luxshare-ict.com) and complaint hotline, are maintained unobstructed, and dedicated employees are appointed to promptly contact the appellant to energetically remedy negative impacts and accept supervision and review upon the improvements. We would regularly share relevant improvement progress with stakeholders and communicate with them to **ensure the openness, transparency, and effectiveness of the remedial process**.

| Stakeholders | Governments and Regulatory Agencies | Shareholders and Investors | Suppliers | Customers | Employees | Community Members | Partners and Social Media |
|--|---|--|---|--|--|---|---|
| |  |  |  |  |  |  |  |
| Major Concerned Material Issues | <ul style="list-style-type: none"> • Energy management • Employee diversity and equal opportunities • Talent attraction and retention • Responsible supply chain management • Climate-related risks and opportunities • Corporate governance and risk control • Business ethics • Information security and privacy protection | <ul style="list-style-type: none"> • Energy management • Occupational health and safety • Customer relationship management • Product responsibilities • Innovative research and development • Information security and privacy protection • Climate-related risks and opportunities • Zero-carbon commitment and carbon management | <ul style="list-style-type: none"> • Responsible supply chain management • Information security and privacy protection • Customer relationship management • Product responsibilities • Opportunities in clean technology • Hazardous substance and chemicals management | <ul style="list-style-type: none"> • Climate-related risks and opportunities • Waste and circular production • Hazardous substance and chemical management • Business ethics • Product responsibilities • Zero-carbon commitment and carbon management | <ul style="list-style-type: none"> • Talent attraction and retention • Occupational health and safety • Protection of employee rights and interests • Employee training and development • Employee diversity and equal opportunities • Product responsibilities • Innovative research and development | <ul style="list-style-type: none"> • Community engagement • Climate-related risks and opportunities • Zero-carbon commitment and carbon management • Water resources and wastewater management • Waste and circular production | <ul style="list-style-type: none"> • Information security and privacy protection • Product responsibilities • Opportunities in clean technology • Responsible supply chain management |
| Communication Channels | <ul style="list-style-type: none"> • Supervision acceptance • Regular disclosure • Irregular reporting • Participation in relevant meetings • Survey questionnaires | <ul style="list-style-type: none"> • Information disclosure • General Meetings of Shareholders • Communication with special ESG investors • Call conference, email, etc. • Survey questionnaires | <ul style="list-style-type: none"> • Open tendering • Daily communication with suppliers • Supplier management and review • Supplier training and empowerment • Survey questionnaires • Supplier conference | <ul style="list-style-type: none"> • Online communication platforms • Regular customer assessment • Technical seminars • Customer satisfaction surveys • Annual and quarterly communications • Survey questionnaires | <ul style="list-style-type: none"> • Trade unions • Employee symposium • Employee complaints and appeals • Employee engagement and satisfaction surveys | <ul style="list-style-type: none"> • Information disclosure • Complaint hotline • Field visits • Volunteer activities | <ul style="list-style-type: none"> • Information disclosure • Communication and interview • Engagement in industry exchanges • WeChat official account platform |

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Material Issues Identification

Double Materiality Survey Methods and Processes

In 2023, Luxshare Precision invited stakeholders to conduct issue evaluations from both the dimensions of "Financial Materiality" and "Impact Materiality", and sought their suggestions and opinions on material issues and sustainable development efforts.

This year, Luxshare Precision received a total of **1,619 valid response questionnaires and 191 valid suggestions**, and analyzed the survey results based on field interviews and third-party expert opinions. The analysis results were confirmed by the Board of Directors, ultimately identifying issues of high, medium, and low materiality, and forming a double materiality matrix and the analysis results of the impact of material issues on the value chain.

We will continue to develop and implement internal action plans in consideration of the annual assessment for the materiality of issues, and disclose relevant information in our sustainability report to respond to the concerns of stakeholders regarding the sustainable development efforts of Luxshare Precision.

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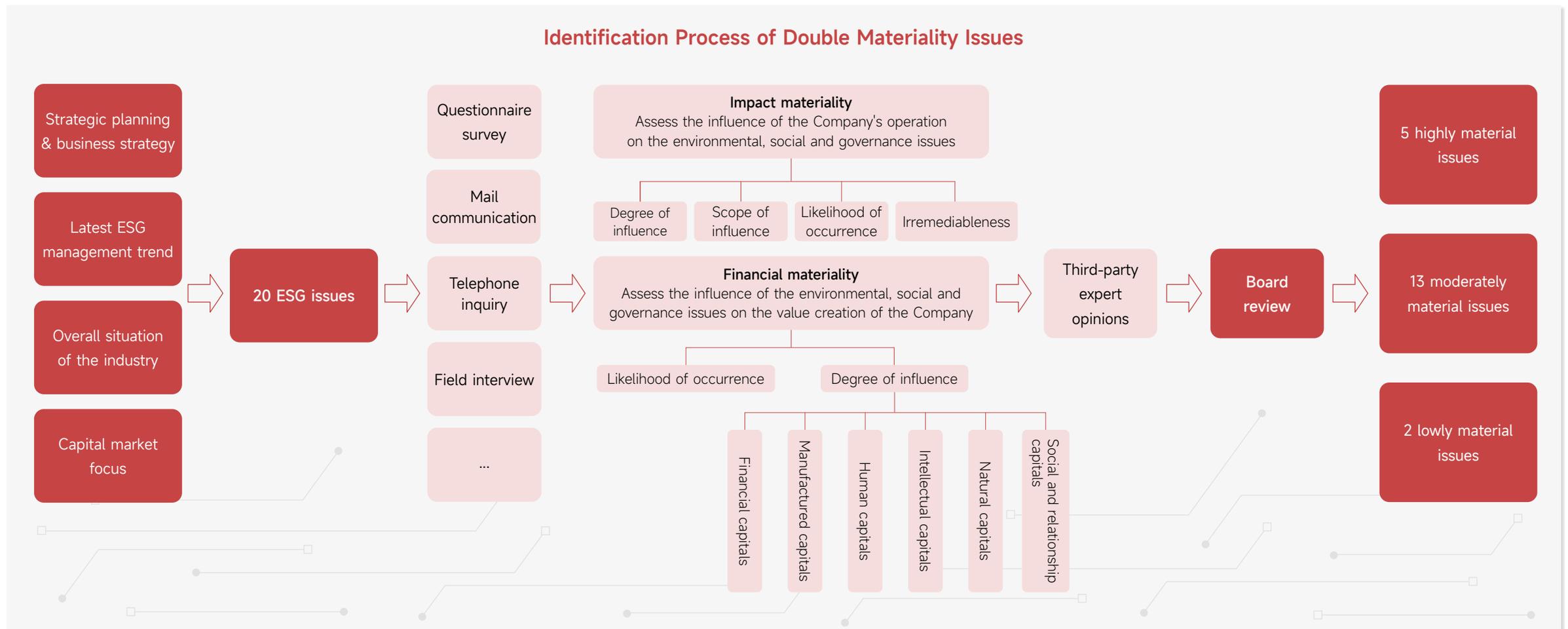
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Identification Process of Double Materiality Issues



Matrix of Double Materiality Issues

Matrix of Material Issues of Luxshare Precision 2023



Highly Important

- 1 Zero-Carbon Commitment and Carbon Management
- 2 Climate-related Risks and Opportunities
- 3 Occupational Health and Safety
- 4 Employee Training and Development
- 5 Protection of Employee Rights and Interests

Moderately Important

- 6 Hazardous Substance and Chemicals Management
- 7 Opportunities in Clean Tech
- 8 Talent Attraction and Retention
- 9 Energy Management
- 10 Waste and Circular Production
- 11 Corporate Governance and Risk Control
- 12 Responsible Supply Chain Management
- 13 Innovative Research and Development
- 14 Product Responsibility
- 15 Business Ethics
- 16 Information Security and Privacy Protection
- 17 Water Resources and Wastewater Management
- 18 Customer Relationship Management

Lowly Important

- 19 Employee Diversity and Equal Opportunities
- 20 Community Engagement

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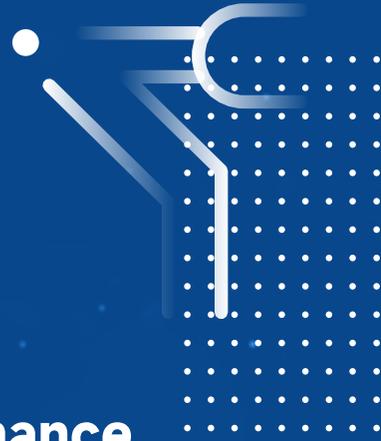
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Impact of Material Issues on the Value Chain

| Issue Categories | 20 Material Issues | Relevant Chapters | GRI Standards | | Supply Chain | Production/Operation | Product | Employee | Community Engagement |
|------------------|--|---|---|---|--------------|----------------------|---------|----------|----------------------|
| Environmental | Zero-Carbon Commitment and Carbon Management | Reduction of Greenhouse Gas Emissions | GRI 302 Energy | GRI 305 Emissions | ● | ○ | ● | ● | ○ |
| Environmental | Climate-related Risks and Opportunities | Green and Low-Carbon Strategy Reduction of Greenhouse Gas Emissions | GRI 201 Economic Performance GRI 302 Energy | GRI 305 Emissions | ● | ● | ● | ● | |
| Social | Occupational Health and Safety | Occupational Health and Safety | GRI 403 Occupational Health and Safety | | ● | ● | | ● | |
| Social | Employee Training and Development | Talent Development | GRI 202 Market Presence | GRI 404 Training and Education | | | | ● | |
| Social | Protection of Employee Rights and Interests | Protection of Rights and Interests Employee Well-being Talent Recruitment and Retention | GRI 2-23 Policy Commitment GRI 401 Employment GRI 402 Labor/Management Relations GRI 405 Diversity and Equal Opportunity | GRI 406 Non-discrimination GRI 407 Freedom of Association and Collective Bargaining GRI 408 Child Labor GRI 409 Forced or Compulsory Labor | | ● | | ● | |
| Environmental | Hazardous Substance and Chemicals Management | Green Product Explorations Green Supply Chain | GRI 308 Supplier Environmental Assessment GRI 403 Occupational Health and Safety | GRI 414 Supplier Social Assessment GRI 416 Customer Health and Safety | ○ | ○ | ● | ○ | |
| Environmental | Opportunities in Clean Tech | Green Product Explorations | GRI 302 Energy | GRI 306 Waste | ● | ● | ● | | ○ |
| Social | Talent Attraction and Retention | Talent Recruitment and Retention Remuneration and Benefits Assurance | GRI 202 Market Presence GRI 401 Employment | GRI 405 Diversity and Equal Opportunity | | | | ○ | |
| Environmental | Energy Management | Reduction of Greenhouse Gas Emissions | GRI 302 Energy | GRI 305 Emissions | ○ | ○ | ● | ○ | |
| Environmental | Waste and Circular Production | Pollutant Discharge Management Green Product Explorations | GRI 306 Waste | | | ○ | ○ | ○ | |
| Governance | Corporate Governance and Risk Control | Corporate Governance Risk Control | GRI 201 Economic Performance GRI 207 Tax | GRI 405 Diversity and Equal Opportunity GRI 418 Customer Privacy | | ● | ○ | ○ | ○ |
| Social | Responsible Supply Chain Management | Supply Chain Management System Conflict Minerals Management Green Supply Chain | GRI 205 Anti-corruption GRI 308 Supplier Environmental Assessment | GRI 414 Supplier Social Assessment | ● | ○ | | | |
| Governance | Innovative Research and Development | Encourage Innovation Green Product Explorations | GRI 302 Energy | | ● | ○ | ○ | ○ | |
| Governance | Product Responsibility | Quality Management | GRI 416 Customer Health and Safety | | ● | ○ | ● | | |
| Governance | Business Ethics | Corporate Governance | GRI 205 Anti-corruption | GRI 206 Anti-competitive Behavior | ● | ● | ○ | ○ | ○ |
| Social | Information Security and Privacy Protection | Risk Control | GRI 418 Customer Privacy | | ● | ○ | ● | ● | |
| Environmental | Water Resources and Wastewater Management | Water Resource Management | GRI 303 Water and Effluents | | | ○ | | ○ | |
| Social | Customer Relationship Management | Quality Management Green Product Explorations | GRI 416 Customer Health and Safety | | ● | | ○ | | |
| Social | Employee Diversity and Equal Opportunities | Talent Recruitment and Retention | GRI 405 Diversity and Equal Opportunity | | | | | ● | |
| Social | Community Engagement | Giving back to Society | GRI 413 Local Communities | | | | | | ● |

● Highly Impact ○ Moderately Impact ■ Highly Important ■ Moderately Important ■ Lowly Important

02



Way of Governance

Driven by Intelligent Manufacturing, Led by Governance

With the acceleration of global economic integration, enterprises are facing unprecedented opportunities and challenges. In this dynamic backdrop, governance capabilities are more crucial than ever for enterprises to navigate this complex and ever-evolving market environment. Meanwhile, the governance has emerged as a vital criterion for measuring a company's overall strength. While striving for perfection, Luxshare Precision is committed to continuous improvement in the corporate governance framework and risk management mechanisms and protects investors' legitimate rights and interests. We adhere to stringent business ethics standards and compliance requirements, foster a culture of integrity, protect the security of corporate information, and safeguard the privacy of both our customers and employees. Moreover, we place significant emphasis on product quality and R&D to consistently enhance our overall competitiveness.

- Corporate Governance and Risk Control
- Business Ethics
- Information Security and Privacy Protection
- Innovative Research and Development
- Product Responsibilities
- Customer Relationship Management



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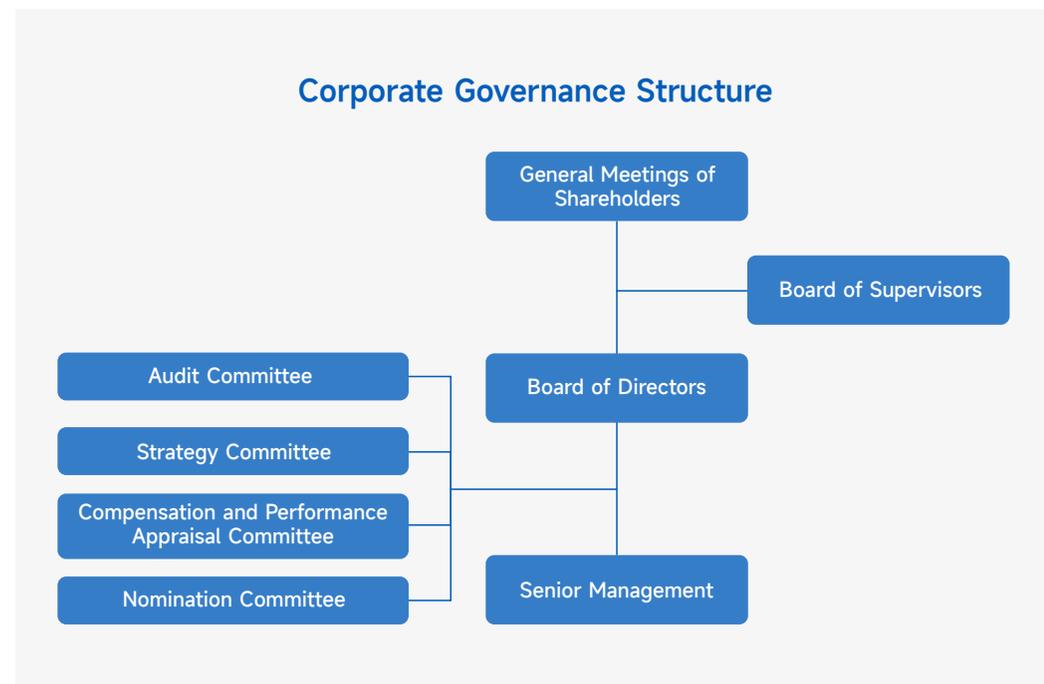
Corporate Governance

We have made ongoing efforts to refine our corporate governance framework, place particular emphasis on safeguarding the rights and interests of our investors, and adhere to the principles of anti-corruption, integrity, and fair competition. Our goal is to set a benchmark for corporate governance within the industry. We rigorously comply with the tax regulations in the places where we operate worldwide and actively fulfill our tax obligations. For the Company's generation, distribution and retention of economic value and financial assistance received from the government, please refer to Section X Financial Report of the *2023 Annual Report* for more details.

Corporate Governance Structure

Luxshare Precision has established a corporate governance structure comprising the General Meetings of Shareholders, the Board of Directors, specialized committees under the Board of Directors, the Board of Supervisors, and the C-suite. We refine our modern enterprise system and regulate the Company's operations in strict accordance with relevant laws and regulations, including the *Company Law of the People's Republic of China (Company Law)*, the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (Revised in 2023)*, *Guidelines on the Bylaws of Listed Companies*, *Code of Corporate Governance of Listed Companies*, *Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidelines No. 1 – Standardized Operation of Main Board Listed Companies*. Our ultimate goal is to substantially bolster our capabilities of corporate governance and fulfill our economic responsibilities.

For more details about the Company's corporate governance structure, please refer to Section IV Corporate Governance of the *2023 Annual Report*.



Management Responsibilities of the Board of Directors and the Board of Supervisors

The Board of Directors is the highest management and governance body of the Company, and is responsible for convening the General Meetings of Shareholders, reporting to the General Meetings of Shareholders on its work, implementing the resolutions of the General Meetings of Shareholders, deciding the Company's business plan and investment plan, deciding the setup of internal management institutions within the Company, and formulating fundamental management policies of the Company.

The Board of Supervisors supervises the Company's operation in accordance with the law and the legality of the Company's Board of Directors and senior management in performing their duties, and safeguards the legitimate rights and interests of the Company and its shareholders.

Operation Mechanism of the Board of Directors

The Board of Directors holds at least two meetings every year. To ensure well-regulated and effective operation of the Board of Directors, we have made it clear in our *Articles of Association* that if a director is related to the enterprise involved in the resolution to be made in a meeting of the Board of Directors, the director shall not exercise his/her voting rights on the resolution, nor shall the director act as a proxy for any other director in exercising his/her voting rights. If the amount of a transaction effected between the Company and its related party exceeds RMB 30 million and represents more than 5% of the absolute value of the Company's audited net assets in the most recent period, the transaction shall be reviewed and approved by the Board of Directors and then be submitted to the General Meeting of Shareholders for deliberation. The Company shall annually disclose the estimates of the related party transaction for the year, the information of the counterparty to the related party transaction and the estimated transaction amount in relevant announcement, as well as the reasons why the related party relationship with the counterparty exists.

During the Reporting Period

The number of meetings the Board of Directors held was

8

Procedures for Abstention and Voting by Directors with Related Party Relationships

- The Secretary of the Board of Directors, the director with a related party relationship, or any other director, as per relevant regulations, proposes an abstention from voting for the director with a related party relationship, who shall then abstain from voting.

- The director with a related party relationship shall not participate in the review of matters regarding the related party transaction.

- When the Board of Directors votes on the matters regarding the related party transaction, after the voting rights of the director with a related party relationship are excluded, the remaining directors unrelated to the related party transaction present at the Board meeting shall vote in accordance with the provisions of the *Articles of Association*.

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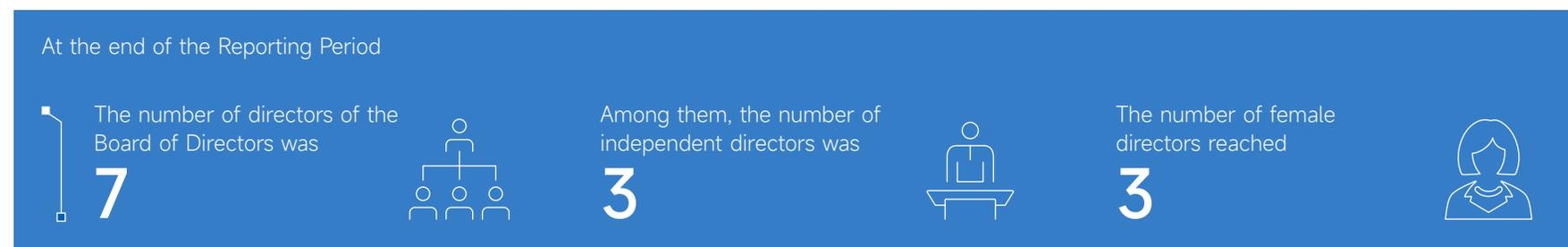
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Composition of the Board of Directors

We elect and engage directors in accordance with the election and engagement procedures as stipulated in the *Company Law* and the *Articles of Association*. The number and composition of members of the Board of Directors comply with applicable laws, regulations, and the *Articles of Association*. Additionally, measures are taken to prevent and mitigate potential conflicts of interest. Moreover, we follow the principles of meritocracy and diversity and consider multiple dimensions when selecting candidates, such as gender, age, cultural background, educational background, professional knowledge and skills, main experience, and years of service. We promote scientific operation and decision-making of the Board of Directors.



Structure of the Board of Directors Members

| Name | Posts | Tenure of Independent Directors | | | Gender | Professional Knowledge and Skills | | Main Experience | | Age | | | Employee Status |
|---------------|----------------------|---------------------------------|-----------|---------------|--------|-----------------------------------|--------------------------------|---------------------|--------------------------------|--------------------|-----------------|-----------------|-----------------|
| | | 3 years | 3-9 years | Above 9 years | | Industry or Technology | Legal, Financial or Accounting | Technology Industry | Legal, Financial or Accounting | Below 55 years old | 56-65 years old | 66-75 years old | |
| Wang Laichun | Chairman | | | | Female | √ | | √ | | √ | | √ | |
| Wang Laisheng | Vice Chairman | | | | Male | √ | | √ | | √ | | √ | |
| Li Wei | Director | | | | Male | √ | | √ | | √ | | √ | |
| Wang Tao | Director | | | | Male | √ | | √ | | √ | | √ | |
| Zhang Ying | Independent Director | | √ | | Female | | √ | | √ | | √ | | |
| Liu Zhonghua | Independent Director | √ | | | Male | | √ | | √ | | √ | | |
| Song Yuhong | Independent Director | √ | | | Female | | √ | | √ | | √ | | |

Specialized Committees of the Board of Directors

Four specialized committees are set up under the Board of Directors, including the Audit Committee, the Strategy Committee, the Nomination Committee, and the Compensation and Performance Appraisal Committee. They are composed of directors, with the Audit Committee and the Compensation and Performance Appraisal Committee solely comprised of independent directors and the chairpersons of the Nomination Committee and the Strategy Committee being independent directors. The specialized committees, accountable to the Board of Directors, assist the Board of Directors in corporate governance, perform in accordance with the law their duties in supervising and reviewing matters regarding corporate governance, reporting to the Board of Directors on a regular basis, and offer scientific and professional opinions and references to the Board of Directors in decision-making.

Remuneration Policies

Luxshare Precision adopts the salary structure of "basic annual salary + long-term incentive", has put in place a benefit sharing and risk sharing mechanism between shareholders, management and core technical (business) cadres, and formulated a series of individual performance evaluation indicators including sustainable development performance to drive the fulfillment of the Company's future development strategies and business goals. Meanwhile, we have implemented a stock option incentive plan accessible to **all staff** members. This plan covers management personnel, core technology (business) backbone employees and loyal grass-roots staff meeting the incentive conditions. The Company complies with national regulations on resignation and retirement, and provides welfare guarantees for employees in accordance with the law.

Please see Section IV Corporate Governance of the *2023 Annual Report* for details of salaries obtained by directors, supervisors and senior management during the Reporting Period.

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Protection of Investors' Rights and Interests

We lay great emphasis on the maintenance of investor relations, and have refined the policy for protecting shareholders' rights and interests and provided a variety of communication channels. Our ultimate goal is to safeguard the legitimate rights and interests and long-term returns of investors.

Protection of Shareholders' Rights and Interests

We standardize the convening and voting procedures of General Meetings of Shareholders in strict accordance with the provisions and requirements of the *Company Law*, the *Articles of Association*, and the *Rules of Procedures of the General Meetings of Shareholders*, to **give equal treatment to shareholders** and ensure that shareholders, especially minority shareholders, can fully exercise their rights. We hold General Meetings of Shareholders at least once a year, where the shareholders (including the shareholders' agents) exercise their voting rights corresponding to the number of voting shares they hold and are entitled to **one vote for each share**.

Investor Communications

We actively encourage two-way communication with investors. By creating multiple channels for domestic and overseas investors, including the investor relations section on our official website, hotline and email address, online results briefings, offline meetings, and platforms such as easy IR, we promptly share the latest updates on our operations and development trends to address investor concerns regarding our operations, financial position, external investments, and industry layout plans. During the Reporting Period, **we held a total of 17 ESG-focused investor communications**, actively responding to stakeholders' inquiries regarding the Company's plans for "carbon peaking and carbon neutrality" plans, ESG goals, and environmental management systems.

During the Reporting Period

Number of large-scale investor communications

6

Number of small-scale communications by phone, email, etc

428

Number of inquiries and communications on easy IR

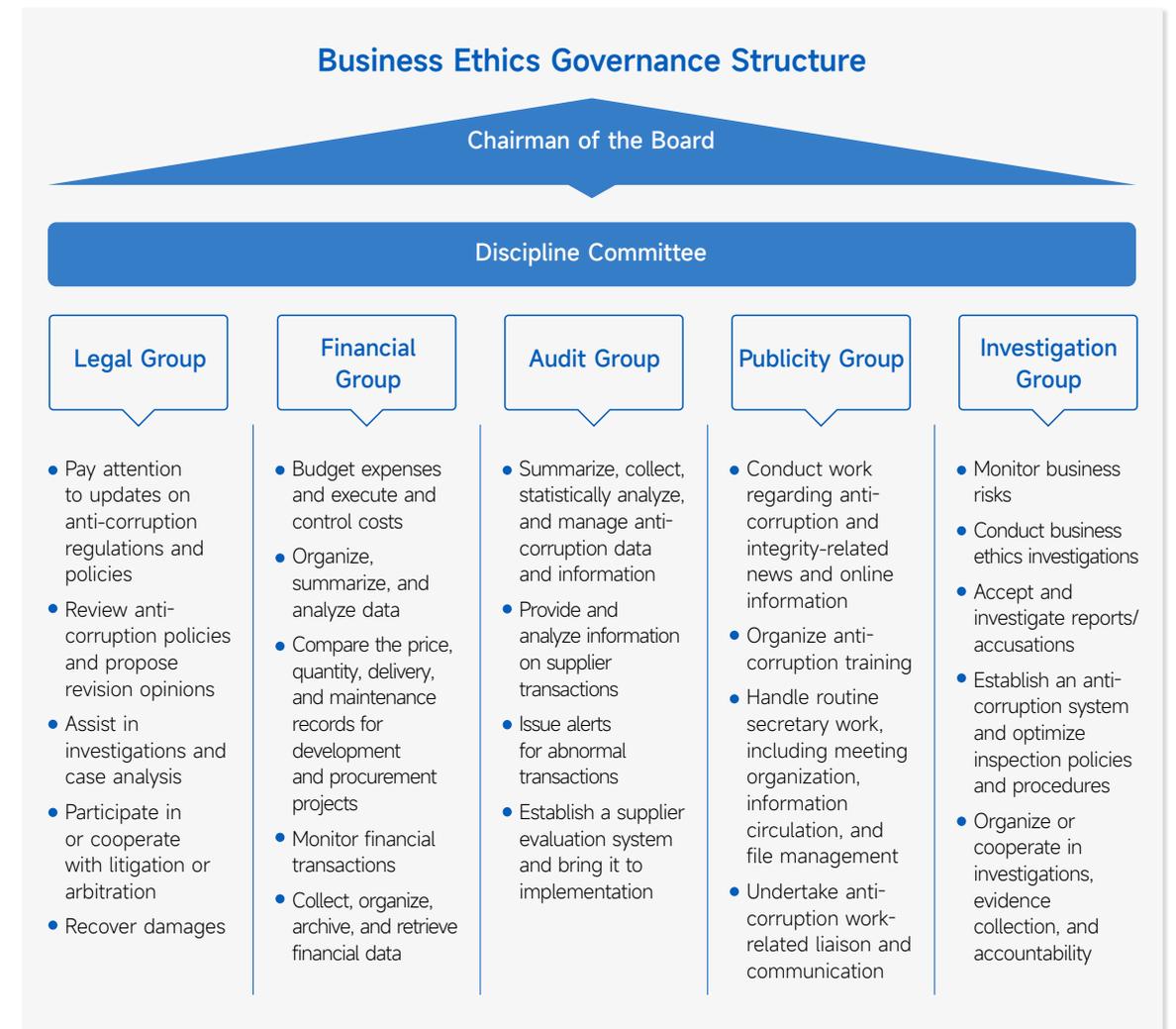
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Strengthening Integrity Construction

Pursuant to the relevant anti-corruption and anti-bribery laws and regulations, Luxshare Precision has developed a series of rules and regulations, such as the *Code of Ethical Operating Procedures*, the *Global Code of Business Conduct and Ethics (COC)*, the *Employee Incorruptibility Management System* and the *Procurement Business Ethics Management System* to standardize and regulate the business conduct of employees, management personnel, suppliers, and other partners. During the Reporting Period, the Company did not receive any significant penalties, nor was it required to remedy any material problems.

We have set up a Business Ethics Governance Structure directly led by the Chairman and operated by its subordinate groups under the coordination of the Discipline Committee. The Chairman receives regular reports and is accountable to the Board.



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Anti-Corruption Declaration and Reporting Management

We prioritize internal management and integrity commitment and review throughout our business dealings. Employees and suppliers are required to complete the *Employee's Voluntary Declaration* and the *Supplier's Voluntary Declaration*, respectively. Additionally, as per the law, we have established management policies for corruption reporting, including the *Reporting and Whistle-blower Protection System*, and standardized the reporting procedures. Furthermore, multiple reporting channels are kept open. Through the combined approach of "voluntary declaration + reporting and supervision", we strive to prevent and control integrity risks.

Reporting Channels

| | |
|---|---|
| <p>Address :</p> <p>#313 Beihuan Road, Qingxi Town, Dongguan, Guangdong Province, China</p> | <p>WeChat :</p> <p>13688847351</p> |
| <p>Phone :</p> <p>0769-38800880</p> | <p>QQ :</p> <p>3413207068</p> |
| <p>Email :</p> <p>justice@luxshare-ict.com</p> | |

Upon receiving reports, we designate personnel to investigate cases based on factors such as the case scale and nature. In 2023, we raised the ceiling on rewards for whistleblowers, aiming to encourage more individuals to participate in Luxshare Precision's integrity development.

Whistleblowing Management Flowchart



During the Reporting Period, the Company had four corruption incidents, as confirmed by the internal audit department. These cases involved bribery and misappropriation of corporate funds. The individuals implicated have been referred to judicial authorities or dismissed in accordance with relevant policies of the Company. These incidents did not pose significant risks to the Company. During the Reporting Period, **there were no litigation cases regarding corruption that involved the Company or our employees.**

During the Reporting Period

Handling rate of the business ethics-related reports was

100%

Whistleblower Protection

We maintain a "zero tolerance" policy against any discrimination or retaliation directed at whistleblowers. We safeguard whistleblowers' privacy and relevant interests. By avoiding conflicts of interest among investigators and offering legal assistance, we provide whistleblowers with protection as needed. This ensures that whistleblowers are shielded from any potential retaliation.

Protect the Privacy of Whistleblowers

- Strictly prohibit the unauthorized disclosure of whistleblower-related information
- Designate specialized auditors to handle the reports while keeping it confidential

Avoid Conflicts of Interest among Investigators

- Require investigators to sign the *Statement of Discipline Committee and Case Investigation Personnel* to ensure they have no conflict of interest with the reported individuals

Seriously Investigate and Handle Retaliation Incidents

- Report any instances of retaliation promptly to the factory's top supervisor and the Director of the Discipline Committee once they are identified
- Provide legal assistance to whistleblowers
- Impose severe penalties on retaliators, including up to dismissal



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Development of Integrity Culture

We actively conduct integrity education for all employees, managers, as well as suppliers. We have taken multiple measures, including signing the letter of commitment, organizing training, and implementing performance appraisals, to advocate and practice culture of integrity in all respects.

For Employees and Managers



- We incorporate the *Global Code of Business Conduct and Ethics (COC)* into our employees' quarterly training and appraisals, and the results of the appraisals are linked to their performance appraisals and promotions
- We carry out annual anti-corruption and integrity online training for all employees, and special publicity for personnel in quality control, strategic procurement, sales and other positions. The training includes the interpretation of corruption cases, and the Company's reward policies and reporting channels for anti-corruption and integrity

For Suppliers



- On a quarterly basis, we utilize the supplier relationship management (SRM) system to push *Luxshare Precision's Commitment on Anti-corruption* to suppliers and track the progress of supplier acknowledgment. This ensures timely and sufficient communication with suppliers about the Company's principles for business ethics
- We ask the suppliers to sign the *Letter of Integrity Commitment for Supplier* upon the inclusion of the suppliers. By the end of the Reporting Period, **98.95% of the suppliers in the database had signed the Letter of Integrity Commitment for Supplier¹**

During the last three years

The rate of the employees who signed the *Employee's Letter of Integrity Commitment and Employee's Letter of Commitment on Code of Conduct* was

100%

During the Reporting Period

Employee anti-corruption training coverage rate was

100%

The pass rate of the COC exam reached

100%

The total hours of anti-corruption and business ethics-related training reached

293,076

Total number of business ethics training sessions for managers of M3 or above in high-risk positions such as procurement was

4



Advocating Fair Competition

Luxshare Precision actively advocates fair competition and safeguards market order. According to the *Anti-Unfair Competition Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Several Provisions on Prohibiting Infringements upon Trade Secrets* and related laws and regulations in the countries or regions of business, the Company has formulated the *Code of Ethical Operating Procedures*. Also, the Company has explicitly stipulated that no employee shall use illegal means, including illegal hacking, theft, wiretapping, and bribery, to access any third party's trade secrets or other confidential information. Furthermore, employees are prohibited from publishing false or misleading advertising information, conspiring with peers to set prices to disrupt market order or carrying out other illegal acts.

During the Reporting Period

0 Anti-unfair competition, antitrust and antitrust-related legal proceedings occurred



¹ Some designated suppliers have directly signed the *Letter of Integrity Commitment* with the customers. Upon confirmation, it is not necessary to sign it again.

