LUXSHARE ICT

Committed to Advancing Cutting-Edge Technology, Fulfilling the Ambitions of Our Global Partners

2024

SUSTAINABILITY REPORT

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About this Report

Introduction

Luxshare Precision Industry Company Limited releases a sustainability report annually, 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. This report is the sixth consecutive sustainability report released by the Company.

Preparation Basis

Luxshare Precision has prepared this Report based on the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* (Guideline), in accordance with the requirements of Global Reporting Initiative (GRI Standards) issued by the Global Sustainability Standards Board (GSSB),and ESG topics and relevant requirements of Environment, Social and Governance (ESG) Ratings of capital markets including the Morgan Stanley Capital International's ESG rating (MSCI ESG Rating). This Report was prepared by identifying the important stakeholders, analyzing and arranging material topics, 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 Limited and its subsidiaries.

Definition of Terms

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 *2024 Annual Report*.

Reporting Entities and Period

Unless otherwise specified, the business scope and the reporting entities of the policies, statements and materials in this Report are the same as those of the Company's *2024 Annual Report*. The Reporting Period is from January 1, 2024 to December 31, 2024.

Reliability Statement and Assurance

The Board of Directors is responsible for the truthfulness, accuracy and completeness of the Report. Luxshare Precision has commissioned TÜV NORD (Hangzhou) Co., Ltd. to conduct an external assurance according to *AA1000 Assurance Standard*. The assurance statement is provided on page 83 of the Report.

Confirmation and Approval

This Report was approved by the Board of Directors for release on April 25, 2025.

Availability of this Report

Luxshare Precision Sustainability Report is released annually at the same time as the Annual Report. The Simplified Chinese and the English versions of the Report can be accessed on the following website. In case of any inconsistency between the versions, the simplified Chinese version shall prevail.

https://www.luxshare-ict.com/en/sustainability/reports-and-polices.html

Chairman's Statement

Wang Laichun

Chairman of Luxshare Precision

Dear Partners,

While the world is facing global challenges and industry revolutions unseen in a century, Luxshare Precision has remained steadfast in our mission: "Committed to advancing cutting-edge technology, fulfilling the ambitions of our global partners". Over the past year, we have demonstrated relentless drive in forging ahead with global partners, continuously creating value through innovatively integrating ESG into business model, and exemplifying the trajectory of high-quality development in Chinese intelligent manufacturing through concrete actions.

○ Governance Excellence: Fortifying the Foundation

At this critical juncture of our 20th anniversary, we continue to refine the governance framework of "the shareholders' meeting, the board of directors, the board of supervisors, and the senior management", establishing a penetrative risk management system. Through systematic upgrades on internal policies and strengthened internal oversight mechanisms, we ensure both the precise executions of the strategic decisions and operational compliance to maintain global competency.

○ Low-Carbon Transformation: Embracing Era Responsibilities

Facing escalating extreme weather threats, we launched a 1.5℃-aligned strategy with low-carbon transformation actions across our value chain as a pioneer. Beyond maintaining global leadership level of CDP Climate Change assessmemt for two consecutive years, we embedded green manufacturing DNA into every product through constructions of green factories and garden factories as well as implementations of sustainable water stewardship.

○ Innovation Breakthroughs: Co-shaping the Future

Driven by smart manufacturing and clean technologies, we enable green production of clients' core products via integrated energy data management and process optimization. Our high-efficiency AI data center solutions empower global partners to build green computing infrastructure. This moat of proprietary innovation cements our role as an indispensable strategic ally.

○ Nurturing Talent: Unleashing Organizational Potential

"Feats are accomplished by capable people, undertakings proceed because of capable people". We empower every employee through diverse career development paths, customized training programs, and performance-driven incentives, fostering a trusted global team where each member thrives amid industrial evolution.

○ Purpose-Driven Action: Charting a Responsible Future

Guided by high standards, whole chain collaboration, and digital management, we embed responsibility across our ecosystem. From building a green and responsible supply chain with partners to advancing rural education support, community revitalization, and public welfare initiatives, we prove that a company's legacy is measured by the depth and breadth of its accountability.

Building a century-long enterprise, practicing evergreen values. As we stand at this new 20-year milestone, Luxshare Precision will continue to wield technology as our pen and responsibility as our ink, collaborating with global partners to compose a new chapter in the high-quality development of intelligent manufacturing.

About Luxshare Precision

Company Profile

Luxshare Precision Industry Company Limited was established on May 24, 2004, and 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, as well as in countries such as Vietnam and Mexico. Additionally, Luxshare Precision has established R&D centers in Shanghai, Dongguan, Shenzhen, Xi'an, and the United States, etc.

After two decades of accumulation and development, in 2024, Luxshare Precision unveiled its corporate mission: "Committed to advancing cutting-edge technology, fulfilling the ambitions of our global partners". The Company is committed to fostering continuous innovations to build a collaborative ecosystem with global partners, driving industry progress and sustainable social development. By seizing the vast opportunities presented by clean technology services and products, we aim to create shared value for society. Through internal growth and vertical integration, the Company has established a diversified and vertically integrated business structure, offering a comprehensive product supply system that integrates development, sales, on-site technical support, and smart manufacturing. Our products are widely used in consumer electronics, automotive, and communication sectors. For more information about the Company's industry and business, please refer to Section III of the *2024 Annual Report*.

Corporate Culture 2.0 Poster

Industry Cooperation

As a leading enterprise in the electronic components industry, Luxshare Precision actively engages in industry development and currently maintains membership of over 70 industry associations. By deeply participating in the formulation of industry standards, sharing cutting-edge technological achievements, and organizing professional seminars, Luxshare Precision has effectively driven the standardization process within the sector.

Industry Association Participation[1]

SNIA · IEEE Advancing Technology for Humanity · China ESG Alliance · PCI SIG · 中國計算機互連技術聯盟 CCITA · VESA · Bluetooth · WIRELESS POWER CONSORTIUM · JEDEC Global Standards for the Microelectronics Industry · ICT产业高质量与绿色发展联盟 AHQGD-ICT · 中国电子元件行业协会 China Electronic Components Association · 中国电源学会 CHINA POWER SUPPLY SOCIETY · HDMI HIGH-DEFINITION MULTIMEDIA INTERFACE · USB Enabling Connections™ · 中国通信标准化协会 China Communications Standards Association · 开放数据中心委员会 Open Data Center Committee · Wi Fi ALLIANCE · TAF taf.org.cn taf.net.cn 电信终端产业协会 · 中国绿色供应链联盟 China Green Supply Chain Alliance

[1] This section only displays some of the industry associations that Luxshare Precision is involved in.

Corporate Development History

2004
- Luxshare Precision Industry Co., Ltd. was officially founded

2010
- Luxshare Precision was successfully listed on the Shenzhen Stock Exchange (Stock Code: 002475)

2011
- Acquired Lanto Electronic Limited
- Acquired ASAP Technology (Jiangxi) Co., Ltd.

2012
- Acquired Huzhou Jiuding Electronic Co., Ltd.
- Acquired Fujian JK Wiring Systems Co., Ltd.
- Acquired controlling shareholding of Shenzhen Kertong Industrial Co., Ltd.

2013
- Acquired Suk Kunststofftechnik GmbH (Germany)

2015
- Acquired controlling shareholding of SpeedTech Corp.

2016
- Acquired controlling shareholding of Merry Electronics (Suzhou) Co., Ltd.
- Established Luxshare-ICT (Vietnam) Limited

2017
- Acquired controlling shareholding of Merry Electronics (Huizhou) Co., Ltd.

2019
- Established Luxshare iTech (Zhejiang) Co., LTD.
- Established Luxshare-ICT (Nghe An) Limited
- Established Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.

2021
- Acquired controlling shareholding of Luxcase Precision Technology (Yancheng) Co., Ltd.

2022
- Acquired controlling shareholding of TIME Interconnect Technology Limited

2024
- Acquired Qorvo Semiconductor (Hong Kong) Limited

Awards and Honors

"BB" Level
Morgan Stanley Capital International (MSCI) Index

Bronze Medal
EcoVadis Certification

Ranked 2nd in Industry in CATI
Ranked 5th in Industry in CITI
The Institute of Public & Environmental Affairs (IPE)

"A" Rating in Climate Change "A-" Rating in Water Security
Carbon Disclosure Project (CDP)

Listed in "Pioneer 100 China ESG Listed Companies (2024)"
China Media Group

2024 Best Practice Cases of Sustainable Development of Listed Companies
China Association for Public Companies

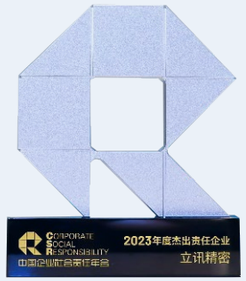
2024 China ESG 50 List
Forbes China

Excellent Case of ESG for "Xinhua Credit Jinlan Cup"
China Economic Information Service

2024 Fortune China ESG Impact List
Fortune China

Awards and Honors (Continued)

2024 "Goldenkey Excellent SDG Solution"
China Sustainability Tribune



China Corporate Social Responsibility Award – Outstanding Responsible Enterprise (2023)
Southern Weekly

2024 Corporate ESG "Golden Awards" Best Environmental (E) Responsibility Award
Sina Finance

2024 IPC China ESG Benchmarking Enterprise Award
Association Connecting Electronics Industries (IPC)

The 2024 Reputation List of Listed Companies – Most Socially Responsible Company
National Business Daily

2024 Diversity Supplier of the Year
MSD China

GoldenBee 2024 Sustainability Reports Honor Roll of Listed Companies in Greater Bay Area
Golden Bee Think Tank

2024 CLS "Zhiyuan Award" ESG Pioneer Award
CLS.CN

2024 China Corporate ESG 100 Index
People's Daily Overseas Online
All-China Environment Federation

ESG Highlights

Sustainable Development, Enhancing Corporate Governance

Handling rate of business ethics related complaints
100%

Special communications with ESG investors
26 times

Signing rate of the *Employee's Letter of Integrity Commitment* and *Employee's Letter of Commitment of Code of Conduct*
100%

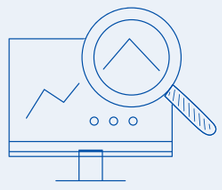
Number of small-scale communications by phone, emails, etc.
417 times

Signing rate of *Letter of Integrity Commitment for Supplier*
100%

Number of large-scale investor engagement activities
5 events

Number of internal audits completed
25 times

Number of Information leakage incidents
0



Green Transition, Fulfilling Environmental Responsibility

Compared to the base year[2], the absolute Scope 1 and 2 emissions reduced by
51%

Compared to the base year, Scope 3 GHG emissions per CNY of value added reduced by
22%

Number of energy efficiency retrofit projects
349

Energy saved
209,435 MWh

Overall installed capacity of rooftop solar PV power generation
150 MW

Utilization rate of clean energy up to nearly
71 %

Number of subsidiaries certified by ISO 14001
62

Accumulative number of green factories
18

Number of subsidiaries certified by AWS International Water Stewardship Standard
6

Accumulative number of subsidiaries certified by UL 2799 Zero Waste to Landfill
14

[2] 2024 greenhouse gas emission data has not been verified and the target base year is 2022. Scope 2 emissions were calculated on a market-based.

ESG Highlights (Continued)

Continuous Innovation, Forging Excellent Products

Number of high-quality patents application
141

Number of subsidiaries certified by IATF 16929
30

Accumulative patents granted
7,164

Number of subsidiaries certified by ISO 13485
12

Number of cases of trademark invalidation and opposition handled
24

Number of new prohibited and restricted substances
15

Investment in clean technology R&D
over 400 million RMB

Number of new patents granted related to clean technology
50

Employees Empowerment, Building a Platform for Dreams

Number of requests and suggestions from the employees
31,410

The case closure rate
100%

Total expenditure on employee training programs
10.71 million RMB

Average training time per person
Nearly 21 hours

Coverage of employee trainings
100%

Year-on-year reduction in work-related injuries
24%

Employee coverage rate by the operations with Occupational Health and Safety System
100%

Number of subsidiaries certified by ISO 45001
54

Number of external recognitions as employer of choice
4

Number of fresh graduate employees
1,648

ESG Highlights (Continued)

Close Collaboration, Contributing to a Harmonious Society

Proportion of 3TG[3] materials involved in all products sourced from RMAP[4] conformant SORs[5]
100%

Proportion of 3TG materials involved in all products traceable to country of origin
100%

Number of supplier summits
3

Accumulative number of suppliers attended
Over 800

CSR[6] audits ratio for new suppliers
100%

The total investment in public welfare and charity undertakings
3.41 million RMB

Number of suppliers assisted in removing records of environmental violations
110

The total investment in rural revitalization
10.35 million RMB

Facilitated suppliers' energy conservation of
33,013 MWh

[3] 3TG: Tantalum, tin, tungsten, and gold.
[4] RMAP: Responsible mineral assurance process
[5] SORs: Smelters or refineries.