Risk Control

Luxshare Precision has improved its risk identification and assessment system, bolstered internal control management, and established specific measures to identify and address information security risks and privacy divulgence risks. These efforts ensure comprehensive and effective control of various risks.

Risk Identification and Management

| Risk Type | Risk Item | Response Strategies |
|--|--|---|
| Strategic Risks  | Corporate governance risk | <ul style="list-style-type: none"> Continuously improve the corporate systems, standardize the Company's production and operations, perfect the corporate governance structure, pay attention to the protection of shareholders' rights and interests and investor relations management, and constantly enhance corporate governance |
| | Product competitiveness risk | <ul style="list-style-type: none"> The Company's products and business layout show diversified and vertical integration characteristics, comprehensively covering components, modules and system assembly. The Company provides one-stop professional services in an all-round way, and accelerates the application of intelligent manufacturing and big data operation and management platform |
| Operational Risks  | New technology and new product development risk | <ul style="list-style-type: none"> Continue to actively invest required R&D expenses in the development of new technologies and new products, introduce and cultivate new technology and new product development talents, and improve research and development capacity |
| | Product quality risk | <ul style="list-style-type: none"> Optimize the quality management process, continuously promote an intelligent testing and intelligent quality management system, and improve the quality management at all stages, including supplier management |
| | Climate change risk | <ul style="list-style-type: none"> Regularly monitor climate changes, set science-based targets in line with the requirements of the 1.5°C pathway, which have been officially certified and approved by the SBTi, identify climate-related risks, and regularly review short-, medium-, and long-term carbon reduction goals and action progress; the management takes countermeasures against risks with high importance and urgency |
| | Labor relations risk | <ul style="list-style-type: none"> Improve the labor management system, set up trade unions in each production base, and actively maintain good communications with employees through multiple channels |
| Compliance Risks  | Business ethics risk | <ul style="list-style-type: none"> Set up the Disciplinary Committee, perform business conduct compliance management led by the chairman, and conduct regular internal audits of business ethics |
| | Intellectual property management and protection risk | <ul style="list-style-type: none"> Establish the intellectual property management system, and investigate and confirm other companies' intellectual property in the phase of design and development |
| Information Security Risks  | Information security | <ul style="list-style-type: none"> Expand the coverage of business continuity and the scope of factory audit and enhance the security of weak electricity system and the security of intelligent parks |
| | Privacy protection | <ul style="list-style-type: none"> Organize privacy protection-related training and appraisals and require that confidential documents should be stored in lockable file cabinets, safes, or other secure furniture when not in use, with the keys entrusted to designated personnel |

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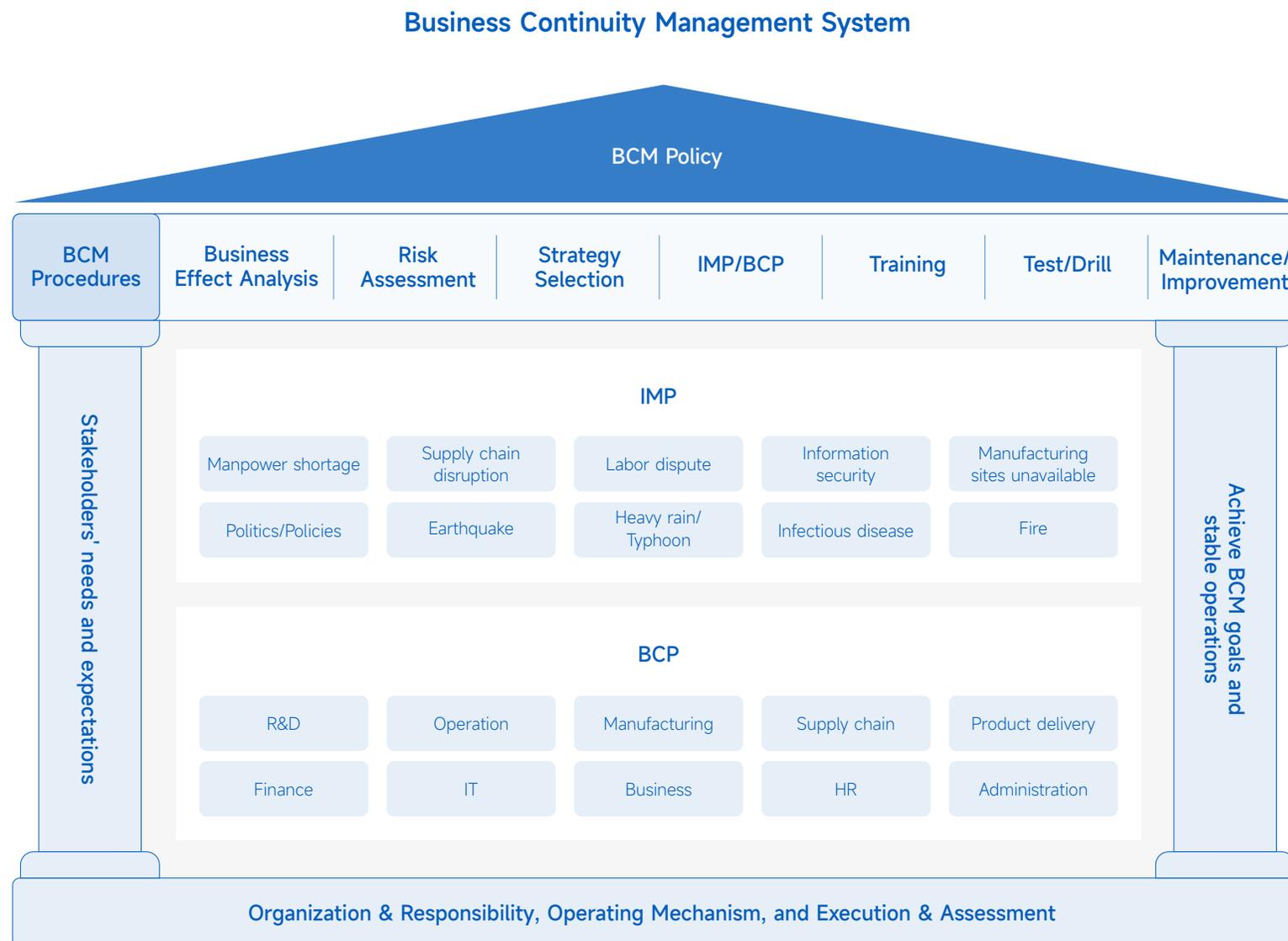
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Business Continuity System

In 2023, Luxshare Precision, taking into account the needs and expectations of relevant stakeholders, formulated a business continuity management (BCM) system with the goal of "operational stability" in combination with the incident management plan (IMP) and the business continuity plan (BCP). Additionally, we developed a *Business Continuity Management Manual* based on the ISO 22301 standard to ensure effective planning, implementation, and improvement of the BCM system.



After undergoing a rigorous review, the Company was successfully certified by ISO 22301 for business continuity, providing a robust guarantee for the Company's steady operations.



ISO 22301 Business Continuity Certificate

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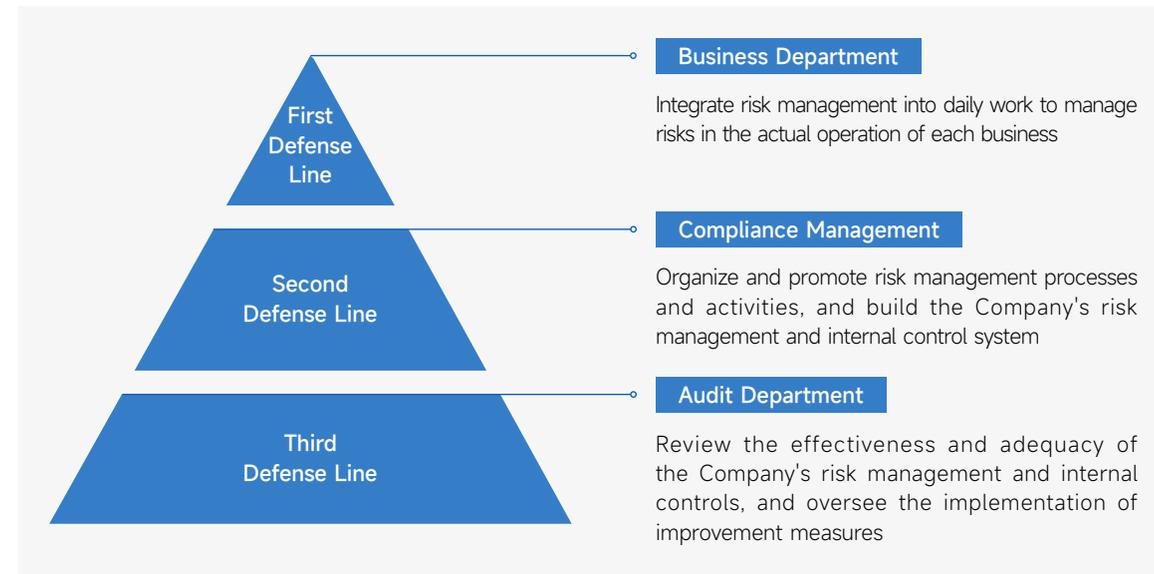
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Internal Control Management

Luxshare Precision has established a robust and effective internal control system, comprising three defense lines for risk management and internal control. The Board of Directors oversees relevant reports on internal control risk data and internal control procedures, while the management is responsible for organizing risk control in routine operations.



Internal Audit

The Internal Audit Department, as the Company's internal independent audit institution, coordinates with risk control, internal control, and internal audit functions to guarantee the independent performance of our regulatory duties. It covers critical risk areas comprehensively, including corporate social responsibility, financial activities, procurement business, asset management, sales business, contract management, and information security.

In 2023, Luxshare Precision expanded the audits by establishing relevant departments to comprehensively conduct audits for domestic and overseas businesses. It required **an annual internal financial and non-financial audit to be conducted at domestic and overseas factories and operational sites, with marketing and production management audited at least once every half a year. Additionally, supplier management process audits were required to be conducted at least once a year.**

During the Reporting Period

Total number of internal audits Luxshare Precision completed was

56



Information Security

Information Security Risk Management

Luxshare Precision has established a well-refined information security management system encompassing more than 60 internal policies and management procedures. In 2023, the Company added and updated 27 internal policies and management measures. We also expanded the coverage of business continuity and the scope of audits in the dimension of security and further enhanced Operational Technology (OT) security and the security of intelligent parks.

We have set up an Emergency Response Management Team, formulated an information security emergency response plan, and specified an emergency contact list, an emergency command structure, and the emergency response processes and measures. During the Reporting Period, the Company carried out business continuity drills, regular vulnerability scans, failure drills, and penetration tests for key applications, and **fixed a total of 1,553 system vulnerabilities.**

During the Reporting Period

Luxshare Precision
had **0** incident of information leakage



Highlights of Information Security Management Measures

Business Continuity

Expand drills from the core processes of key business to all processes of key business, covering data centers, application equipment redundancy, and emergency drills and recovery of the failure domains across the entire link.

Security Audit

Cover all factories in penetration testing, vulnerability scans, and information security audits and conduct regular refresh audits, completing more than 340 improvement projects.

Data Security

Expand the coverage of equipment to all areas, achieving full coverage of confidentiality areas without exceptions.

Security Advertising Campaign

Utilize posters and comics combined with trending topics to raise information security awareness.

Information Masking

Grant time-limited access to external personnel to strengthen the protection of the personal privacy and data of vendors and customers.

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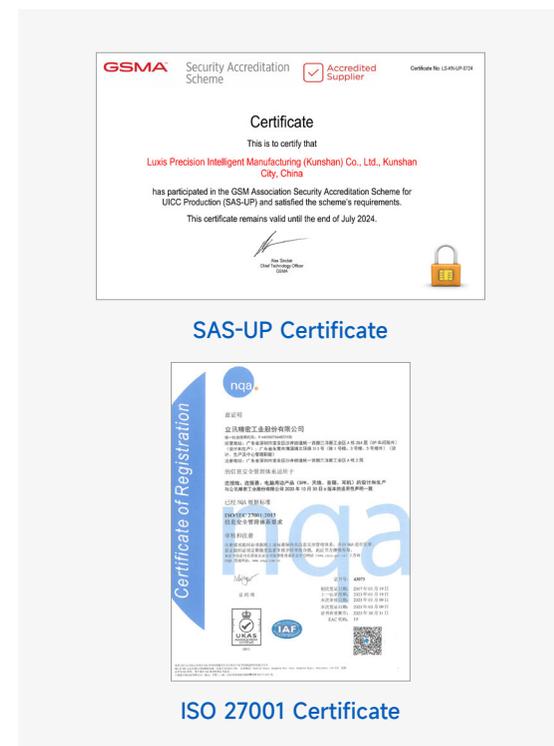
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Information Security Certification

In 2023, Luxshare Precision successfully passed the annual audit of the ISO 27001 information security standard certification, and Luxis Precision Intelligent Manufacturing (Kunshan), one of Luxshare Precision's subsidiaries, was certified by the highest information security standard, Security Accreditation Scheme for UICC Production (SAS-UP).



Information Security Training

We enhance employees' awareness of information security by regularly sending information security-focused publicity materials, conducting relevant security drills, and reminding supervisors at all levels to conduct information security training for their respective team members. During the Reporting Period, the Company conducted multiple training sessions to enhance the employees' awareness of information security and confidentiality. **The total training hours amounted to 201,701, with a total of 64,003 participants.**

Privacy Protection

Luxshare Precision, guided by national laws and regulations and in combination with standards of customers and the industry, has formulated privacy management measures such as the *Trade Secret Management Procedure* and the *Management Procedure of Information Security of Related Parties*, and well-established desensitization standards and processes. Additionally, employees' behaviors are regulated as per the provisions of the *Employee Handbook* and the *Global Code of Business Conduct and Ethics* through regular training assessments, and we prohibit them from divulging the privacy and business information of our partners.

Privacy Protection Measures

Classified Management

- **Privacy protection content:** Defined according to customer requirements or the Company's confidentiality classification standards
- **Privacy protection mark:** According to the determined level of confidentiality and confidentiality period, attach a confidential mark or affix similar seal for the commercial secret data of each unit
- **High-sensitivity data protection:** Detailed desensitization standards are developed according to different businesses, departments and interested parties

Access Permission

- **Authorization management:** Computer users should use standard user name, password or passphrase, and such password or passphrase should not be disclosed to any irrelevant or unauthorized personnel and should meet strength requirements
- **Equipment repair and maintenance:** The installation, debugging and overhaul of computer equipment involving enterprise secrets shall be undertaken by internal professional technical personnel, and other personnel shall not disassemble and overhaul the computer equipment

Personnel Management

- **Secret-involving conference management:** The organizing department shall strictly determine the attending personnel for any secret-involving meeting. For online meetings, the organizing department shall set up passwords and encrypted links, and review attendees beforehand
- **Access permission terms:** All parties providing various products or services to the Company that require physical or logical access to our information assets must sign a confidentiality agreement or confidentiality clauses document
- **Privacy protection training:** Provide training and assessment on privacy protection for employees

Asset Management

- **Confidential information management:** Relevant confidential information obtained for business purposes shall be properly kept by the personnel involved, and shall not be taken to home or any public places or disclosed
- **Storage of confidential information:** Confidential documents, records, disks, optical discs or other storage media should be placed in locked file cabinets, safes or other forms of safe furniture when not in use, and the keys are managed by designated personnel

During the Reporting Period

Luxshare Precision had **0** substantiated complaints involving infringement upon customer privacy and loss or divulgence of customer information



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Quality Management

We consistently regard product quality as the lifeline of the Company. Through the establishment of a robust quality management system, we monitor and manage the quality of products throughout their lifecycle. By fostering the quality culture, we aim to enhance all employees' sense of responsibility and mission toward product quality, thus delivering products that exceed customer expectations.

Lean Quality Management

Luxshare Precision strictly abides by the *Product Quality Law of the People's Republic of China* and other relevant laws and regulations. Based on customers' audit requirements and our internal annual review results, we constantly improve the quality management system. We implement quality control measures on all fronts with full consideration of the product positioning, process characteristics, and sustainable development needs of the factories, and have established a quality objective management system linked to the performance of each responsible personnel. Meanwhile, the Quality Department of the Company consistently tracks and assesses the achievement of quality objectives in the production bases through regular quality audits, and widely disseminates excellent quality management practices across the Company.

Luxshare Precision has adopted the intelligent quality management mode of automatic production and automatic inspection and extensively applied machine vision, intelligent patrol inspection and other technologies. This helps us rapidly analyze the quality of products and reduce the frequency and degree of impact of product abnormalities. Furthermore, we track the quality inspection of products through our quality management system, enabling the collection, recording, and visualization of quality information throughout the entire production process. In 2023, we updated the Luxshare Quality Information Management platform. Through quality control methods such as recording quality data and online quality measurement, we achieved automated statistics analysis and dynamic monitoring of core processes throughout the product lifecycle. This approach comprehensively elevated our quality management capabilities.

At the end of the Reporting Period

Luxshare Precision and its main production bases were certified by

ISO 9001

Production bases certified by IATF 16949 Quality Management System Standard for the Automotive Industry reached

28

Number of production bases certified by ISO 13485 Medical Devices – Quality Management Systems was

11



Case | LuxcaseICT Yancheng Optimized Quality Systems and Processes

In 2023, LuxcaseICT Yancheng established the Production Data Acquisition (PDA) System, the Machine Management System, the Quality Management System (QMS), and the Manufacturing Execution System (MES), forming Computer Numerical Control (CNC) automatic locking and risk material control procedures. Among the four systems, the PDA system binds the operators, the machine, and the materials, ensuring 100% information traceability. The Machine Management System enables automatic locking of machines in response to CNC alarms. Furthermore, the machine will not be able to start without verification through PDA scanning. The MES system facilitates the locking and unlocking of risk materials, while the QMS system provides feedback on measurement data.

Within the closed-loop management system of CNC automatic locking, we have achieved precise control and effective traceability of risk materials. Besides, we leveraged on digital tools to optimize the processing of abnormal alarms, enabling our engineering and production teams to conduct more efficient data analysis. This resulted in a significant reduction in the frequency of abnormal alarms. Furthermore, the implementation of the automatic material locking and interception mechanism has led to a substantial decrease in the quantity of risk materials selected by up to 56%. This effectively prevented non-conforming materials from entering the product assembly, testing, and packaging processes.

Case | Lanto Kunshan Applied AI-Powered Digital Means to Enhance Process Quality Management

In response to national strategies, Lanto Kunshan is promoting "Intelligent Manufacturing". It leverages on AI, Chat GPT, and digital technologies to comprehensively upgrade and improve its existing quality control, production efficiency, and product competitiveness. The aim is to achieve intelligent inspection, low-carbon and paperless operation, data digital twin, and real-time quality monitoring and improvement

- Management and output of process indicators: By implementing rapid, automatic output of production data and visualizing it, Lanto Electronic Limited has achieved real-time and direct display of production, which facilitates early issue detection and resolution. This approach has significantly boosted production efficiency and the timeliness of problem resolution
- Management and output of process inspection and test data: Lanto Electronic Limited has achieved systematic integration and visualized presentation of basic quality data and made it traceable throughout the product manufacturing process
- Intelligent inspection and test: Lanto Electronic Limited is gradually replacing manual inspection with AI devices to achieve automatic inspection, thereby enhancing the accuracy and precision of product inspection and lowering the customer complaint rate

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Development of Quality Culture

We place significant emphasis on fostering culture of quality within the Company. We have developed training programs for quality control and management based on the Company's quality management standards, business development demands, and the competency requirements for our employees. Furthermore, we integrate quality awareness enhancement into the onboarding, pre-employment and on-the-job phases for our employees and regularly conduct knowledge dissemination and practical training sessions covering topics such as laws and regulations on quality management, common knowledge, and job-specific skills among our employees. Through initiatives such as special improvement projects, quality awareness campaigns, quality activity seasons, quality review meetings, and the annual "Quality Month" Activities, we strive to bolster our employees' zero-quality-defect abilities and instill the corporate quality culture in them.

Case | Luxshare Precision Conducts Several National "Quality Month" Activities at Multiple Factories

In active response to the national call for Quality Month, Luxshare Precision has consistently organized annual "Quality Month" activities. Through a range of activities such as quality management knowledge contests, interactive quizzes within business units, assessments for rational improvement proposals, quality training, and quality awareness cultivation, we aim to promote the "quality" concept among all employees and thoroughly implement our quality policy of "customer first, management with integrity, scientific management and excellence".



On-site Quality Awareness Enhancement of Luxshare Thermal



Quality Knowledge Contest of Lanto Bozhou

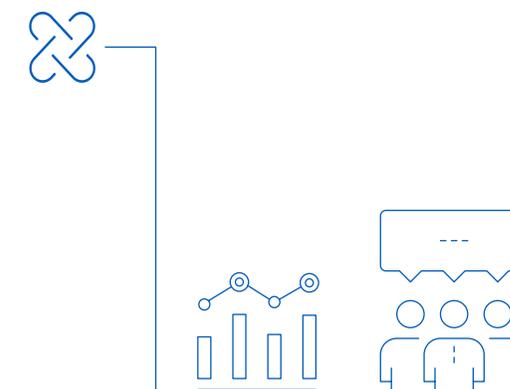


On-site "Quality Month" Activities of Kunshan Factory

Customer Relationship Management

Luxshare Precision has continuously enhanced its customer service system by employing diverse channels and multiple forms of communication, thus gaining deep insights into customer expectations regarding product quality. We handle customers' opinions in a timely and appropriate manner in accordance with the *Operating Procedure for Information Communication*, the *Handling Procedure for Customer Complaints*, the *Operating Procedure for Continuous Improvement* and other internal regulations, and continuously optimize internal procedures and management measures. We developed the *Handling Procedure for Product Sales and Return*, in which the recall implementation procedure was defined, and effective remedial measures were adopted for product recall, maintenance and transportation, so as to earnestly safeguard customers' rights and interests.

We conduct multi-dimensional customer surveys, including annual customer satisfaction surveys and monthly evaluations of customer satisfaction indicators. During the Reporting Period, a total of 262 customer surveys were conducted, focusing on dimensions such as product quality, delivery status, business services, and product pricing, to gain a thorough understanding of customer demands and expectations. Moreover, the relevant responsible business departments followed up on the feedback, developed remediation plans, and improved the service standards and quality in a targeted manner, in a bid to enhance customer recognition and satisfaction.



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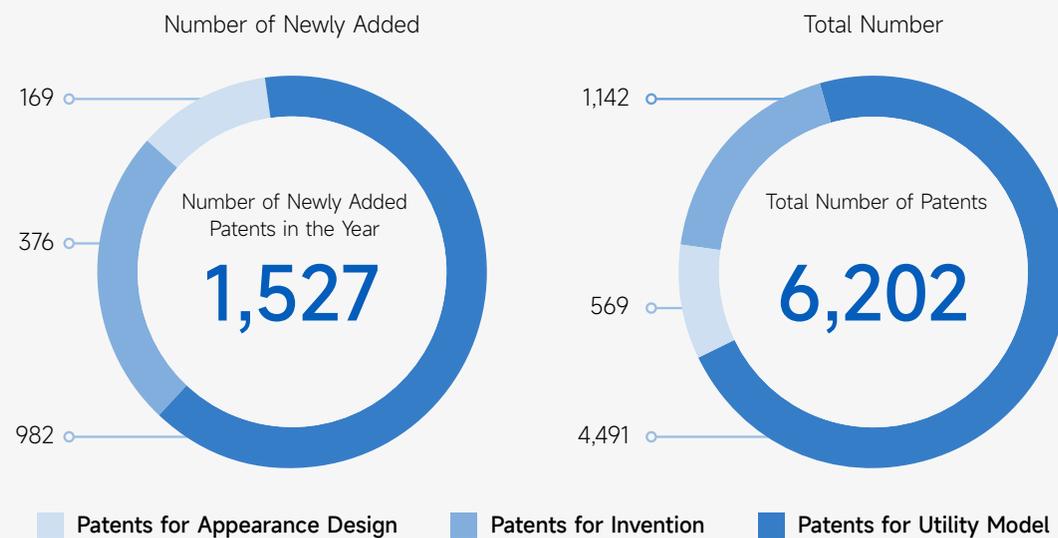
Luxshare Precision regards innovation and R&D as a catalyst for continuous advancement. We are dedicated to consistently refining precision electronic products and solutions, increasing our investment in R&D, and driving the exploration of cutting-edge technology. Simultaneously, we place high emphasis on protecting intellectual property rights to consolidate our technological edge.

R&D Incentives

Luxshare Precision values and enhances the development of its innovation system. To coordinate the Company's technical resources and enhance its technological competitiveness, we **have established the Technology Committee** covering all major technical domains within the Company. This committee facilitates the connection of resources and information across different R&D sectors, enabling the sharing of technical capabilities and platforms. We have established R&D centers in Shanghai, Dongguan, Shenzhen, Xi'an and USA. Through technological innovation in products and services, we have achieved platform-based and intelligent development, laying a solid foundation for the continuous development of industry technology. To enhance the Company's technological innovation capabilities, we actively engage in technical exchanges with domestic universities, suppliers, and other third parties.

With the *Measures for Rewarding Patents and Business Secrets* as a guarantee, we publicly commend units with outstanding patent application performance in each quarter and reward excellent inventors, aiming to encourage and inspire employee innovation. We have defined goals for developing high-value patents and prepared plans for relevant procedure and framework. By the end of the Reporting Period, **we had completed 217 high-quality patent proposals and submitted 94 high-quality patent applications.**

Number of Patents in the Company in 2023



Intellectual Property Right Management

Luxshare Precision places a high value on independent innovation and the protection of intellectual property rights. We strictly abide by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and other laws and regulations, and have formulated internal management systems such as the *Intellectual Property Management Manual* and the *Intellectual Property Management and Control Procedure* to standardize the Company's intellectual property right management and continuously refine our protection system for intellectual property rights. We adopt methods such as market patent investigations and internal risk investigations to control potential risks of intellectual property rights infringement. This allows us to strengthen our own intellectual property protection while respecting the rights of others.

We conduct visits to internal R&D personnel to promote the Company's intellectual property system and the latest developments, facilitating smooth progress in the Company's intellectual property protection. During the Reporting Period, we launched online courses on patent search and infringement comparison, and disseminated patent-related precautions and key content regarding patent invalidations in business communications. Every month, we send the *Notice on Respecting the Intellectual Property Rights of Others, Strictly Keeping Trade Secrets and Complying with Previous Employers-related Obligations* to internal employees via email, aiming to raise their awareness of intellectual property rights protection.

By the end of the Reporting Period

Total number of cases of trademark invalidation and opposition Luxshare Precision had handled was

3

The number of key projects within the Company for which patent status tracking was performed to prevent potential claims and disputes was

30



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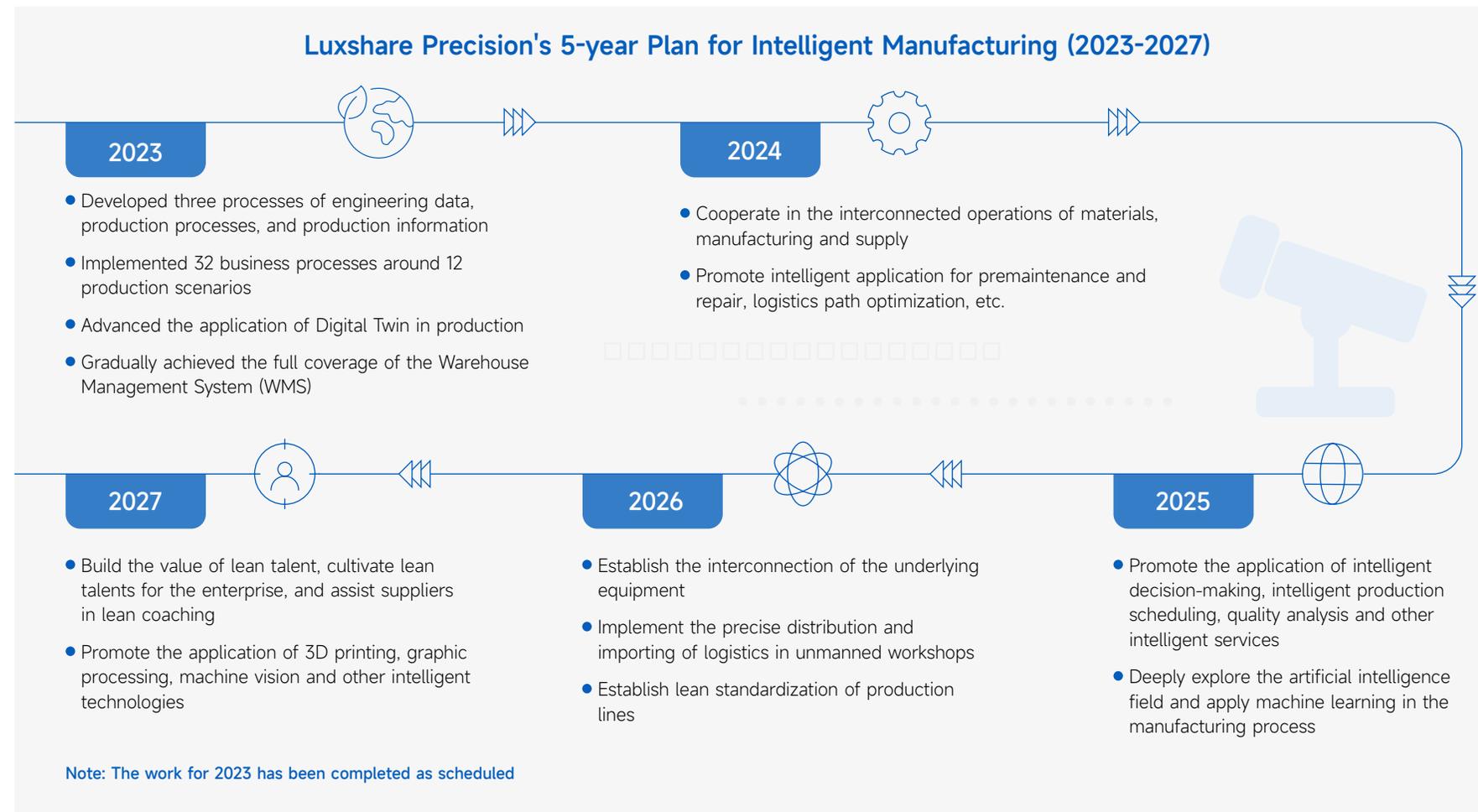
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Intelligent Manufacturing

With the arrival of the digitization, Luxshare Precision adheres to the "Industry 4.0" intelligent manufacturing strategy and actively advances the digital upgrade of its production and operations. This effort aims to gradually enhance our intelligent manufacturing system, laying a solid foundation for sustained innovation and sustainable development in the future.

Intelligent Manufacturing System and Planning

We have devised Luxshare Precision's 5-year Plan for Intelligent Manufacturing (2023-2027), focusing on expanding information sharing, automatic control, and visualized management. The goal is to gradually achieve transparent production and whole-link intelligent manufacturing of the industrial chain. In 2023, we established three key processes to provide solid data support for the Company's value stream. Meanwhile, we identified improvement areas around our value stream to shore up our business capabilities. This approach allows us to outline a process and framework that supports the fulfillment of our value stream, ultimately facilitating the Company's sustainable development and value creation.



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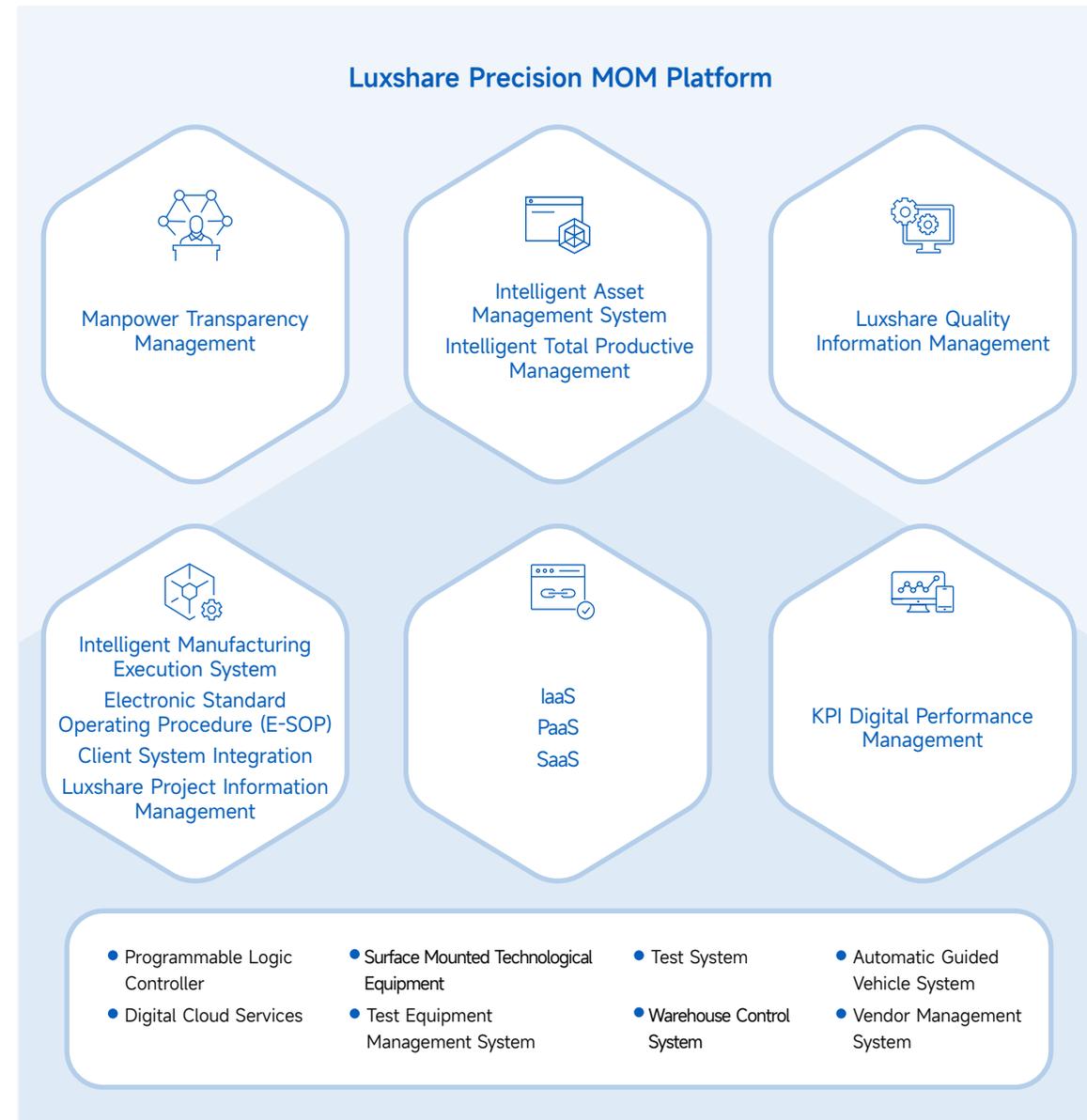
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Intelligent Operation Platform

With the assistance of our Manufacturing Operation Management (MOM) platform which consists of the Intelligent Manufacturing Execution System, Luxshare Quality Information Management, and Intelligent Asset Management System, we have included processes such as production and operation, manpower management, and safe execution in the management, thus achieving the coordination of product manufacturing parameters on all fronts, including the cost, quantity, and safety.



Intelligent Manufacturing Achievements

Building upon our intelligent manufacturing system, we actively promote the development of information technology and continuously strengthen intelligent equipment coverage across factories to create an efficient production ecosystem. To propel intelligent and refined operations throughout the Company, we are committed to achieving comprehensive data connection and intelligent decision-making and driving our subsidiaries to establish smart factories. Through comprehensive decision support and scientific data analysis and prediction, we strive to propel the digital transformation of the Company. By unshackling the constraints of traditional operational models, we deliver more flexible and efficient solutions for production.

Case | LuxcaseICT Yancheng Drives the Application of Intelligent Information Technology

LuxcaseICT Yancheng has achieved efficient data processing at the source by virtualizing the data system architecture and employing methods such as data collection, process monitoring, and management. Through a visualized monitoring system, it can objectively monitor all parameters and the operational status, thus enabling timely warnings for equipment, controlling operational risks, and enhancing operational efficiency.

Intelligent Park

Through intelligent security, system connections, and paperless practices, LuxcaseICT Yancheng effectively reduces paper usage and enhances management efficiency.

CNC Data Collection

LuxcaseICT Yancheng establishes device monitoring, efficiency analysis, execution management, tools management and other modules, achieves full coverage of CNC production scenarios, evaluates costs and efficiency, and optimizes the production management process.

5G Development

LuxcaseICT Yancheng is committed to reducing mechanical production delays and material risks, cultivating digital talent, and improving the accuracy of data applications, thereby supporting decision-making.

Digital R&D and Intelligent Engineering Library

By utilizing data analysis for R&D information retrieval and interpretation, LuxcaseICT Yancheng enhances its R&D efficiency and overall work effectiveness.

03



Leading the Green Path

A Low-carbon Approach to Preserving the Eco-friendly Legacy

Green and low-carbon development stands as an important direction in the new wave of industrial revolution. In response to the call for "carbon peaking by 2030 and carbon neutrality by 2060" and the goals of "Building a Beautiful China" and "Developing a Circular Economy", Luxshare Precision remains committed to upholding its environmentally friendly commitments by integrating the principle of green operations into its production and operational activities and steadfastly advancing energy conservation, emission reduction, and resource recycling actions. Our comprehensive efforts aim to enhance the level of green manufacturing, optimize our environmental management system through concrete actions, and drive the transformation and upgrading of the industry through a profound change in manufacturing practices. Furthermore, while fulfilling our corporate environmental responsibilities, we contribute to low-carbon and green development in society by focusing on the research, development, and commercialization of clean technologies.

- Climate-related Risk and Opportunities
- Zero-carbon Commitment and Carbon Management
- Opportunities in Clean Technologies
- Energy Management
- Water Resources and Wastewater Management
- Waste and Circular Production
- Hazardous Substances and Chemicals Management



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Green and Low-carbon Strategy

Luxshare Precision places great importance on environmental management and addressing climate change risks throughout its operational processes. We proactively align ourselves with China's "14th Five-Year Plan" and carbon neutrality goal by implementing and enhancing our environmental management and climate risk management systems.

Environmental Management System

Luxshare Precision strictly adheres to national laws and regulations such as the *Law of the People's Republic of China on Environmental Impact Assessment* and the *Cleaner Production Promotion Law of the People's Republic of China*. We have developed a full-fledged lineup of environmental management procedures, including the *Group-wide Environmental Protection Management Procedure*, the *Control Procedure of Environmental Factor Identification and Assessment*, and the *Operation Procedure of Environmental Safety and Health Policy*. Through the standardization, systematization, and normalization of these environmental management procedures, we promote the construction of an increasingly sophisticated environmental management system, dedicating ourselves to the practice of green and environmental friendly operations.

As of the end of the Reporting Period

Total number of subsidiaries under Luxshare Precision certified by ISO 14001 Environmental Management Systems was

54

Accumulative number of subsidiaries awarded national or provincial or municipal Green Factory was

14

Factories that were newly awarded national or provincial or municipal Green Factory reached

3

Climate Risks and Opportunities

We vigorously assess climate-related risks and opportunities across upstream and downstream sectors and within our internal operations. Following the *Recommendations of the Task Force on Climate-related Financial Disclosures* (TCFD), we have disclosed our work plans and outcomes on aspects of "governance", "strategy", "risk management", and "metrics and targets". For details, please refer to [Climate Risk and Opportunity Identification and Response Strategy](#).

Governance

- Establishing a Task Force on Carbon Neutrality led by the Board of Directors, coordinated by the Sustainable Development Advancement Center, and joined by each factory to comprehensively promote climate change-related matters, and ensure that all affairs are implemented in accordance with the plan and relevant goals are achieved.
- The Strategy Committee under the Board of Directors is responsible for the deliberation of the Company's climate change-related matters, including internal and external stakeholder communication, risk identification, target and strategy formulation, etc., to ensure the implementation of the Company's climate strategy.

Strategy

- Identifying climate risks and opportunities based on the guidelines of TCFD, in consideration of Luxshare Precision's business operations.
- Conducting relevant policy review based on the identified results to understand the importance and future development trend of various climate risks and opportunities in the macro environment.
- Assessing the impact of climate change-related risks and opportunities on the Company's business, strategy and financial planning over time and under different scenarios through qualitative climate scenario analysis.

Risk Management

- With identification, selection and assessment of Luxshare Precision's potential climate risks every year, risk management departments devise their countermeasures, which are subject to deliberation of the Strategy Committee under the Board of Directors, who will develop additional countermeasures if necessary.
- Categorizing various climate risks according to probability of occurrence and impact, and the management takes countermeasures against risks with high importance and urgency.

Metrics and Targets

- Establishing science-based carbon targets in line with the 1.5°C pathway, which have been formally validated and approved by the SBTi.
- Setting phased climate targets and committing to achieving carbon neutrality no later than 2050.

Honor



CDP Climate Change Rating



Climate Action Transparency Index (CATI)

| Year | Overall Ranking | Industry Ranking |
|------|-----------------|------------------|
| 2023 | 12↑ | 6↑ |
| 2022 | 17↑ | 7↑ |
| 2021 | 174 | 29 |

Over three successive years, Luxshare Precision's exceptional management of carbon emissions across its entire value chain and its dedication to supply chain decarbonization have garnered significant acclaim, resulting in consistent improvement in rankings.

Carbon Reduction Targets and Action Pathway

In order to effectively mitigate global warming, Luxshare Precision took the initiative to establish carbon reduction targets for its own operations (Scopes 1 and 2) and key value chain (Scope 3) in accordance with the SBTi 1.5°C pathway requirements. **These targets were officially validated and approved by SBTi in January 2024.**

With the "carbon peaking and carbon neutrality goals" as the guiding principle, and incorporating baseline carbon inventory results and its own business development status into strategic considerations, Luxshare Precision has formulated short, medium, and long-term goals as well as six emission reduction strategies to fulfill its climate commitments and pave the way towards a carbon-neutral future.

Luxshare Precision Science-based Carbon Reduction Targets

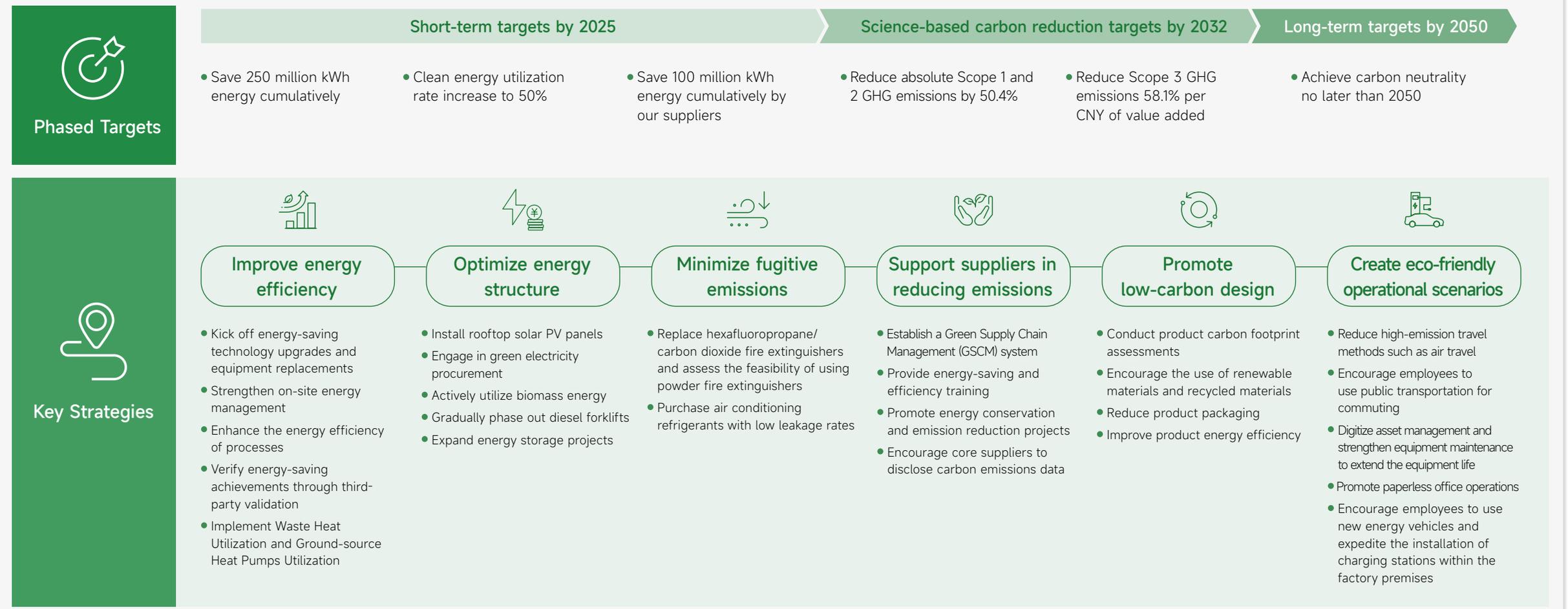
From 2022 as a base year, to reduce absolute Scope 1 and 2 GHG emissions by 2032 by

50.4%

From 2022 as a base year, to reduce Scope 3 GHG emissions per CNY of value added by 2032 by

58.1%

Carbon Neutrality Roadmap



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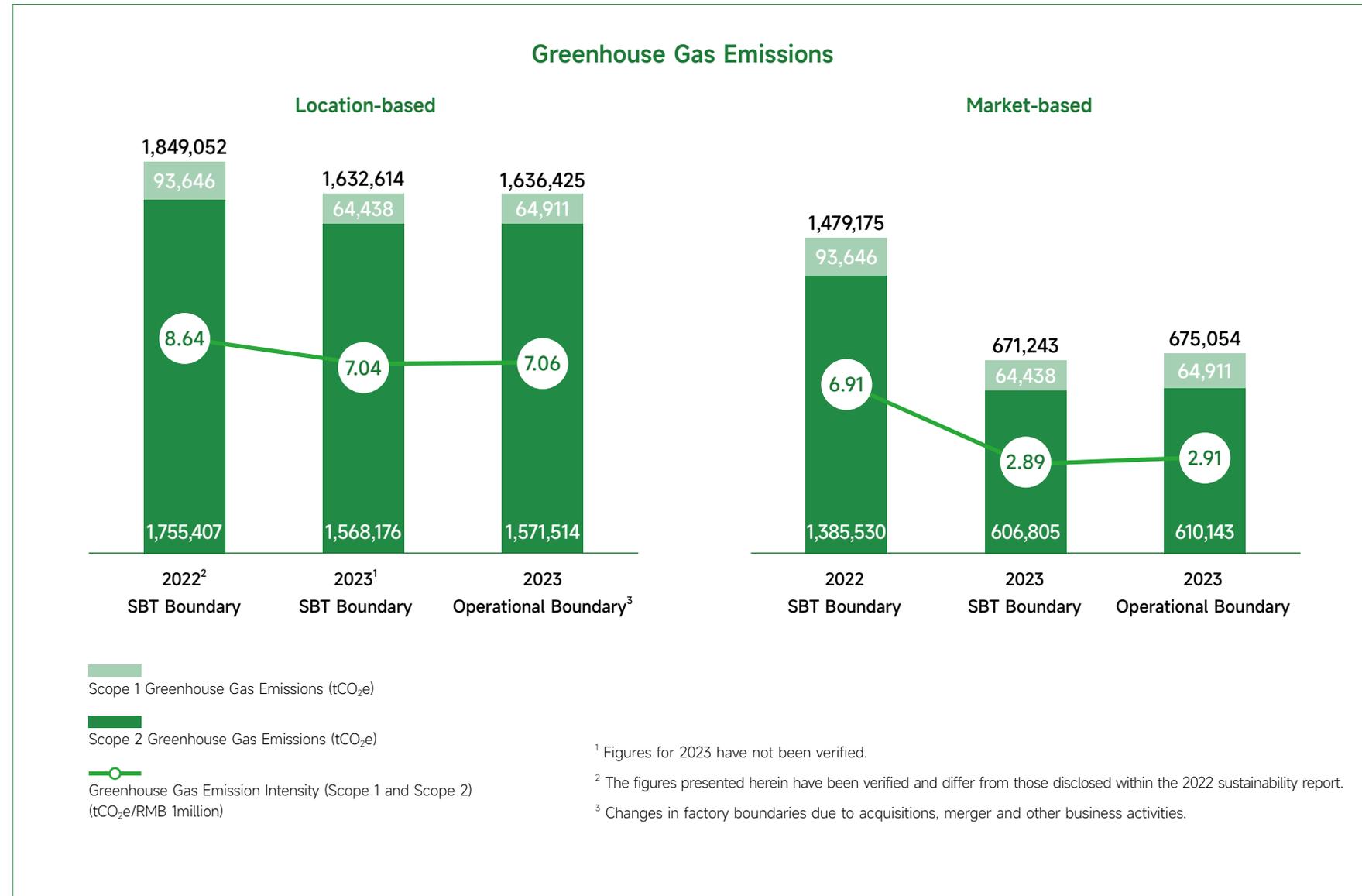
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Reduction of Greenhouse Gas Emissions

Luxshare Precision places great importance on energy conservation and emission reduction. We have established internal work procedures such as the *Operation Procedure of Greenhouse Gas Control*, the *Control Procedure of Energy Conservation and Consumption Reduction*, and the *Greenhouse Gas Operation Guidelines* as the basis for our work. Throughout the year, we focus on initiatives related to smart energy, energy conservation upgrades, and the use of clean energy. These initiatives are implemented across all our factories, driving our progress towards low-carbon operations. Additionally, we actively partake in the drafting of industry standards on carbon management to promote low-carbon practices across the industry.



ISO 14064-1 Third-party Greenhouse Gas Verification Statement for 2022



Carbon Neutrality Certificate of Ri Ming



Participation in the Drafting of Three Group Standards, Including the *Carbon Management Guide for Computer, Communication, and Other Electronic Equipment Manufacturing Industries*

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Intelligent Energy Management

Luxshare Precision draws on its technical advantages to organically combine energy management and intelligent park management, and continues to promote the construction of IOE (Internet of Energy) intelligent energy management platform. Through the implementation of this platform, our Kunshan Factory has achieved online monitoring of energy system, subsystem self-control, energy consumption analysis, and other intelligent analysis and management tasks. Kunshan Factory is scheduled to implement a Centralized Group Control Energy-saving System by 2024.

Features of IOE Intelligent Energy Management Platform

3D Visualization

- One-click automatic inspection, automatic presentation and export of equipment status and parameters, eliminating the need for on-site inspections

Equipment Control Bin

- Displaying the operating status and important parameters of power distribution room, air compressor system, waste heat recovery system, and constant temperature and humidity air conditioning systems on a single screen

Energy Analysis

- Pinpointing opportunities for optimizing energy efficiency in water, electricity, and gas usage by analyzing resource utilization across various floors and business units, taking account of peak, intermediate, and off-peak consumption patterns

Group Control Energy Saving

- Real-time monitoring of data from air compression stations and air conditioning stations, using AI algorithms to calculate the optimal operating combinations and reduce energy consumption

Alarm and Work Order

- Reading equipment alarm information and promptly alerting management personnel, providing information on faulty equipment and potential causes for repair; allowing quick access to surveillance footage to confirm on-site conditions, thus ensuring operational safety

Access Control

- Ensuring factory security through real-time video preview, historical video playback, access control systems, and coordinated security measures with operational and maintenance procedures

Equipment Recording

- Detailed records of equipment operation, maintenance, and repairs enable comprehensive and traceable record-keeping

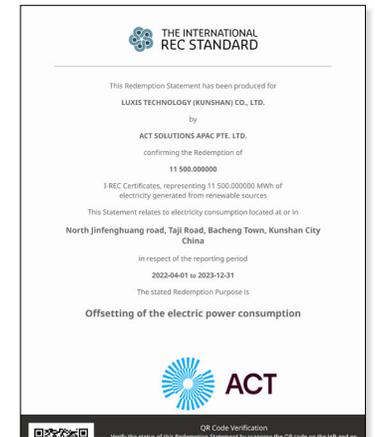
Warehouse Management

- Paperless management from storage to delivery, effectively improving warehousing efficiency and reducing paper usage

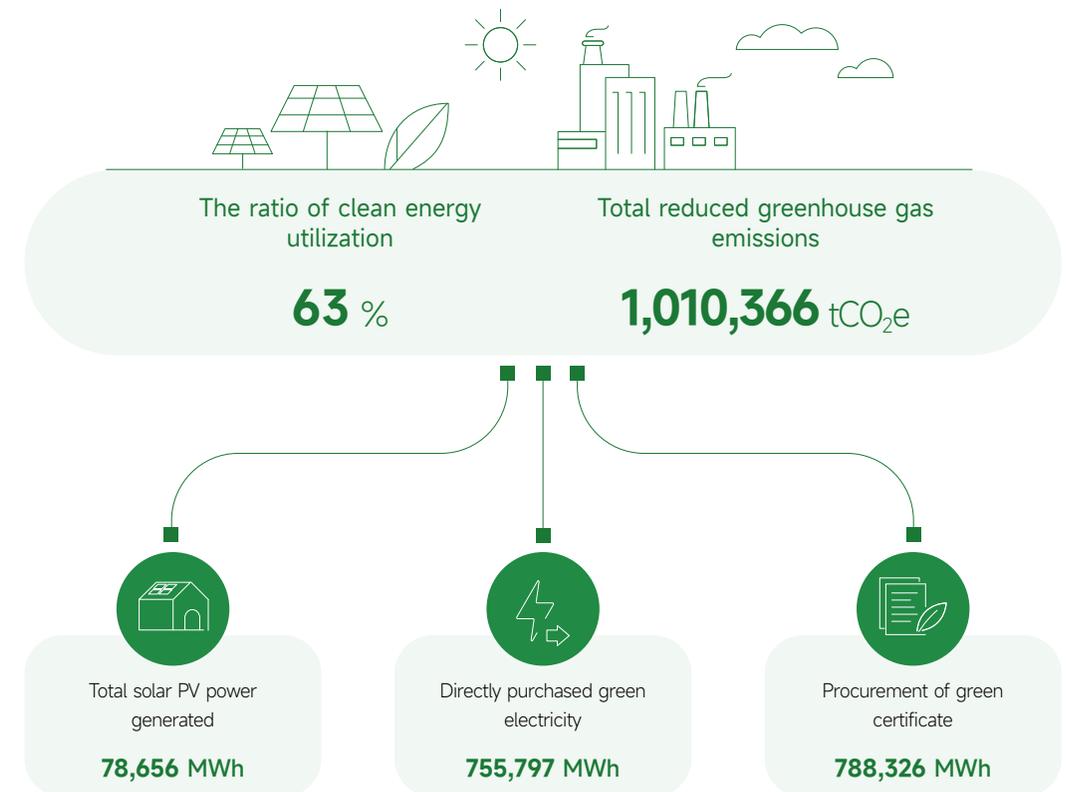
Utilization of Renewable Energy

Renewable energy utilization is the critical pathway for Luxshare Precision to achieve its carbon neutrality goal. Through measures such as rooftop PV, direct purchase of green electricity, investments in Clean Energy Fund, and procurement of green certificates, we aim to persistently increase the proportion of clean energy usage and reduce carbon dioxide emissions. **In 2023, the Company successfully elevated the ratio of clean energy utilization to 63%**, outperforming the target of "achieving a 50% clean energy utilization rate by 2025". As at the end of the Reporting Period, overall installed rooftop photovoltaic capacity reached **85MW**.

In addition, we continued to participate in green energy fund investment to support high-quality clean energy project development. During the Reporting Period, the Company **gained green rights of 43,354MWh through investing in the green energy fund**.



Statement of Green Certificate Procurement



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Case | Distributed Photovoltaic Power Generation Project at Luxshare Smart Manufacturing

In response to the Company's call for energy conservation and emissions reduction and in a drive to optimize the energy structure in its factory, Luxshare Smart Manufacturing has allocated substantial resources to establish a rooftop photovoltaic base, utilizing solar energy to provide electricity for its production lines. As of the end of the Reporting Period, a total of 7 MW installed capacity has been completed, with an average annual power generation of 7.1 million kilowatt-hours.



Distributed Photovoltaic Project of Luxshare Smart Manufacturing

We have implemented an energy storage system to supplement power supply gaps during peak electricity demands, thereby optimizing demand management and achieving "peak load shaving". This initiative is expected to further augment the Company's capacity for integrating and utilizing renewable energy sources in the future. During the Reporting Period, Luxshare Smart Manufacturing completed the construction of **one** energy storage project, which is projected to deliver an annual storage and discharge capacity of **2,400 megawatt-hours**, cumulatively amounting to **48,000 megawatt-hours over a 20-year lifespan**.



Energy Storage Power Station of Luxshare Smart Manufacturing

Low-Carbon and Energy-saving Retrofits

Each year, Luxshare Precision establishes comprehensive corporate-wide energy conservation objectives complemented by improvement plans, mandating that each factory sets corresponding targets based on their specific operational circumstances and maintains diligent monitoring of their progress toward these targets. In addition, regular energy-saving retrofits are carried out across workshops, harnessing the synergistic optimization of both management practices and technological advancements to markedly diminish energy consumption and greenhouse gas emissions.

Energy Conservation Transformation Projects in 2023

| | Number of Projects | Annual Power Conservation (MWh) | Annual Greenhouse Gas Emission Reduction (tCO ₂ e) |
|-----------------------------------|--------------------|---------------------------------|---|
| Air Compressor System | 58 | 29,064 | 18,117 |
| Central Air Conditioning | 56 | 37,381 | 23,303 |
| Exhaust Fan in Factories | 9 | 2,592 | 1,614 |
| Life and Office Power Consumption | 60 | 7,741 | 4,837 |
| Production Power Consumption | 101 | 67,115 | 41,821 |
| Total | 284 | 143,893 | 89,692 |

As of the end of the Reporting Period

The number of the Company's subsidiaries that had obtained ISO 50001 energy management system certification was

10

During the Reporting Period

Electricity saving rate¹ reached approximately

5.1%

¹ Electricity saving rate = (Electricity saving in the current Reporting Period/total Electricity consumption in the previous Reporting Period) *100%. This indicator represents the energy saving opportunities identified by the Company during the Reporting Period and provides an estimate of future energy saving potential.

Case | Implementation of Diverse Energy-Saving Optimization Measures and Energy-Saving Verification at Kunshan Factory

Through enhancements in on-site management, upgrades to waste discharge systems, optimizations of air compressor systems, and retrofits to air conditioning systems, Kunshan Factory has seen a substantial reduction in its electricity consumption. Moreover, Kunshan Factory has engaged a third-party professional institution, meticulously adhering to internationally recognized standards such as the International Performance Measurement and Verification Protocol (IPMVP) and China's G30256-2013 Technical Requirements for Energy Saving Measurement and Verification, to conduct calculations and validations on its energy-saving renovation projects. As a result of stringent assessment, Kunshan Factory has successfully obtained a verified energy savings report to demonstrate the reliability and effectiveness of its energy-saving initiatives.



Energy-saving Verification Report of Kunshan Factory

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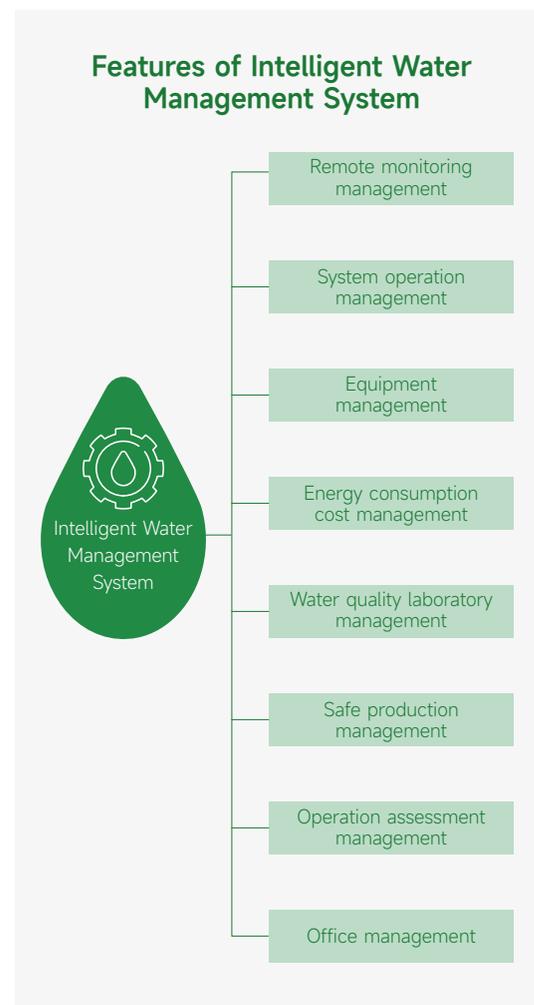
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Water Resource Management

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.

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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

Promotional Activities Highlighting World Water Day and China Water Week

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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

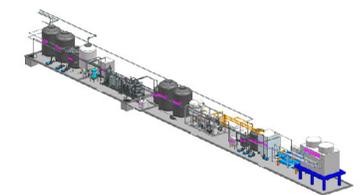
Luxcase Factory has been committed to a zero discharge initiative since 2019 for industrial wastewater pollutants. By consistently adopting advanced wastewater treatment technologies, it aims to enhance the overall recycling rates of industrial wastewater and waste acids.

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

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Pollutant Discharge Management

Luxshare Precision persistently advances pollution discharge/emission management environmental system, rigorously controlling pollutant discharges, optimizing resource utilization, and diminishing the environmental impact of its production and operational activities. We continuously escalate investments in pollution prevention and control technologies and projects to boost the efficient recycling of resources, thus steadily transitioning towards green manufacturing.

Waste Management

In strict adherence to the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, we have formulated the *Waste Control Operating Procedure* outlining the guiding principle of "categorization, centralized storage, unified treatment" for waste management. This comprehensive approach involves classifying, storing, compliantly disposing, and recording all production waste to minimize its environmental impact.

In 2023, we introduced an electronic information management system for waste management developed in reference to UL 2799 standards. This system captures details including waste types, weight, conversion methods, disposal vendors, and processing procedures. All our factories utilize this system to collect, make statistics and analyze waste-related data, gaining insight into waste generation and disposal outcomes, thereby achieving substantial enhancements in waste management efficiency.

Overall Procedures of Waste Management

Classification

Solid waste generated in the production process shall be identified and classified in accordance with the *National Hazardous Waste Directory* and the *Solid Waste Identification Standard* (GB-34330) and other national standards.

Storage

Storage facilities shall be built in accordance with the *Pollution Control Standard for Storage and Disposal Sites of General Industrial Solid Wastes* (GB-18599) and the *Pollution Control Standard for Hazardous Waste Storage* (GB-18597) to prevent waste from causing secondary pollution to the surrounding environment, soil and groundwater.

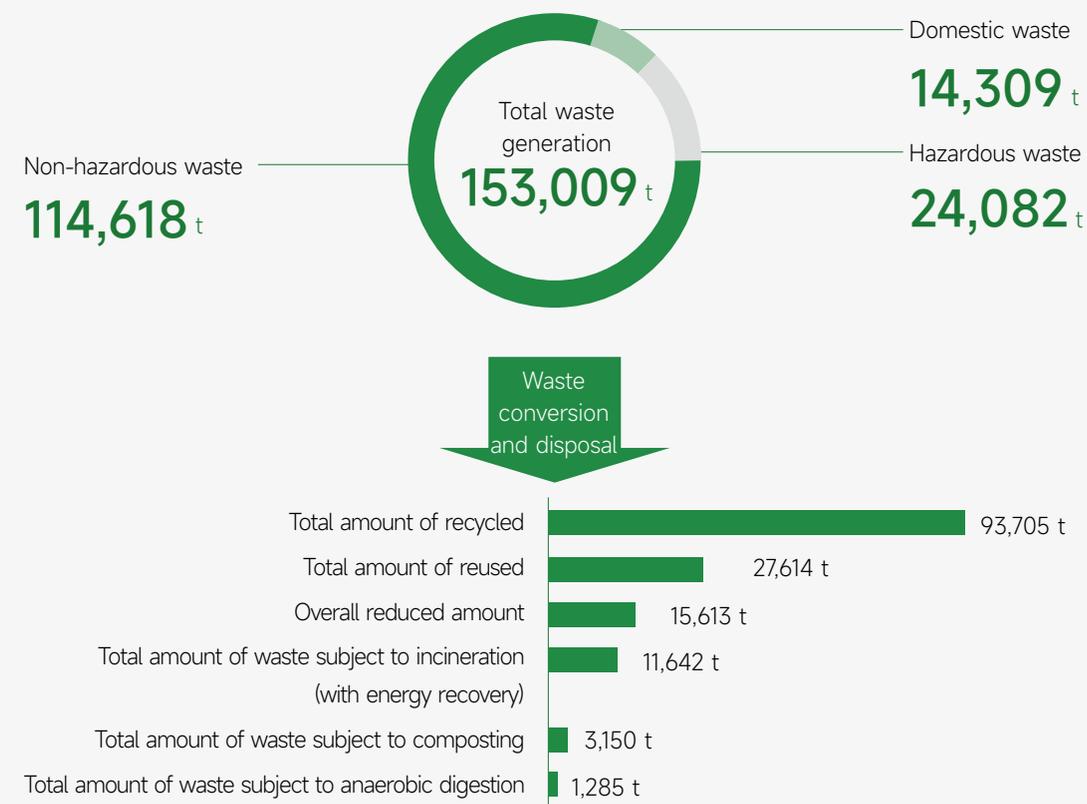
Compliant disposal

In strict accordance with the requirements of the Environmental Protection Bureau, solid waste shall be disposed by a qualified third party.

Record

All factories are required to set up solid waste recording account and record detailed information such as waste category, production volume, transportation mode and treatment mode.

During the Reporting Period, Luxshare Precision's waste management data were as follows:



Zero Waste to Landfill

We actively promote an advanced waste management philosophy of zero landfill across all our factories, setting ambitious three-year targets to achieve the average waste transformation rate of 85.5% by 2023, 88% by 2024, and 90% by 2025. We conduct regular monitoring of waste management practices at each factory, implementing targeted improvements accordingly. While striving to reuse internally and downsize the usage of materials such as plastics, metals, paper cartons, coils, and pallets, we also encourage waste treatment service providers to recycle reusable waste and dispose of non-recyclables through energy-recovering incineration, in a bid to advance waste minimization, recycling, and harmless disposal. **During the Reporting Period, the Company achieved an average waste transformation rate of 86.06%.**

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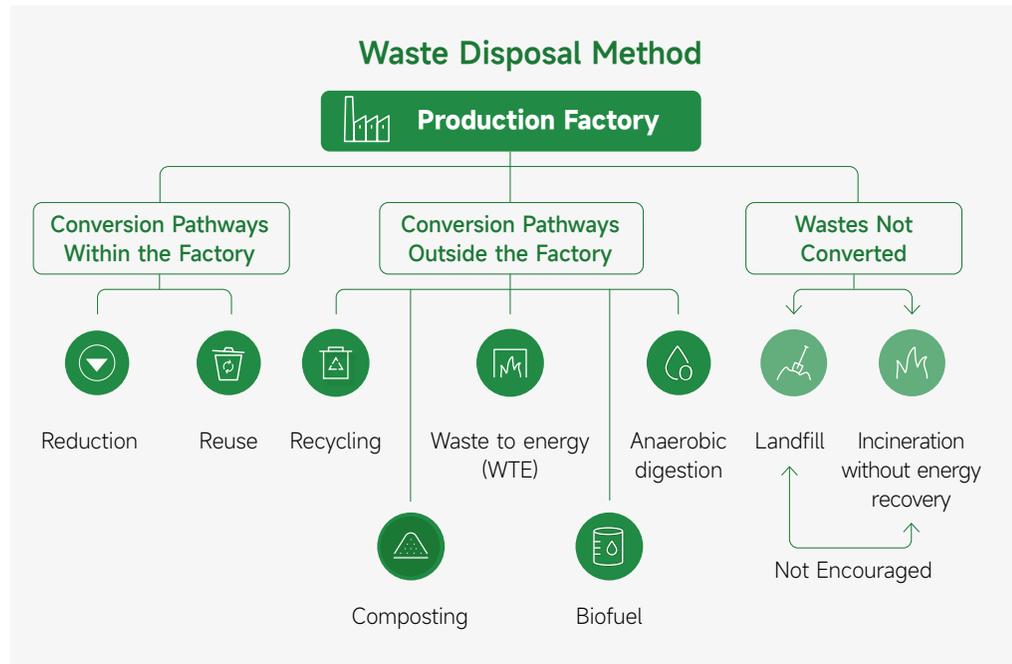
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UL 2799 Zero Waste to Landfill Validation Platinum Grade Certificates Received by Jia Shan Ri Shan and Luxshare Dongguan in 2023

As of the end of the Reporting Period

A cumulative total of Luxshare Precision subsidiaries awarded UL 2799 Zero Waste to Landfill validation was **14**

This year

The number of subsidiaries receiving Platinum ratings for the first time was **2**

Case | Cable Label Optimization at Huizhou Time Interconnect

In a pioneering move that maintains the efficiency of cable assembly installation, Huizhou Time Interconnect uses label printers to print labels onto shrink tubes, thereby achieving an integrated design of labels and shrink tubes, streamlining the process and downsizing the use of paper labels. In 2023, this innovative approach led to an annual saving of approximately 100,000 paper labels for Huizhou Time Interconnect.