Overview of System Certifications

- ISO 27001 Information Security Management Systems
- GB/T 23007 Integration of Informatization and Industrialization Management Systems
- ISO 22301 Business Continuity Management Systems
- GB/T 29490 Enterprise Intellectual Property Compliance Management System
- Customs-Trade Partnership Against Terrorism (CTPAT)
- China Authorized Economic Operator Certificate

- ISO 14001 Environmental Management Systems
- ISO 50001 Energy Management Systems
- PAS 2060 Carbon Neutrality
- ISO 14064 Greenhouse Gas Verification Statement
- ISO 14067 Greenhouse Gases – Carbon Footprint of Products
- UL 2799 Zero Waste to Landfill Validation
- QC 080000 Hazardous Substance Process Management System
- The AWS International Water Stewardship Standard
- Sony Green Partner

- ISO 9001 Quality Management Systems
- ISO 13485 Medical devices — Quality Management Systems
- IATF 16949 Automotive Quality Management System
- TL 9000 The Telecom Quality Management System
- ISO 45001 Occupational Health and Safety Management Systems
- MSD China Certificate of Diverse Supplier[7]
- ISO 28000 Security Management Systems (Supply Chain)
- SA 8000 Social Accountability Certification
- Responsible Business Alliance Validated Assessment Program Certification
- ISO 17025 General Requirements for the Competence of Testing and Calibration Laboratories

Governance | Environmental | Social

[6] CSR: Corporate social responsibility.
[7] Including Certificates of Diverse Supplier in two dimensions: bona fide supplier and ethnic minority regions.

01

Sustainable Development, Enhancing Corporate Governance

At Luxshare Precision, sustainability is deeply embedded within our overarching strategy. We continuously strengthen our ESG management framework and practices to ensure alignment with the United Nations Sustainable Development Goals (SDGs). While maintaining business continuity, we actively create value for all stakeholders. By upholding rigorous ethical standards and compliance protocols, we enhance a culture of integrity, keep information security, and ensure the confidentiality and privacy of both clients and employees are safeguarded against any breaches.

- Corporate Governance and Risk Control
- Information Security and Privacy Protection
- Business Ethics

Implementing ESG Governance

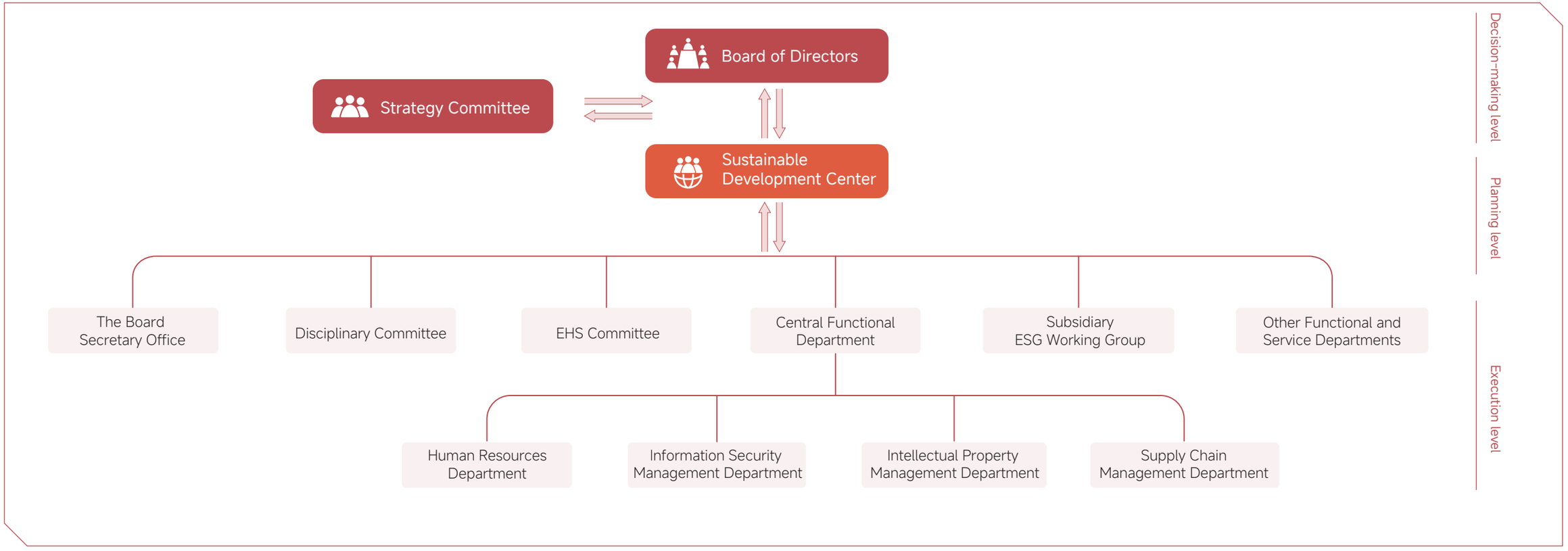
The Company has developed a comprehensive sustainability management framework, utilizing both internal and external resources to strengthen ESG management capabilities at all levels. Through conducting effective stakeholder communications, the Company proactively identifies, assesses, and manages ESG-related risks and opportunities while deeply integrating ESG topics into each phase of the value chain.

ESG Governance Structure

The Company has implemented a three-level sustainability governance structure featuring "Decision-Making - Planning - Execution", comprising of the Board of Directors and Strategy Committee, Sustainable Development Center and Sustainability Execution team. The framework ensures that sustainability impacts, risks, and opportunities are seamlessly integrated into the Company's strategic execution, key decision-making processes, risk management practices, and daily operations.

As the highest decision-making body, the Board of Directors listens to the ESG-related strategies which are proposed by Sustainable Development Center and reviewed by the Strategy Committee, reviews the Company's ESG goals and progress, deliberates and approves the due dilligence results of ESG material topics, and listens to the feedback concerning stakeholders' interests, through regular meetings and irregular special reports. For a detailed overview of the ESG management responsibilities at various levels within Luxshare Precision, please refer to the *Company's official website*.

Sustainability Governance Structure



ESG Management Strategy

Aligned with the principles of "Scientific Governance, Green and Low Carbon, Harmony and Health, and Responsible Procurement", the Company has embedded ESG principles throughout the internal management and daily operations. These efforts drive the Company towards sustainable growth while systematically advancing the integration of sustainable practices across the Company.

ESG Management Strategy

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 Practices • Sustainable Development, Enhancing Corporate 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 Practices • Green Transition, Fulfilling Environmental Responsible

Responsible Procurement

Maintain a benign relationship with suppliers of mutual benefit, win-win cooperation and common development. Increase R&D investment to strengthen independent innovation. Establish a sound supply chain social responsibility management system, build a green and responsible value chain, and jointly work for a sustainable future

ESG Practices • Continuous Innovation, Forging Excellent Products

ESG Practices • Close collaboration, Contributing to a Harmonious Society

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 Practices • Employees Empowerment, Building a Platform for Dreams

ESG Capabilities Enhancement

Luxshare Precision strives to "Cover All Employees and Empower Precisely" by focusing on strengthening the ESG knowledge framework. The Company offers tailored learning resources to employees across different roles and levels, aiming to systematically integrate ESG principles into the Company's governance practices, thereby building sustainable competitive advantages.

Construction of Knowledge Framework

Decision-Making Level

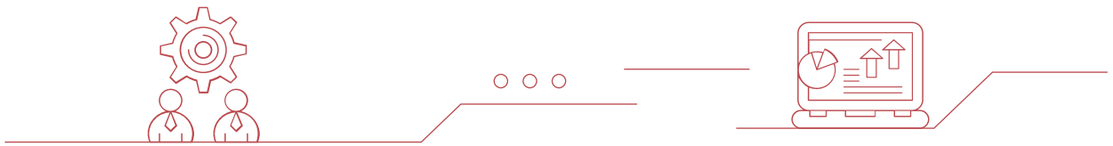
Targeting senior decision-makers, including directors, supervisors, and senior management, our efforts concentrate on ESG policy trends, the evolution of domestic and international standards, and the formulation of corporate ESG strategies. By conducting specialized briefings, organizing experts training sessions, and facilitating internal discussions, we aim to strengthen top-level design competencies

Business Line

We provide targeted training programs tailored to core department, including Business, Procurement, R&D, and Quality Assurance teams. The curriculum focuses on ESG practices, covering foundational ESG concepts and principles, existing management practices and planning. Through regular knowledge-sharings, we keep teams informed about cutting-edge industry developments and leading practices, ensuring effective ESG integration capacities across both operational and business functions

All Employees

Our iSchool platform provides comprehensive ESG trainings to all employees, utilizing standardized educational materials and interactive quizzes. The curriculum encompasses four modules, including fundamental ESG concepts, environmental and social topics'management, and supply chain management. Additionally, we distribute regular micro ESG educational classes through internal platforms to facilitate ongoing knowledge sharing and propagate ESG principles



Stakeholder Communication

Luxshare Precision has systematically identified and categorized seven stakeholder groups in line with the Company's business characteristics and value chain positioning. By proactively engaging with these stakeholders through diverse communication channels, the Company dynamic gains a comprehensive understanding of their concerns and expectations pertaining to ESG factors. This structured approach facilitates ongoing improvement in the Company's ESG performance.

The Company has established public, transparent and efficient grievance mechanisms and encourages stakeholders to report any adverse impacts that the Company may cause or contribute to through readily available channels, such as a dedicated public email (public@luxshare-ict.com), a designated complaints hotline and etc. We maintain the channels' efficiency and responsiveness, with assigned personnel addressing grievances, implementing corrective measures to mitigate adverse effects, and allowing relevant stakeholders to oversee the effectiveness of implemented improvements.

Stakeholder Communications and Concerned Topics

Stakeholders	Government and Regulatory Agencies	Shareholders and Investors	Suppliers	Customers	Employees	Community Members	Partners[8] and Social Media
Major Concerned Material Topics	Energy Management Employee Diversity and Equal Opportunities Talent Attraction and Retention Occupational Health and Safety Responsible Supply Chain Management Climate-related Risks and Opportunities Corporate Governance and Risk Control Business Ethics Information Security and Privacy Protection Environmental Compliance Management Carbon Commitment and Management	Energy Management Protection of Employee Rights and Interests Product Responsibility Innovative Research and Development Climate-related Risks and Opportunities Carbon Commitment and Management Opportunities in Clean Tech Corporate Governance and Risk Control Business Ethics	Responsible Supply Chain Management Information Security and Privacy Protection Hazardous Substances and Chemicals Management Carbon Commitment and Management Equitable Treatment of Small and Medium-sized Enterprises Business Ethics	Business Ethics Product Responsibility Innovative Research and Development Opportunities in Clean Tech Protection of Employee Rights and Interests Carbon Commitment and Management Customer Relationship Management Climate-related Risks and Opportunities Waste and Circular Production Hazardous Substances and Chemicals Management Information Security and Privacy Protection	Talent Attraction and Retention Occupational Health and Safety Protection of Employee Rights and Interests Employee Training and Development Employee Diversity and Equal Opportunities	Community Engagement Carbon Commitment and Management Water Resources and Wastewater Management Waste and Circular Production Environmental Compliance Management Biodiversity Conservation Air Pollutants Management	Information Security and Privacy Protection Carbon Commitment and Management Product Responsibility Opportunities in Clean Tech Responsible Supply Chain Management
Communication Channels	● Investigation and visit ● Report presentation ● Meeting paticipation ● Survey questionnaire	● Special Communication with ESG investors ● Call conferences, emails, etc. ● Survey questionnaire	● Open tendering ● Supplier conference ● Survey questionnaire	● On-site audit ● Technical seminar ● Phone conferences, emails, etc. ● Survey questionnaire	● Employee symposium ● Employee complaints and appeal	● Complaint hotline ● Field visit ● Event participation	● Engagement in industry exchange activities
	■ Public disclosure	■ General meetings of shareholders ■ Public disclosure	■ Supplier management and review ■ Supplier training and empowerment	■ Public disclosure		■ Public disclosure	■ Communication and interview ■ WeChat official account platform
				▶ Customer satisfaction survey	▶ Labor union ▶ Employee engagement and satisfaction survey		

[8] Partners include industry associations, NGOs, etc.

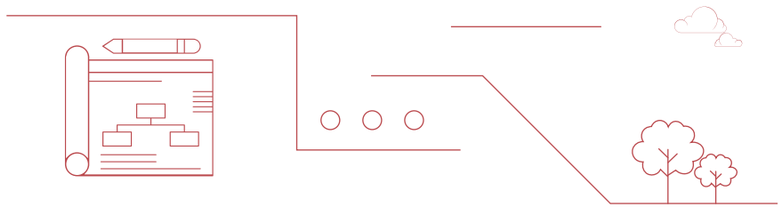
Communication Frequency: ● Irregular ■ Regular and irregular ▶ Regular

Material Topics Identification

In accordance with the *Guideline*, Luxshare Precision conducts a comprehensive double materiality assessment. This evaluation considers not only the financial impact of ESG-related matters on the Company but also the extensive economic, social, and environmental consequences of the Company's operations concerning these ESG topics.

During the Reporting Period, Luxshare Precision held a specialized financial materiality workshop, attended by 16 senior managements who deliberated and assessed the financial relevance of the identified ESG topics. A collaborative assessment was further conducted with the insights derived from 986 sustainability impact materiality survey responses gathered from diverse stakeholders. Following the Board's review and approval, we developed a double materiality matrix and mapped these topics across our value chain.

Financial Materiality Workshop



[9] The evaluation criteria for determining financial materiality of ESG topics aligns with the thresholds established as in the *2024 Annual Report*.