Case | Reducing the Use of Packaging Stretch Films at Luxcase Factory

While ensuring product stability during transportation, Luxcase Factory implements eco-friendly designs through the use of thinner, longer stretch films, which increase the number of pallets per roll from 20 to 35, effectively reducing plastic consumption and decreasing waste generation at its source.

Air Pollutant Emission Management

We adhere rigorously to the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and other national laws and regulations. Each year, we conduct regular environmental monitoring audits across all our factories to ensure compliance regarding emissions of nitrogen oxides, sulfur oxides, particulate matter, and other air pollutants. Our factories are equipped with online data systems to dynamically monitor air quality, and we implement measures such as activated carbon adsorption upgrades for Volatile Organic Compounds (VOCs) and the adoption of electric forklifts to minimize emissions of waste gases during production and operation. Moreover, we stringently manage raw materials to guarantee the exclusion of ozone-depleting substances as required by laws and regulations.

During the Reporting Period

The total volume of exhaust gas emissions was

314.24 t

Case | Upgrading Exhaust Gas Treatment Facilities at Jia Shan Ri Shan

Jia Shan Ri Shan undertook a significant upgrade of its exhaust gas treatment facilities for injection molding and CNC material removal processes, i.e., renovation for secondary activated carbon treatment units. By upgrading the activated carbon units and replacing with reusable granular activated carbon, Jia Shan Ri Shan effectively reduced VOCs exhaust gas emissions.



After upgrading of the activated carbon units, the exhaust gas treatment efficiency was improved by

22.2%



After replacement of the fillers, the exhaust gas treatment efficiency was improved by

27.5%

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Green Product Exploration

Within the framework of an increasingly popular global consensus on environmental protection, Luxshare Precision understands that green products are not only a necessary option for the development of manufacturing in the future, but also a vital tool for promoting corporate green transformation and upholding social conscience. We vigorously promote comprehensive lifecycle management of chemical substances, adhering to the core principles of resource conservation and environmental protection, while actively expanding into clean technology domains to jointly forge a sustainable future.

Green Chemicals

Luxshare Precision places significant emphasis on the potential adverse impacts of chemicals on both the environment and human health. We proactively implement green chemical projects, working with suppliers to comprehensively manage chemical substances involved in production processes and product compositions, striving to minimize associated risks.

Lifecycle Management of Hazardous Substances

We continuously monitor the latest domestic and international regulations related to hazardous substance management, as well as our clients' most up-to-date restrictions on hazardous materials. This includes adherence to conventions such as *the Stockholm Convention on Persistent Organic Pollutants, the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and its list of Substances of Very High Concern, the Directives 2011/65/EU and 2015/863/EU on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment and the Revision, Regulation (EU)2019/1021 on Persistent Organic Pollutants (POPs), Directive 2002/96/EC on Waste Electrical and Electronic Equipment (WEEE), California Safe Drinking Water and Toxic Enforcement Act of 1986, and China's Volatile Organic Compounds (VOCs) standards*. These efforts enable us to thoroughly identify and control hazardous substances within our processes and products. We have updated our *Management Standard for Restricted Substances of Materials and Finished Products* to Version 35, which stipulated a total of 77 prohibited substances, 264 restricted substances and 76 declared substances.

Newly Added Prohibited and Restricted Chemical Substances

Prohibited Substances

Endocrine disrupting chemicals (EDCs)
4-tert-Butylphenol
Allergenic dyes
Brominated Flame Retardants (BFRs)
Hydrogen fluoride (HF)
Dechlorane Plus

Restricted Substances

(2-benzothiazolylthio)methyl thiocyanate
2-n-octyl-4-isothiazolin-3-one
4-Chloro-3-methylphenol
Ethyl ethoxyacetate
Acrylamide
Siloxanes
Copper (Cu)

Throughout the updating process of the *Management Standard for Restricted Substances of Materials and Finished Products*, we consistently anticipate potential risk factors by developing proactive strategies for managing potential harmful chemical substances before they are formally regulated under relevant laws and regulations. In doing so, we exceed legal requirements by preemptively incorporating certain chemicals into our internal prohibited and restricted uses policy.

List of Prohibited and Restricted Substances Managed Ahead of Legal Requirements

| Restricted Substance | Regulatory Requirement | Date of Official Implementation | Internal Management Requirement | Date of Internal Implementation |
|--|---|---------------------------------|--|---------------------------------|
| Medium-chain Chlorinated Paraffins (MCCPs) | Proposed restriction under REACH Annex XVII | Not yet officially controlled | Included in the restricted list | 2014 |
| Lead and its compounds Cadmium and its compounds Mercury and its compounds | Regulation (EU) 2023/1542 In batteries: The concentration of lead and its compounds does not exceed 0.01%, and that of cadmium and its compounds shall not exceed 0.002%, and that of mercury shall not exceed 0.0005%. | August 18, 2024 | In batteries: The concentration of lead and its compounds shall be less than 0.004%, and that of cadmium and its compounds shall not exceed 0.001%. If there's any accidental presence of mercury in batteries, it shall be no more than 0.0001% by concentration. | 2019 |
| Lead and its compounds | Regulation (EU) 2023/923 Concentration of lead is less than 0.1% in polymers or copolymers of vinyl chloride (PVC) | November 29, 2024 | Concentration of lead in organic materials (e.g., plastics, rubbers, inks, coatings, paints) is less than 0.003% | 2014 |
| Hexabromocyclododecane (HBCDD) | EU POPs Regulation Concentration is no more than 100 ppm | Scheduled for control | Included in the restricted list | 2014 |
| N,N-Dimethylformamide (DMFA) | REACH Annex XVII, Entry 76 Concentration in substances or mixtures is no more than 0.3% | December 12, 2023 | Completely banned | 2022 |
| C9-C14 Perfluorocarboxylic Acids (C9-C14 PFCAs) and their salts C9-C14 PFCAs-related substances | REACH Annex XVII, Entry 68 Total concentration of C9-C14 PFCAs and their salts in the substance, the mixture, or the article is below 25 ppb Total concentration of C9-C14 PFCAs-related substances is below 260 ppb. | February 25, 2023 | Completely banned | January 1, 2023 |

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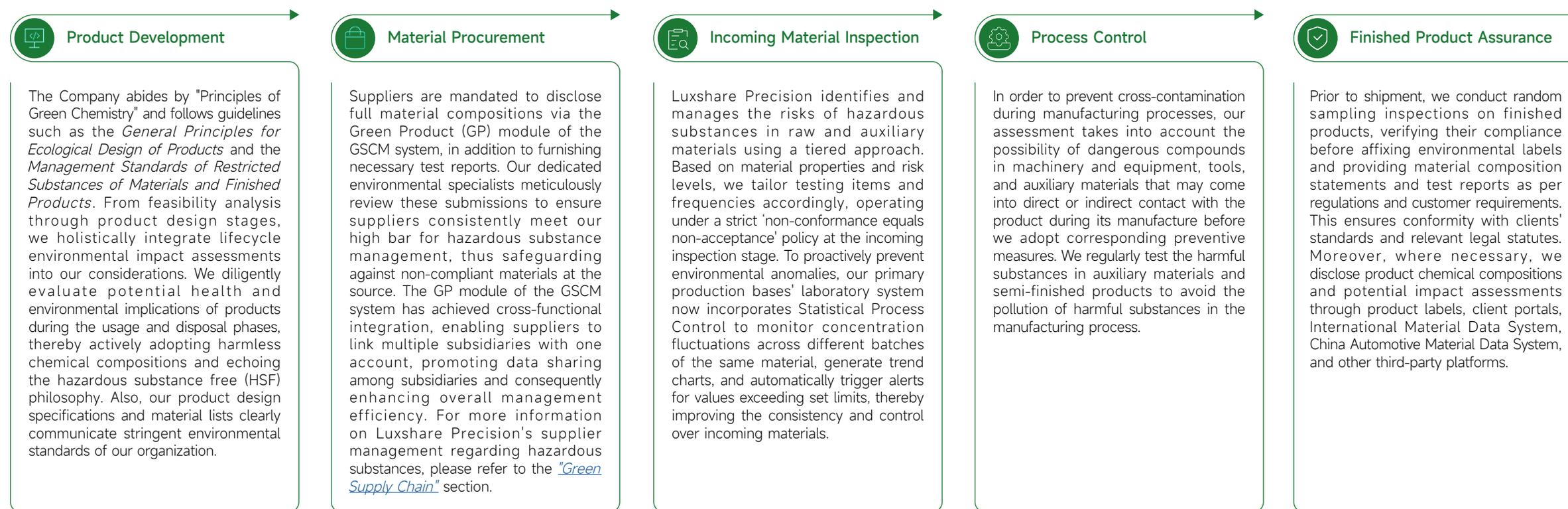
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Hazardous Substance Management Process

In adherence to the IECQ Hazardous Substance Process Management (HSPM) requirements, we have established a comprehensive lifecycle management system for hazardous substances across our products, encompassing meticulous risk identification and tiered control measures for chemical substances inherent to both the products and manufacturing processes. During the Reporting Period, a total of 22 subsidiaries attained the QC 080000 hazardous substances process management system certification.

Whole Process Management of Hazardous Chemical Substances in Products



Regarding the management of hazardous chemicals, Luxshare Precision rigorously adheres to pertinent domestic laws and regulations such as the *Regulation of the People's Republic of China on the Administration of Chemicals Subject to Supervision and Control* and the *Regulations on the Safety Management of Hazardous Chemicals*. We have also formulated internal management policies such as the *Chemical Control Operating Procedures* to systematically regulate the handling of chemicals throughout the procurement, transportation, warehousing, storage, usage, emergency response, and waste disposal processes.

Through the EHS Information System, we conduct rigorous approvals for chemical purchase requests and the introduction of new chemicals within the factories, and control the procurement and storage of restricted substances, highly toxic chemicals and chemicals with serious occupational health and safety hazards in strict accordance with laws and regulations in the locations of operation. We stringently regulate storage conditions, usage protocols, and operator guidelines for these chemicals, implementing end-to-end process management.

As of the end of the Reporting Period

The number of laboratories of Luxshare Precision that had been accredited under the ISO 17025 Laboratory Management System was

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Phase-out and Substitution of Hazardous Substances and Outcomes of the Endeavor

Luxshare Precision places great emphasis on the daily safe management of chemicals, with an overarching goal of fully phasing out all chemicals of concern. We implement the applicable standards of chemical safety at home and abroad and the customer's relevant requirements for the specifications of restricted substances with high standards. A series of phased-out plans for harmful substances have been devised and implemented to proactively seek alternatives and reduce or eliminate the use of such substances.

Our ongoing efforts include the continuous evaluation of the hazardous nature of chemicals used in our production and operational activities, proactive initiatives to decrease chemical quantities, and substitution programs targeting specific chemicals for which reduction or replacement plans have been tailored.

Schedule and Implementation Progress of Hazardous Substance Phase-out and Replacement Plans

| Scheduled Phase-out/ Replacement Year | Substance (substance group) | Affected Materials/ Product | Progress/Status |
|---------------------------------------|---|-----------------------------|---------------------|
| 2015 | Bis(2-ethylhexyl) phthalate (DEHP) , Butyl benzyl phthalate (BBP), Dibutyl phthalate (DBP), and Diisobutyl phthalate (DIBP) | All Materials | Full Replacement |
| 2019 | Lead and Its Compounds | Copper Alloy Materials | Full Replacement |
| 2019 | Antimony trioxide | Wire/Cables | Full Replacement |
| 2021 | VOC | Cleaning Agents | Partial Replacement |
| 2022 | Decabromodiphenyl Ethane | All Materials | Full Replacement |
| 2022 | Triphenyl phosphate | All Materials | Full Replacement |
| 2022 | Tributyl phosphate | All Materials | Full Replacement |
| 2023 | PFBS and PFBS -Related Substances | All Materials | Full Replacement |
| 2023 | PFHxA, its Salts, and PFHxA-Related Substances | All Materials | Full Replacement |
| 2023 | EDCs | All Materials | Full Replacement |
| 2029 | Substances of Concern in Components/Parts Exempted under RoHS Directive | All Materials | Partial Replacement |

Recycled Materials

In adherence to the principles of resource conservation and environmental protection, Luxshare Precision persistently integrates the 4R philosophy throughout its operations to minimize material usage.

Overall Management of Materials

Process Design



We employ design strategies that minimize material usage by optimizing thickness based on product specifications and dimensions, thereby reducing raw material consumption

Material Sourcing



We prioritize the use of recyclable materials and proactively seek alternatives for non-recyclables. Moreover, we collaborate with suppliers to promote the recycling of underperforming, transit-damaged, or reusable materials

Product Manufacturing



We internally recycle and reuse materials such as aluminum, copper, tin, rare-earth magnets, post-consumer recycled (PCR) plastics, and reusable polyester resins, concurrently optimizing production processes to minimize input materials during manufacturing

Shipping Phase

We adopt surface de-plasticization on packaging materials such as gift boxes, labels, paper bags, and mylar films, thereby reducing plastic content in product packaging

Case | Aluminum Scrap Exchange Program at Suzhou Luxshare Technologies

Suzhou Luxshare Technologies has partnered with vendors to exchange aluminum scrap for new aluminum raw materials at a set ratio, thus reducing new material purchases and waste generation. During the Reporting Period, this initiative successfully exchanged 15,992 kg of aluminum scrap.

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Clean Technology Opportunities

As a leading electronic manufacturing company, Luxshare Precision is committed to fostering a sustainable, smartly interconnected future. We collaborate with partners to drive innovation and transformation in clean technologies, offering cleaner products and services that support green consumption and lifestyles.

Proactively seizing clean technology opportunities, we have strategically ventured into sectors such as **PV power generation, batteries, new energy vehicles, and data center power systems**. Our focus is on R&D and commercialization of clean technology products such as **photovoltaic components, energy storage systems, heat-dissipation systems, high-voltage wire harnesses, wireless charging, and fuel cells**. Through this relentless pursuit, we aspire to deliver energy-efficient and energy-saving products and solutions to catalyze our society's transition towards low-carbon development.

During the Reporting Period

The investment in clean technology R&D exceeded

RMB **300** million

The number of patents related to clean technology was

46

By 2024

Plan to invest in clean technology R&D over

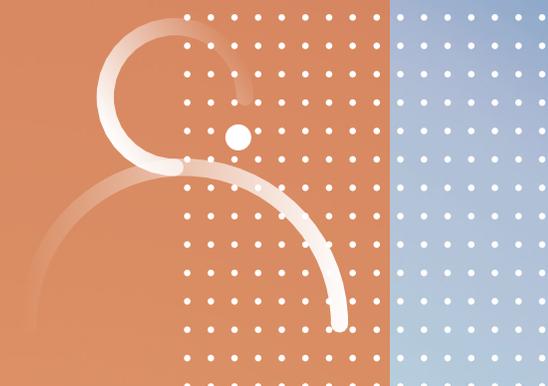
RMB **320** million



| Clean Technology Type | Product Category | Product Name & Description | Status |
|----------------------------------|---|--|-------------------|
| Energy Efficiency | New Energy Vehicles Luxshare Precision specializes in enhancing energy efficiency in electric vehicles through advanced technologies and solutions. By developing optimized electrical energy transmission systems and products, we improve charging efficiency and safety performance, boosting energy utilization rates. | Liquid-Cooled High-Power Charging Cable This innovative product incorporates a liquid circulation channel between the cable and charging gun, using a power pump to circulate coolant and rapidly dissipate heat generated during charging, thereby significantly increasing cable transmission efficiency and EV charging speed. Capable of safely transmitting currents exceeding 600A, it can provide enough charge for an electric vehicle to travel up to 200 kilometers in mere minutes. | Mass Production |
| | | Electric Motor Controller Replacing traditional fossil fuel output control, this product governs the speed and direction of the electric motor, thereby controlling the driving performance of new energy vehicles. | Mass Production |
| | | Electric Vehicle Powertrain Boasting a smaller size, lower noise, and higher energy conversion efficiency compared to traditional internal combustion engines, this powertrain effectively reduces carbon emissions during driving. | Under Development |
| | Optimization Systems & Technologies Luxshare Precision designs energy system optimization technologies and products to enable smart optimization and control across various scenarios, including data centers and consumer applications, thereby ensuring efficient energy utilization. | 140W 2C1A PD Fast Charger Supporting multiple charging protocols including PD3.0, QC3.0, and UFCS fusion fast charging, this charger caters to simultaneous charging needs for various devices, reducing strain on power outlets and lowering power consumption. | Mass Production |
| | | 1A1C Fast Charger Offering compatibility with several charging protocols (PD, QC, and UFCS fusion fast charging), this charger supports diverse charging requirements while providing a higher power density and lower heat generation. | Mass Production |
| | | "Light Active" Series Through advancements in chip balancing amplification, re-timing, and digital signal processing, these products enhance copper cable application lengths. Additionally, they optimize passive copper cables with smaller diameters and bending radii, streamlining cabling in data centers and dramatically cutting system power consumption by up to 20%-60% compared to conventional AOC optical modules. | Under Development |
| Pollution Prevention and Control | Recycling and Reuse Luxshare Precision diligently identifies and capitalizes on opportunities for recycling and repurposing waste materials, pioneering innovative recycling technologies for aluminum and plastics, thereby actively contributing a significant reduction in raw material consumption of our products. | Wall Charger Series Each of the seven products in this series utilizes PCR plastic that has undergone polymer modification. One model boasts a PCR content of up to 99%, thus effectively diminishing greenhouse gas emissions. | Mass Production |
| | | Vehicle Harnesses The entire series of harness assemblies is manufactured from environmentally friendly and recyclable materials conforming to standards GB/T 30512-2014, RoHS, and REACH, well enhancing the utilization rate of resources. | Mass Production |
| Alternative Energy | Fuel Cells/Hydrogen Systems Luxshare Precision devotes itself to hydrogen production, storage, and transportation scenarios, deploying optimized solutions for hydrogen generation, storage, and provision, driving the transformation of energy mix. | Fuel Cell Stack The development of a 140KW graphite-based hydrogen fuel cell stack enhances reaction efficiency for medium-to-heavy-duty trucks' fuel cells, providing ample power for operating vehicles. | Under Development |

The above chart only shows the new clean technologies and products in 2023. For a comprehensive overview of Luxshare Precision's past innovations and specific products in the realm of clean technology, please refer to [the Luxshare Precision Clean Products Catalogue 2022](#).

04



People-oriented Approach Progressing Together with Care and Sincerity

As social demands for safeguarding labor rights and interests in enterprises become increasingly stringent, in order to enhance talent attraction and create a diverse and inclusive workplace, Luxshare Precision has established a comprehensive labor risk management mechanism to protect the legitimate rights and interests of its employees. Luxshare Precision always focuses on talent development, and has implemented a training system with characteristics of Luxshare Precision that provides training on various topics such as skill enhancement, leadership, and ESG issues. Luxshare Precision has also improved remuneration and benefits and performance appraisal systems to share the fruits of development with its employees. Additionally, the Company places great emphasis on employee occupational health and safety, and has developed effective management mechanisms to maintain a safety performance of "zero work-related fatality accidents and zero occupational diseases".

- Occupational Health and Safety
- Protection of Employee Rights and Interests
- Employee Diversity and Equal Opportunities
- Talent Attraction and Retention
- Employee Training and Development



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Protection of Rights and Interests

Luxshare Precision respects and protects the legitimate rights and interests of all employees, strictly complies with applicable laws and regulations in its domestic and international operations, and rigorously follows standards set by international labor conventions and initiatives, including *the Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights, the Responsible Business Alliance Code of Conduct, the Corporate Responsibility to Respect Human Rights: An Interpretive Guide, Global Sullivan Principles, and Social Accountability (SA 8000) Standard.*

To establish a sound management mechanism for safeguarding labor rights and interests, Luxshare Precision has formulated several policies and procedures, such as the *Social Responsibility Management Manual, the Employee Handbook, the Recruitment Management Measures, the Operating Procedures of Unforced Work, the Operating Procedures of Child Labor and Minor Labor Management, the Overtime Management Measures, the Management Procedures of Freedom of Association and Collective Bargaining, the Operating Procedures of Discrimination and Harassment Prevention, and the Diversity and Inclusion Management Procedures*, which regulate workplace behaviors, prevent illegal practices like forced labor, child labor, discrimination, and harassment, guarantee reasonable working hours with lawful compensation that includes overtime pay, and respect employees' freedom of association and collective bargaining rights, fostering an inclusive, diverse and equitable working environment. The Company has issued the *Luxshare Precision Statement on the Protection of Labor Human Rights*, affirming its commitment to upholding labor rights and interests. Meanwhile, we regularly conduct supplier CSR risk assessments and audits to strengthen the prevention and control of risks to labor rights and interests within the supply chain.

Luxshare Precision complies with relevant provisions of national laws and regulations regarding the minimum notice period for operational changes to fully protect the legitimate rights and interests of all stakeholders. As of the end of the Reporting Period, **Luxshare Precision had not been involved in any matters that require notification to stakeholders.**

Labor Risk Management Mechanism

Identification

- Sort out various risks to labor rights and interests, such as forced labor, child labor, harassment, and discrimination, and establish targeted risk management systems.

Prevention

- Continuously improve preventive measures, such as verifying identities through ID checks, implementing attendance systems, and providing training on protection of rights and interests, so as to effectively prevent and control various risks to labor rights and interests.

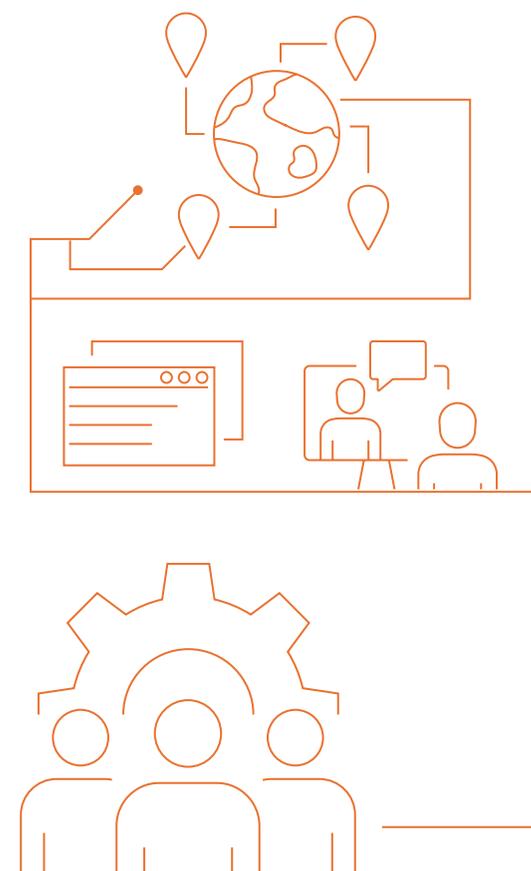
Supervision

- Establish a triple audit mechanism consisting of internal specialized audits, client audits, and external third-party audits (such as RBA) to achieve comprehensive supervision of labor-related issues.

Mitigation and Remediation

- Conduct investigations promptly in the event of violations of rights and interests or receiving related complaints and hold responsible parties accountable. Legal aid, financial compensation, psychological counseling and other assistance will be provided to those affected. Resolve complaints through measures such as training, disciplinary actions, providing support to the affected individuals, improving related infrastructure, and upgrading policies.

To effectively safeguard labor rights and interests, Luxshare Precision has established a labor risk management mechanism of "Identification - Prevention - Supervision- Mitigation and Remediation" with reference to the OECD Human Rights Due Diligence framework. In 2023, we set up a special working group serving the whole Company to develop a Self-Assessment Questionnaire (SAQ) and planned to fully implement the identification and self-assessment of labor risks in our factories in 2024. The working group is also responsible for overseeing and auditing the risk assessment in the factories, urging timely rectification of potential risks or non-compliant behaviors.



As of the end of the Reporting Period

No incidents involving violations of freedom of association and collective bargaining rights, forced labor, illegal slavery, child labor, or any form of discrimination were detected within Luxshare Precision's operations and supply chain.

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Key Labor Rights Risk Management Measures

Anti-harassment and Anti-abuse



- **Prohibit all forms of harassment**, such as psychological harassment, sexual harassment, and verbal harassment, and enforce workplace discipline in accordance with the *Employee Handbook* by imposing disciplinary actions against harassment, such as mandatory counselling, warnings, demotions, and dismissals.
- Encourage employees to report potential and actual harassment and abuse incidents to the Company's human resources administration or department heads.
- Conduct investigations promptly in the event of harassment or abuse incidents or upon receiving related complaints, and provide affected individuals with reasonable assistance, such as legal aid, financial compensation, and psychological counseling.

Anti-discrimination



- During the recruitment and other employment processes such as job applications, promotions, rewards, training, job assignments, wages, benefits, disciplinary actions, and termination of employment, **no discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, nationality, marital status, or gender identity shall be permitted.**
- Conduct investigations promptly in the event of discriminatory incidents or upon receiving related complaints, and provide affected individuals with reasonable assistance, such as legal aid, financial compensation, and psychological counseling.

Working Hours

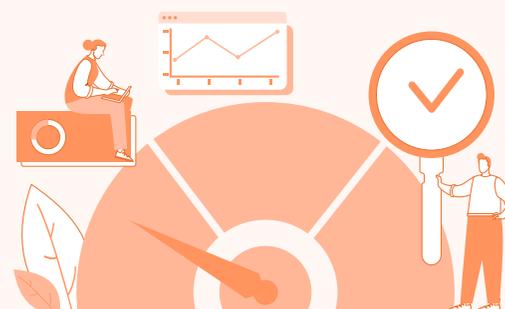


- **It is prohibited to compel employees to engage in production, manufacturing, or related meetings or activities outside of working hours.**
- When employees need to work overtime temporarily, arrange overtime and rest periods in accordance with the *Working Hours Management Procedures*.
- Continuously monitor employees' working hours through **attendance systems and registration of working hours by designated personnel.**
- Conduct investigations promptly in the event of violations of reasonable working hour policies or upon receiving related complaints, and provide reasonable assistance to the affected individuals. In cases where employees' health is compromised due to significantly excessive working hours, promptly assist them in obtaining medical assistance and bear the corresponding medical expenses.

Child Labor Prevention



- **Verify employees' ages** through **manual checks of ID cards**, relevant certificates issued by local public security agencies, etc., and manually inspect and identify potential child labor during routine work.
- Encourage all employees to timely report illegal employment of child labor through suggestion boxes, phone calls, or emails to the Company's administrative department and central management department.
- In accordance with the provisions of labor law, immediately cease the work of any child labor upon discovery, arrange for their health examination by specialized institutions, promptly return them to their guardians, and assist them in continuing their compulsory education.



Freedom of Association and Collective Bargaining



- Ensure that workers exercise their organizational rights in an environment free from violence, pressure, fear, intimidation, and threats, and **provide facilitative conditions for the establishment of trade unions or other forms of employee organization** to enable them to perform their duties promptly and effectively.
- Conduct investigations promptly in the event of infringements of relevant rights and interests or upon receiving related complaints, and provide reasonable legal assistance to the affected individuals.

Overtime Compensation



- Comply with the requirements for overtime pay/allowances stated in the *Employee Handbook* and **legally provide employees with overtime compensation.**

Forced Labor



- Sign labor contracts with workers in accordance with the law, and clarify employment conditions.
- **It is strictly prohibited to collect deposit in any form from workers.** Furthermore, unless required by law, it is not allowed to possess, destroy, conceal, or confiscate their documents.
- Conduct prompt investigations upon discovering forced labor incidents. While holding responsible parties accountable, ensure that affected individuals are provided with reasonable assistance, including legal aid, financial compensation, and psychological counseling.

Responsible Restructuring



- Engage in friendly negotiations with employees in the event of layoffs, ensuring that they are informed of adjustment plans.
- Prior to formal negotiation, cooperate with sister companies to **provide reemployment opportunities** for employees, under the premise of respecting the employee's preferences.
- If mutual agreement is reached upon the termination of employment, the Company will provide **severance pay** to the employees.
- The Company also implements skill enhancement training programs for all employees to **help them enhance their capabilities to obtain reemployment** and increase the probability of employment.

Occupational Health and Safety



- Adopt a hierarchical control principle to **identify, assess, and minimize potential health and safety risks, and provide appropriate personal protective equipment.**
- In the event of any incidents that jeopardize occupational health and safety, provide medical assistance to employees promptly.

Data Privacy and Information Security



- **Strengthen management and control of information security through the use of data governance platforms**, enhance the overall awareness of information security among all employees, strictly protect personal information privacy and corporate trade secrets, and achieve zero loss and zero leakage.

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Employee Well-being

We prioritize the needs of our employees and provide them with competitive remuneration while continually improving the Company's welfare system. At the same time, we attach great importance to employee care and are committed to creating a warm and harmonious working atmosphere for our employees.

Harmonious Workplace

Luxshare Precision is committed to creating a harmonious workplace atmosphere. We have established multiple communication channels to encourage our employees to feed back on their thoughts and demands. Dedicated personnel are assigned to address them promptly. Additionally, the Company conducts surveys on employee engagement and satisfaction to comprehensively understand their views on their work and the Company. Based on the findings, targeted improvement plans are formulated to effectively address employees' challenges in both their personal and professional lives.

Employee Communication

We respect and protect the rights of employees to engage in equal negotiation, collective bargaining, and freedom of association. We have established smooth channels of communication, including various online and offline platforms and approaches at the Company and factory levels, allowing us to listen to employees' voices from multiple platforms and perspectives.



Labor Union Conference in Vietnam Factory

As of the end of the Reporting Period

The number of labor unions Luxshare Precision had established was

39

During the Reporting Period

The number of labor union federation established by Luxshare Precision was

1

The total number of requests and suggestions the employee platform received was

18,487

The case closure rate was

100%

Luxshare Precision Communication Channels



Case | "Experience Officer" Program Launched in Various Factories

Luxshare Precision has implemented the "Experience Officer" program in over 40 factories. The program appoints individuals as Experience Officers to collect concerns on conditions of dining, housing, transportation, and production management from direct labor (DL) in each factory. With authentic feedback provided by these officers through their firsthand experience, efforts are made to improve the conditions in each factory, which is led by human resources department and advanced by direct supervisors, so as to effectively enhance overall management and employee service levels.



Training Session for "Experience Officers" in Boshuo Factory

Employee Engagement and Satisfaction

The Company surveys all employees at home and abroad on employee engagement and satisfaction. The questionnaires and research strategy are designed for direct and indirect labors respectively to align with their characteristics. The 2023 survey was conducted in the form of a combination of online questionnaires and offline interviews. Each BU assigned dedicated personnel to conduct interviews with employees. A total of **over 210,000** valid questionnaires were collected, and 12 executives were interviewed. In 2023, the Company implemented a series of employee workplace experience improvement programs, receiving positive feedback from employees, and employee engagement and satisfaction scores during the Reporting Period showed a steady increase.

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Remuneration and Benefits Assurance

Luxshare Precision has established a performance appraisal system that covers **all employees**. Scientific remuneration adjustments are conducted regularly to provide employees with competitive remuneration. Additionally, the Company continuously improves its welfare system based on its characteristics, offering employees a variety of non-monetary benefits. While enhancing employees' sense of identity and satisfaction with the Company, we strive to create a caring and harmonious workplace for our employees.

Remuneration Level

Luxshare Precision continuously improves its remuneration system to provide employees with market-competitive salaries. We adhere to the principle of "equal pay for equal work" and maintain the Company's remuneration at an upper level within the industry, on the basis of not being lower than the statutory minimum wage standards in each operating location. During the Reporting Period, we continued to promote the scientific and rational salary adjustments, taking into account the actual performance of our employees and making salary adjustments from the perspectives of internal fairness and external market competition.

Performance Appraisal

Luxshare Precision has established a regular performance appraisal system that covers **all employees** at home and abroad. This system encompasses comprehensive appraisal indicators and clear appraisal procedures. Employees' objective performance and development at the workplace serve as the basis for annual performance appraisal. The evaluation results undergo multiple rounds of approval with feedback to ensure objectivity and fairness.

Honor System



Presentation of "Thanks to You" Commemorative Gifts to the Honored Employees

We have established an honor system with the characteristics of Luxshare Precision and introduced a series of activities such as "Star Avenue" and "Thanks to You" to recognize outstanding employees who have made contributions to the Company and share the achievements of corporate development with employees.

The "Thanks to You" series is one of the recognition awards launched by Luxshare Precision, aiming to reward active full-time employees who have completed ten, fifteen, twenty, twenty-five years of service or more and continuously strengthen employees' sense of belonging and honor. During the Reporting Period, we presented commemorative gifts to **nearly 1,600 individuals**, with a cumulative total of over 5,000 recipients.

Employee Care

We care about every Luxshare Precision employee, provide diverse benefits to them, and strive to deliver a comfortable and warm working environment. We have undertaken projects such as renovation of old dormitories, upgrades and replacement of dormitory facilities, and construction of multifunctional areas for employee leisure and recreation. Additionally, the Company continuously enriches employees' leisure activities, organizes diverse events, enhances employee happiness, and strengthens company cohesion.