Identification Process of Double Material Topics

- Strategic Planning & Business Strategy
- Latest ESG Management Trend
- Overall Situation of the Industry
- Capital Market Focus

→ Compile a List of 24 ESG Topics

→ Conducting Double Materiality Assessment Based on Stakeholder Engagement

- Questionnaire Survey
- Department Interviews
- Specialized Discussion

→

Impact Materiality
- Likelihood of Occurrence
- Degree of Impact
- Scope of Impact
- Irremediableness

Financial Materiality
- Likelihood of Occurrence
- Degree of Impact
  - Key Financial Indicators: Operation, Regulation, Strategy, Reputation

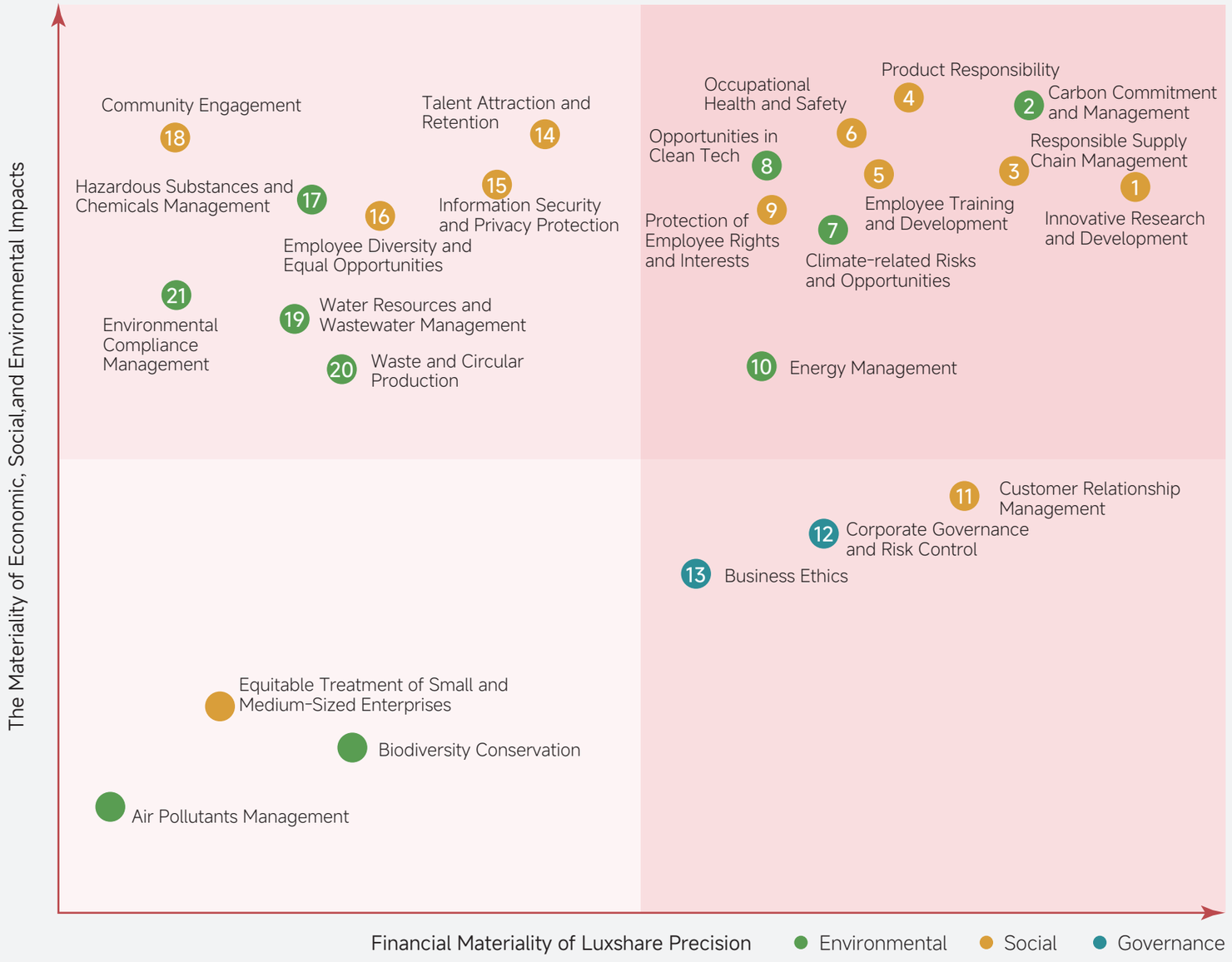
→ Summary of Results and Including Opinions from Third-party Experts

→ Board Review

→
- 10 Double Material Topics
- 3 Financial Material Topics
- 8 Impact Material Topics
- 3 Other ESG Topics

The Matrix of Double Material Topics

Double Material Topics for the Year 2024



Number	Material Topics
1	Innovative Research and Development
2	Carbon Commitment and Management
3	Responsible Supply Chain Management
4	Product Responsibility
5	Employee Training and Development
6	Occupational Health and Safety
7	Climate-related Risks and Opportunities
8	Opportunities in Clean Tech
9	Protection of Employee Rights and Interests
10	Energy Management
11	Customer Relationship Management
12	Corporate Governance and Risk Control
13	Business Ethics
14	Talent Attraction and Retention
15	Information Security and Privacy Protection
16	Employee Diversity and Equal Opportunities
17	Hazardous Substances and Chemicals Management
18	Community Engagement
19	Water Resources and Wastewater Management
20	Waste and Circular Production
21	Environmental Compliance Management

Double Material
Financial Material
Impact Material

Value Chain Mapping of Material Topics

Topic Category	Material Topics	Response Section	Supply Chain	Production/ Operation	Product	Community Engagement	Time Scale
Governance	Corporate Governance and Risk Control	Stabilizing Enterprise Operations		●			☆☆
	Business Ethics	Operating an Honest and Trustworthy Enterprise	●	●			☆☆
Environmental	Carbon Commitment and Management	Continuous Low-carbon Operation	●	●		●	☆☆☆
	Climate-related Risks and Opportunities	Responding to Climate Change	●	●	●		☆☆☆
	Opportunities in Clean Tech	Cultivating Green Products		●	●		☆☆☆
	Energy Management	Optimize Energy Use	●	●			☆☆☆
	Hazardous Substances and Chemicals Management	Cultivating Green Products	●	●	●		☆☆
	Water Resources and Wastewater Management	Implementing Green Manufacturing		●		●	☆
	Waste and Circular Production	Implementing Green Manufacturing		●	●	●	☆☆☆
	Environmental Compliance Management	Implementing Green Manufacturing		●		●	☆
Social	Employee Training and Development	Support for Training and Development		●			☆
	Occupational Health and Safety	Ensuring Occupational Health and Safety		●			☆
	Protection of Employee Rights and Interests	Protecting Employee Rights		●			☆☆☆
	Talent Attraction and Retention	Attracting Excellent Talent		●			☆☆
	Information Security and Privacy Protection	Ensure Information Security		●			☆☆☆
	Employee Diversity and Equal Opportunities	Attracting Excellent Talent		●			☆☆
	Innovative Research and Development	Pioneering Innovation and R&D	●		●		☆☆☆
	Responsible Supply Chain Management	Collaborative Value Creation	●				☆☆
	Product Responsibility	Strengthening Client Trust			●		☆☆
	Customer Relationship Management	Strengthening Client Trust			●		☆☆
	Community Engagement	Revitalizing Rural Areas Pooling Compassion				●	☆☆☆

Long-term ☆☆☆ Medium-term ☆☆ Short-term ☆

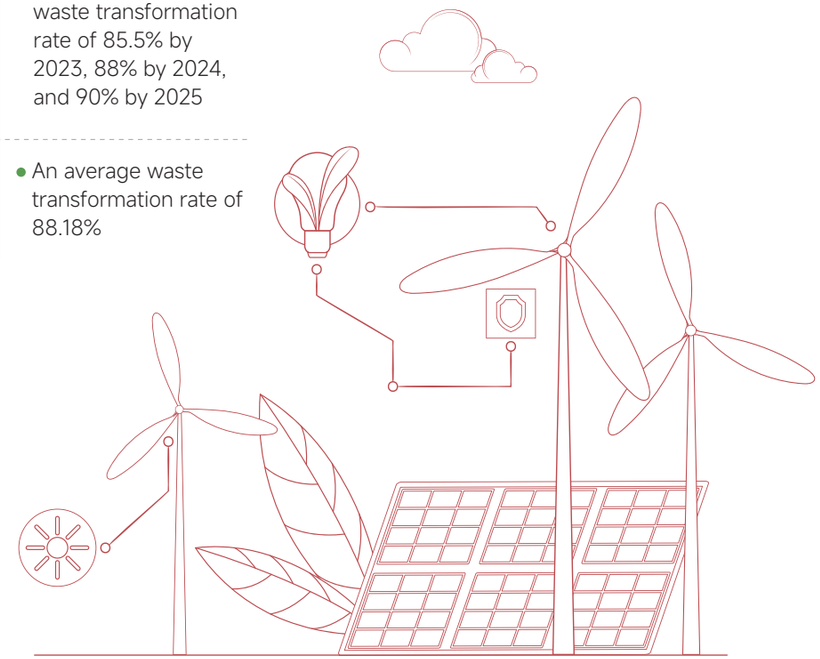
Risks, Opportunities, and Response Strategies of Financial Material Topics

Financial Material Topics	Risks	Opportunities	Response Strategies
Opportunities in Clean Tech	• The momentum of the global economic green transformation weakens	• Drive the business transformation and expand into new markets	• Actively deploy in clean technology areas such as new energy vehicles, optimizing systems and technology, recycling and reuse, power management, and renewable energy
Occupational Health and Safety	• Work-related accidents and occupational diseases lead to a decrease in productivity, damage to reputation, and an increase in labor costs	• A healthy and safe working environment promotes operational stability and reduces compliance costs such as insurance premiums	• Continuously strengthen the occupational health and safety management system, and regularly carry out occupational health and safety training and audits
Employee Training and Development	• Mismatched training and development systems lead to a decrease in production efficiency	• Stimulate organizational innovation, enhance efficiency, and reduce operating costs	• Provide diverse training courses and capability development programs for employees at different levels
Carbon Commitment and Management	• R&D and procurement expenditures increase for low-emission transformation	• Reduce operating costs, enhance the image of a low-carbon brand, and strengthen market competitiveness	• Establish short, medium, and long-term emission reduction targets and key strategies, and carry out regular carbon accounting and comprehensive carbon emission reduction
Innovative Research and Development	• Loss of R&D investment	• Assist in exploring new business opportunities and revenue growth points	• Adhere to forward-looking investments and rely on the incentive mechanism to drive technological innovation
Product Responsibility	• Product quality issues lead to recalls, lawsuits, etc.	• Exceed customer expectations and gain new business opportunities	• Continuously improve the intelligent manufacturing and quality management system, and conduct regular quality audits
Responsible Supply Chain Management	• Failure in supply chain management led to an increase in operating costs and a decrease in profitability	• A stable and compliant supply chain helps to ensure the timeliness of product or service delivery and enhances customer trust	• Establish a management system that covers the entire lifecycle of suppliers, promoting a high-quality, green, and low-carbon transformation of the supply chain
Climate-related Risks and Opportunities	• Production shutdowns, increased costs, and higher insurance expenditures caused by physical risks; • Additional costs and increased raw material expenses, etc. incurred from transition risks	• Improving resource management and recycling efficiency which leads to enhanced production capacity and operational efficiency while reducing expenditures related to raw materials, inventory, and logistics • Participate in government-led energy conservation and emission reduction programs and benefit from relevant subsidies and incentives • Transitioning to low-emission energy sources such as solar power helps reduce carbon emissions and minimizes corporate's environmental costs	• Identify climate risks and opportunities, analyze policy trends, and assess the impact on the Company's operations, strategy, and finance through scenario analysis
Protection of Employee Rights and Interests	• Incidents of rights infringement weaken the enterprise's reputation and talent attraction	• Enhancing employee satisfaction leads to improving work efficiency and staff turnover reduction	• Establish a comprehensive labor risk management mechanism to ensure operations comply with employees' rights and interests
Energy Management	• Inefficient energy management leads to an increase in operating costs	• Effective energy management can reduce costs and improve financial efficiency	• Apply an energy management system, monitor energy usage, and actively promote the low-carbon transformation of energy and energy efficiency retrofit
Business Ethics	• Violation of business ethics leads to compensation and fines	• Adhering to business ethics can enhance mutual trust and cooperation with stakeholders	• Establish Codes of Conduct for employees and suppliers, and regularly conduct internal audits and training on business ethics
Corporate Governance and Risk Control	• The decline in corporate decision-making power leads to regulatory penalties and reputation loss	• Enhancing organizational resilience can boost investor confidence and market value	• Perfect the corporate governance structure, and continuously strengthen risk and internal control management
Customer Relationship Management	• Failure to establish good customer relationships leads to a shrinking market share	• Enhancing customer satisfaction can lead to revenue growth	• Maintain close communication with customers through visits, information collection, satisfaction surveys, and other methods, continuously improving customer service

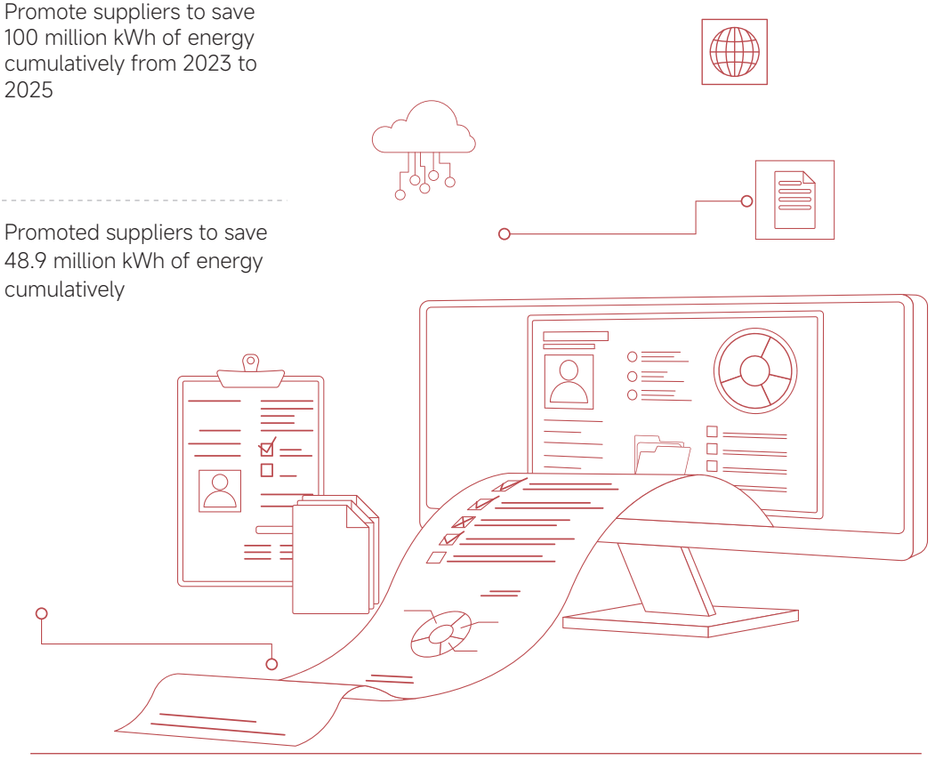
Target Commitment and Progress

Luxshare Precision aligns with the principles of promoting SDGs for advancing sustainability works. The Company has established ambitious and challenging targets to drive initiatives across our supply chain, production/operation, product, and community engagement efforts.