Employee Benefits

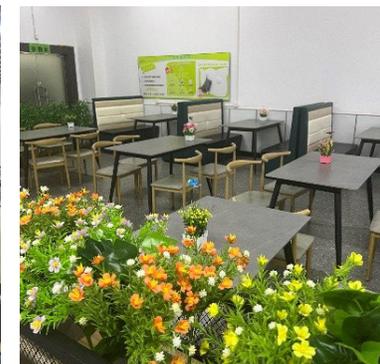
Luxshare Precision places great emphasis on the workplace and life experience of its employees, for which we have established a well-developed employee benefit system. In addition to statutory benefits for all employees such as social, pension, medical and other insurance, as well as paid leave such as childcare leave, the Company also purchases commercial insurance for our employees, collaborates with local governments to ensure the educational needs of our employees' children studying in local schools are met, provides shuttle bus services for commuting of our employees' children, and renders after-school care services, etc. Through diverse care initiatives, we aim to enhance employee well-being.



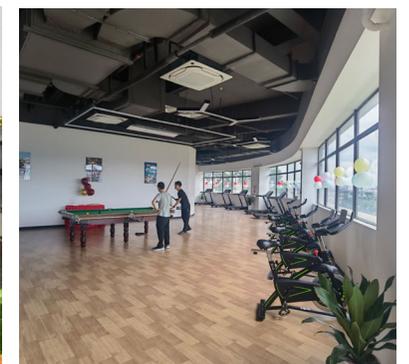
Diversified Holiday Activities



Birthday Celebration for Employees



Canteen Upgrades



Activity Center



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Employee Activities

We organize diverse employee activities, and keep enriching the leisure time of our employees, so that we can enhance the experience of employees in workplace while stepping up the Company's cohesion and attraction.

Case | The 5th "Luxshare Cup" Group Competition

In April 2023, the grand opening of the 5th "Luxshare Cup" sports event took place. 35 teams from different factories of the Company competed fiercely for 9 days in 4 events: soccer, basketball, badminton, and women's relay race. This event not only enriched employees' leisure activities but also deepened the spirit of unity, hard work, and collaborative integration among all Luxshare Precision employees.



"Luxshare Cup" Group Competition

Case | The "Charming Áo dài" Contest Organized by the Vietnam Factory

In October 2023, the Vietnam factory organized the "Charming Áo dài" contest, which attracted numerous employees. After multiple rounds of competition, 24 contestants were selected as winners. This event promoted traditional Vietnamese culture, showcased the grace and beauty of Vietnamese women, and provided a platform for female employees to express themselves.



"Charming Áo dài" Contest in Vietnam Factory



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Case | The 6th "Voice of Luxshare" Singing Contest Organized by Luxshare Precision

In October 2023, Luxshare Precision held the 6th "Voice of Luxshare" singing contest, allowing employees to enjoy the pleasure and passion brought by music amidst their stressful work. The theme of this edition was "Unlimited Peaks, Fighting for Passion", showcasing the unity, vitality, and innovative spirit of Luxshare Precision employees.



Contest in East China Factory



Contest in Dongguan Factory



Contest in Vietnam Factory

Case | "Luxshare Family Day" Event Organized in Multiple Factories

In July 2023, Luxshare Precision organized the "Luxshare Family Day" event in multiple factories, introducing activities such as Star Public Welfare Recycling, corporate culture quizzes, talent performances, and other exciting segments, allowing family members to understand the work of their loved ones and experience the integration of company culture and family culture.



Group Photo of Families in East China Factory



Family Day Event in Dongguan Factory



Family Members Visiting the Workshop in Kunshan Factory

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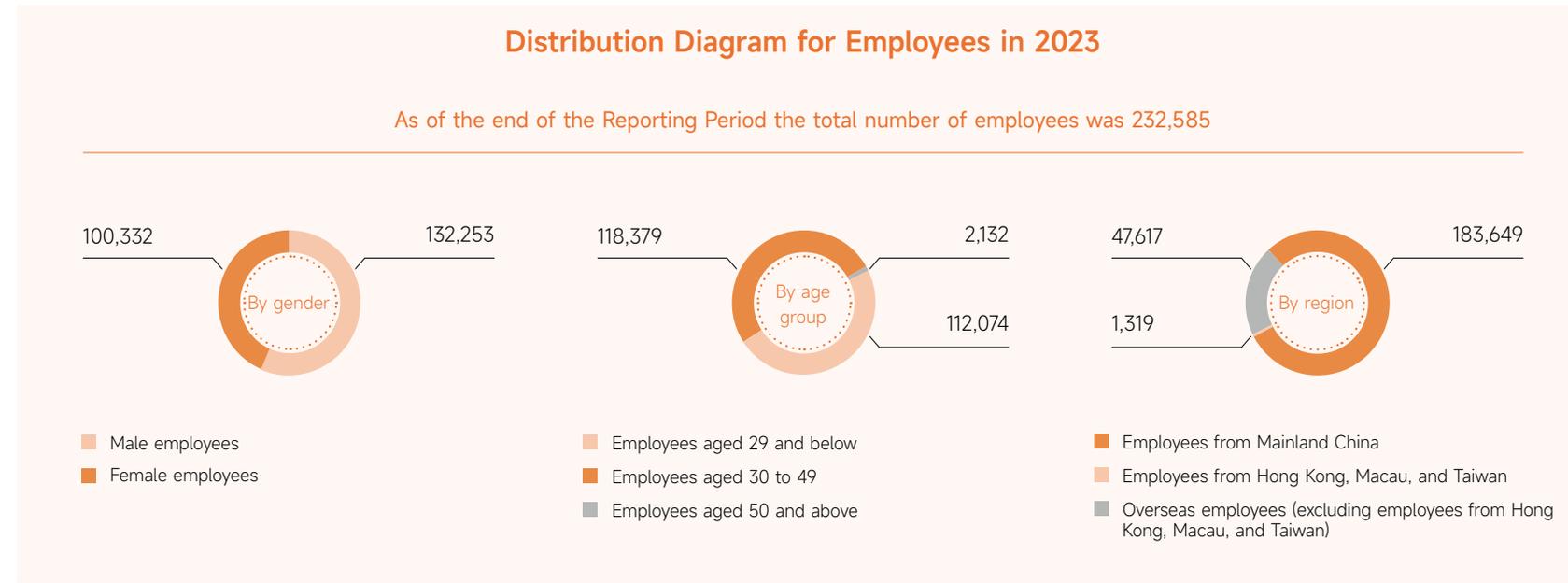
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Talent Recruitment and Retention

Luxshare Precision adheres to the principles of diversity and equality and actively recruits talents. We provide employees with well-defined career development pathways, empowering them to achieve better personal growth. The Company is committed to building an equal and diverse workforce, and creating an inclusive workplace.



Talent Recruitment

The Company continues to deepen its efforts in campus recruitment and conducts the "Campus Reserve Cadres" recruitment program for fresh graduates from domestic and international universities. By online information sessions and live broadcasts, offline specialized recruitment fairs, and school-enterprise activities, covering over a hundred universities at home and abroad, the program attracts tens of thousands of students to submit their resumes, and each year nearly a thousand graduates choose to join Luxshare Precision. During the Reporting Period, the Company was honored with two employer awards.



51Job & yingjiesheng.com "2023 Top Graduate Employer"

Diversity and Equality

Luxshare Precision is committed to building a diverse, equal, and inclusive workplace. We prohibit any form of discrimination and adhere to the principles of diversity and equality in both our recruitment and employment processes. We pay attention to the vulnerable groups among our employees and help them integrate into the Luxshare family.



Luxshare Enshi Has Been Certified as an EMBZ (Ethnic Minority Business Zone) Supplier

In 2023, Luxshare Precision organized a series of diversity integration projects, aiming to help disabled employees better integrate into the collective and feel the warmth and care of the Company. In the Kunshan factory, various activities are organized to promote inclusive development among employees, including organizing free medical consultations and visits, hosting fun sports events, conducting training on the concept of disability inclusion, as well as providing health and safety training for employees with disabilities.



Free Medical Consultations and Visits for Disabled Employees



Diversity Integration Carnival and Fun Sports Event



Safety Education Training for Disabled Employees

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Promoting School-Enterprise Cooperation

We actively collaborate with external partners and continuously promote the "A+ Eyas Program", exploring efficient ways of talent development in collaboration with multiple institutions. We have also established a comprehensive talent development process, including activities such as visits and learning, corporate culture promotion, job introductions, and professional training, in order to deepen participants' understanding of Luxshare Precision while gaining professional skills and knowledge.

Case | Practical Activities in Collaboration with Chang'an University at Luxshare Xi'an

In June 2023, Luxshare Xi'an collaborated with Chang'an University to conduct practical internship activities. Our engineers provided detailed introductions to the Company's development history, products, research and development and production environment, as well as on-site lectures and explanations of professional knowledge. The event received high recognition from the participating students, laying a solid foundation for high-quality talent reserves for the Company.



Luxshare Xi'an Held the School-enterprise Cooperation Event



Career Promotion

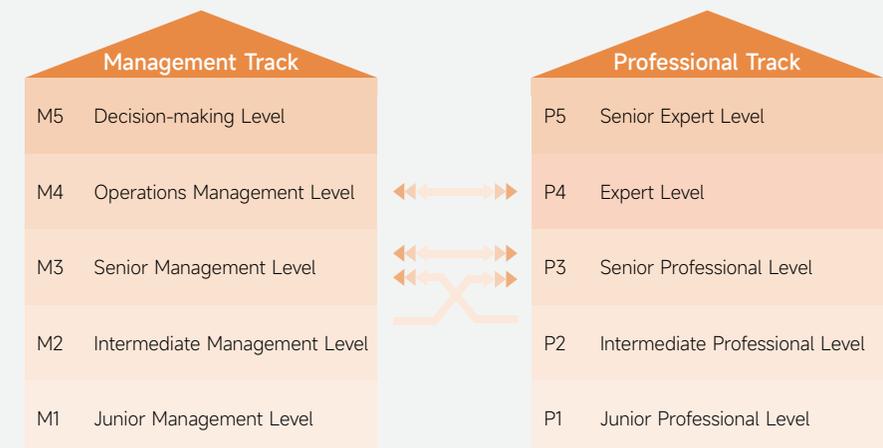
We have established a dual-track career development pathway for employees in management and professional roles. We continuously clarify and refine the promotion system and mechanisms, aiming for fair, just and reasonable employee placement while increasing employee motivation and sense of identity. We have set up transparent promotion processes for all employees, following four key promotion principles, striving to create a scientific and rational promotion system.

During the Reporting Period

Promotions in the Management Track
2,631 persons

Promotions in the Professional Track
9,720 persons

Luxshare Precision Promotion System



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Talent Development

We are guided by talent development and aim to build a comprehensive training system for our employees, providing diverse training courses and capability enhancement programs to support the sustainable development of talent.

Development and Training

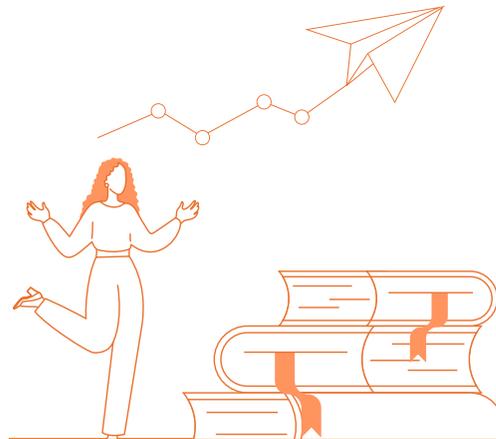
To provide employees with opportunities for knowledge and skill enhancement and better realize their self-worth, we continuously refine our employee training system, offering diversified and customized courses and training programs in terms of format and content for all employees.

Employee Training System

Luxshare Precision has established and improved the talent development systems from the corporate level to the factory level. At the corporate level, we have built a comprehensive learning platform and a learning resource library focusing on leadership, professional skills, and diverse job competency enhancement needs. We have implemented multiple customized talent development programs and key competency training programs.

In 2023, we refined the training system for each factory/BU based on the job requirements, providing more targeted training programs to ensure that employees in various positions acquire the necessary knowledge and skills throughout critical stages such as onboarding, hiring, promotion, and position reassignment. Additionally, we enhanced employees' overall capabilities through multidimensional courses, including personal leadership and other general knowledge courses.

We provide a variety of general courses for **all employees**. In addition to offline courses, we have launched an online learning platform called "i School" to provide employees with flexibility to schedule their learning. To address the challenges of cross-cultural communication and integration faced by employees in overseas operations, we have developed and launched a series of onboarding training courses for new employees in Vietnam and India.



During the Reporting Period

The total expenditure on employee training programs amounted to

RMB **10.95** million

The total training hours for all employees exceeded

5,240,496 hours

The average training hours per person was

23 hours

Luxshare Precision Talent Development System

Strategies/Management Requirements of the Group

| | | | | | | |
|--------------------|------------------------------------|--|----------------------|--|--|--|
| Star-Making Series | Leadership improvement | M5 executive training M4 executive training | Ability-based Series | Professional training | Influence-based Series | Transition-based Series |
| | Management enhancement | Management upskilling Line leader training class | | Excellent technicians: lean production, six sigma R&D elites: project management (PMP) Marketing leaders: accounts management Industry hardcore: supply chain management Internal lecturers: star plan | | |
| | High-potential reserve development | M4 reserve training M3 reserve training P3 P4 high-potential training Star plan - new force class | | On-boarding certification: position know-how School-enterprise cooperation: cooperative education, education for academic qualification improvement Occupational qualification certification | | |
| | | | | | Star classroom Luxshare Precision Forum | Research on strategic deployment Research on human resources management Research on financial management Digital development Publicity on work safety Publicity on anti-corruption and integrity ... |

Organization experience summary → case database, lesson database, lecturer database

Platform center (management and incentive mechanism, online learning platform, talent evaluation platform, external resource platform, form system)

Multi-thematic Training

| Specialized Training | Total Training Hours (hour) | Number of Trainees (person-time) |
|--|-----------------------------|----------------------------------|
| Protection of Labor Rights and Interests and Diversity | 161,736 | 74,835 |
| Anti-corruption Training | 293,076 | 633,223 |
| EHS Training | 2,151,601 | 925,624 |
| Quality Control | 119,422 | 87,983 |
| Information Security | 201,701 | 64,003 |
| Intellectual Property | 14,067 | 5,714 |

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New Employee Training

Luxshare Precision has created the "Star Program", an onboarding training project for new college graduate employees each year. Focusing on talent development paths, the program integrates corporate development with employees' career growth. This project is conducted in the form of "Star Training Camp", aiming to enhance the professionalism of reserve cadres through phased training and continuously provide talent reserves for the Company's sustainable development.

Leadership Training

Luxshare Precision has always emphasized the development of employees' workplace leadership. We have introduced the Luxshare Precision Leadership Model, which divides leadership capabilities into different levels ranging from basic to outstanding based on five dimensions. Each level corresponds to a specific capability enhancement pathway. The model provides a solid theoretical foundation and directional guidance for cultivating workplace leadership.

Following the leadership model, we have launched the "Star-Making Series" training programs, offering a variety of leadership training courses of which the contents are tailored to management cadres, high-potential talent reserves, and talent reserves, respectively.



Luxshare Leadership Model

Case | Luxshare Precision Organizes "Star Training Camp" for New Employees

To help new college graduate employees quickly integrate into Luxshare Precision, we organize the "Star Training Camp" onboarding training to promote fast learning and growth of the reserve cadres. In the centralized training courses, the training team provides detailed introductions to the Company's main business, corporate culture, policies, etc., helping the reserve cadres gain comprehensive and systematic understanding of the Company's basic information and business, laying a foundation for their subsequent work and career development.



Star Training Camp in Vietnam Factory



Star Training Camp in Luxshare Smart Manufacturing

Leadership Training System



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Case | Luxshare Precision Conducts Training for Management Reserve Cadres

To enhance the comprehensive skills and leadership of the Company's management cadres, we have conducted a series of reserve tour training and management promotion training programs for talent reserves at various management levels. These programs aim to develop the leadership capabilities of reserve cadres, including their thinking, decision-making, and influence. Additionally, they promote the integration of cultural values and concepts of cadre among existing cadres.



Training Class in Vietnam Factory



Training Class in East China Factory



Training Class in LuxcaseICT Yancheng

We have rolled out a Personal Leadership Development (PLD) training program for all employees to cultivate their ability to use positive personality traits and skills to guide their life's direction. The teaching approach focuses more on guiding students and inspiring proactive thinking. During the Reporting Period, we introduced 21 PLD courses, including the Team Collaboration, which received widespread praise and popularity from participants.



PLD Leadership Training

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Academic Degree Upgrade Programs

We have collaborated with multiple institutions to provide academic degree upgrade programs **for all employees**. Through methods such as tuition reimbursement and subsidies, we encourage employees to participate, supporting their career growth and promoting personal development.



2023年 学历提升开始报名啦
提升方式-成人高考

成人高考全称成人高等学校招生全国统一考试，属于国民教育系列，列入国家招生计划，由各省、自治区、直辖市统一组织录取。成人高考分为专升本、高起专和高起本三种层次，采用非脱产学习形式，所获学历国家承认，教育部电子注册。

报名流程

- 8月份：确认报考院校、专业
- 9月份：网上报名
- 10月份：参加成人高考
- 11月份：由考试院成绩
- 12月份：公布录取结果
- 次年3月份：入学注册学籍

招生院校

| 招生院校 | 西安交通大学 | 苏州大学 | 常熟理工学院 | 苏州职业大学 |
|------|--------------------------|--------------------------|---------------------------------|----------------------------------|
| 院校简介 | 985、211工程“双一流”高校 | 211工程“双一流”高校 | 普通本科院校 | 高职院校 |
| 报考层次 | 专升本 | 专升本 | 专升本、高起本 | 高起专 |
| 报考条件 | 专科及以上学历 | 专科及以上学历 | ①专升本：专科及以上学历 ②高起本：高中/中专/同等学力 | 高中/中专/同等学力 |
| 培养类 | ①工商管理 ②人力资源管理 ③会计学 | ①行政管理 ②人力资源管理 ③会计学 | ①人力资源管理 ②工商管理 ③会计学 | ①人力资源管理 ②工商管理 ③会计学 |
| 招生专业 | ①计算机科学与技术 ②电气工程及其自动化 | ①机械工程 ②电气工程及其自动化 | ①电子信息工程 ②电气工程及其自动化 | ①机电一体化技术 ②计算机应用技术 ③电气自动化技术 |

学历提升优势

- 升职加薪
- 能力提升
- 考研深造
- 职称评定
- 人才落户
- 人脉扩充

Corporate Poster for Enrollment Notice

Skill Upgrade Trainings

We provide various skill upgrade training programs **for all employees** and encourage them to actively pursue external skill certifications. During the Reporting Period, we conducted skill upgrade training programs combining theory and practical sessions for roles such as draftsmen. We also supported employees in obtaining professional skill certifications, contributing to their career development.



Computer Programming Training

Case | Kunshan Factory Launched Associate/Bachelor's Degree Upgrade Program

In July 2023, the Kunshan Factory partnered with Xi'an Jiaotong University, Soochow University, Changshu Institute of Technology, Suzhou Vocational University, and other institutions to launch academic degree upgrade programs. Through information sessions and email notifications, over 140 employees were attracted to enroll.



Graduation Ceremony of the Academic Qualification Improvement Project in Kunshan Factory



Electronic Equipment Installation and Commissioning Training

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Occupational Health and Safety

Luxshare Precision strives to provide a healthy, hygienic, and safe workplace for employees, with the goal of "zero fatal accidents and zero occupational diseases", and make continuous efforts in the prevention and management of occupational health and safety risks.

Management System

Luxshare Precision continuously enhances its occupational health and safety management system. We have established an EHS Management Committee to supervise the Company's EHS affairs, strictly complying with relevant laws and regulations such as the *Production Safety Law* and the *Law on Prevention and Control of Occupational Diseases*. We have formulated and implemented unified standards like the *Group EHS Manual*, the *Group Occupational Health Management Procedures*, and the *Group Accident Management Procedures* to monitor and ensure compliance by all subsidiaries, as well as implement detailed management practices.

EHS Management Structure

The Company has established regulations such as the *Group EHS Management Committee Operation and Supervision Management System* and the *BU Director Environmental Safety and Health Accountability Form*. This has formed an efficient centralized management structure, establishing an occupational health and safety system covering **all employees**. The EHS Management Committee also includes employee representatives to ensure adequate participation in occupational health and safety management.

During the Reporting Period, Luxshare Precision organized **3** specialized EHS meetings for senior management, covering topics such as EHS planning, construction and enhancement of EHS information management system, and EHS reporting.



EHS Management Committee Structure

Board of Directors

- Responsible for overall planning of the Company's EHS-related work
- Listen to the reports on EHS work by the Director-General of EHS



EHS Management Committee

- Establish and continuously improve the Company's EHS management system
- Establish and improve the Company's EHS management system documents
- Hold quarterly EHS meetings, and plan and deploy the overall EHS work of Luxshare Precision
- Formulate the EHS inspection plans and standards, carry out the EHS audits and inspections, and follow up problem improvement
- Coordinate and command emergency events, conduct crisis public relations according to the severity of the events, and initiate emergency response procedures promptly



| Audit Group | Publicity Group | Legal Group |
|--|--|---|
| <ul style="list-style-type: none"> Organize and carry out the EHS-related inspections in all factories as planned Follow up the EHS problems in each factory and resolve them timely | <ul style="list-style-type: none"> Establish relevant management systems and work procedures and organize their implementation Carry out EHS-related publicity activities and training Responsible for the collection, collation and analysis of the Company's EHS related data | <ul style="list-style-type: none"> Collect the latest laws and regulations related to EHS, and establish internal implementation standards Provide necessary legal assistance |

EHS Officers of Factories

- Responsible for the direction and inspection of EHS work in BG/BU/factories
- Implement the EHS-related measures and review capital investment
- Work with the Executive Director of each factory to carry out the EHS management



As of the end of the Reporting Period

The number of subsidiaries that obtained ISO 45001 Occupational Health and Safety Management System Certification was

51



EHS Information Management

We utilize an EHS information management system to streamline control measures and reporting channels, promoting systematic, intelligent, and standardized EHS management. During the Reporting Period, we continuously improved the information management system, adding new modules for canteen safety management and risk investigation management. We also created data reporting functions to make all data in safety management more intuitive.



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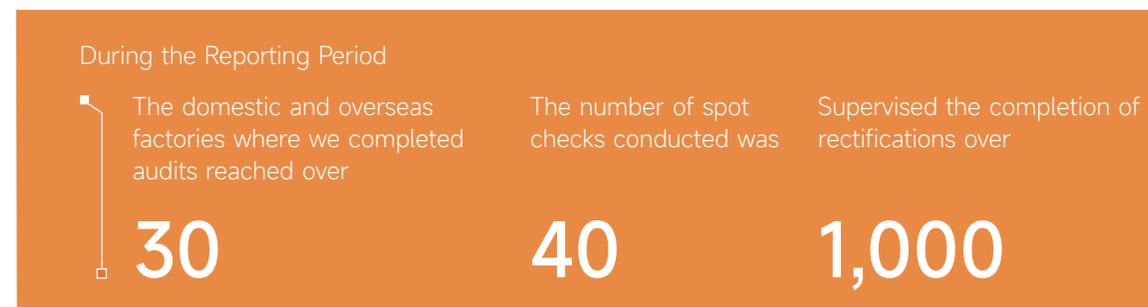
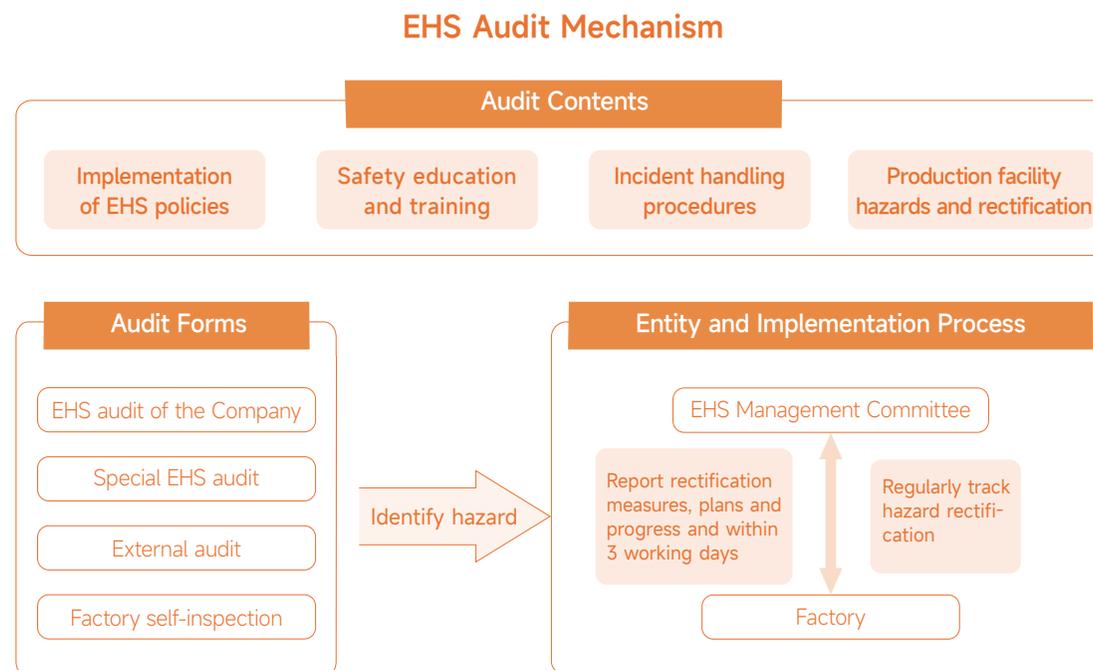
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Risk Identification and Control

EHS Risk Management

The Company has formulated the *Group EHS Audit Management Measures* and the *Hazard Identification and Risk Assessment* and Control Procedures to actively identify, investigate, respond to, and manage hazard sources. We comprehensively consider factors such as safety management, risk disaster levels, and production layouts to classify various EHS risks. We then implement dynamic risk management and conduct EHS audits accordingly.



For identified EHS risk sources, we organized safety drills and other activities to enhance employees' awareness of occupational health and safety risks and improved their risk responses.



United Drills of Aids on Water in Kunshan Factory

Work-related Injury Management

We have formulated regulations such as the *Work-related Injury Management Measures*, the *Medical Health and Occupational Disease Prevention Operating Procedures*, and the *Accident (Incident) Reporting, Investigation and Handling Control Procedures*. We have also established the work-related injury handling and emergency response processes to provide standardized guidelines for responding to and dealing with health and safety incidents. We also have 24-hour open clinics to provide timely assistance to employees in need.

Division of Duties in Work-Related Injury Handling

| Incident Department | Administration | EHS | HR | Employees |
|--|---|---|---|--|
| <ul style="list-style-type: none"> Evacuate and protect the employees Announce the incident within 2 hours Assist in accident investigation Implement incident rectification | <ul style="list-style-type: none"> Handle the work-related injury incident Arrange for medical treatment and review Reimburse the fees | <ul style="list-style-type: none"> Handle the work-related injury incident Conduct incident investigation and analysis Track incident rectification Check safety training | <ul style="list-style-type: none"> Handle the work-related injury incident Report the work-related injury Update the work-related injury handling progress | <ul style="list-style-type: none"> Report the work-related injury incident Evacuate from the site with risk of work-related injury |

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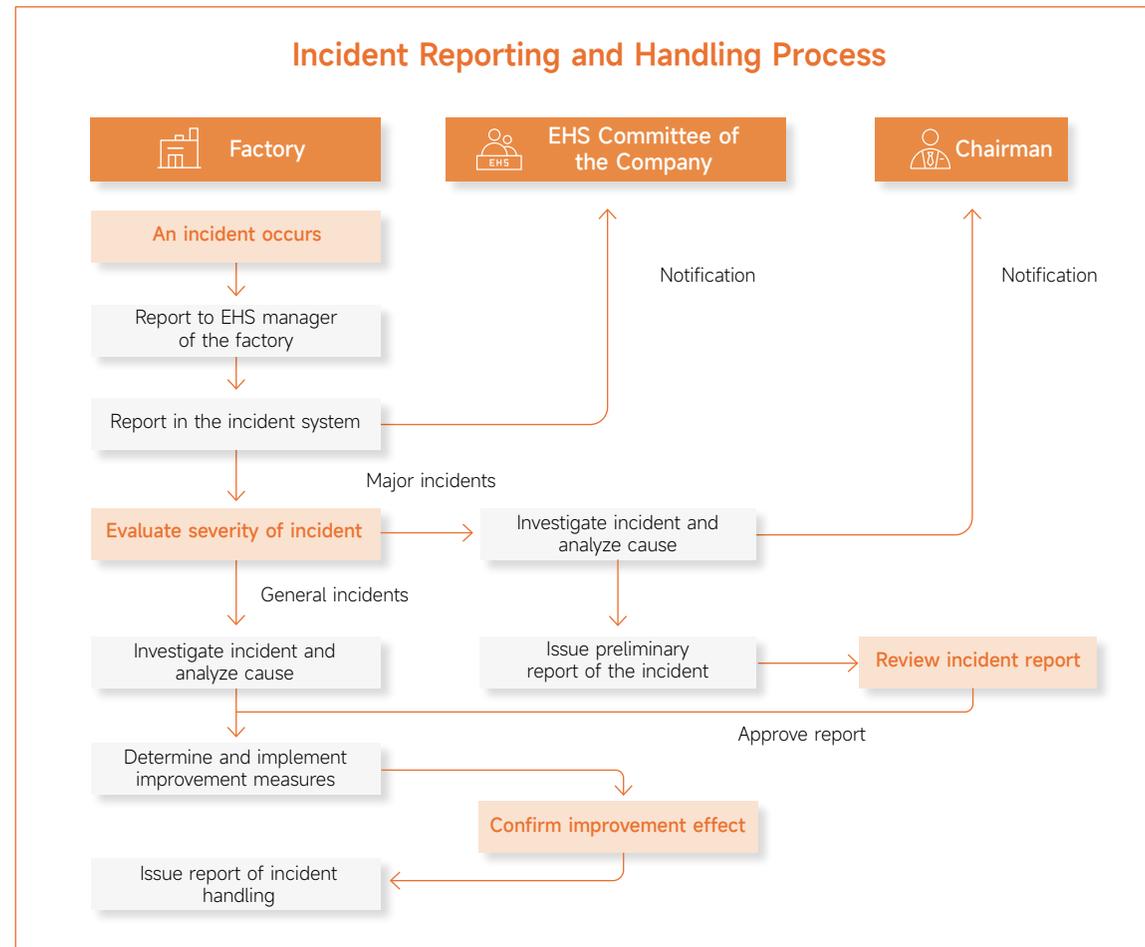
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EHS Accident Management Process

We continuously reinforce the EHS management responsibilities of our factory leaders. In the event of an accident, the responsible personnel must immediately report it through the EHS management system, and report to local government regulators within a specified time based on the incident grade. To prevent reoccurrence, each factory must analyze the accident's root cause and formulate and implement corresponding rectification measures. Luxshare Precision requires all BG/BU directors to sign an EHS Management Responsibility Letter. This had been **100%** achieved by the end of the Reporting Period.



During the Reporting Period

46%

There were no work-related fatalities, and 145 work-related injury incidents occurred, representing a year-on-year decrease of

Luxshare Precision invested in occupational health and safety management for approximately

RMB 312 million

Training and Care

We regularly conduct various occupational health and safety training sessions across all factories. In addition to offline training, we have also launched EHS courses on the online learning platform "i School" for employees to enhance their EHS awareness.

EHS Management Training

To help all EHS management personnel clearly understand their responsibilities and improve their EHS management capabilities, we provide safety management trainings at company, department, and position levels to enhance the Company's overall EHS management standards.

During the Reporting Period

The Company's various EHS training sessions reached a total of

2,151,601 hours

Participants

925,624 person times

Case | Luxshare Precision Held EHS Emergency Management Training

In September 2023, the EHS Management Committee organized an annual emergency management training session for EHS management personnel and safety officers from five regions, with a total of 385 participants. Through a combination of theoretical lectures and on-site practical drills, this training enhanced all participants' ability to respond to various emergencies.



Emergency Management Training in Luxcase Factory



Emergency Management Training in East China Factory



Emergency Management Training in South China Factory



Emergency Management Training in Chuzhou Factory

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Production Safety Training

We are committed to instilling occupational health and safety awareness throughout all aspects of daily production and operations. To this end, we require all production factories to regularly conduct production safety training to strengthen employees' safety knowledge and improve their ability to respond to safety emergencies.

Case | Huarong Factory Organized Chemical Safety Training

In 2023, the Huarong Factory organized online and offline chemical safety and environmental protection knowledge training for first-line managers, local safety officers, chemical managers, and administrative staff from various manufacturing departments across all factories. With two training sessions and 32 participants, this effectively enhanced the chemical managers' safety and environmental protection knowledge and management capabilities.



Chemical Safety Training



Case | Jiangxi Factory Held Mechanical Equipment Safety Knowledge Training

In May 2023, the Jiangxi Factory held a specialized mechanical safety training session for 56 management personnel. By incorporating actual case studies and analyzing the root causes of common safety incidents, the training helped participants effectively absorb relevant knowledge about mechanical equipment safety.



Mechanical Equipment Safety Training Held by Jiangxi Factory



Contractor EHS Training

Every year, the Company provides EHS safety training for contractors, clarifying our various standards and regulations, potential safety risks in each construction phase, and control measures. This ensures that contractors fulfill their primary responsibilities for production safety. In 2023, all factories provided specialized training and examinations for all contractor personnel engaging in on-site construction work.

During the Reporting Period

The total number of contractors that attended the EHS training was

5,820 person times

Safeguarding Employees' Physical and Mental Health

We have always placed great emphasis on our employees' physical and mental well-being. We regularly organize employee physical examinations, vaccinations, and other campaigns. We have also established various sports clubs and organized outdoor activities to encourage employees to exercise during their free time and enhance their physical fitness.

Case | Dongguan Factory Organized Free Breast and Cervical Disease Screening

In November 2023, the Dongguan Factory collaborated with the Dongguan Federation of Trade Unions to organize a free breast and cervical disease screening for 300 female employees at the factory. This was aimed to promote women's health and raise wellness awareness.



Disease Screening Organized for Female Employees in Dongguan Factory

The Company also highly cares about employees' mental health. During the Reporting Period, we collaborated with external professional organizations to launch a mental wellness project. We also organized multiple mental health knowledge lectures, mental health knowledge competitions, mindfulness stress relief camps, and various other mental health activities, which were widely recognized and participated in by employees.



Mental Health Knowledge Competition

05



The Path to Development Striving Forward Together for Harmonious Future

A supply chain management mode that delivers environmental, social and economic benefits is crucial to boost a Company's core competitiveness from multiple dimensions. Luxshare Precision incorporates sustainability assessments into its procurement decisions and supplier management, is committed to building a sustainable supply chain management system, to promote the transition into a high-quality, green and low-carbon supply chain. Additionally, we pay attention to and respond to the actual needs of the communities, joining hands with partners to build a harmonious and healthy society.

- Responsible Supply Chain Management
- Community Engagement



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Supply Chain Management System

Luxshare Precision has formulated a series of management systems and procedures, such as **the Supplier Code of Conduct and the Supplier Management Operating Procedure**, to establish the high standards for supplier behaviors in areas such as labor rights and environmental responsibility. The Company implements full life cycle management of suppliers through three stages: **development access, tiered management, and evaluation and audit**.

During the Reporting Period, we added provisions for the introduction and referral process of temporary suppliers in the **Supplier Management Operating Procedure**, requiring first-tier suppliers to manage their suppliers (second and third-tier suppliers of the Company) and implement corresponding processes, which furtherly improves the Company's supplier management system.



Development Access

Luxshare Precision formulates an annual admission review plan for potential suppliers and conducts strict qualification reviews of suppliers by ISO-approved auditors, in accordance with the admission standards stipulated in **the Supplier Admission Operating Procedure, the Electronic Material Supplier Admission Mechanism**, and other procedures.



During the review process, we communicate and promote the Company's supplier management standards, product quality and environmental standards, RBA standards and requirements to our suppliers, and require potential suppliers to sign **the Environmental Assurance Letter, Letter of Guarantee on Responsible Business Alliance Code of Conduct, Letter of Integrity Commitment for Supplier**, and other documents.

Suppliers must obtain at least **1 quality system certification** and **1 social responsibility system certification** to be included in the list of potential suppliers. In 2023, we further refined the admission requirements for suppliers, clarifying the basic quality system certification requirements for **consumer electronics and automotive electronics suppliers**.

Requirements of System Certification for Supplier Admission

Quality Management System Certification

ISO 9001, IATF 16949, ISO 13485, TL 9000, QC 080000, SONY GP or third-party quality system certifications of other categories

Consumer Electronics

▶ At least certified in one of ISO 9001, IATF 16949, and ISO 13485

Automotive Electronics

▶ Certified in ISO 9001
▶ Certified in IATF 16949 or has established an IATF 16949 certification introduction plan

Social Responsibility System Certification

ISO 14001, OHSAS 18001, ISO 45001, SA 8000, RBA-VAP or third-party social responsibility system certifications of other categories

Tiered Management

After the admission of new suppliers, the Company adopts a monthly performance evaluation method to continuously grade and manage suppliers, in order to ensure product and service quality as well as supply chain stability. We conduct a comprehensive scoring from multiple dimensions such as **technical ability, quality ability, delivery and supply ability, cost leadership ability, environment and business ethics**, and classify suppliers into four grades: A, B, C, and D.

During the Reporting Period, Luxshare Precision distributed supply chain impact survey questionnaires/risk management questionnaires to suppliers and developed an online risk warning map program, systematically and intelligently controlling supply chain risks and ensuring business continuity.

Tiered Supplier Management Standards

| Grades in Monthly Performance Appraisal | Management Measures |
|---|--|
| Grade A/B | Prioritized for future cooperation |
| Grade C | Required to provide an improvement report, with effects to be tracked, and may be subject to on-site audits if necessary; supplier qualification will be revoked if two consecutive audits are failed |
| Grade D | No contract renewal or new contracts awarded; required to suspend supply, and provided with guidance for improvement; if all improvements are implemented, supply will be allowed and monitored continuously, otherwise supplier qualification will be revoked |

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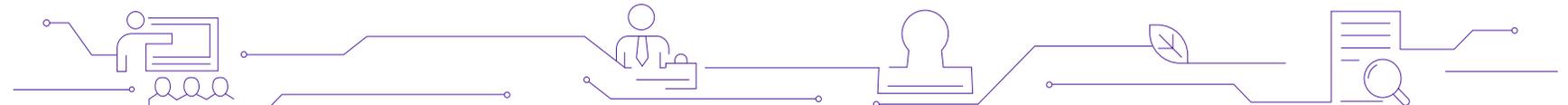
Evaluation and Audit

Luxshare Precision conducts annual audits on its suppliers through a combination of online and on-site methods, with audit criteria consistent with the admission review, so as to regularly assess whether qualified suppliers meet compliance requirements. In 2023, we continued to promote **the application of the SRM system**, with nearly **100%** of suppliers already included in the system for management, comprehensively enhancing the efficiency of auditing, ensuring the retrievability and traceability of records, and promoting the systematization and standardization of the Company's annual supplier audits.

Supplier Training

Luxshare Precision values supplier capability building. We communicate with suppliers through **one-on-one exchanges, quarterly business reviews, specialized trainings, workshops, supplier conferences**, and other methods to jointly identify areas for improvement and discuss optimization directions.

| Topics of Supplier Training | | |
|--|--|--|
| <ul style="list-style-type: none"> System operation processes | | <ul style="list-style-type: none"> Updates to supplier management systems |
| <ul style="list-style-type: none"> CSR management | <ul style="list-style-type: none"> Carbon emissions and energy management | <ul style="list-style-type: none"> Hazardous substance management |
| <ul style="list-style-type: none"> EHS | <ul style="list-style-type: none"> Conflict minerals management | <ul style="list-style-type: none"> Anti-corruption and business ethics |
| <ul style="list-style-type: none"> Diversity and inclusion requirements | <ul style="list-style-type: none"> Waste management | <ul style="list-style-type: none"> Sustainable water management |



Environmental and Social Responsibility Management

Luxshare Precision places great emphasis on the environmental and social responsibility management of its supply chain. We require suppliers to comply with the framework of *UN Guiding Principles on Business and Human Rights*, the RBA Code of Conduct, all applicable laws and regulations, as well as the *Supplier Code of Conduct*, *Supplier Corporate Social Responsibility Management Operating Procedure*, and other internal management regulations. We also issue **the Letter of Guarantee on the Responsible Business Alliance Code of Conduct** to all suppliers, ensuring **100% awareness of and compliance with environmental and social responsibility requirements** through **comprehensive promotion**. Any violation of relevant management regulations may jeopardize the cooperative relationship between the supplier and the Company, and even lead to termination of the partnership at the worst.

In 2023, Luxshare Precision completed the development of the GSCM information management system which included a Social Environmental and Responsibility (SER) auditing module. This module enables online management of processes such as **information collection, risk assessment, evaluation and auditing** of suppliers, supporting the Company's efforts to digitize and systematize supplier CSR management while **ensuring auditing security and traceability**, as well as **reducing costs and increasing efficiency**.



Functions of SER Module



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CSR Audit for Suppliers

During the risk assessment phase, we conduct supplier CSR risk identification based on the *Supplier CSR Risk Identification and Assessment Form* to determine the supplier's CSR risk level and avoid cooperating with high-risk suppliers. The audit criteria mainly include **management systems, environmental management, labor management, occupational health and safety management, and business ethics management.**

During the Reporting Period

No major

CSR risks were found in suppliers in 2023

| Audit Criteria | Audit Contents | Rectification Items Completed |
|---|---|---|
| Management System  | <ul style="list-style-type: none"> ESG Management System Training Communication | <ul style="list-style-type: none"> Employee feedback, engagement, and appeals Corrective action process Supplier responsibilities 222 |
| Environmental Management  | <ul style="list-style-type: none"> Environmental permits and reports Pollution prevention and control | <ul style="list-style-type: none"> Energy conservation and emission reduction Hazardous substances 324 |
| Labor Management  | <ul style="list-style-type: none"> Prohibition of child labor and forced labor Right of free association Anti-discrimination and anti-harassment | <ul style="list-style-type: none"> Humanitarian treatment Compliance in working hours Compliance in remuneration 286 |
| Occupational Health and Safety Management  | <ul style="list-style-type: none"> Occupational safety Emergency plan Prevention and control of occupational diseases Industrial hygiene | <ul style="list-style-type: none"> Physically demanding work Machine safety guards Public hygiene, food, and accommodation 657 |
| Business Ethics Management  | <ul style="list-style-type: none"> Business integrity Fair trade, advertising, and competition Identity protection and anti-retaliation policy Privacy protection | <ul style="list-style-type: none"> Conflict minerals management Intellectual property protection Information disclosure 32 |

During the Reporting Period

The number of suppliers that underwent CSR audits was

1,624

The suppliers that completed on-site CSR audits reached

527

The rate of new suppliers that underwent CSR audits was

100%

Conflict Minerals Management

Luxshare Precision does not directly purchase or use mineral ores, but the materials and components necessary for our production may contain metals such as 3TG and cobalt. Committed to responsible mineral procurement, the Company continuously improves conflict minerals management procedures, and strives to ensure that all materials used in our products come from socially and environmentally responsible supply chains.

Systematic Management Mechanism

Luxshare Precision complies with **international guidelines and initiatives such as RMI and OECD**, continuously promoting the systematization of conflict minerals management, regularly updating management systems such as **the Conflict Minerals Management Measures**, and managing 3TG, cobalt and other mineral materials. We require all suppliers to comply with the RBA Code of Conduct and only procure 3TG from SORs certified by RMAP. SORs that have not passed RMAP certification or do not meet customer requirements must be removed from the supply chain within a specified period.

In 2023, Luxshare Precision participated in RMI, strengthening its conflict minerals management efforts, enhancing its supply chain conflict minerals management capabilities, and applying RMI's Reasonable Country of Origin Inquiry (RCOI) procedures to the 3TG minerals in its products. This has made a contribution to promoting the establishment of a conflict-free supply chain.



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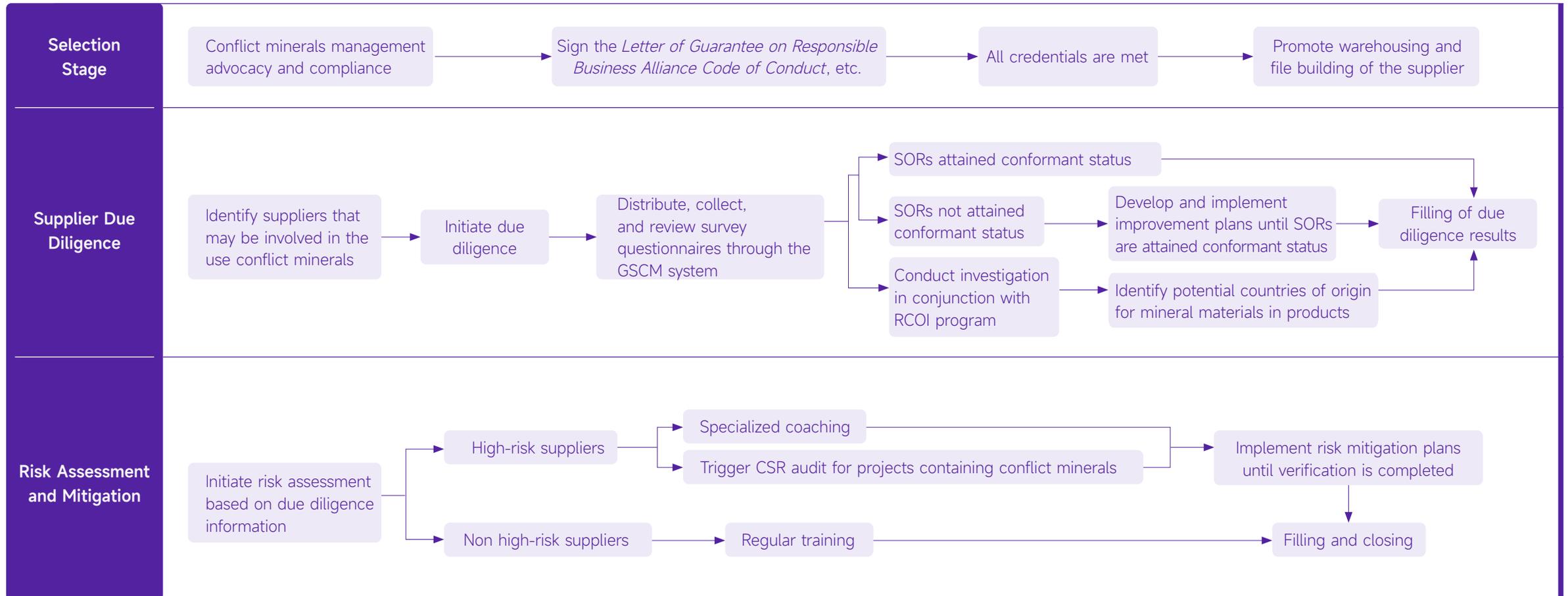
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Due Diligence

Luxshare Precision conducts reviews of materials and product compositions to identify all suppliers in the Company's supply chain that may be involved in the use of 3TG and cobalt minerals, and uses RMI's Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) to conduct due diligence audits on the identified suppliers, assisting them in removing SORs that have not passed RMAP certification. **As of the end of the Reporting Period, 100% of the SORs involved in the use of 3TG in Luxshare Precision's supply chain had passed RMAP certification. In the future, we will continue to implement responsible procurement and strive to 100% avoid the use of conflict minerals.**

Certification of Luxshare Precision's 3TG Suppliers Using SORs



Note: The rate of "In the process of certification / Not participating" was 0

In 2023, we included the conflict minerals due diligence process into the **conflict minerals module of the GSCM system**. After identifying suppliers in the supply chain that may be involved in the use of 3TG and cobalt minerals, we used this system to distribute, collect, and consolidate CMRT and/or EMRT questionnaires for suppliers, identified and confirmed SORs that have not participated in RMAP certification, and issued timely warnings. We continuously followed up, evaluated, and audited the progress of suppliers in removing non-compliant SORs until all SORs involved in the supply chain were qualified, further enhancing our conflict minerals management capabilities. **During the Reporting Period, Luxshare Precision conducted CMRT surveys with 1,924 suppliers involved in the use of 3TG, with a 100% response rate; conducted EMRT surveys with 1,373 suppliers involved in the use of cobalt, with a nearly 90% response rate.**

Luxshare Precision CMRT Due Diligence Results

3TG Related Suppliers Performing the Corresponding Procedures

Having formulated conflict-free minerals policy

100%

Having conducted due diligence on their upstream suppliers

100%

We combined **the RMAP certification audit results** and **the RCOI tool** provided by RMI to investigate the 3TG in the Company's supply chain and **determine the origin countries of the relevant minerals to the greatest extent possible, ensuring that all 3TG minerals in the Company's mass-produced products are traceable.** By cross-referencing the consolidated SOR information with the RCOI database, we had identified the country location of **216 SORs** providing 3TG to our suppliers and determined **the potential countries of origin** for 3TG minerals in Luxshare Precision's supply chain:

• Tantalum may originate from:

Brazil, China, Ethiopia, France, Madagascar, Mozambique, Nigeria, Sierra Leone, Spain, etc.

• Tin may originate from:

Australia, Bolivia, China, Laos, Malaysia, Mongolia, Myanmar, Peru, Spain, the United Kingdom, Vietnam, etc.

• Gold may originate from:

Benin, Canada, Chile, Papua New Guinea, the Philippines, South Africa, South Korea, Sweden, Uzbekistan, etc.

• Tungsten may originate from:

China, Brazil, Vietnam, Bolivia, etc.

Risk Management

We comprehensively evaluate and define the risk level of suppliers based on the due diligence and RCOI survey results. For **high-risk suppliers**, we will further conduct **CSR audits that include conflict minerals evaluation** to more holistically assess their conflict minerals management; and we will provide more guidance and support to them, continuously following up, evaluating, and auditing their progress in SOR certification and mineral traceability, until verifying that all SORs involved in the supply chain are qualified. For **non high-risk suppliers**, we provide **regular education and training**, timely sharing the latest information and updates on conflict minerals with them to help enhance their conflict minerals management capabilities and awareness.

During the Reporting Period

Conflict minerals related personnel training coverage rate was

100%

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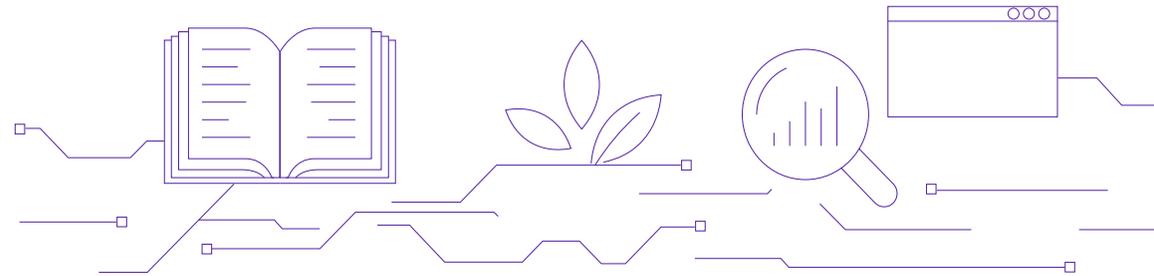
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Green Supply Chain

Building a green supply chain has formed an integral part of Luxshare Precision's green and low-carbon planning to help achieve its scientific carbon reduction goals and improve green competitiveness. We have launched **the Green Supply Chain Initiative** to promote green and low-carbon development awareness among our suppliers. We aim to work together to reduce pollution and carbon emissions, and minimize the environmental impact of our entire value chain.

Environmental Compliance Management of the Supply Chain

To promote environmental compliance among our suppliers and improve the environmental compliance level throughout our supply chain, Luxshare Precision has established a specialized green supply chain taskforce, and formulated a three-step environmental compliance management strategy: (i) **dynamic monitoring of environmental performance**; (ii) **supervision of negative impact elimination**; and (iii) **establishment and optimization of management and information disclosure mechanisms**.



During the Reporting Period, Luxshare Precision's performance in respect of the Green Supply Chain Corporate Information Transparency Index (CITI):

For overall ranking, in the **11th** place

For industry ranking, in the **3rd** place

During the Reporting Period, Luxshare Precision

Assisted **55** suppliers in removing of environmental violation records

Promoted **189** suppliers to disclose the PRTR information

Environmental Compliance Management Strategy

Dynamic monitoring of environmental performance

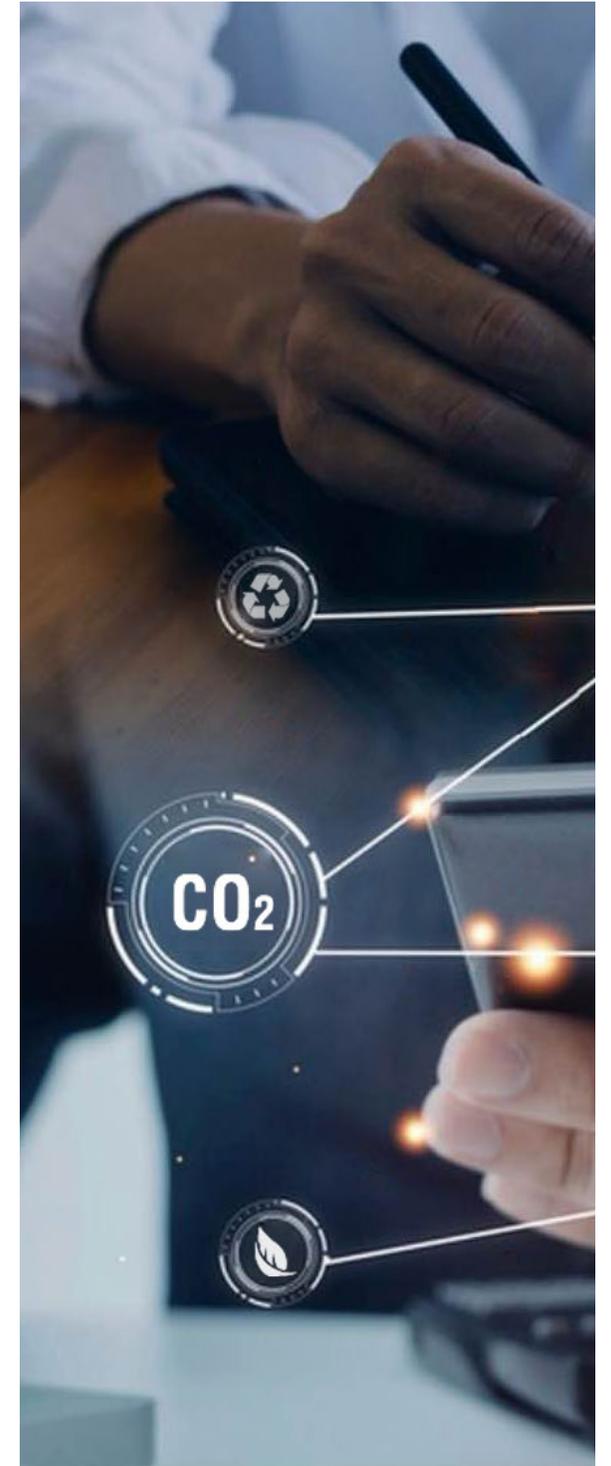
- Use the IPE database to track environmental compliance records
- Identify common environmental management risk sources

Supervision of negative impact elimination

- Oversee our own personnel operation and urge suppliers to eliminate environmental management risk sources with effective actions

Establishment and optimization of management and information disclosure mechanisms

- Urge subsidiaries and suppliers to complete pollutant release and transfer registration (PRTR) in a timely manner
- Guide subsidiaries and suppliers to establish a standardized management system and optimize it regularly



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Zero-carbon Management of the Supply Chain

Luxshare Precision fully recognizes the significance of energy conservation and carbon reduction throughout its supply chain to achieve the Company's carbon reduction goals. Through supplier meetings, training, and other methods, Luxshare Precision continues to exert its zero-carbon influence in the supply chain management. In 2023, we **launched the carbon emission reduction module of the GSCM system for the first time** to collect **energy and carbon emission data** from suppliers, simultaneously provided training and Q&A sessions on reporting operations. We also developed a research plan of green and low-carbon promotion activities for suppliers, encouraged suppliers to actively participate in carbon data verification and submit energy conservation cases. These measures empower suppliers to improve their zero-carbon management and fulfill their commitments in developing a green supply chain.

In addition, we **collaborated with IPE to launch the Zero Carbon Supply Chain Initiative**, and engaged suppliers in the product carbon footprint data estimation, disclosure and application training provided by IPE, with an aim to promote suppliers to disclose carbon emission information on the IPE platform, and to catalyze the supply chain towards a fully-fledged green transformation.

During the Reporting Period

Provided survey coaching in connection with green and low-carbon survey for

30 suppliers

The number of suppliers promoted to disclose their carbon emission information on the IPE platform was

139

Promoted suppliers save energy

15,890 MWh

Case | Luxshare Precision Convened 2023 Sustainable Development & Green and Low-carbon Supplier Conference

On December 20, 2023, Luxshare Precision held the 2023 Sustainable Development & Green and Low-carbon Supplier Conference online. We shared our key actions in developing the green supply chain with suppliers, presented the GSCM system at the conference. We also invited specialized third parties to share the best practice of **green supply chain development, case studies of energy conservation and emission reduction, ISO 14067 product carbon footprint certification, sustainable water management, zero waste to landfill** and other green and low-carbon management expertise, in order to assist suppliers in boosting their zero-carbon management roundly.



Poster of the Green and Low-carbon Supplier Conference

Case | Selected Cases About Suppliers' Energy Conservation and Emission Reduction

Supplier 1: Energy Consumption Management for Air Compressors

- The supplier implements a smart energy consumption management platform, which enables real-time monitoring, fault diagnosis, report analysis and presentation for operations status of air compressors and other equipment in the industrial park, as well as automatic start and stop of air compressors based on the changes in gas consumption in the workshop. At the same time, the platform can realize alarm management, analysis report management, system management and other functions to achieve the goal of energy conservation and emission reduction. **The annual emission reduction is up to 3,660 tCO₂e**

Supplier 2: Install Rooftop PV

- The supplier has installed solar panels on the rooftops of the dormitories in the factory to distribute PV-generated power to the distribution room. **The annual power generation amounted to 60,000 kWh with annual emission reduction of 43.08 tCO₂e**

Supplier 3: Reasonably Reduce Air Conditioner Usage

- For the purpose of cooling, the supplier has installed ventilation devices and water spray fans in the workshop, and used the heat discharged from the working compressed air to heat the workshop in winter, which has reasonably reduced the working time of the air conditioners in winter, **saving approximately 14.4 million kWh of electricity per year, which is translated into a reduction of about 900 tCO₂e**

Supplier 4: Lighting Energy Saving Renovation

- The supplier has replaced the incandescent lamps in the office area with energy-saving lamps, raised employees' awareness of energy conservation and emission reduction by developing the good habit of turning off lights and electrical appliances in time. **As a result, the annual electricity consumption was reduced by 1,629 kWh**

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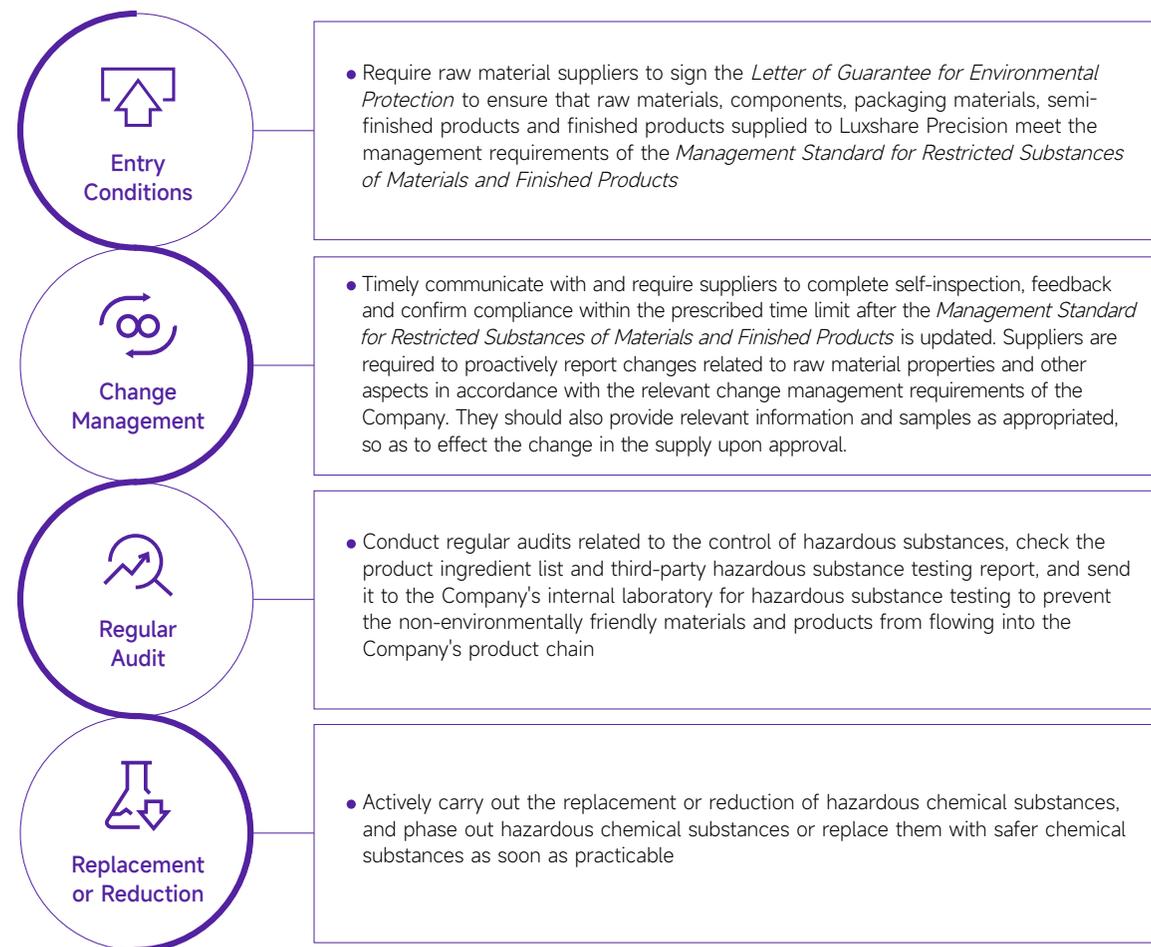
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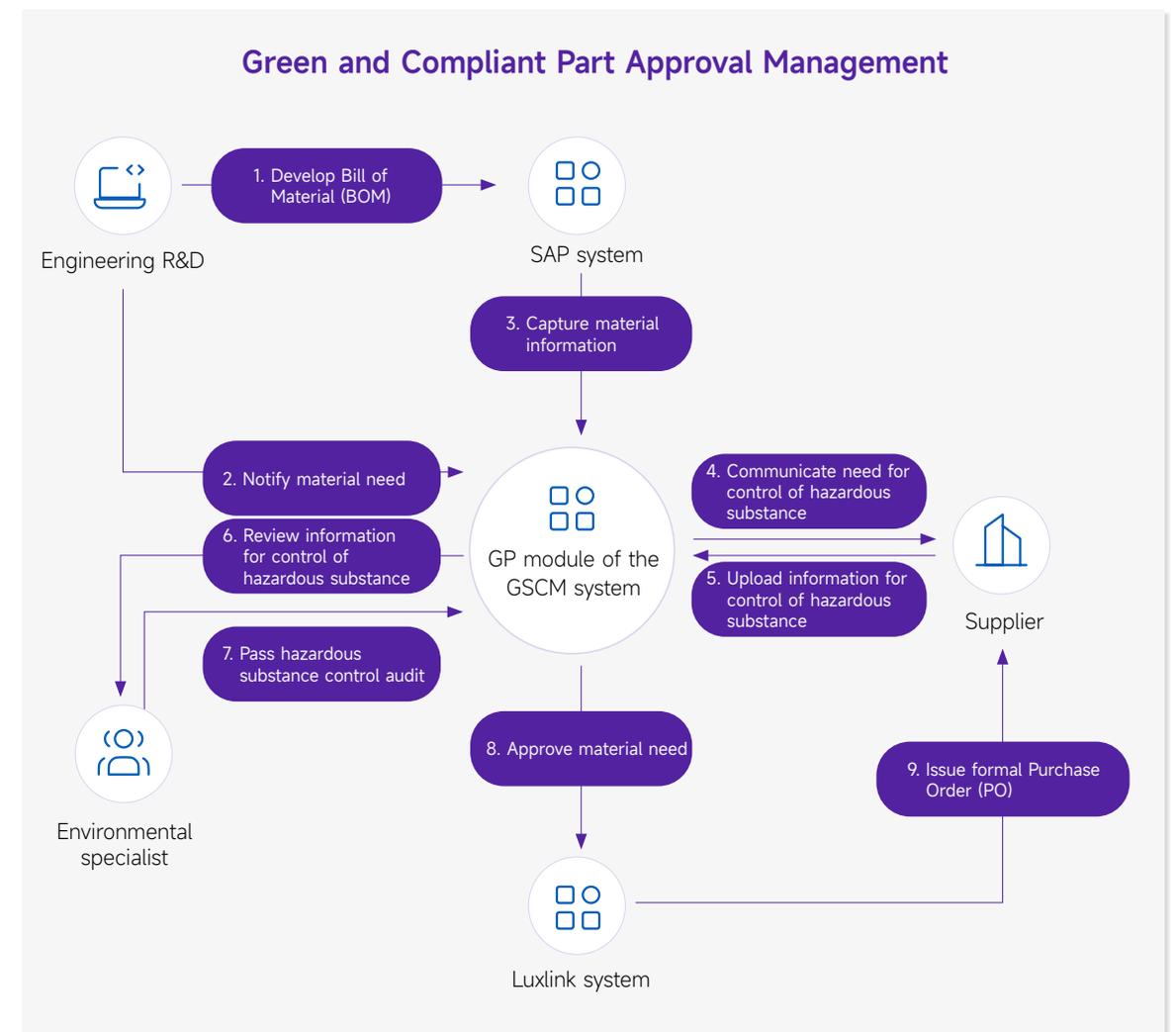
Hazardous Substance Management Requirements of the Supply Chain

As the connection point between customers and suppliers, Luxshare Precision understands that providing clear material requirements to suppliers is an important prerequisite for providing high quality and environmentally friendly products to customers. We set consistent standards for suppliers, so as to drive the suppliers to improve hazardous substance management and reduce supply chain risks.

Hazardous Substance Management Requirements of the Supply Chain



We continuously improve the functionality of **the GP module of the GSCM system**, systematically manage hazardous substances in the supply chain, and provide support for green procurement. The system has a built-in database of basic chemical substances, as well as a database of the Company's requirements for control of hazardous substance for various materials, allowing for the standardized management of environmentally friendly materials submitted by suppliers. We are able to trace the substances contained in the materials through system queries, conduct forward-looking investigations in the wake of new hazardous substances prohibition and restriction trend, and develop strategies (e.g. early layout and replacement) accordingly. We also communicate updates on relevant laws and regulations, industry trends, and the latest hazardous substance control requirements of Luxshare Precision to our suppliers to facilitate their learning and compliance. **At present, the GP module of the GSCM system has been embedded into the Company's product R&D and procurement processes, ensuring the effective communication and implementation of hazardous substance control requirements.**



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Giving back to the Society

Luxshare Precision actively participates in various industry associations, networks with the industry, and promotes industry development. At the same time, we also take the lead in developing communities, supporting disaster relief efforts and rural revitalization, caring for special groups, and making contributions to the buildup of a harmonious society.