Production/ Operation (Corporate governance)	Targets and Commitments	• Continue to improve corporate governance and internal control system	• Conduct regular stakeholder communication through multiple channels	• Percentages of female directors and independent directors in the Board are not less than one third	• Continuously improve the business ethics standards and unblock whistleblowing channels to complete a 100% handling rate of business ethics related complaints	• Conduct regular business ethics training and build a culture of honest management	• Retain 100% signing rate of the *Employee's Letter of Integrity Commitment*	• Strengthen employees' awareness of confidentiality, and training on information security and privacy protection	• Zero major information leak, zero major information system failure and zero business continuity interruption incident
	Progress	• Guided by COSO framework, establish three defense lines for risk management and internal control	• Conducted 26 special ESG investor communications	• Female directors accounted for 43% • Independent directors accounted for 43%	• 100% handling rate of business ethics related complaints	• 100% employee anti-corruption training coverage, and a total of 286,567 hours of anti-corruption and business ethics related trainings conducted	• 100% signing rate of the *Employee's Letter of Integrity Commitment*	• A total of 506,805 hours of information trainings conducted with a total of 72,159 person times participated	• Zero relevant incident occurred
Production/ Operation (Environment)	Targets and Commitments	• Reduce absolute Scope 1 and 2 emissions by 50.4% by 2032 from a 2022 base year	• The Company shall save 250 million kWh of energy cumulatively from 2023 to 2025	• The utilization rate of clean energy will reach 30% by 2023, 40% by 2024 and 50% by 2025	• The withdrawn water utilization rate will increase by 20% by 2025 compared with that of 2021	• Employ the third party to conduct wastewater testing at least once a year	• Achieve an average waste transformation rate of 85.5% by 2023, 88% by 2024, and 90% by 2025		
	Progress	• Decreased by 51% compared to the base year	• Accumulative around 350 million kWh energy saved	• Nearly 71% of clean energy utilization rate	• Increased by 15% compared to the base year	• 100% facilities have met the standards	• An average waste transformation rate of 88.18%		
Production/ Operation (Employee)	Targets and Commitments	• Value and respect the rights and interests of all employees at home and abroad, to avoid discrimination and damage to labors' rights and interests	• 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	• Construct an occupational environment with diversity, inclusiveness and equality, provide a competitive remuneration plan for all employees, provide diverse promotion channels	• Unblock employee complaint channels, actively carry out employee communications, and build a team of employees with high satisfaction and engagement	• 100% employees receive on average 20 hours of training annually by 2025			
	Progress	• Zero incident of any type of discrimination occurred	• Zero work-related fatality occurred, and the number of work-related injuries decreased by 24% year-on-year	• Conitinue to improve the variable compensation system, equity incentive plan, and dual-channel promotion system that covers all employees	• Conduct an annual employee engagement and satisfaction survey, with a 100% closure rate for employee complaint incidents	• 100% employee training coverage, with an average training duration of nearly 21 hours per person			



Product						
Targets and Commitments	• Complete the intelligent production and manufacturing system, and gradually promote the industrial intelligent transformation	• Strengthen the quality management system and continuously improve product quality	• Adhere to forward-looking investment in research and development, encouraging the innovation and development of core technologies	• Continuously increase R&D investment in green products and clean technology, and encourage the R&D and application of patents related to clean technology	• By means of technology, service, and innovation, maximize customer value and establish long-term, stable, and sustainable cooperative relationships	• Strictly implement the classification control of hazardous substances, and gradually promote replacement and comprehensive reduction
Progress	• achieved the interconnection of materials, manufacturing, and supply operations, and promoted actions such as predictive maintenance and repair of intelligent devices and optimization of logistics routes	• The Company and its major production bases have passed the ISO 9001 Quality Management Systems certification	• 1,381 patents were newly added, and the total number of patents reached 7,164	• More than 400 million RMB was invested in the R&D of green products and clean technology, and 50 patents related to clean technology were obtained	• Continuously conduct customer satisfaction surveys and won more than 10 core customer awards	• In line with domestic and international policy trends and customer standards, proactive management measures were adopted, and promoted the hazardous substances phase-out plan
Supply Chain						
Targets and Commitments	• The 3TG materials involved in all products are 100% sourced from RMAP conformant SORs and 100% traced back to their country of origin	• Initiate green supply chain initiatives to promote environmental and social responsibility among suppliers	• Reduce Scope 3 emissions by 58.1% per CNY of value added by 2032 from a 2022 base	• Promote suppliers to save 100 million kWh of energy cumulatively from 2023 to 2025		
Progress	• The 3TG materials involved in all products are 100% sourced from RMAP conformant SORs and 100% traceable to their country of origin	• Assisted 110 suppliers in removing records of environmental violations	• Reduced by 22% compared to the base year	• Promoted suppliers to save 48.9 million kWh of energy cumulatively		
Community Engagement						
Targets and Commitments	• Maintain good communication with the local community where operations are conducted	• Actively support rural revitalization	• Actively contribute to local community construction			
Progress	• Actively participated in community activities, and cared for and visited vulnerable groups	• 10.35 million RMB invested in rural revitalization activities; organized and carried out charitable farming assistance, rural cultural, and rural educational activities	• 3.41 million RMB invested in public welfare and charitable activities; organized and carried out social welfare activities such as old clothing recycling, disaster relief, and blood donation campaigns			



Stabilizing Enterprise Operations

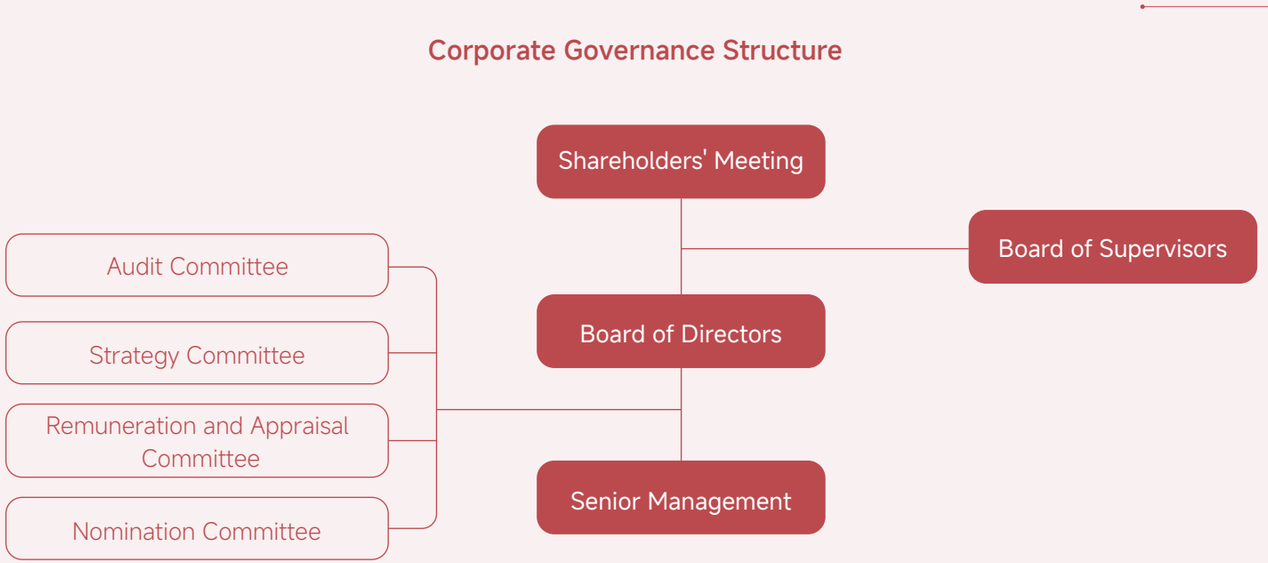
A robust corporate governance framework is critical for ensuring organizational stability and resilience. The Company continues to strengthen its internal controls, protect investors' rights, enhance corporate governance practices, and meticulously fulfill its statutory tax obligations in compliance with local regulations across all jurisdictions of operations. For further details on the Company's generation, distribution, and retention of economic value, along with government-provided fiscal support, please refer to Section X of the *2024 Annual Report*.

Governance Structure

Luxshare Precision has implemented a corporate governance framework that complies with the *Company Law of the People's Republic of China (2023 Amendment) (Company Law)*, the *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies – Main Board Listing Standards*, and other relevant laws and regulations. This framework includes the Shareholders' Meeting, the Board of Directors and its specialized committees, the Board of Supervisors, and the senior management team.

For detailed information regarding the corporate governance structure and responsibilities, please refer to Section IV of the *2024 Annual Report* and *the Articles of Association*.

Corporate Governance Structure



In 2024, the Company updated the *Articles of Association*, the *Independent Director Operation System*, the *Detailed Rules for the Operation of the Remuneration and Appraisal Committee of the Board of Directors*, the *Management Rules for Related Party Transactions*, and the *Rules of Procedure for Shareholders' Meetings*. These updates aim to refine the governance system and effectively safeguard the rights and interests of investors and other stakeholders.

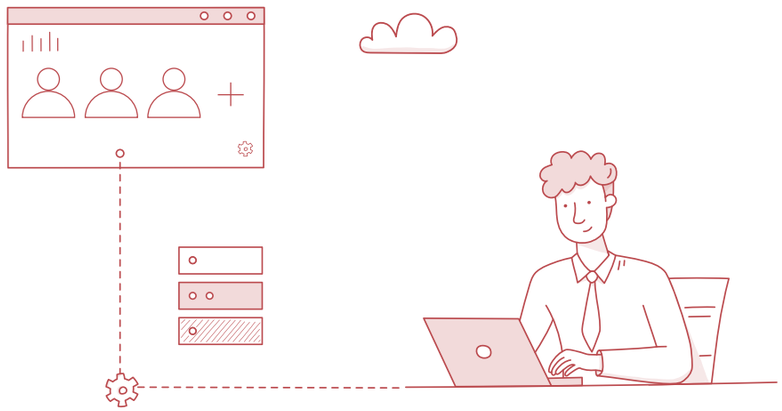
Operation Mechanism of the Board of Directors

To ensure the independence and objectivity of the Board's decision-making, directors are prohibited from participating in the review of transactions involving entities with which they have an affiliation. Furthermore, they are not permitted to exercise voting rights on such resolutions or to act as proxies for other directors. During the Reporting Period, the Company convened a total of 9 Board meetings.

For detailed information regarding the operation of the Board of Directors, the specialized committee, and related-party transactions, please refer to Sections IV and VI of the *2024 Annual Report* and the *Articles of Association*.

Election and Composition of the Board of Directors

Luxshare Precision promotes diversity in its board composition and adheres to the principle of selecting talent solely on merit. In the appointment of directors, the Company comprehensively evaluates various factors, including gender, age, nationality, cultural background, educational qualifications, professional expertise, experience, and independence, laying the groundwork for scientific and effective governance. The Company rigorously follows director selection procedures outlined in the *Company Law* and *Articles of Association*, ensuring that the number and composition of directors align with regulatory requirements. In June 2024, following shareholders' approval, the Company finalized the election of the Board of Directors. The current board comprises 7 directors, including 3 independent directors and 3 female directors. For further details, please refer to section IV of the *2024 Annual Report*.