During the Reporting Period

The total investment the Company made in public charity activities was

RMB **12.63** million

Drive the Development of the Industry

Luxshare Precision attaches great importance to product quality and is committed to providing customers with high-quality, comfortable and easy-to-use products. We actively explore ways to put scientific and technological research results into applications. We have joined **more than 50** industry associations at home and from abroad, and serve as the vice-chairman unit of the China Electronic Components Association. By combining the advantages of the membership unit, the Company has driven the development of the industry. During the Reporting Period, the Company made contributions to the industry by jointly drafting industry standards, e.g. *"Shielded Balanced Cable for Road Vehicles with Bandwidth up to 10GHz"* and *Detailed Specification for Rectangular Data Transmission Connector with Shielded Housing and Transmission Rate of 112Gbps at 0.60mm Pitch*.

Case | Luxshare Precision Participated in Exchanges Held by Industry Associations

In August 2023, Luxshare Precision participated in the "Ninth Membership Representative Conference and 2023 China Electronic Components Industry Summit" held by the China Electronic Components Association in Nantong, Jiangsu Province. At the meeting, Luxshare Precision was appointed as the vice chairman unit of the association, and obtained the "Outstanding Contribution Award" in recognition of the Company's contributions to the electronic components industry.

In October 2023, we, as an invited guest, participated in the "Fourth Session of the Ninth Membership Conference of the Electrical Connector Branch of China Electronic Components Association and the 2023 (12th) Connector Technology Development Seminar", and published the *Brief of CRE Connector Design* at the conference and won the Third Prize for Excellent Paper, promoting the development of the electronic components industry.

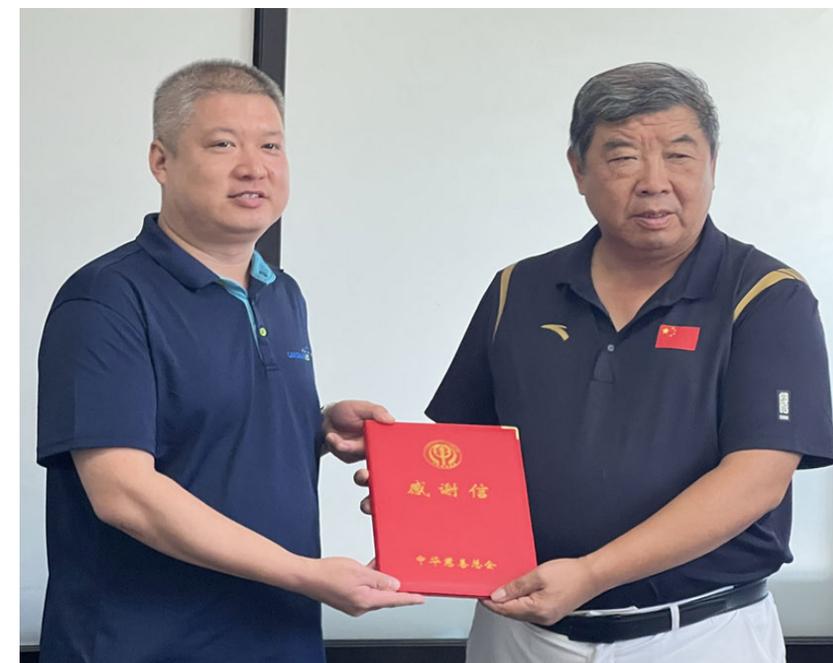
In October 2023, Luxshare Precision was invited to attend the 2023 IPC China Electronic Manufacturing Annual Conference – ESG Sustainable Development Forum jointly held by the Association Connecting Electronics Industries (IPC) and Pudong New Area Association of Quality and Technologies, Shanghai. Under the theme of "Responding to the ESG requirements of customers and markets, improving international competitiveness", Luxshare Precision gave an introduction to the Company's sustainability drivers and ESG strategies as well as an in-depth analysis of key ESG fields in the industry from the perspective of enterprises along the supply chain, setting a model and an example of ESG development practice for reference for the industry.

Support Public Charity Activities

The company is deeply concerned about the impact of natural disasters on the public. We actively practice our exemplary role and take immediate actions at the onset of disasters. We actively raise funds and support people affected in the disaster-stricken areas within our capacity. At the same time, we care for disadvantaged groups, help promote rural revitalization and green development, and give full play to the role of the public welfare undertakings in achieving common prosperity and low-carbon life.

Case | Luxshare Precision was Fully Committed to Supporting the Post-disaster Reconstruction in Zhuozhou, Hebei Province

In July and August 2023, the No.5 Typhoon Doksuri, brought extreme heavy rainfall to Beijing, Tianjin, Hebei, Fujian, and other regions, triggering floods and geological disasters. The lives and property of the people were severely threatened. On August 4, the Company donated RMB10 million to the China Charity Federation through Luxshare Precision Industry (Baoding). The donation would be used for disaster relief, rescue, and post-disaster reconstruction in the severely affected areas of Zhuozhou, Hebei Province.



The China Charity Federation Issued a "Flood Disaster Relief" Certificate

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Case | Luxshare Precision Joined Hands with Beijing Guangcai Charity Foundation in Public Charity Assistance Programs

In November 2023, Luxshare Precision donated RMB500,000 to the Beijing Guangcai Charity Foundation. The donation would be used to consolidate results obtained from poverty alleviation in Zhijin County, Guizhou Province, further expand the effect, help rural revitalization, and support production and living service assistance programs, and other public welfare assistance programs agreed upon by the three parties.

Case | LuxcaseICT Yancheng Held Caring Activities for Nursing Homes

Upholding the traditional virtues of respecting and loving the elderly, employees of Luxcase Precision Technology (Yancheng) brought glutinous rice balls, lanterns, and gifts to the nursing homes and extended holiday greetings and deep care to the elderly living there on the Lantern Festival. This activity aims to make the elderly feel the warmth and care of the society, so that they can spend a warm and happy holiday time.



Caring the Elderly on the Lantern Festival

Case | Kunshan Factory's Series Activities - Energy Conservation Week

On July 11, 2023, the Energy Saving Publicity Week theme publicity activity co-organized by Luxshare Precision Kunshan Factory and Kunshan Tourist Resort Management Committee officially kicked off. During the event, the Company organized an array of activities, including "Old Clothes Recycling", "Creative Gallery" and "Donating Steps for Environmental Protection", with active response and participation by various departments.

Old Clothes Recycling : This year marked the fourth anniversary of old clothes recycling activity with more than 128kg idle clothes and hat textiles collected in total

Creative Gallery : The activity is open to all employees and their children to submit creative environmental paintings with an aim to educate people and advocate for a green lifestyle through artworks

Donating Steps for Environmental Protection : Employees can convert their daily walking steps into charitable donations. Through the cooperation platform, the participating charitable organizations and enterprises will donate to the respective public welfare programs. More than 200 people participated in the event.



Old Clothes Recycling



Series Activities of Energy Conservation Week

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Assurance Report



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., member of TÜV Rheinland Group, Germany (hereinafter "TÜV Rheinland", "We") has been entrusted by the management of Luxshare Precision Industry Company Limited (hereinafter "Luxshare Precision", "the Company") to conduct independent assurance of its 2023 Sustainability Report (hereinafter "the Report"). All contractual contents for this assurance engagement rest entirely within the responsibility of Luxshare Precision. Our task was to give a fair and adequate judgment on the Report. The intended users of this assurance statement are stakeholders who have relevance to Luxshare Precision's overall Sustainability Performance and impacts of its business activities during year 2023 (1 January 2023 ~ 31 December 2023). TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and we were not involved in the preparation of the Report contents.

Assurance Standard

TÜV Rheinland undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) Moderate level of assurance.

Scope & Type of Assurance

Our assurance engagement was carried out in accordance with the AA1000AS v3, Type 1, Moderate level on Luxshare Precision's sustainability performance information and data disclosed in the Report. The following assurance criteria were used in performing the assurance work:

- In accordance with GRI Sustainability Reporting Standards (GRI Standards)
- Guidelines for the Social Responsibility of Listed Companies of the Shenzhen Stock Exchange
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AccountAbility Principles of *Inclusivity, Materiality, Responsiveness, and Impact*.

Assurance Methodology

Our assurance activities included:

- Reviewing the company's management practices, processes, and performance to evaluate the sustainability management system, including the sustainability policy, corporate governance, compliance management, risk management, stakeholder communication, material issue analysis, and key performance.
- Conducting interviews with company management and managers responsible for gathering and analyzing information on sustainability performance.
- Reviewing and examining sustainability management practices and performance information and data to test the accuracy of such information and data based on a sample basis and applied analytical procedures.
- Collecting documentary evidence and assessing management representations to support adherence to the AccountAbility Principles.

Limitations

TÜV Rheinland performed the assurance based on the scope of defined engagement agreement, and on a moderate level assurance under the AA1000AS for engagement. Information and performance data subject to assurance is limited to the contents of the Report. Our assurance work did not cover financial report and its financial data, and other information not related to



sustainability.

Conclusions

Based on our methodology and activities performed within the scope of this assurance, we can reach a conclusion that no instances or information came to our attention that would be to the contrary of the statement made as below:

- Luxshare Precision 2023 Sustainability report and its contents adhere to the AA1000 AccountAbility Principles and meet criteria requirements in accordance with GRI Sustainability Reporting Standards (GRI Standards).
- Luxshare Precision has implemented management processes, including wastes, energy and carbon emissions data management systems to collect and aggregate key performance data related to material issues within the reporting boundary, while the company identifies, evaluates, defines and manages material issues.
- The sustainability-related information and performance indicators disclosed in this report have been evaluated and supported by documentary evidence to truly reflect Luxshare Precision's sustainability management practices.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Luxshare Precision based on this Assurance Statement.

Adherence to the AA1000 AccountAbility Principles

Inclusivity

Luxshare Precision has established procedures of ESG information disclosure and stakeholder communication. Key stakeholders identified by the company include governments and regulators, shareholders and investors, suppliers, customers, employees, customers, communities, partners and the media. The company conducts regular stakeholder communication through multiple channels to understand and respond to stakeholder concerns about sustainability issues. Supporting evidence demonstrates that in 2023, Luxshare Precision conducted a stakeholder questionnaire survey on sustainable development issues, and actively responded to stakeholders' concerns about the company's "Dual Carbon" planning, ESG goals, and environmental management system through ESG special investment exchange activities.

Materiality

Supporting evidence indicates that Luxshare Precision conducted material issues assessments in 2023 based on the results of stakeholder questionnaire analysis and seeking expert opinions. The company evaluates and prioritizes the 2023 sustainability issues from the dual dimensions of "sustainability impact materiality" and "financial impact materiality", including the impact analysis of materiality issues on the value chain. The results of the materiality assessment were reviewed and approved by the Board of Directors to form a Dual Materiality Matrix. As shown in the matrix diagram, the high-materiality issues disclosed in this report include, but are not limited to, net-zero commitments and carbon management, climate change risks and opportunities, occupational health and safety, employee rights protection, and employee training and development. According to the results of the materiality assessment of the above issues, Luxshare Precision has formulated and implemented an internal action plan, which is disclosed in this report.

Responsiveness

Luxshare Precision responds to its key stakeholders in a variety of ways, including information disclosure, investor communication activities, employee training, online customer communication platform, supplier training and empowerment, and community welfare activities. The evidence shows that in 2023, the company values the complaints raised by stakeholders about the impact on the company's sustainable development, and regularly shares and provides feedback on the remedial measures taken by the company to ensure that the relevant procedures are open, transparent and effective. The company's official website also discloses a statement on the Protection of Labor and Human Rights. This report discloses data on key performance indicators (KPIs) that stakeholders are interested in, covering energy consumption, greenhouse gas emissions (including Scope 3 emissions), other significant gas emissions, waste management, sustainability water management, employee management and training, anti-corruption, occupational health and safety, and supply chain management, and these data disclosures are comparable. Supporting evidence reflects that Luxshare Precision participated in the formulation of industry carbon management guidelines and standards in 2023 and launched the "Towards Zero Carbon Supply Chain Initiative" in collaboration with the Institute of Public and



Environmental Affairs (IPE) and upgraded the GSCM information management system to launch the carbon module. In addition, the company joined the RMI and published an annual Conflict Minerals Survey Report.

Impact

Luxshare Precision focuses on the analysis of the environmental and social impact of its own operations and supply chain and integrates risk management and compliance management into its business operations. Supporting evidence demonstrates that in 2023, the company continued to improve its risk management mechanism to identify, assess and control strategic risks, operational risks, compliance risks and information security risks, including climate change risks and labor relations risks. The company pays attention to the labor rights and interests of itself and its suppliers, including the development of a labor risk management framework, and is able to conduct regular supply chain CSR risk assessments, and initiates a supply chain conflict minerals due diligence process. Luxshare Precision sets goals and targets related to sustainable development, and considers and manages the impact of materiality issues on the value chain.

Daniel Pan

Corporate Sustainability Service Technical Manager
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 9 April 2024



Key Performance Data

Environmental Performance Table

| Indicator | Unit | 2023 | 2022 |
|---|------|--------------|--------------|
| GRI 302-1 Energy consumption within the organization^{1 2} | | | |
| Non-renewable energy consumption | MWh | 209,373.45 | 265,951.63 |
| Gasoline | MWh | 4,669.94 | 3,851.59 |
| Diesel oil | MWh | 6,223.41 | 5,064.01 |
| Liquefied petroleum gas | MWh | 216.09 | 109.61 |
| Natural gas | MWh | 198,264.01 | 256,926.42 |
| Renewable energy consumption | MWh | 79,062.61 | 40,389.48 |
| Biomass energy (ethanol gasoline) | MWh | 406.46 | 288.76 |
| PV power generation for self-use | MWh | 78,656.15 | 40,100.72 |
| Purchased municipal electricity | MWh | 2,497,635.61 | 2,826,377.34 |
| Total PV power generation | MWh | 78,656.15 | 41,021.89 |
| Purchased green electricity | MWh | 755,796.54 | 271,619.41 |
| Purchased green certificates | MWh | 788,326.00 | 301,490.00 |
| Purchased thermal energy | MWh | 0.00 | 327.23 |
| Purchased cold energy | MWh | 0.00 | 0.00 |
| Purchased steam | MWh | 35,298.05 | 428.53 |
| PV power sold | MWh | 0.00 | 921.17 |
| Total energy consumption | MWh | 2,821,369.72 | 3,133,474.21 |

| Indicator | Unit | 2023 | 2022 |
|--|-------------------|------------|------------------------|
| GRI 302-3 Energy intensity | | | |
| Energy consumption intensity per unit of business revenue | MWh/RMB 1 million | 12.17 | 14.64 |
| Electricity consumption intensity per unit of business revenue | MWh/RMB 1 million | 11.11 | 13.21 |
| GRI 302-4 Reduction of energy consumption | | | |
| Annual electricity savings | MWh | 143,893.50 | 189,975.21 |
| Installed photovoltaic capacity ³ | MW | 85.29 | 54.64 |
| GRI 303-3 Water withdrawal | | | |
| Total water withdrawal | ML | 24,574.18 | 24,476.90 ⁴ |
| Surface water | ML | 0.00 | 0.00 |
| Groundwater (renewable) | ML | 2.52 | 6.29 |
| Groundwater (non-renewable) | ML | 0.00 | 0.00 |
| Seawater | ML | 0.00 | 0.00 |
| Extracted/entrained water/generated water | ML | 0.00 | 0.00 |
| Third-party water sources | ML | 24,571.66 | 24,470.61 |
| Total water withdrawals in areas under water resources stress | ML | 4,237.35 | 4,204.99 |
| GRI 303-4 Water discharge | | | |
| Total water discharge | ML | 22,379.95 | 22,492.04 |
| Total discharge to surface water | ML | 0.00 | 0.00 |

¹ The Company's main energy consumption sources are natural gas, gasoline, diesel, liquefied petroleum gas, power generated by PV power facilities, outsourced electricity from municipal power supply, outsourced clean energy and outsourced steam. Data of the energy consumption in 2022 was verified data.

² Data of the energy consumption in 2023 is based on the electricity and fuel consumption and relevant conversion factors provided by the *General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

³ Total installed photovoltaic capacity is the total installed rooftop photovoltaic capacity of the Company as of the end of the Reporting Year.

⁴ During the Reporting Year, the Company verified and updated the data related to water withdrawal for 2022.

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Environmental Performance Table (Continued)

| Indicator | Unit | 2023 | 2022 |
|---|--------------------|-----------|-----------|
| Total discharge to groundwater | ML | 0.00 | 0.00 |
| Total discharge to seawater | ML | 0.00 | 0.00 |
| Total discharge to third-party organizations | ML | 22,379.95 | 22,492.04 |
| Total industrial wastewater | ML | 6,328.26 | 6,111.67 |
| Total domestic sewage discharge | ML | 16,051.69 | 16,380.38 |
| Total discharge in areas under water resources stress | ML | 3,773.77 | 3,773.17 |
| Times of administrative penalties for sewage discharge of the Company | Times | 0 | 0 |
| GRI 303-5 Water consumption | | | |
| Total water consumption | ML | 2,194.23 | 1,984.86 |
| Total water consumption in areas under water resources stress | ML | 463.58 | 431.82 |
| GRI 305-1 Direct (Scope 1) GHG emissions^{1,2} | | | |
| Total Scope 1 Greenhouse Gas emissions | tCO ₂ e | 64,910.59 | 93,645.54 |
| Total CO ₂ emissions | tCO ₂ e | 44,851.65 | 56,787.76 |
| Total CH ₄ emissions | tCO ₂ e | 16,921.83 | 20,986.60 |
| Total N ₂ O emissions | tCO ₂ e | 105.90 | 134.26 |
| Total HFCs emissions | tCO ₂ e | 3,031.21 | 15,736.87 |
| Total PFCs emissions | tCO ₂ e | 0.00 | 0.00 |
| Total SF ₆ emissions | tCO ₂ e | 0.00 | 0.00 |

| Indicator | Unit | 2023 | 2022 |
|---|--------------------|--------------|--------------|
| Total NF ₃ emissions | tCO ₂ e | 0.00 | 0.00 |
| Biogenic CO ₂ emissions | tCO ₂ e | 103.28 | 58.9 |
| GRI 305-2 Energy indirect (Scope 2) GHG emissions | | | |
| Total (Location-based) Scope 2 Greenhouse Gas emissions | tCO ₂ e | 1,571,514.24 | 1,755,406.64 |
| Total (Market-based) Scope 2 Greenhouse Gas emissions | tCO ₂ e | 610,143.26 | 1,385,529.8 |
| GRI 305-3 Other indirect (Scope 3) GHG emissions³ | | | |
| Total Scope 3 Greenhouse Gas emissions | tCO ₂ e | 5,902,511.90 | 6,609,751.98 |
| Category 1: Purchased Goods and Services | tCO ₂ e | 2,014,192.98 | 3,325,446.59 |
| Category 2: Capital Goods | tCO ₂ e | 135,396.76 | 218,591.07 |
| Category 3: Fuel and Energy-related Activities (excluded in Scope 1 or Scope 2) | tCO ₂ e | 380,358.40 | 409,512.71 |
| Category 4: Upstream Transportation and Distribution | tCO ₂ e | 736,135.72 | 414,219.81 |
| Category 5: Waste Generated in Operations | tCO ₂ e | 29,264.53 | 77,868.03 |
| Category 6: Business Travel | tCO ₂ e | 8,040.59 | 2,319.80 |
| Category 7: Employee Commuting | tCO ₂ e | 50,030.14 | 48,401.59 |
| Category 8: Upstream Leased Assets | tCO ₂ e | 67,043.61 | 4,110.92 |
| Category 9: Downstream Transportation and Distribution | tCO ₂ e | 104,323.11 | 124,995.72 |

¹ Due to the nature of the Company's business, greenhouse gas emissions mainly come from outsourced municipal electricity, outsourced steam and fossil fuel combustion. The list of greenhouse gases includes carbon dioxide, methane and nitrous oxide, hydrofluorocarbons. Greenhouse gas emissions are presented in terms of carbon dioxide equivalent. Greenhouse gases in 2023 are based on the *General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)* promulgated by the State Administration for Market Regulation and the Standardization Administration of China, *IPCC Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC), 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Guidelines for Provincial Greenhouse Gas Emission Inventories (for Trial Implementation)*, Chinese Mainland Power Grid Emission Factors (for adoption in Chinese Mainland and Taiwan) and Vietnam Electricity Emission Factors (for adoption for factories in Vietnam). Some Scope 3 GHG emissions are based on the *2023 Government Greenhouse Gas Conversion Factors for Company Reporting promulgated by the Department for Business Innovation and Skills (BIS) and Department for Environment, Food and Rural Affairs (DEFRA) and the simapro database.*

² The carbon emission data (Scope 1 and Scope 2) for 2022 have been updated to verified data, and the data of greenhouse gas emission intensity have been updated accordingly.

³ In the verification process of scientific carbon reduction goals, the accounting method for some of verified carbon emission data for the base year (2022) was adjusted for update according to the requirements of SBTi.

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Environmental Performance Table (Continued)

| Indicator | Unit | 2023 | 2022 |
|--|-----------------------------------|--------------|--------------|
| Category 10: Processing of Sold Products | tCO ₂ e | 277,883.98 | 112,695.63 |
| Category 11: Use of Sold Products | tCO ₂ e | 1,985,053.44 | 1,815,113.12 |
| Category 12: Scrap Processing of Sold Products | tCO ₂ e | 17,461.22 | 26,658.18 |
| Category 13: Downstream Leased Assets | tCO ₂ e | 30,389.13 | 23,019.41 |
| Category 14: Franchises | tCO ₂ e | / | / |
| Category 15: Investments | tCO ₂ e | 66,938.29 | 6,799.4 |
| GRI 305-4 GHG emissions intensity | | | |
| Total Scope 1 & Scope 2 (Location-based) Greenhouse Gas Emissions | tCO ₂ e | 1,636,424.83 | 1,849,052.18 |
| Total Scope 1 & Scope 2 (Market-based) Greenhouse Gas Emissions | tCO ₂ e | 675,053.85 | 1,479,175.34 |
| Scope 1 & Scope 2 (Location-based) Greenhouse Gas Emission Intensity | tCO ₂ e /RMB 1 million | 7.06 | 8.64 |
| Scope 1 & Scope 2 (Market-based) Greenhouse Gas Emission Intensity | tCO ₂ e /RMB 1 million | 2.91 | 6.91 |
| Scope 1 Greenhouse Gas Emission Intensity | tCO ₂ e /RMB 1 million | 0.28 | 0.44 |
| Scope 2 (Location-based) Greenhouse Gas Emission Intensity | tCO ₂ e /RMB 1 million | 6.78 | 8.20 |
| Scope 2 (Market-based) Greenhouse Gas Emission Intensity | tCO ₂ e /RMB 1 million | 2.63 | 6.47 |
| GRI 305-5 Reduction of GHG emissions | | | |
| Total reduction of GHG emissions | tCO ₂ e | 1,100,057.45 | 512,010.64 |

| Indicator | Unit | 2023 | 2022 |
|--|------|------------|-------------------|
| GRI 305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions | | | |
| Total exhaust gas emissions | t | 314.24 | 304.19 |
| Boiler exhaust gas | t | 9.65 | 5.48 |
| Kitchen fume | t | 4.14 | 5.15 |
| Industrial exhaust gas | t | 298.95 | 258.21 |
| Nitrogen Oxides (NOx) emissions | t | 40.33 | 6.03 |
| Sulfur Oxides (SOx) emissions | t | 10.09 | 1.13 |
| Persistent organic pollutant (POP) emissions | t | 1.40 | 0.00 |
| VOCs emissions (including non-methane hydrocarbon) | t | 70.71 | 95.18 |
| Sulfuretted hydrogen emissions | t | 0.00 | 0.00 ¹ |
| Particulate matter emissions | t | 162.50 | 118.07 |
| Tin and its compounds emissions | t | 13.92 | 37.80 |
| Other exhaust gas emissions | t | 1.50 | 35.35 |
| GRI 306-3 Waste generated | | | |
| Overall waste generated | t | 153,009.79 | 154,368.43 |
| Non-hazardous waste generated | t | 114,618.42 | 100,819.82 |
| Domestic waste generated | t | 14,309.43 | 14,447.89 |
| Hazardous waste generated | t | 24,081.94 | 39,100.72 |

¹ In 2023, Luxshare Precision comprehensively checked the exhaust gas emissions from all production factories in the Reporting Year and past years, confirming that none of its factories emitted sulfuretted hydrogen. Therefore, the sulfuretted hydrogen data for 2022 was incorrect and has been modified.

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Environmental Performance Table (Continued)

| Indicator | Unit | 2023 | 2022 |
|---|------|------------|------------|
| GRI 306-4 Waste diverted from disposal¹ | | | |
| Total amount of waste recovered | t | 121,319.28 | 104,007.10 |
| Amount of hazardous waste recovered | t | 22,685.99 | 13,319.50 |
| Amount of hazardous waste transferred for reuse | t | 691.47 | 1,316.29 |
| Amount of waste reused off-site | t | 391.15 | 1,316.29 |
| Amount of waste reused on-site | t | 300.32 | 0.00 |
| Amount of hazardous waste transferred for recycling | t | 21,994.52 | 12,003.21 |
| Amount of hazardous waste transferred to other recovery operations | t | 0.00 | 0.00 |
| Amount of non-hazardous waste recovered | t | 93,796.50 | 86,181.94 |
| Amount of non-hazardous waste transferred for reuse | t | 26,727.55 | 46,826.46 |
| Amount of waste reused off-site | t | 5,694.85 | 3,145.13 |
| Amount of waste reused on-site | t | 21,032.70 | 43,681.33 |
| Amount of non-hazardous waste transferred for recycling | t | 67,068.95 | 39,355.48 |
| Amount of non-hazardous waste transferred for other recovery operations | t | 0.00 | 0.00 |
| Amount of domestic waste recovered | t | 4,836.79 | 4,505.66 |
| Amount of domestic waste transferred for reuse | t | 194.63 | 0.00 |
| Amount of domestic waste transferred for recycling | t | 4,642.16 | 4,505.66 |
| Amount of domestic waste transferred for other recovery operations | t | 0.00 | 0.00 |

| Indicator | Unit | 2023 | 2022 |
|--|------|-----------|-----------|
| GRI 306-5 Waste directed to disposal² | | | |
| Total amount of waste directed to disposal (including those transferred) | t | 31,690.51 | 50,361.27 |
| Amount of hazardous waste directed to disposal | t | 1,395.95 | 25,781.16 |
| Amount of hazardous waste directed to disposal by incineration (with energy recovery) | t | 1,031.08 | 797.07 |
| Amount of hazardous waste directed to disposal by incineration (without energy recovery) | t | 0.00 | 0.00 |
| Amount of hazardous waste directed to disposal by landfill | t | 0.00 | 0.00 |
| Amount of hazardous waste directed to disposal by other disposal methods | t | 364.87 | 24,984.09 |
| Amount of non-hazardous waste directed to disposal | t | 20,821.92 | 14,637.88 |
| Amount of non-hazardous waste directed to disposal by incineration (with energy recovery) | t | 5,573.83 | 6,530.28 |
| Amount of non-hazardous waste directed to disposal by incineration (without energy recovery) | t | 0.00 | 0.00 |
| Amount of non-hazardous waste directed to disposal by landfill | t | 0.00 | 0.00 |
| Amount of non-hazardous waste directed to disposal by other disposal methods | t | 15,248.09 | 8,107.61 |
| Amount of domestic waste directed to disposal | t | 9,472.64 | 9,942.23 |
| Amount of domestic waste directed to disposal by incineration (with energy recovery) | t | 5,036.75 | 5,733.80 |
| Amount of domestic waste directed to disposal by incineration (without energy recovery) | t | 0.00 | 0.00 |
| Amount of domestic waste directed to disposal by landfill | t | 0.00 | 0.00 |
| Amount of domestic waste directed to disposal by other disposal methods | t | 4,435.89 | 4,208.43 |

¹ The disposal method of non-hazardous waste and hazardous waste transferred for reuse is divided into off-site and on-site, and the other disposal methods of waste diverted from disposal are off-site.

² The disposal method of hazardous waste and non-hazardous waste directed to disposal by other disposal methods is on-site, and the disposal method of other waste directed to disposal is off-site.

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Social Performance Table

| Indicator | Unit | 2023 | 2022 |
|---|----------|---------|---------|
| GRI 2-6 Activity, value chain and other business relations | | | |
| Total number of suppliers in the database | Supplier | 9,524 | 10,680 |
| Overseas suppliers | Supplier | 1,667 | 1,869 |
| Chinese suppliers | Supplier | 7,857 | 8,811 |
| Service suppliers | Supplier | 2,143 | 2,403 |
| Suppliers of raw and auxiliary | Supplier | 7,381 | 8,277 |
| GRI 2-7 Employees | | | |
| Total number of employees | Person | 232,585 | 236,932 |
| Employees aged 29 or below | Person | 112,074 | 114,915 |
| Employees between 30 and 49 | Person | 118,379 | 120,244 |
| Employees aged 50 or above | Person | 2,132 | 1,773 |
| Male employees | Person | 132,253 | 134,768 |
| Female employees | Person | 100,332 | 102,164 |
| Employees from Chinese Mainland | Person | 183,649 | 187,784 |
| Employees from Hong Kong, Macao and Taiwan regions | Person | 1,319 | 1,350 |
| Overseas employees (excluding employees from Hong Kong, Macao and Taiwan regions) | Person | 47,617 | 47,798 |
| Total number of indirect labor | Person | 64,182 | 69,801 |
| Total number of direct labor | Person | 168,403 | 167,131 |

| Indicator | Unit | 2023 | 2022 |
|---|---------------|------------------|--------------------|
| Total number of long-term employees ¹ | Person | 232,585 | 236,932 |
| Total number of temporary employees | Person | 0 | 0 |
| Total number of full-time employees | Person | 232,585 | 236,932 |
| Total number of part-time employees | Person | 0 | 0 |
| GRI 2-28 Membership associations | | | |
| Total number of important associations participated in | Association | 53 | 32 |
| GRI 201-1 Direct economic value generated and distributed | | | |
| Amount of operating revenue | RMB 1 million | 231,905.46 | 214,028.39 |
| Operating revenue growth compared with the previous year | % | 8.35 | 39.03 |
| GRI 201-2 Financial implications and other risks and opportunities due to climate change | | | |
| Investment in Clean Technology | RMB | Over 300 million | Nearly 260 million |
| Investment goal in Clean Technology in 2024 | RMB | Over 320 million | Over 300 million |
| Property all risks insurance coverage (i.e., the amount of the insurance payout) | RMB 10,000 | 5,794,000.00 | 4,039,585.09 |
| Annual premiums for property all risks insurance | RMB 10,000 | 699.10 | 347.4 |
| GRI 205-1 Operations assessed for risks related to corruption | | | |
| Percentage of the subsidiaries conducting internal risk assessment of integrity/anti-corruption this year | % | 100 | 100 |

¹ In accordance with the labor-related laws, regulations and practices of the place of operation, we conduct classified statistics on long-term employees and temporary employees.

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| Indicator | Unit | 2023 | 2022 |
|--|----------|---------|---------|
| GRI 205-2 Communication and training about anti-corruption policies and procedures | | | |
| Number of employees signing the letter of integrity commitment/signing the letter of integrity notice | Person | 232,585 | 236,932 |
| Number of governance bodies' members signing the letter of integrity commitment/signing the letter of integrity notice | Person | 12 | 12 |
| Chinese Mainland | % | 66.67 | 66.67 |
| Hong Kong, Macao and Taiwan regions | % | 33.33 | 33.33 |
| Overseas (excluding Hong Kong, Macao and Taiwan regions) | % | 0.00 | 0.00 |
| Number of general employees signing the letter of integrity commitment/signing the letter of integrity notice | Person | 232,573 | 236,920 |
| Chinese Mainland | % | 78.96 | 79.26 |
| Hong Kong, Macao and Taiwan regions | % | 0.57 | 0.57 |
| Overseas (excluding Hong Kong, Macao and Taiwan regions) | % | 20.47 | 20.17 |
| Number of direct labor signing the letter of integrity commitment/signing the letter of integrity notice | % | 72.41 | 70.54 |
| Number of indirect labor signing the letter of integrity commitment/signing the letter of integrity notice | % | 27.59 | 29.46 |
| Number of suppliers signing the Letter of Integrity Commitment | Supplier | 9,424 | 10,540 |
| Chinese Mainland | % | 83.60 | 83.60 |
| Hong Kong, Macao and Taiwan regions | % | 9.02 | 9.02 |
| Overseas (excluding Hong Kong, Macao and Taiwan regions) | % | 7.38 | 7.38 |
| Service suppliers | % | 22.51 | 22.50 |

| Indicator | Unit | 2023 | 2022 |
|--|--------------|------------|------------|
| Suppliers of raw and auxiliary materials | % | 77.49 | 77.50 |
| Total number of employees receiving anti-corruption trainings | Person | 232,585 | 236,932 |
| Number of governance bodies' members receiving anti-corruption trainings | Person | 12 | 12 |
| Chinese Mainland | % | 66.67 | 66.67 |
| Hong Kong, Macao and Taiwan regions | % | 33.33 | 33.33 |
| Overseas (excluding Hong Kong, Macao and Taiwan regions) | % | 0.00 | 0.00 |
| Total number of employees receiving anti-corruption trainings | Person | 232,573 | 236,920 |
| Chinese Mainland | % | 78.96 | 79.26 |
| Hong Kong, Macao and Taiwan regions | % | 0.57 | 0.57 |
| Overseas (excluding Hong Kong, Macao and Taiwan regions) | % | 20.47 | 20.17 |
| Number of direct labor trained | % | 72.41 | 70.54 |
| Number of indirect labor trained | % | 27.59 | 29.46 |
| Total number of employees receiving anti-corruption trainings | Person-times | 633,223 | 313,498 |
| Total hours of anti-corruption trainings | Hour | 293,076.36 | 959,488.00 |
| GRI 205-3 Confirmed incidents of corruption and actions taken | | | |
| Times of corruption whistleblowing received | Event | 16 | 12 |
| Total number of confirmed incidents of corruption | Event | 4 | 4 |
| Total number of the confirmed events (among which the employees were fired or disciplined due to the corruption) | Event | 4 | 3 |
| Total number of the confirmed events (where the contract with business partners was terminated or not renewed due to the violations related to corruption) | Event | 1 | 1 |

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| Indicator | Unit | 2023 | 2022 |
|---|--------|--------------|--------------|
| Confirmed legal actions involving company and employee corruption | Event | 0 | 0 |
| Corruption litigation concluded involving the Company and employees | Times | 0 | 0 |
| Compensation amount of corruption litigation concluded involving the Company and employees | RMB | 0.00 | 0.00 |
| GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices | | | |
| Confirmed anti-unfair competition, antitrust and anti-monopoly lawsuit | Event | 0 | 0 |
| Compensation amount of anti-unfair competition, anti-trust and anti-monopoly lawsuit concluded involving the Company | Event | 0 | 0 |
| Compensation amount of anti-unfair competitive conduct, antitrust and antitrust practices concluded involving the Company | RMB | 0.00 | 0.00 |
| GRI 401-1 New employee hiring rate and employee turnover | | | |
| Turnover rate of indirect labor (Loss of employees include quitting, dismissed and fired employees) ¹ | % | 23.83 | 18.74 |
| GRI 401-3 Parental leave² | | | |
| Number of employees having rights of parental leave (male) | Person | 132,253 | 134,768 |
| Number of employees actually using parental leave (male) | Person | 4,791 | 3,988 |
| Number of employees having rights of parental leave (female) | Person | 100,332 | 102,164 |
| Number of employees actually using parental leave (female) | Person | 3,708 | 2,536 |
| GRI 403-5 Worker training on occupational health and safety | | | |
| Total hours of EHS training | Hour | 2,151,601.17 | 2,505,922.00 |

| Indicator | Unit | 2023 | 2022 |
|---|--------------|---------|---------|
| Total number of employees receiving EHS training | Person | 232,585 | 119,089 |
| Total person-times of employee receiving EHS training | Person-times | 925,624 | 349,882 |
| Total hours of Board of Directors members receiving EHS training | Hour | 14.00 | 14.00 |
| Total number of Board of Directors members receiving EHS training | Person | 7 | 7 |
| Total person-times of Board of Directors members receiving EHS training | Person-times | 7 | 7 |
| GRI 403-8 Workers covered by an occupational health and safety management system | | | |
| Number of employees in the operational sites with occupational health and safety management system | Person | 232,585 | 236,932 |
| Proportion of employees in the operational sites with occupational health and safety management system | % | 100.00 | 100.00 |
| Number of employees in the operational sites with occupational health and safety management system having passed internal audit | Person | 232,585 | 236,932 |
| Proportion of employees in the operational sites with occupational health and safety management system having passed internal audit | % | 100.00 | 100.00 |
| Number of employees in the operational sites with occupational health and safety management system having passed external audit | Person | 195,405 | 184,479 |

¹ Turnover rate of employees is calculated by: Number of turnover employees in this category / (Number of employees of this category at the end of the year + Number of turnover employees in this category).