Structure of the Board of Directors Members

Name	Title	Gender	Professional Knowledge and Skills		Main Experience	
			Industry or Technology	Legal, Financial, or Accounting	Industry or Technology	Legal, Financial, or Accounting
Wang Laichun	Chairman	Female	●		●	
Wang Laisheng	Vice Chairman	Male	●		●	
Qian Jiwén	Director	Male	●		●	
Hao Jie	Director	Male	●		●	
Liu Zhonghua	Independent Director	Male		●		●
Song Yuhong	Independent Director	Female		●		●
Hou Lingling	Independent Director	Female		●		●

Remuneration Policies

The Remuneration and Appraisal Committee of the Board of Directors, chaired by an independent director, is responsible for designing, reviewing, and implementing compensation plans, policies, and schemes for directors and senior management. Directors and senior managements' annual compensation shall be reviewed and approved through shareholder's meeting, ensuring the rationality and appropriateness of compensation strategy.

The Company adopts a "base annual salary + long-term Incentives" compensation structure for directors and senior management, effectively aligning the interests of shareholders, the Company, and incentive recipients. To safeguard shareholders' legitimate interests, the Company has established a compensation Clawback & Malus mechanism. This mechanism defines key elements, including eligible compensation types, clawback triggers, recoup amounts, and clawback thresholds. The sustainability-related targets are embedded within performance assessments to ensure the achievement of the Company's future development strategies and sustainable development goals.

For details regarding the compensation determination procedures and Clawback & Malus mechanism, please refer to the *Articles of Association and Working Rules for the Remuneration and Appraisal Committee*. During the Reporting Period, the compensation details for directors, supervisors, and senior managements are referred to in section IV of the *2024 Annual Report*.

Protection of Investors' Rights and Interests

Luxshare Precision ensures equal treatment for all shareholders and strictly complies with the provisions and requirements outlined in the *Company Law, Articles of Association*, and *Rules of Procedure for Shareholders' Meetings*. The Company holds at least one shareholders' meeting annually to enable all shareholders, particularly smaller and medium-sized ones, to fully exercise their rights. During the Reporting Period, Luxshare Precision held 2 shareholders' meetings.

Investor Communications

Luxshare Precision adopts multiple communication channels to engage with investors, facilitating prompt dissemination of the Company's latest operational and developmental updates to both domestic and international stakeholders. These channels encompass investor exchange meetings, ESG-focused strategic discussions, the Investor Relations section on the official website, phones and emails, virtual performance briefings, and easy IR platform. Through these channels, the Company addresses investors' concerns related to business operations, financial standing, external investments, industry planning, and sustainability matters.

During the Reporting Period, Luxshare Precision executed a total of 26 special communications with ESG investors, actively addressed stakeholder concerns regarding the Company's ESG targets and sustainable development agenda, thereby enhancing investors' understanding of Luxshare Precision's ESG practices. These efforts enhanced the transparency in the Company's information disclosure and further strengthened investors' trusts.

During the Reporting Period, Luxshare Precision completed:

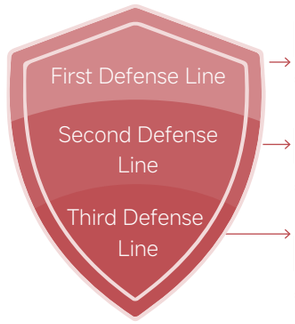
Large-scale investor engagement activities
5 events

Small-scale communications by phone, email, etc
417 times

Inquires and communications via Easy IR platform
151 times

Risk Management

In accordance with the COSO framework, the Company adopted three defense lines for risk management and internal control.



BG/BU[10]

- Establish internal control measures to assess and mitigate risks inherent in the operational execution of various business processes

Compliance Management Department

- Establish a compliance management system, offer guidance on risk management frameworks, compliance strategies, and oversight of emergency drills, and design risk assessment and control measures

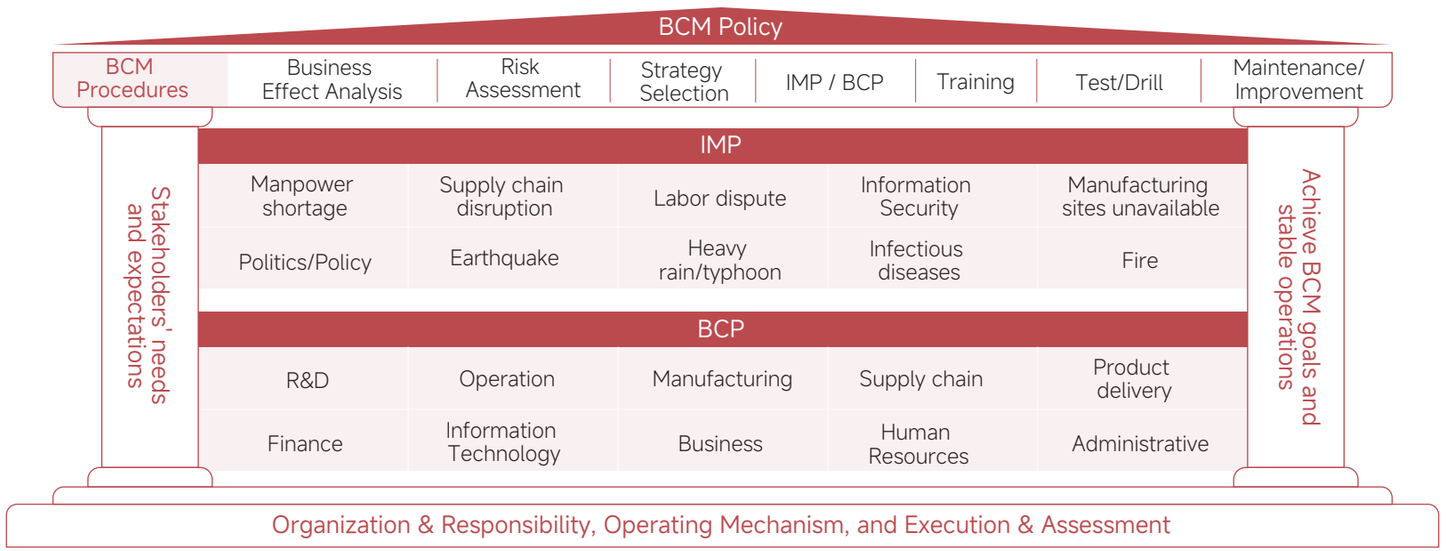
Audit Department

- Conduct internal audits to independently evaluate the effectiveness of risk management and internal controls across the first and second lines of defense, and oversee the execution of improvement measures

Business Continuity

The Company has developed a comprehensive Business Continuity Management (BCM) system designed to ensure "operational stability". This system integrates the Incident Management Plan (IMP) and the Business Continuity Plan (BCP), serving as a key component of the second defense line. To guide the effective planning, implementation, and ongoing enhancement of the BCM system, the Company has created a *Business Continuity Management Manual* in accordance with the ISO 22301 Business Continuity Management Systems.

BCM System



[10] BG/BU: Business Group/Business Unit

BCM Drills in 2024

Manufacturing unavailable
- Sudden flood disaster

Labor shortage
- Abnormal staff turnover

Infectious disease
- Public health emergencies

Information security
- Internal infrastructure network failure
- Partial or complete server failure
- External operator network outage
- Critical data missing

Supply chain disruption
- Unscheduled external power outages
- Suppliers' supply interruption
- Internal power equipment failure
- Global material shortage
- Water/gas supply interruption

Internal Audit

The Internal Audit Department, as the Company's internal independent audit institution, serving as the core of the third defense line. This department continuously oversees key risk domains, including social responsibility, financial transactions, procurement operations, asset management, sales activities, and information security, through regular inspections, audits, internal control evaluations, and specialized reviews. In 2024, we undertook targeted improvements to dozens of policies and systems, ensuring the robustness of the organization's internal control framework.

During the Reporting Period, Luxshare Precision:

Completed of internal audit tasks **25** times

Audit frequency and coverage: Each BG/BU is required to undergo at least **1** comprehensive audit every **2** years

Operating an Honest and Trustworthy Enterprise

Luxshare Precision upholds an unwavering commitment to the principles of "Integrity and Honesty, Oneness and Fairness, Reliability and Compliance, and Self-discipline" The Company actively cultivates a culture of integrity and transparency, which contributes to creating a fair and honest market environment.

Business Ethics Governance

Luxshare Precision has established a governance framework for business ethics under the oversight of the Chairman of the Board and CEO. The Chairman is accountable to the Board of Directors and receives regular updates from the Discipline Committee.

Based on applicable laws and regulations related to business ethics, including the *Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Interim Provisions on Prohibiting Commercial Bribery,* and the *Company Law of the People's Republic of China,* Luxshare Precision has established a comprehensive suite of policies and procedures, including the *Luxshare Precision Global Business Conduct and Ethics Guidelines (COC)*,the *Luxshare Precision Supplier Code of Conduct*, the *Ethical Code of Conduct Compliance Management System*, the *Employee Integrity Management System*, and the *Procurement Business Ethics Management System*. Together, these frameworks govern and oversee the ethical business practices of employees, management, suppliers, and partners.

To further enhance corruption risks control, Luxshare Precision conducts regular audits of ethical standards across all operations (BG/BU) once every two years, to safeguard the Company's operational stability. During the Reporting Period, 2 corruption-related incidents involving embezzlement, bribery and abuse of position were confirmed through internal audits. Both cases were resolved in accordance with the Company's established policies, and no material risks were detected.

During the Reporting Period, Luxshare Precision:

Zero litigation cases involving corruption of the Company and its employees

Business Ethics Governance Structure

Chairman of the Board

Discipline Committee

Legal Group

- Pay attention to updates on anti-corruption regulations and policies
- Review anti-corruption policies and propose revision opinions
- Assist in investigations and case analysis
- Participate in or cooperate with litigation or arbitration
- Recover damages

Financial Group

- Compile budgets and control expenses
- Organize, summarize, and analyze data
- Analyze and review the financial rationality of procurement projects
- Monitor financial transactions
- Collect, organize, archive, and retrieve financial documents

Audit Group

- Collect, analyze and manage anti-corruption data information
- Provide and analyze information on supplier transactions
- Issue alerts for abnormal transactions
- Establish and execute suppliers' evaluation system

Publicity Group

- Publish anti-corruption news and advocate integrity knowledge
- Organize anti-corruption trainings
- Routine tasks such as conference organization, information circulation, and file management
- Undertake anti-corruption work-related liaison and communication

Investigation Group

- Monitor business risks
- Conduct business ethics investigations
- Accept and investigate reports/ accusations
- Establish an anti-corruption system and optimize inspection policies and procedures
- Organize or cooperate in investigations, evidence collection, and accountability

Reporting Management

The Company encourages employees and stakeholders to report any misconduct. We provide multiple reporting channels and establish rewards for reporting. Upon receiving a report, a specialized investigation team is assembled based on the case's size and nature, while safeguarding the legitimate rights and interests of all parties involved. During the Reporting Period, handling rate of business ethics related complaints reached 100%.

Reporting Channels

Address: #313 Beihuan Road, Qingxi Town, Dongguan, Guangdong Province, China

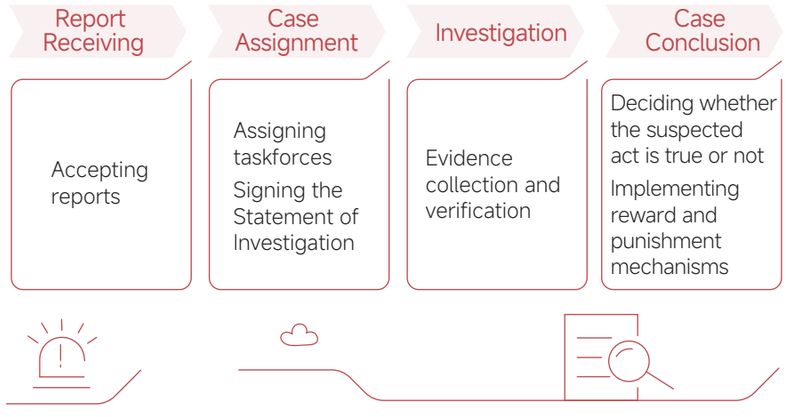
Phone: 0769-38800880

Email: justice@luxshare-ict.com

WeChat: 13144861180

QQ: 3413207068

Whistleblowing Management Flowchart



Whistleblower Protection

Luxshare Precision has adopted a strict "zero tolerance" policy toward discrimination or retaliation of any kind against whistleblowers. The Company has implemented the *Whistleblower Protection and Anti-Retaliation Policy*, aimed at safeguarding the privacy and rights of whistleblowers, avoiding conflicts of interest among investigators and offering legal assistance and additional protective measures, thereby protecting whistleblowers from retaliation.

Whistleblower Protection Measures

Protect the Privacy of Whistleblowers

- Strictly prohibit the unauthorized disclosure of whistleblower-related information
- Designate specialized Investigator 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 facilities' top supervisor and the Director of the Discipline Committee once they are identified
- Provide legal assistance to whistleblowers

Anti-corruption Cultural Construction

The Company actively conducts comprehensive business ethics training programs covering all employees (include part-time and contractors [11]), and all suppliers, to foster an organizational integrity culture.

Training on Business Ethics and Cultural Development

Training Support

- Invite internal and external experts with professional expertise and experience to conduct trainings
- Organize and implement various training and knowledge-sharing programs for all employees, managerial staff, suppliers, and other stakeholder groups in China and international locations
- Arrange and encourage employees to study the most recent information and updates concerning anti-corruption and commercial bribery

Cultural Promotion

- Send the *Integrity Notification Letter* to all employees via email every month.
- Send *Luxshare Precision's Commitment on Anti-corruption* to suppliers through platform every month and during holidays
- Regular publish articles to promote awareness through "Integrity Luxshare" Block

Assessment and Management

- Employees are required to fill out and sign the *Employee's Voluntary Declaration* and the *Employee's Letter of Integrity Commitment*
- Suppliers are required to fill out and sign the *Supplier's Voluntary Declaration* and the *Letter of Integrity Commitment for Supplier*
- Integrate COC into the quarterly training and assessment for employees, and the assessment results will directly affect their performance appraisal and promotion opportunities

[11] In 2024, Luxshare Precision did not employ part-time or contract workers.