² The parental leave mentioned in this article includes the statutory rights and interests such as childcare leave, maternity leave, and paternity leave equally granted to employees in accordance with the relevant laws and regulations of the place where it operates.

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| Indicator | Unit | 2023 | 2022 |
|---|---------------------|--------------|---------------|
| Proportion of employees in the operational sites with occupational health and safety management system having passed external audit | % | 84.01 | 77.86 |
| GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health | | | |
| Total working hours (Total working hours of all employees) | Million hours | 463.31 | 471.97 |
| Number of fatalities due to work-related injuries | Times | 0 | 0 |
| Rate of fatalities due to million-hour work-related injuries | Times/Million hours | 0.00 | 0.00 |
| Number of serious injuries due to work-related injuries | Times | 0 | 1 |
| Rate of million-hour work-related injuries with serious consequences | Times/Million hours | 0.00 | 0.0021 |
| Number of work-related injuries other than the above fatalities and serious injuries | Times | 145 | 268 |
| Total number of recorded employee injuries | Times | 145 | 269 |
| Rate of recorded work-related injuries per million working hours | Times/Million hours | 0.31 | 0.57 |
| GRI 404-1 Average hours of training per year per employee¹ | | | |
| Total hours of employee trained ² | Hour | 5,240,496.97 | 10,715,691.29 |
| Total hours of male employees trained | Hour | 2,941,306.72 | 6,107,944.04 |
| Total hours of female employees trained | Hour | 2,299,190.25 | 4,607,747.26 |
| Total hours of direct labor trained | Hour | 2,971,557.00 | 1,901,896.00 |
| Total hours of indirect labor trained | Hour | 2,268,939.97 | 8,813,795.29 |

| Indicator | Unit | 2023 | 2022 |
|---|--------------|-----------|---------------------|
| Average employee training hours ³ | Hour | 22.53 | 45.23 |
| Average male employee training hours | Hour | 22.24 | 45.32 |
| Average female employee training hours | Hour | 22.92 | 45.10 |
| Average direct labor training hours | Hour | 17.65 | 11.38 |
| Average indirect labor training hours | Hour | 35.35 | 126.27 |
| Total person-times of employees trained | Person-times | 3,853,949 | 1,958,541 |
| GRI 404-2 Programs for upgrading employee skills and transition assistance programs | | | |
| Total training expense | RMB10,000 | 1,095.34 | 1,309.48 |
| Number of employees enrolling in academic education | Person | 1,635 | 860 |
| Total number of internally certified instructors | Person | 1,163 | 909 |
| GRI 404-3 Percentage of employees receiving regular performance and career development reviews⁴ | | | |
| Percentage of indirect labor receiving regular performance and career development reviews | % | 100.00 | 100.00 |
| Male indirect labor | % | 100.00 | 100.00 ⁵ |
| Female indirect labor | % | 100.00 | 100.00 |
| GRI 405-1 Diversity of governance bodies and employees | | | |
| Total number of governance bodies' members | Person | 12 | 12 |
| Number of male governance bodies' members | Person | 6 | 6 |
| Proportion of male governance bodies' members | % | 50.00 | 50.00 |
| Number of female governance bodies' members | Person | 6 | 6 |
| Proportion of female governance bodies' members | % | 50.00 | 50.00 |

¹ Total hours of employee trained, average employee training hours, total number of employees trained, and total person-times of employees trained are all recorded in the online learning platform "i School" system.

² During the Reporting Period, Luxshare Precision adjusted the contents and the statistical methods of some training programs.

³ Average employee training hour is calculated by: Total training hours provided for the employees in this category/Total number of the employees in this category.

⁴ The statistical scope of this indicator is the number of indirect labor who receive regular performance and career development appraisals and the percentage of them by gender. This indicator is not applicable to direct labor because performance appraisals of direct labor are conducted in a flexible manner.

⁵ Due to calculation logic adjustments, the percentage of indirect labor receiving regular performance and career development reviews in 2022 has been corrected. The percentage of indirect labor receiving regular performance and career development reviews by gender = the number of employees in this category who receive regular performance and career development reviews /the number of employees in this category.

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| Indicator | Unit | 2023 | 2022 |
|---|--------|-------|-------|
| Number of governance bodies' members aged 29 or below | Person | 0 | 0 |
| Proportion of governance bodies' members aged 29 or below | % | 0.00 | 0.00 |
| Number of governance bodies' members aged between 30 and 49 | Person | 5 | 5 |
| Proportion of governance bodies' members aged between 30 and 49 | % | 41.67 | 41.67 |
| Number of governance bodies' members aged 50 or above | Person | 7 | 7 |
| Proportion of governance bodies' members aged 50 or above | % | 58.33 | 58.33 |
| Number of governance bodies' members with previous risk management background | Person | 0 | 0 |
| Proportion of governance bodies' members with previous risk management background | % | 0.00 | 0.00 |
| Number of governance bodies' members with previous industry management background | Person | 6 | 6 |
| Proportion of governance bodies' members with previous industry management background | % | 50.00 | 50.00 |
| Number of governance bodies' members with previous law management background | Person | 2 | 2 |
| Proportion of governance bodies' members with previous law management background | % | 16.67 | 16.67 |
| Proportion of employees aged 29 or below | % | 48.18 | 48.50 |
| Proportion of employees aged between 30 and 49 | % | 50.90 | 50.75 |

| Indicator | Unit | 2023 | 2022 |
|--|----------|-------|-------|
| Proportion of employees aged 50 or above | % | 0.92 | 0.75 |
| Proportion of male employees | % | 56.86 | 56.88 |
| Proportion of female employees | % | 43.14 | 43.12 |
| Proportion of disabled employees | % | 0.26 | 0.17 |
| GRI 308-1 New suppliers that were screened using environmental criteria | | | |
| GRI 308-2 Negative environmental impacts in the supply chain and actions taken | | | |
| GRI 414-1 New suppliers that were screened using social criteria | | | |
| GRI 414-2 Negative social impacts in the supply chain and actions taken | | | |
| Number of new suppliers | Supplier | 1,405 | 2,389 |
| Percentage of new suppliers subject to CSR audit | % | 100 | 100 |
| Number of suppliers completing CSR audit in 2023 | Supplier | 1,624 | 2,451 |
| Number of suppliers completing audit on-site | Supplier | 527 | 800 |
| Number of suppliers having significant, actual and potential negative environmental and social impacts confirmed | Supplier | 0 | 1 |
| Percentage of suppliers agreeing to improvements after assessments | % | 0.00 | 0.00 |
| Number of suppliers terminating relationships after assessments | Supplier | 0 | 1 |
| Percentage of suppliers terminating relationships after assessments | % | 0.00 | 100 |
| GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | | | |
| Substantiated complaints concerning breaches of customer privacy and losses of customer data | Event | 0 | 0 |

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Summary of Honors¹

| Company Name | Name of Honor | Level |
|---|--|------------|
| Huzhou Jiuding Electronic Co., Ltd. | The Fifth Batch of Specialized, Refined, Peculiar and Novel "Little Giants" | National |
| Luxshare Precision Industry (Jiangsu) Co., Ltd. | National High-tech Enterprise | National |
| Lanto Electronic Limited | 2023 List of China's Top 100 Competitive Electronic Information Enterprises | National |
| Lanto Electronic Limited | "Digital Quality Management Innovation and Practice" Case | National |
| Lanto Electronic Limited | 2023 Typical Case of Quality Improvement in the Electronic Information Industry | National |
| Lanto Electronic Limited | National Intellectual Property Advantage Enterprise | National |
| Luxshare Electronic Technology (Kunshan) Ltd. | Green Supply Chain Management Enterprise | National |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | National Enterprise Technology Center | National |
| Luxshare Precision Industry (Enshi) Co., Ltd. | National Green Factory | National |
| Luxshare iTech (Zhejiang) Co., Ltd. | 2023 Top 100 Competitive Electronic Information Enterprises | National |
| Luxis Technology (Kunshan) Co., Ltd. | National High-tech Enterprise | National |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Demonstration Factory of Nanoscale Precision Machining for Intelligent Manufacturing | National |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Luxcase Precision 5G+AI Intelligent Full Connection Factory | National |
| Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd. | National High-tech Enterprise | National |
| Huzhou Jiuding Electronic Co., Ltd. | 2022 Hidden Champion of Zhejiang Province | Provincial |
| Luxshare-ICT (Vietnam) Limited | 2023 Typical Enterprise of Service for Laborers | Provincial |
| Luxshare-ICT (Van Trung) Company Limited | 2023 Enterprise of Excellent Employee Welfare | Provincial |
| Luxshare-ICT (Nghe An) Limited | Outstanding Award for Work Performance of Labour Security and Health | Provincial |
| Luxshare Precision Industry (Baoding) Co., Ltd. | Occupational Health Enterprise in Hebei Province | Provincial |
| Luxshare Precision Industry (Baoding) Co., Ltd. | Middle and Small-sized Innovation Enterprises in Hebei Province | Provincial |
| Xuancheng Luxshare Precision Industry Co., Ltd. | Provincial Green Factory | Provincial |

| Company Name | Name of Honor | Level |
|---|---|------------|
| Luxshare Precision Industry (Jiangsu) Co., Ltd. | Provincial Demonstration Intelligent Workshop | Provincial |
| Lanto Electronic Limited | Provincial High-tech Enterprise | Provincial |
| Xiexun Electronic (Ji'an) Co., Ltd. | Pilot Manufacturing Cultivation Enterprise in Jiangxi Province | Provincial |
| Xiexun Electronic (Ji'an) Co., Ltd. | Expert Workstation in Jiangxi Province | Provincial |
| Xiexun Electronic (Ji'an) Co., Ltd. | Provincial High-tech Enterprise | Provincial |
| Xiexun Electronic (Ji'an) Co., Ltd. | The First Unit (Set) of Key Technical Equipment in Jiangxi Province | Provincial |
| ASAP Technology (Jiangxi) Co., Ltd. | Innovative Management Demonstration Enterprise in Jiangxi Province | Provincial |
| ASAP Technology (Jiangxi) Co., Ltd. | Single Manufacturing Champion Enterprise in Jiangxi Province | Provincial |
| ASAP Technology (Jiangxi) Co., Ltd. | Pilot Manufacturing Enterprise in Jiangxi Province | Provincial |
| Luxshare Electronic Technology (Kunshan) Ltd. | Top 100 Excellent Enterprises in Jiangsu Province | Provincial |
| Luxshare Precision Industry (Chuzhou) Co., Ltd. | Manufacturing Enterprise as a Provincial Pacemaker of Per Mu Benefits | Provincial |
| Luxshare Precision Industry (Chuzhou) Co., Ltd. | Top 100 Private Enterprises in Anhui Province | Provincial |
| Luxshare Precision Industry (Chuzhou) Co., Ltd. | Top 100 Private Manufacturing Enterprises in Anhui Province | Provincial |
| Luxshare Precision Industry (Chuzhou) Co., Ltd. | Top 100 Enterprises in Anhui Province | Provincial |
| Luxshare Precision Industry (Chuzhou) Co., Ltd. | Top 100 Manufacturing Enterprises in Anhui Province | Provincial |
| Luxshare Precision Industry (Chuzhou) Co., Ltd. | "Double Top 100" Enterprises of R&D intensity in Anhui Province | Provincial |
| Merry Electronics (Suzhou) Co., Ltd. | 2023 Typical Pilot Benchmarking Enterprise of Integration of Advanced Manufacturing and Modern Service Industries for the High-quality Development of the Modern Service Industry | Provincial |
| Luxshare Automation (Jiangsu) Ltd. | Scientific and Technological Achievement Award of Jiangsu Association of Artificial Intelligence | Provincial |
| Merry Electronics (Huizhou) Co., Ltd. | Innovative Middle and Small-sized Enterprises | Provincial |
| Merry Electronics (Huizhou) Co., Ltd. | Specialized, Refined, Peculiar and Novel Middle and Small-sized Enterprises | Provincial |

¹Not all honors are listed here.

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Summary of Honors (Continued)

| Company Name | Name of Honor | Level |
|---|--|------------|
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | Top 100 Private Manufacturing Enterprises in Jiangxi Province | Provincial |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | Top 100 Private Enterprises in Jiangxi Province | Provincial |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | Industrial Design Center in Jiangxi Province | Provincial |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | Top 20 Cultural Enterprises in Jiangxi Province | Provincial |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | Provincial Industrial Internet Platform | Provincial |
| Jiangxi Luxshare Intelligent Manufacture Co., Ltd. | Innovative Management Demonstration Enterprise in Jiangxi Province | Provincial |
| Luxshare Precision Industry (Enshi) Co., Ltd. | Industrial Design Center in Hubei Province | Provincial |
| Luxshare iTech (Zhejiang) Co., Ltd. | Top 100 Private Enterprises in Zhejiang Province | Provincial |
| Luxshare iTech (Zhejiang) Co., Ltd. | (The 22nd) Top 20 Export Enterprises in the Electronic Information Industry in Zhejiang Province | Provincial |
| Luxshare iTech (Zhejiang) Co., Ltd. | Research and Development Center of High-tech Enterprise in Zhejiang Province | Provincial |
| Luxshare iTech (Zhejiang) Co., Ltd. | The Second Batch of "Cloud Enterprises" in the Manufacturing Industry in Zhejiang Province | Provincial |
| Luxshare iTech (Zhejiang) Co., Ltd. | New Key Enterprise Research Institute Identified in 2023 | Provincial |
| Luxshare iTech (Zhejiang) Co., Ltd. | Provincial Green Factory | Provincial |
| Dongguan Xuntao Electronics Co., Ltd. | Benchmarking Demonstration Enterprise for the Core Software Tackling Project in Guangdong Province | Provincial |
| Suzhou Luxshare Technologies Co., Ltd. | Engineering Technology Research Center in Jiangsu Province | Provincial |
| Luxshare iTech (Zhejiang) Co., Ltd. | (The 22nd) Top 30 Enterprises Ranked by Operating Income in the Electronic Information Industry in Zhejiang Province | Provincial |
| Suzhou Luxshare Technologies Co., Ltd. | Provincial Demonstration Intelligent Workshop | Provincial |
| Dongguan Huarong Communication Technology Co., Ltd. | Specialized, Refined, Peculiar and Novel Middle and Small-sized Enterprises | Provincial |
| Luxis Technology (Kunshan) Co., Ltd. | Provincial Demonstration Intelligent Workshop | Provincial |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Unicorn Enterprise in Jiangsu Province | Provincial |

| Company Name | Name of Honor | Level |
|---|---|------------|
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Provincial Green Factory | Provincial |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Typical Case of Synergic Transformation into Digitalization and Green Development in Jiangsu Province | Provincial |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Enterprise Included in the "2023 Ministry of Industry and Information Technology List of 5G Factories" | Provincial |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Five-star Cloud Enterprise in Jiangsu Province | Provincial |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | Top 100 Manufacturing Enterprises in Jiangsu Province | Provincial |
| Luxcase Precision Technology (Yancheng) Co., Ltd. | 2022 Top 200 Private Enterprises in Jiangsu Province | Provincial |
| Ri Shan Computer Accessories (Jia Shan) Co., Ltd. | Provincial Industrial Internet Platform | Provincial |
| Ri Shan Computer Accessories (Jia Shan) Co., Ltd. | 2023 Provincial Pilot Enterprise for Implementation of the National Standards for Enterprise Data Management in Zhejiang Province | Provincial |
| Ri Shan Computer Accessories (Jia Shan) Co., Ltd. | Top 100 Private Enterprises in Zhejiang Province | Provincial |
| Ri Shan Computer Accessories (Jia Shan) Co., Ltd. | Single Manufacturing Champion Cultivation Enterprise in Zhejiang Province | Provincial |
| Ri Shan Computer Accessories (Jia Shan) Co., Ltd. | "Cloud Enterprise" in the Manufacturing Industry in Zhejiang Province | Provincial |
| Luxshare Precision Accessory (Kunshan) Ltd. | Provincial High-tech Enterprise | Provincial |
| Luxshare Precision Accessory (Suzhou) Ltd. | Provincial Green Factory | Provincial |
| Luxshare Precision Accessory (Suzhou) Ltd. | Provincial Demonstration Intelligent Workshop | Provincial |
| Luxshare Precision Accessory (Suzhou) Ltd. | Work Safety Standardization Level 2 Enterprise | Provincial |
| Huzhou Luxshare Precision Industry Co., Ltd. | The Third Prize in the Eighth China Innovation Challenge (Zhejiang) and the 2023 "Ranking" Competition for Technical Demands in Zhejiang Province | Provincial |

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GRI Content Index

| | |
|-------------------------|--|
| Statement of use | Luxshare Precision Industry Company Limited has reported in accordance with the GRI Standard for the period from January 1, 2023 to December 31, 2023. |
| GRI 1 used | Foundation 2021 |

| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|--|---|------------------------|------------------------------------|--|
| GRI 2: General Disclosures 2021 | | | | |
| 2-1 Organizational details | Company Profile | | | |
| 2-2 Entities included in the organization's sustainability reporting | About this Report | | | |
| 2-3 Reporting Period, frequency and contact point | About this Report | | | |
| 2-4 Restatements of information | Reduction of Greenhouse Gas Emissions Key Performance Data | | | |
| 2-5 External assurance | Assurance Report | | | |
| 2-6 Activities, value chain and other business relationships | Main Business Key Performance Data | | | |
| 2-7 Employees | Recruitment and Retention Key Performance Data | | | |
| 2-8 Workers who are not employees | GRI Content Index | 2-8-a 2-8-b 2-8-c | Information unavailable/incomplete | The Company respected the employees hired by all forms of employment, the data statistics are incomplete for disclosure. |
| 2-9 Governance structure and composition | Corporate Governance | | | |
| 2-10 Nomination and selection of the highest governance body | Corporate Governance | | | |
| 2-11 Chair of the highest governance body | Corporate Governance | | | |
| 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate Governance | | | |
| 2-13 Delegation of responsibility for managing impacts | Corporate Governance | | | |
| 2-14 Role of the highest governance body in sustainability reporting | Sustainability Governance Structure | | | |
| 2-15 Conflicts of interest | Corporate Governance | | | |
| 2-16 Communication of critical concerns | Corporate Governance | | | |
| 2-17 Collective knowledge of the highest governance body | Corporate Governance | | | |
| 2-18 Evaluation of the performance of the highest governance body | Corporate Governance | | | |
| 2-19 Remuneration policies | Corporate Governance | | | |

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GRI Content Index (Continued)

| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|--|---|------------------------|------------------------------------|---|
| 2-20 Process to determine remuneration | Corporate Governance | | | |
| 2-21 Annual total compensation ratio | GRI Content Index | 2-21-a 2-21-b 2-21-c | Confidentiality constraints | The Company actively promoted fair pay for employees, which was disclosed with some information omitted or deleted to protect employee privacy. |
| 2-22 Statement on sustainable development strategy | Targets and Strategies | | | |
| 2-23 Policy commitments | Protection of Rights and Interests | | | |
| 2-24 Embedding policy commitments | Commitment for Critical Goals | | | |
| 2-25 Processes to remediate negative impacts | Stakeholder Communication | | | |
| 2-26 Mechanisms for seeking advice and raising concerns | Stakeholder Communication | | | |
| 2-27 Compliance with laws and regulations | Corporate Governance | | | |
| 2-28 Membership associations | Industry Cooperation Giving back to the Society | | | |
| 2-29 Approach to stakeholder engagement | Stakeholder Communication | | | |
| 2-30 Collective bargaining agreements | GRI Content Index | 2-30-a 2-30-b | Information unavailable/incomplete | The Company complied with relevant laws and regulations and protect the legitimate rights and interests of employees, which cannot be fully disclosed due to the difficulty of accurate statistics. |
| GRI 3: Material Topics 2021 | | | | |
| 3-1 Process to determine material topics | Material Issues Identification | | | |
| 3-2 List of material topics | Material Issues Identification | | | |
| GRI 201: Economic Performance 2016 | | | | |
| 3-3 Management of material topics | Green and Low-Carbon Strategy Employee Well-being Key Performance Data | | | |
| 201-1 Direct economic value generated and distributed | Key Performance Data | | | |
| 201-2 Financial implications and other risks and opportunities due to climate change | Green and Low-Carbon Strategy Green Product Exploration Key Performance Data | | | |
| 201-3 Defined benefit plan obligations and other retirement plans | Remuneration and Benefits Assurance | | | |
| 201-4 Financial assistance received from government | Corporate Governance | | | |
| GRI 202: Market Presence 2016 | | | | |
| 3-3 Management of material topics | Remuneration and Benefits Assurance Talent Recruitment and Retention Talent Development | | | |

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GRI Content Index (Continued)

| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|---|--|------------------------------------|------------------------------------|--|
| 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | GRI Content Index | 202-1-a 202-1-b 202-1-c 202-1-d | Confidentiality constraints | The Company adhered to the principle of "equal pay for equal work" and provided basic salaries which were not less than the local minimum wage, which are not disclosed due to confidentiality requirements. |
| 202-2 Proportion of senior management hired from the local community | GRI Content Index | 202-2-a | Confidentiality constraints | The Company continues to promote a level of management diversity and localization that is omitted from disclosure due to confidentiality requirements. |
| GRI 205: Anti-corruption 2016 | | | | |
| 3-3 Management of material topics | Corporate Governance | | | |
| 205-1 Operations assessed for risks related to corruption | Corporate Governance Key Performance Data | | | |
| 205-2 Communication and training about anti-corruption policies and procedures | Corporate Governance Supply Chain Management System Key Performance Data | | | |
| 205-3 Confirmed incidents of corruption and actions taken | Corporate Governance Key Performance Data | | | |
| GRI 206: Anti-competitive Behavior 2016 | | | | |
| 3-3 Management of material topics | Corporate Governance | | | |
| 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Corporate Governance Key Performance Data | | | |
| GRI 207: Tax 2019 | | | | |
| 3-3 Management of material topics | Corporate Governance | | | |
| 207-1 Approach to tax | Corporate Governance | | | |
| 207-2 Tax governance, control, and risk management | Corporate Governance | | | |
| 207-3 Stakeholder engagement and management of concerns related to tax | Corporate Governance | | | |
| 207-4 Country-by-country reporting | GRI Content Index | | | Luxshare Precision complied with the requirements of each operating site and submits tax information to the local tax authorities. |
| GRI 302: Energy 2016 | | | | |
| 3-3 Management of material topics | Reduction of Greenhouse Gas Emissions | | | |
| 302-1 Energy consumption within the organization | Key Performance Data | | | |
| 302-2 Energy consumption outside of the organization | GRI Content Index | 302-2-a 302-2-b 302-2-c | Information unavailable/incomplete | The estimation/statistics of energy consumption occurring in upstream and downstream activities are not yet well developed and therefore can't be accurately disclosed. |

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GRI Content Index (Continued)

| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|--|--|-------------------------|-----------------------------|---|
| 302-3 Energy intensity | Key Performance Data | | | |
| 302-4 Reduction of energy consumption | Encourage Innovation Green Product Exploration Reduction of Greenhouse Gas Emissions Key Performance Data | | | |
| 302-5 Reductions in energy requirements of products and services | GRI Content Index | 302-5-a 302-2-b 302-5-c | Confidentiality constraints | Disclosure is omitted due to confidentiality requirements |
| GRI 303: Water and Effluents 2018 | | | | |
| 3-3 Management of material topics | Water Resource Management | | | |
| 303-1 Interactions with water as a shared resource | Water Resource Management | | | |
| 303-2 Management of water discharge-related impacts | Water Resource Management | | | |
| 303-3 Water withdrawal | Key Performance Data | | | |
| 303-4 Water discharge | Key Performance Data | | | |
| 303-5 Water consumption | Key Performance Data | | | |
| GRI 305: Emissions 2016 | | | | |
| 3-3 Management of material topics | Reduction of Greenhouse Gas Emissions Pollutant Discharge Management | | | |
| 305-1 Direct (Scope 1) GHG emissions | Reduction of Greenhouse Gas Emissions Key Performance Data | | | |
| 305-2 Energy indirect (Scope 2) GHG emissions | Reduction of Greenhouse Gas Emissions Key Performance Data | | | |
| 305-3 Other indirect (Scope 3) GHG emissions | Reduction of Greenhouse Gas Emissions Key Performance Data | | | |
| 305-4 GHG emissions intensity | Reduction of Greenhouse Gas Emissions Key Performance Data | | | |
| 305-5 Reduction of GHG emissions | Reduction of Greenhouse Gas Emissions Key Performance Data | | | |
| 305-6 Emissions of ozone-depleting substances (ODS) | Pollutant Discharge Management | | | |

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| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|--|---|------------------------|-----------------------------|---|
| 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Pollutant Discharge Management | | | |
| GRI 306: Waste 2020 | | | | |
| 3-3 Management of material topics | Pollutant Discharge Management | | | |
| 306-1 Waste generation and significant waste-related impacts | Pollutant Discharge Management | | | |
| 306-2 Management of significant waste-related impacts | Pollutant Discharge Management Green Product Exploration | | | |
| 306-3 Waste generated | Pollutant Discharge Management Key Performance Data | | | |
| 306-4 Waste diverted from disposal | Pollutant Discharge Management Key Performance Data | | | |
| 306-5 Waste directed to disposal | Pollutant Discharge Management Key Performance Data | | | |
| GRI 308: Supplier Environmental Assessment 2016 | | | | |
| 3-3 Management of material topics | Supply Chain Management System | | | |
| 308-1 New suppliers that were screened using environmental criteria | Supply Chain Management System Key Performance Data | | | |
| 308-2 Negative environmental impacts in the supply chain and actions taken | Supply Chain Management System Green Supply Chain | | | |
| GRI 401: Employment 2016 | | | | |
| 3-3 Management of material topics | Employee Well-being Talent Recruitment and Retention | | | |
| 401-1 New employee hires and employee turnover | Key Performance Data GRI Content Index | 401-1-a | Confidentiality constraints | Only the annual turnover rate of indirect employees was disclosed as required for non-disclosure. |
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Well-being | | | |

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GRI Content Index (Continued)

| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|---|---|-------------------------|--|---|
| 401-3 Parental leave | Employee Well-being Key Performance Data GRI Content Index | 401-3-c 401-3-d 401-3-e | Information unavailable/ incomplete | The Company provides parental leave for all employees. As data management is still being improved, some indicators of this disclosure item will be omitted in the current year. |
| GRI 402: Labor/Management Relations 2016 | | | | |
| 3-3 Management of material topics | Protection of Rights and Interests | | | |
| 402-1 Minimum notice periods regarding operational changes | Protection of Rights and Interests | | | |
| GRI 403: Occupational Health and Safety 2018 | | | | |
| 3-3 Management of material topics | Occupational Health and Safety | | | |
| 403-1 Occupational health and safety management system | Occupational Health and Safety | | | |
| 403-2 Hazard identification, risk assessment, and incident investigation | Occupational Health and Safety | | | |
| 403-3 Occupational health services | Occupational Health and Safety | | | |
| 403-4 Worker participation, consultation, and communication on occupational health and safety | Occupational Health and Safety | | | |
| 403-5 Worker training on occupational health and safety | Occupational Health and Safety Key Performance Data | | | |
| 403-6 Promotion of worker health | Occupational Health and Safety | | | |
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health and Safety | | | |
| 403-8 Workers covered by an occupational health and safety management system | Occupational Health and Safety Key Performance Data | | | |
| 403-9 Work-related injuries | Occupational Health and Safety Key Performance Data | | | |
| 403-10 Work-related ill health | Green Product Exploration Occupational Health and Safety Key Performance Data | | | |
| GRI 404: Training and Education 2016 | | | | |
| 3-3 Management of material topics | Talent Development | | | |
| 404-1 Average hours of training per year per employee | Talent Development Key Performance Data | | | |

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| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|--|--|------------------------|-----------------------------|--|
| 404-2 Programs for upgrading employee skills and transition assistance programs | Talent Development Key Performance Data | | | |
| 404-3 Percentage of employees receiving regular performance and career development reviews | Talent Development Key Performance Data | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | | | | |
| 3-3 Management of material topics | Corporate Governance Talent Recruitment and Retention | | | |
| 405-1 Diversity of governance bodies and employees | Corporate Governance | | | |
| 405-2 Ratio of basic salary and remuneration of women to men | GRI Content Index | 405-2-a 405-2-b | Confidentiality constraints | The Company upholds the principle of "equal pay for equal work" and is committed to creating an equal and diverse workplace, disclosure of which is omitted due to confidentiality requirements. |
| GRI 406: Non-discrimination 2016 | | | | |
| 3-3 Management of material topics | Protection of Rights and Interests | | | |
| 406-1 Incidents of discrimination and corrective actions taken | Protection of Rights and Interests | | | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | | | | |
| 3-3 Management of material topics | Protection of Rights and Interests | | | |
| 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Protection of Rights and Interests | | | |
| GRI 408: Child Labor 2016 | | | | |
| 3-3 Management of material topics | Protection of Rights and Interests | | | |
| 408-1 Operations and suppliers at significant risk for incidents of child labor | Protection of Rights and Interests | | | |
| GRI 409: Forced or Compulsory Labor 2016 | | | | |
| 3-3 Management of material topics | Protection of Rights and Interests | | | |
| 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Protection of Rights and Interests | | | |
| GRI 413: Local Communities 2016 | | | | |
| 3-3 Management of material topics | Giving back to the Society | | | |
| 413-1 Operations with local community engagement, impact assessments, and development programs | Giving back to the Society | | | |

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| GRI Standards and Disclosure Items | Location | Requirement(s) Omitted | Reason | Explanation |
|---|---|------------------------|-----------------------------|--|
| 413-2 Operations with significant actual and potential negative impacts on local communities | Giving back to the Society Exploration of Green Products Pollutant Discharge Management Key Performance Data | | | |
| GRI 414: Supplier Social Assessment 2016 | | | | |
| 3-3 Management of material topics | Supply Chain Management System | | | |
| 414-1 New suppliers that were screened using social criteria | Supply Chain Management System Key Performance Data | | | |
| 414-2 Negative social impacts in the supply chain and actions taken | Supply Chain Management System Green Supply Chain Conflict Minerals Management | | | |
| GRI 416: Customer Health and Safety 2016 | | | | |
| 3-3 Management of material topics | Quality Management | | | |
| 416-1 Assessment of the health and safety impacts of product and service categories | Quality Management | | | |
| 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | GRI Content Index | 416-2-a 416-2-b | Confidentiality constraints | The Company is committed to providing high quality and non-hazardous products, the disclosure of which is omitted due to confidentiality requirements. |
| GRI 418: Customer Privacy 2016 | | | | |
| 3-3 Management of material topics | Risk Control | | | |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Risk Control Key Performance Data | | | |

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Feedback Form

Dear Readers,

Thanks for reading the 2023 Sustainability Report published by Luxshare Precision Industry Company Limited. We sincerely appreciate your suggestions and comments to help us keep moving forward. Please leave your comments ("√" for what you think):

| Contents | Strongly agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|----------------|-------|---------|----------|-------------------|
| Do you obtain the information you want to know? | | | | | |
| Do you think the content layout and design style of this report is conducive to reading? | | | | | |
| Will you continue to pay attention to Luxshare Precision's future sustainability report? | | | | | |
| Which part of the report are you most interested in? (Please specify it) | | | | | |
| What additional topics do you want to learn but do not appear in the report? (Please specify it) | | | | | |
| What's your suggestion to future sustainability reports? (Please specify it) | | | | | |
| Your contact information (optional and confidential, we strictly protect your personal information and will not use it for any business purposes) | | | | | |
| Name | Phone | | | | |
| Email | | | | | |

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