Case | Anti-corruption and Integrity Trainings Conducted in Multiple Factories across Vietnam

In November 2024, the Company conducted anti-corruption and integrity training sessions across various manufacturing factories in Vietnam. These sessions engaged over 1,000 key employees, management personnel and those in key roles. The training curriculum covered the companys business ethics management structure, notable case studies, both domestic and international anti-corruption standards, and the organization's anti-corruption policies, among other topics. The primary objective of these sessions was to strengthen the integration of ethical governance principles and cultivate a positive organizational culture that supports anti-corruption initiatives and promotes integrity.

Luxshare Vietnam Organized Anti-corruption and Integrity Training

Luxshare Van Trung Organized Anti-corruption and Integrity Training

Luxshare Nghe An Limited Organized Anti-corruption and Integrity Training

During the Reporting Period, Luxshare Precision:

- COC exam pass rate achieved **100 %**
- Completed *Employee's Letter of Integrity Commitment* signing rate of **100 %**
- Employee anti-corruption training coverage achieved **100 %**
- Completed *Letter of Integrity Commitment for Supplier* signing rate[12] of **100 %**
- Total anti-corruption and business ethics-related training hours achieved **286,567 hours**

Anti-unfair Competition

Luxshare Precision steadfastly upholds a fair competitive market environment and adheres to the legal frameworks of the jurisdictions in which it operates, including the *Anti-Unfair Competition Law of the People's Republic of China,* the *U.S. Foreign Corrupt Practices Act,* and the *UK Bribery Act.* The Company aligns with the COC and the *Code of Ethics Operations Procedure*, explicitly prohibits employees from unlawfully obtaining trade secrets or other confidential information from third parties, strictly forbids the dissemination of false or misleading advertisements and maintains a zero-tolerance policy toward any form of illegal activities that disrupt market order, such as colluding with competitors on pricing. These measures collectively aim to promote fair competition and preserve market integrity.

During the Reporting Period, Luxshare Precision:

- **Zero** litigation case involving anti-unfair competition, anti-trust, or anti-monopoly issue

[12] Including the organizationally equivalent the *Letter of Integrity Commitment* signed between the designated suppliers and the customers.

Ensuring Information Security

Luxshare Precision is dedicated to fostering a compliant, secure, and stable operational environment. By effectively implementing its information security and privacy protection management system, the Company safeguards itself, its customers, and all relevant stakeholders against potential risks associated with data breaches and privacy violations.

Information Security Management

Luxshare Precision aligns with the ISO 27001 Information Security Systems and strengthens the robustness of its information security through management measures such as BCM, information security audits, data protection management, and security awareness advocacy.

Key Measures of Information Security Management

Business Continuity Management

- Conduct multi-dimensional emergency drills for all nodes of critical business operations, including backup recovery, network outages, server failures at key nodes, and misconfigurations

Information Security Audit

- Conduct penetration testing, vulnerability scanning, and information security audits across all facilities, completing 280 improvement projects

Data Protection Management

- Continuously implement full coverage of equipment within the confidential area
- Conduct study on the risks of transferring personal information and data abroad to protect privacy data

Security Awareness Advocacy

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

In 2024, after conducting a comprehensive assessment of potential information security risks tied to third-party translation platforms, the Company self-developed a fully enclosed localized translation processing system. This internally managed intelligent processing system effectively reduces the likelihood of commercial secrets being leaked. Additionally, we deployed a terminal sentinel system for sensitive areas linked to new product introductions. The system monitors endpoint security statuses in real time, regular reports on key indicators, and features anomalies self-resolution and timely alerts. Even when faced with complex scenarios, such as isolated irregularities, the system can achieve early warnings upon first detection, thereby improving monitoring and visual tracking of security metrics. These enhancements allow security team to react quickly and decisively, significantly strengthening overall data security.

During the Reporting Period, Luxshare Precision:

Zero information leakage incident

Information Security Training

We have organized a series of information security trainings for employees and suppliers, to enhance employees' information security awareness and competencies, as well as the level of information security along the supply chain.

Employees

The Company has implemented information security training programs across multiple manufacturing factories, focusing on critical areas such as information security awareness, confidentiality protocols, information security management systems, and phishing emails preventions. Cumulatively, employees have completed 506,805 hours of trainings.

Suppliers

To ensure compliance with information security management practices, we have established a stringent assessment system, mandating that supplier personnel pass a professional certification exam prior to site access. In 2024, Luxshare Precision undertook comprehensive training and audits for suppliers engaged in confidential projects, with over 300 on-site audits and guidance accomplished. These efforts emphasized the significance of information security and provided practical insights, ensuring the information security of suppliers' work equipment and environment.

Privacy Protection Management

The Company adheres to national laws and regulations, including the *Personal Information Protection Law of the People's Republic of China*, as well as customer requirements and industry standards. The Company has established a comprehensive suite of privacy management procedures and data desensitization standards, such as the *Commercial Secret Management Procedure* and the *Information Security Management Procedure* for *Relevant Parties*. Through the COC and the *Employee Handbook*, Luxshare Precision outlines specific privacy protection requirements. Regular trainings and assessments are conducted to guide employees' behaviors and strictly prohibit the unauthorized disclosure of partners' personal and commercial information.

Privacy Protection Measures

Classified Management

- Privacy protection content

  Defined according to customers' requirements or the Company's classification standards

- Privacy protection mark

  According to the determined level of confidentiality and confidentiality period, attach a confidential mark or affix a similar seal for the commercial secret data

- Desensitization resources protection

  Develop desensitization standards according to different businesses, departments, and relevant parties

Access Permission

- Authorization management

  Require to use standardized and complexity-compliant user-names, passwords or pass-phrases, and should not disclose to any irrelevant or authorized personnel

- Equipment inspection and maintenance

  The installation, debugging, and overhaul of computer equipment involving company secrets shall be undertaken by internal professional technical personnel, and other personnel shall not disassemble and overhaul the computer equipment

Personnel Management

- Confidential Meeting

  The organizing department shall strictly determine the attending personnel for any confidential 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 the Company's information assets must sign a confidentiality agreement or confidentiality clauses document

- Privacy protection training

  Require employees to complete privacy protection-related trainings and assessments

Asset Management

- Confidential information management

  Persons involved should properly safeguard confidential materials obtained for official purposes. Individuals must not take them home or to any public place, nor disclose them to outsiders

- 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

Case | Luxshare Precision Established a Cybersecurity Posture Awareness System

The Company has operationalized a cybersecurity posture awareness platform spanning hardware infrastructure and systems. This solution enables continuous monitoring of emerging attack vectors, asset exposure risks, and systemic vulnerabilities through organization-wide real-time data aggregation and multidimensional behavioral analytics. Combining with our closed-loop automated response protocols, we have established a cross-factory coordination cyber defense architecture.

In 2024, we refined alert rules and threat cases detection analysis, achieving a reduction in false-positive alerts and a decrease in the total number of alerts and security incidents by more than 60%. Concurrently, we remediated more than 50 vulnerabilities through systematic patch management, substantially elevating enterprise-wide cybersecurity safeguards.

Cybersecurity Posture Awareness System

During the Reporting Period, Luxshare Precision:

Zero verified complaint involving the infringement of customer privacy, and loss or leakage of customer data

02

Green Transition, Fulfilling Environmental Responsibility

Adhering to the concept of green and low-carbon development is an essential path for the Company to achieve high-quality growth. Luxshare Precision committed to its environmentally friendly promise, and is proactively identifying, managing climate risks and opportunities, setting science-based carbon targets in line with the 1.5℃ pathway and establishing a carbon reduction roadmap for the value chain. We will continuously deepen green operations, strictly control environmental pollution and implement resource recycling, comprehensively improve the level of green manufacturing, and promote industrial green transformation.

- Climate-related Risks and Opportunities
- Water Resources and Wastewater Management
- Waste and Circular Production
- Biodiversity Conservation
- Air Pollutants Management
- Carbon Commitment and Management
- Environmental Compliance Management
- Energy Management

Responding to Climate Change

Luxshare Precision follows the *Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Guideline* and other disclosure requirements, proactively assesses climate-related risks and opportunities in various aspects of upstream and downstream operations as well as its own operations from four aspects of "Governance", "Strategy" , "Risk Management" and "Metrics and Targets". For details, please refer to the *Climate Risk and Opportunity Identification and Response Strategy*.

Governance

- Establishing a climate change management framework led and decided by the Board of Directors, reviewed by the Strategy Committee, coordinated and managed by the Sustainable Development Center, and implemented by each factory. Conduct at least one annual discussion on climate change related issues to develop plans and track the achievement of climate goals
- Establishing an incentive mechanism linking emission performance to the remuneration of senior management, incorporating the achievement of science-based target into considerations, motivating the Company's management to integrate emission reduction into operational decisions

Strategy

- Identifying potential climate risks and opportunities in its own operations and value chain, evaluate the importance of various climate issues in the current and future macro environment in conjunction with relevant international and domestic policies, and estimate development trends
- Utilizing the Net Zero Emissions (NZE 2050) scenario set by the International Energy Agency (IEA) and the Representative Concentration Pathway (RCP8.5) scenario set by the Intergovernmental Panel on Climate Change (IPCC) to evaluate the impact of climate change risks and opportunities on the Company's business, strategy, and financial planning, proactively formulates climate response strategies, and enhances organizational climate resilience

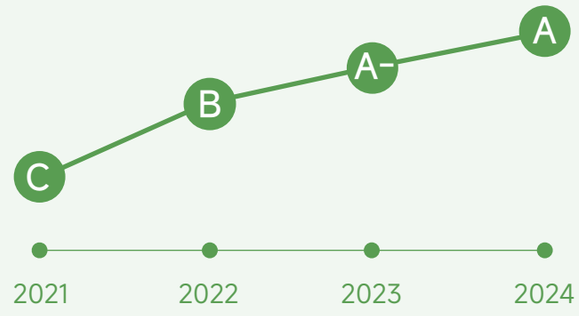
Risk Management

- Current and potential climate risks have been integrated into the Company's overall risk management framework and implemented in the annual tasks of each risk management department
- The Sustainable Development Center regularly holds special meetings to discuss and analyze the environmental risks and opportunities reported by various risk management departments, formulate risk countermeasures, and submit them to the Strategy Committee under the Board of Directors for final review

Metrics and Targets

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

CDP Climate Change Rating



Climate Action Transparency Index (CATI)

2024	Overall Ranking	4	Industry Ranking	2
2023	Overall Ranking	12	Industry Ranking	6
2022	Overall Ranking	17	Industry Ranking	7
2021	Overall Ranking	174	Industry Ranking	29

Continuous Low-Carbon Operations

Luxshare Precision has issued the *Luxshare Precision Carbon Management Commitment and Statement* and has established a series of policies and procedures such as the *Greenhouse Gas Operation Guidelines* and the *Operation Procedure of Greenhouse Gas Control* to implement the path of low-carbon development through actions. We conducted comprehensive carbon accounting and set carbon reduction targets that align with our own development. At the same time, we continuously optimize our carbon management platform, actively participate in the formulation of greenhouse gas-related standards and promote steady progress in carbon reduction efforts.

Carbon Reduction Targets and Action Roadmap

In alignment with the *Paris Agreement's* ambitious goal of limiting global temperature increase to 1.5°C above pre-industrial levels, Luxshare Precision has taken a leading role in corporate climate action. By systematically analyzing baseline carbon emissions and integrating projected business growth with SBTi reduction pathways, the Company has established decarbonization targets spanning both its operations and core value chain. Luxshare Precision has developed a three-phase implementation roadmap (short-term, medium-term, long-term) supported by six core carbon neutrality strategies. Through scientifically quantified emission reduction mechanisms, the Company is methodically delivering on its climate commitments.

Carbon Neutrality Roadmap

	Short-term targets (By 2025)			Mid-term targets (Science-based carbon reduction targets by 2032)		Long-term targets (By 2050)
Phased Targets	• Save 250 million kWh energy cumulatively[13]	• Clean energy utilization rate increase to 50%	• Save 100 million kWh energy cumulatively by our suppliers[13]	• Reduce absolute Scope 1 and 2 GHG emissions by 50.4% compared with base year	• Reduce Scope 3 GHG emissions 58.1% per CNY of value added compared with base year	• Achieve carbon neutrality no later than 2050
2024 Progress	• Around 350 million kWh	• Nearly 71%	• Around 48.9 million kWh	• Decreased by 51%	• Decreased by 22%	• Orderly progress
Key Strategies	**Improve energy efficiency** • Kick off energy efficiency retrofit and equipment replacements • Strengthen on-site energy management • Enhance the energy efficiency of processes • Verify energy-saving achievements through third-party validation • Implement Waste Heat Utilization and Ground-source Heat Pumps Utilization	**Optimize energy structure** • Install rooftop solar PV panels • Engage in green electricity procurement • Actively utilize biomass energy • Gradually phase out diesel forklifts • Expand energy storage projects	**Minimize fugitive emissions** • Replace hexafluoropropane/carbon dioxide fire extinguishers and assess the feasibility of using powder fire extinguishers • Purchase air conditioning refrigerants with low leakage rates	**Support suppliers in reducing emissions** • Establish a Green Supply Chain Management (GSCM) system • Provide energy-saving and efficiency-boosting training • Promote energy conservation and emission reduction projects • Encourage core suppliers to disclose carbon emissions data	**Promote low-carbon design** • Conduct product carbon footprint assessments • Encourage the use of renewable materials and recycled materials • Reduce product packaging • Improve product energy efficiency	**Create eco-friendly operational scenarios** • Reduce high-emission travel methods such as air travel • Encourage employees to use green transportation mode • Digitize asset management and strengthen equipment maintenance to extend the equipment life • Promote paperless office operations • Encourage employees to use new energy vehicles and expedite the installation of charging stations within the factory premises
2024 Key Measures	• Launched 349 energy efficiency retrofit projects and reduced 130,929 tCO_2e	• Installed PV capacity of 150MW cumulatively	• Selected lower emission coefficient refrigerant (e.g. R32, etc.) to replace the traditional refrigerant	• Launched carbon emission automatic accounting function in the GSCM system • Coached over 50 suppliers to reduce carbon emissions	• Engaged third parties to conduct carbon footprint assessment for a number of products	• Built charging pile in several factories to encourage employees to travel in a green way

[13] The timeframe is from 2023 to 2025.

Scientific Accounting of Carbon Emissions

Each year, we conduct a comprehensive inventory of Scope 1, 2, and 3 greenhouse gas emissions in accordance with ISO 14064-1 guidelines, followed by third-party verification. This process ensures precise annual greenhouse gas emission quantification and clarifies our energy consumption structure, laying a solid foundation for effective carbon management. During the Reporting Period, subsidiaries covered by carbon emission trading schemes fully complied with national and regional regulations. We proactively completed emissions data reporting, allowance trading and quota settlements, supporting the development and stable operation of carbon markets.

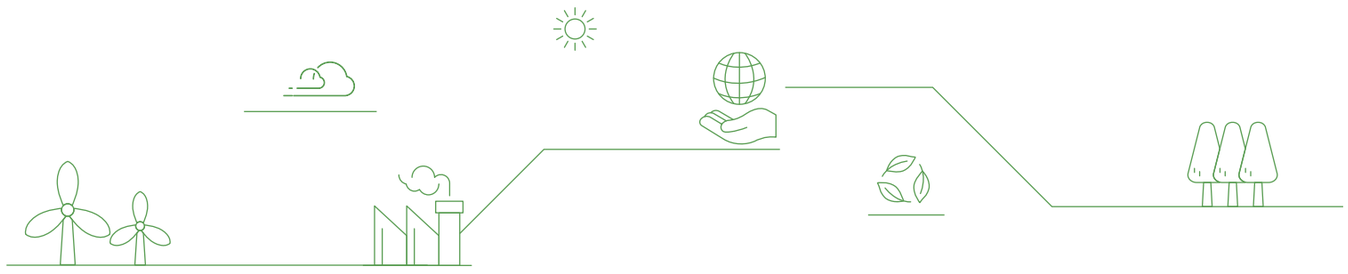
Additionally, our subsidiary Shanghai Ri Ming actively pursued zero-carbon factory certification by implementing multiple emission reduction measures. Through Verified Carbon Standard (VCS) retirement, it successfully offset approximately 315 tCO_2e, successfully achieved carbon neutrality and was honored as a Shanghai 2024 Zero-Carbon Pioneer Enterprise.

In 2024, Luxshare Precision introduced an internal carbon pricing mechanism to estimate the cost of carbon emissions using a shadow price in conjunction with historical and future carbon price expectations, making full use of economic instruments to stimulate new momentum for internal low-carbon transformation.

Third-party Greenhouse Gas Verification Statement (2023)

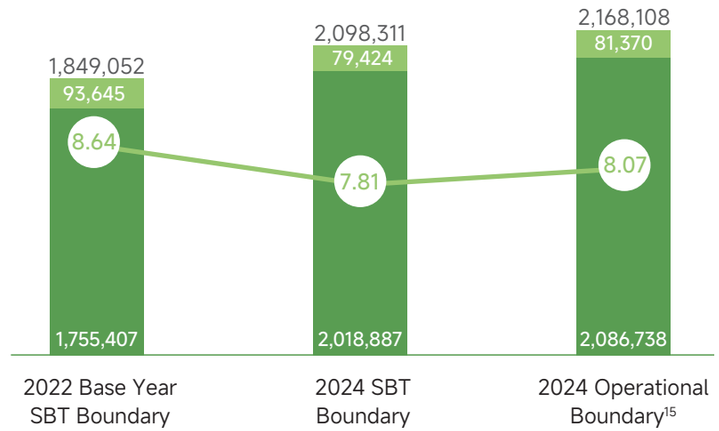
Carbon Neutrality Certificate of Shanghai Ri Ming

Product Carbon Footprint Certificate

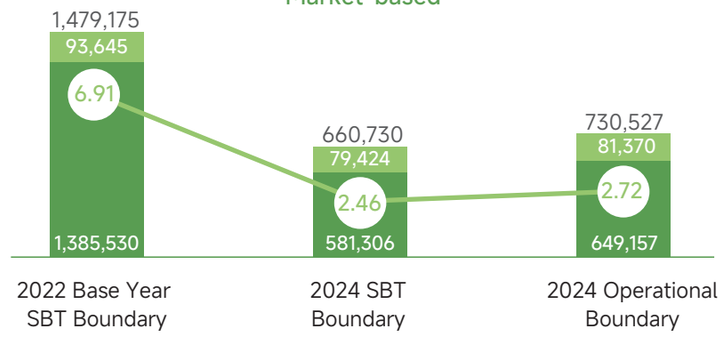


Greenhouse Gas Emissions[14]

Location-based



Market-based



Scope 1 Greenhouse Gas Emissions (tCO_2e)

Scope 2 Greenhouse Gas Emissions (tCO_2e)

Greenhouse Gas Emission Intensity (Scope 1 & 2) (tCO_2e/RMB 1million)

[14] Figures in 2024 have not been verified.

[15] Changes in company boundaries due to business activities such as mergers and acquisitions.

Advocating Low Carbon Concepts

The Company has carried out extensive and in-depth discussions with various industry associations and groups on the topic of carbon emissions and applied its own experience in building a standardized carbon management system to the formulation of external standards. During the Reporting Period, Luxshare Precision participated in the preparation of group standards led by the China Academy of Environmental Sciences and issued by the China Society for the Study and Promotion of Ecological Civilization, which helped small and medium-sized enterprises efficiently carry out greenhouse gas accounting and disclosure work.

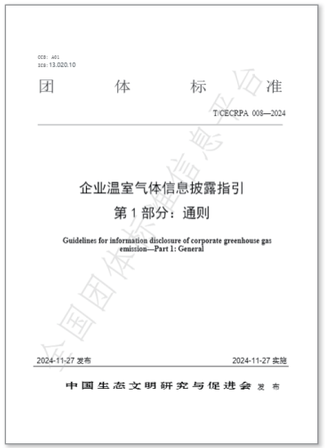
In the journey of practicing low-carbon development, Luxshare Precision organizes a variety of low-carbon publicity activities to convey low-carbon concepts to employees, suppliers, partners, and the public, and encourages everyone to work together to create a green future.

Case | Jinxi Factory Organized "Green Transformation and Energy-saving Campaign" Low-Carbon Series Activities

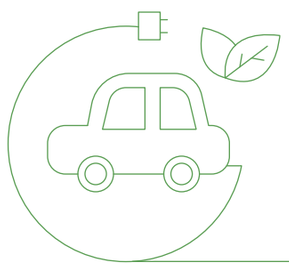
Focusing on the theme of "Green Transformation and Energy-saving Campaign" of the National Energy Conservation Awareness Week in 2024, Jinxi factory skillfully combined public welfare and low carbon concept to carry out a series of low carbon activities.

- Called on employees to convert their walking steps to public welfare donations through the "Donate Steps for Environmental Protection" activity to convey the idea of low-carbon travel
- Launched the "Used Clothes Recycling" campaign and collected over 166 kg of used clothes
- Organized an environmental protection and energy-saving knowledge contest to popularize low-carbon knowledge among all employees

"Green Transformation and Energy-saving Campaign" Series Activities


团 体 标 准
T/CECRPA 008—2024
企业温室气体信息披露指引
第 1 部分：通则
Guidelines for information disclosure of corporate greenhouse gas emission—Part 1: General
2024-11-27 发布
2024-11-27 实施
中国生态文明研究与促进会 发布

Participated in the Preparation of the Group Standard Guideline



Optimizing Energy Use

Luxshare Precision adheres to the energy management principle of *Compliance, Clean Production, Energy Efficiency, and Continuous Improvement,* formulates energy management strategies, adheres to energy-saving and low-carbon production, carries out high-efficiency energy management, and actively explores the use of clean energy.

Energy Management

The Company has formulated internal policies such as the *Control Procedure of Energy Conservation* to continuously promote the construction of an energy management system. Using our years of experience in energy management, we organically combine energy management with intelligent park management, build and continuously optimize the construction of the Intelligent Energy Management (IOE) platform, which effectively reduces the comprehensive energy consumption of each factory while optimizing the allocation of resources and improving the efficiency of energy utilization.

IOE Platform Functionality

3D Visualization
Realistic scenarios using digital twin technology

Equipment Cockpit
Realize one-screen overview and one-key control of equipment information

Alarm and Work Order
Real-time alarm linkage shortens work order response time

Energy Analysis and Optimization
Realize real-time monitoring and intelligent analysis

Equipment Log
Record detailed data log, making data traceable

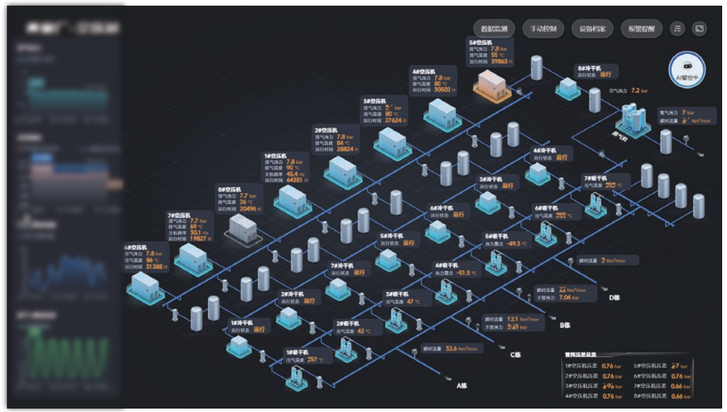
Warehouse System
Dynamic management and real time monitor of warehouse information

Access Control and Security
Efficiently protect the safety of personnel and electromechanical equipment

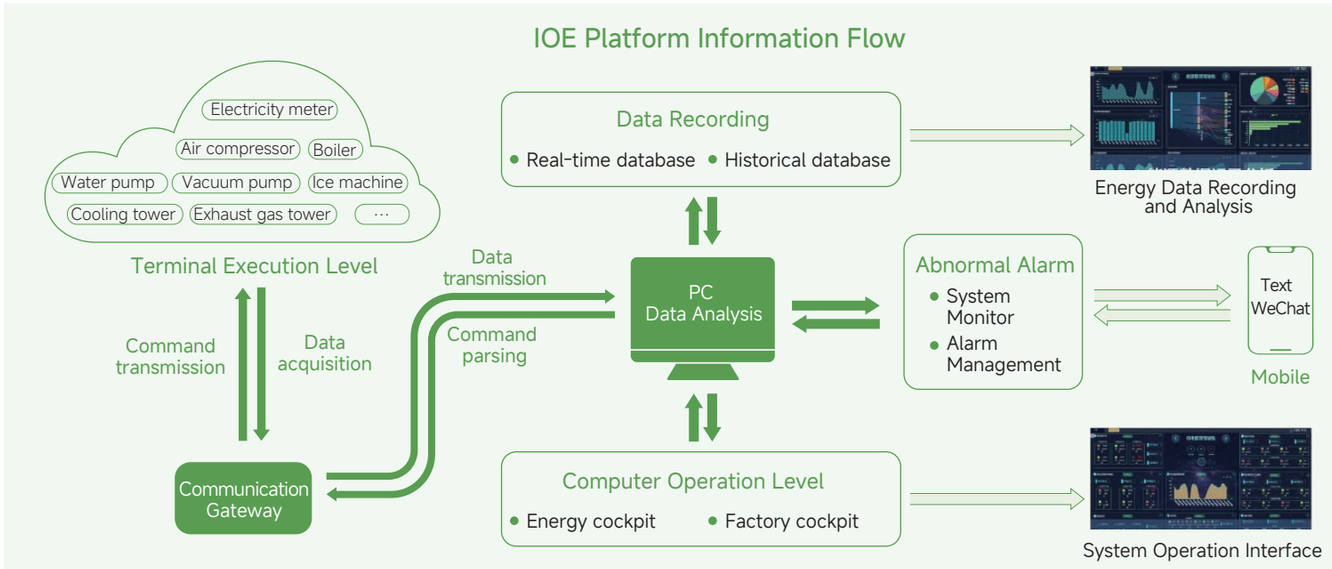
Group Control Energy Saving
Optimize group control algorithm to improve operational efficiency

Case | Dongguan Xuntao Applied IOE Platform to Efficiently Manage Energy Usage

Dongguan Xuntao introduced the IOE intelligent energy management platform to monitor the operation of the power distribution, water supply, air compressor, and waste heat recovery system and applied the cloud intelligent control system to the digitalization and automation management of the air compressor station. This system has the functions of intelligent monitoring of energy consumption, automatic control of equipment operation, etc. Through the intelligent control of the air pressure station house, it improves the loading rate of the equipment, enhances the stability and quality of the gas supply, improves the efficiency of the equipment operation and the effect of stabilizing the pressure, and reduces the power consumption by 12%.



Cloud Intelligent Control System for Air Compression Station Room



Energy Efficiency Improvement

By focusing on facility upgrading and transformation, process optimization, and other fields, Luxshare Precision has constructed an all-round energy efficiency improvement system to achieve double benefits of operation cost reduction and green environmental protection.

Summary of Energy Efficiency Retrofit Projects in 2024

	Air Compressor System	Central Air Conditioning	Exhaust Fan in Factories	Life and Office Power Consumption	Production Power Consumption	Total
Number of Projects	55	53	10	49	182	349
Annual Power Conservation (MWh)	56,609	31,262	11,177	8,960	101,427	209,435
Annual Greenhouse Gas Emission Reduction (tCO_2e)	35,413	19,502	6,963	5,654	63,397	130,929

Case | Luxshare Smart Manufacturing Carried Out a Number of Equipment Renovation Work to Help Energy Saving and Carbon Reduction

Through a series of equipment upgrading and renovation projects, Luxshare Smart Manufacturing has significantly improved the production energy efficiency and reduced energy loss, with an annual energy saving of 1,532MWh and an annual carbon emission reduction of 954 tCO_2e.

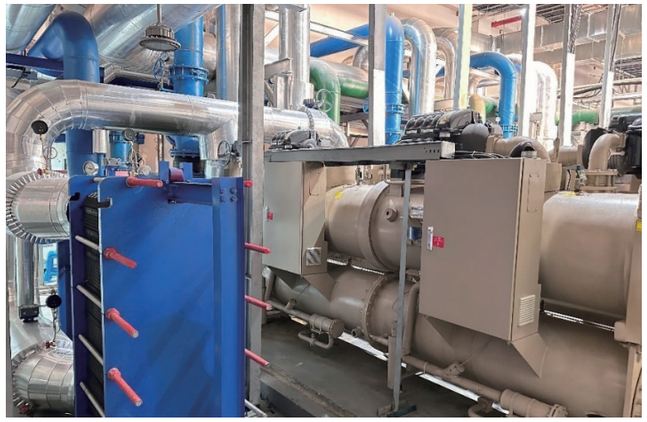
Adsorption dryer renovation

We have implemented zero gas loss transformation on the existing suction dryer and upgraded it to a blower type model, avoiding the loss of finished gas during the cold/hot regeneration stage of the micro heat regeneration adsorption dryer and achieving energy conservation and consumption reduction.

Zero Air Loss Blower Type Suction Dryer

Air-conditioning plate heat exchanger renovation

A plate heat exchanger is added to utilize the low-temperature environment to realize heat exchange between the cooling water tower and the heating, ventilation and air conditioning (HVAC) refrigeration system, enhance the indoor heat exhaust efficiency, and reduce the air-conditioning energy consumption.



Air Conditioning Plate Heat Exchanger Device

High-efficiency electromechanical water pump replacement

The magnetic levitation air-conditioning refrigeration/cooling pump motors were updated and iterated from Grade 3 energy efficiency (YE3) to Grade 1 energy efficiency (YE5), effectively reducing energy loss.

Central air-conditioning frequency conversion transformation

We installed a variable frequency drive, temperature sensors, and an automated control cabinet for the original 50Hz fixed-frequency air handling unit motor, and integrated an automated control system. Following the upgrade, the motor automatically adjusted its operating frequency based on real-time temperature variations in the zoned area, achieving optimized energy efficiency.

Case | Luxshare Shanxi Added Automated Control System for Precise Power Consumption Control

In 2024, Luxshare Shanxi added an automatic temperature control system for the circulating water pump of the hot water system in the factory, replacing the manual control method in the past. By monitoring the water temperature in real time and presetting the temperature start/stop function, the water temperature is guaranteed, and at the same time, energy consumption and costs are improved in various aspects. After remodeling, Luxshare Shanxi Precision can save 76MWh of electricity annually.

Automatic Temperature Control System

Case | Merry Huizhou Optimized Processes to Improve Energy Efficiency

Adopting the principle of "eliminate, merge, reorder, and simplify", Merry Huizhou explored the potential for optimization in the production workflow and optimizes the production process by eliminating and merging redundant processes, simplifying complex processes, and reasonably switching the order of processes. During the Reporting Period, Merry Huizhou successfully completed 31 special optimization projects, and the energy consumption per unit of product output has decreased by nearly 60% year-on-year.

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

Number of subsidiaries certified by the ISO 50001

16

During the Reporting Period, Luxshare Precision:

Electricity saving rate[16] exceeded

8 %

[16] Electricity saving rate = (Electricity saving in the current Reporting Period/Total electricity consumption in the previous Reporting Period) *100%.

Energy Structure Optimization

Promoting energy structure transformation is a key strategy for Luxshare Precision to reach its carbon-neutral goal. We have continued to expand the proportion of clean energy use and reduce greenhouse gas emissions through the layout of rooftop photovoltaic, construction of energy storage systems, and the purchase of green electricity and green certificates. As of the end of the Reporting Period, our rooftop photovoltaic capacity reached 150MW, achieving utilization rate of clean energy up to nearly 71%, exceeding the target of "50% of clean energy use by 2025" for two consecutive years.

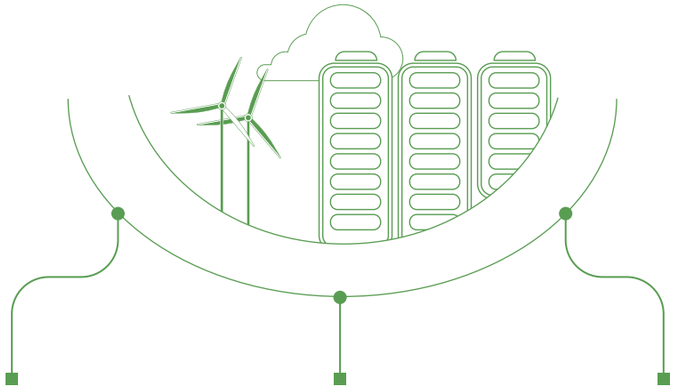
In addition, the Company participated in the investment of the Green Energy Fund to promote the development of high-quality clean energy projects. During the Reporting Period, the Company acquired 62,276MWh of green equity through its investment in the Green Energy Fund.

Total reduction of greenhouse gas emissions

1,527,650 tCO_2e

Utilization rate of clean energy up to nearly

71%



Total solar PV power consumed	Directly purchased green electricity	Procurement of green certificate
142,821 MWh	1,603,210 MWh	686,839 MWh

Case | Rida Intelligent Manufacture Laid Out Photovoltaic and Energy Storage Projects

Rida Intelligent Manufacture actively responds to the national energy transition and sustainable development strategy, laying out the construction of photovoltaic and energy storage projects. We make full use of the roof space of our factories to install photovoltaic power generation systems to provide clean, renewable power for our factories and reduce our reliance on traditional thermal power. As of the end of the Reporting Period, the total installed capacity of rooftop photovoltaic of Rida Intelligent Manufacture was nearly 22MW.

In order to enhance the ability to consume green electricity, Rida Intelligent Manufacture gives full play to the advantages of optical storage integration through the installation of energy storage power stations in the factory, accurately formulates the daily charging and discharging strategy of the energy storage system, optimizes the energy structure, stabilizes the power output and ensures the stable operation of the production equipment. During the Reporting Period, the battery capacity of Rida Intelligent Manufacture's new energy storage power station exceeded 6MWh, and the cumulative construction of energy storage power station battery capacity exceeded 9MWh.

Rooftop Photovoltaic

Energy Storage Power Station

Implementing Green Manufacturing

Over the years, Luxshare Precision has insisted on achieving business growth in an environmentally friendly manner and has promoted the development of a green manufacturing system through the continuous implementation of sustainable water resource management, waste management based on the concept of maximizing the use of resources, and the continuous reduction of air pollutant emissions. At the same time, we also pay active attention to the surrounding ecological environment and are committed to maintaining ecological balance and contributing to sustainable development.

Environmental Management

The Company strictly abides by the *Environmental Protection Law of the People's Republic of China* and other national and local environmental protection regulations and policies and has formulated internal procedural documents such as the *Group-wide Environmental Protection Management Procedure,* the *Control Procedure of Environmental Factor Identification and Assessment* etc., so as to earnestly fulfill the main responsibility of the enterprise for the environment.

As of the end of the Reporting Period, Luxshare Precision and its subsidiaries:

Certified by ISO 14001 reached
62

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

Accumulative National Green Supply Chain Factory awarded subsidiaries were
2

Accumulative National, Provincial or Municipal Green Factory awarded subsidiaries were
18

During the Reporting Period, Luxshare Precision:

Newly Green Factory awarded subsidiaries were
4

Environmental Risk Management

Identification and Assessment of Environmental Factors

- Establish an environmental factor identification program to ensure the comprehensive, correct, and effective identification of environmental factors in the whole process of the Company's activities, products, and services
- Conduct an annual comprehensive environmental factor review and update to ensure the effectiveness of environmental factor identification

Environmental Incident Prevention and Handling

- Formulate an environmental emergency plan and conduct regular annual emergency drills for wastewater leakage, accidents at hazardous waste storage facilities, chemical leakage, etc., to enhance the Company's ability to deal with environmental emergencies
- Establish a three-tier response mechanism to immediately carry out emergency rescue activities in the event of an environmental incident and, if necessary, cooperate with external rescue forces and government departments in emergency rescue operations

Environmental Monitoring and Auditing

- Regularly conduct environmental audits to eliminate potential hazards and follow up on their rectification
- For key pollutant-discharging entities, internal real-time monitoring system is used to provide early warning of abnormal emissions

For detailed information on pollution control technologies, treatment methods, construction and operation of pollution prevention facilities, and implementation results at our key pollutant-discharging entities, please refer to Section V of the *2024 Annual Report*. During the Reporting Period, the Company received no major administrative penalties or criminal liabilities related to pollutant emissions.

Water Resources and Wastewater Management

Luxshare Precision attaches great importance to the management of water resources, carries out water risk identification, and formulates action strategies for the management of water resources. We implement water conservation actions at the source, continue to promote water reuse, and carry out wastewater management, contributing to the construction of a resource-saving and environmentally friendly enterprise with practical actions.

Water Resources Risk Identification and Management

We strictly comply with the *Water Law of the People's Republic of China* and the applicable laws, regulations, and policies in the operational locations and have formulated *Water Resource Management Procedures, Luxshare Precision Water Management Commitment and Statement* to regulate water management-related activities at each of our sites.

Luxshare Precision utilizes the Aqueduct Water Risk Atlas developed by the World Resources Institute to identify water risks at each of its operations, analyze and predict the challenges posed by water quality and water infrastructure conditions, and formulate water risk response plans based on the risk level.

The Company has developed an intelligent water management system which is successfully operating at some of our sites. By applying this system, we can remotely monitor and manage water resources in real-time with precision, promptly handle abnormal water usage situations, and improve the efficiency of water resource management.

Intelligent Water Management System

Remote Monitoring Management	System Operation Management	Safety Production Management	Equipment Management
Energy Cost Management	Operation Assessment Management	Water Quality Testing Management	Office Management

Sustainable Water Management

The Company implements the concept of sustainable water management in accordance with the requirements of the *International Standard for Sustainable Water Management* issued by AWS. Our pilot subsidiaries have collected data and analyzed risks and opportunities as required by AWS. Based on the findings, we have established targets across five dimensions and implemented action plans to improve water use efficiency.

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

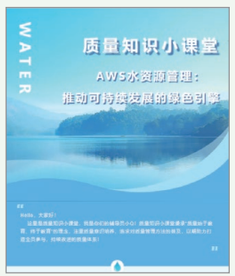
AWS certified subsidiaries reached
6

Platinum-level certified subsidiaries reached
4

AWS Platinum Level Certification for Luxcase ICT Yancheng, Rida Intelligent Manufacture, Shanghai Ri Ming, Jiashan Ri Shan

Sustainable Water Management Actions

Objectives	Initiatives
Water Management	
• Elevating and refining water resource management standards and capabilities	• Aligning with AWS requirements and enhancing water resource management practices to obtain AWS certification
• Boosting employee awareness on water conservation	• Posting water-saving logos
• Conducting eco-friendly energy-saving campaigns to raise environmental consciousness among employees and the public	• Posting related promotional content
• Fostering green supply chain management	• Encouraging supplier disclosure of data and removal of non-compliance records
Water Balance	
• Enhancing water resource utilization rate, reducing withdrawal and consumption	• Developing water-saving technologies at the source and promoting water reuse in production
• Controlling water consumption per unit of product	
Water Quality	
• Ensuring compliance with effluent water quality standards	• Installation of monitoring devices in drainage areas, online monitoring at outfalls, and monthly third-party monitoring
• Frequency of monitoring effluent water quality	
Water, Sanitation and Hygiene (WASH)	
• Guaranteeing adequate WASH provisions for employees	• Continuous provision of suitable WASH facilities for employees
• Enhancing WASH provisions for visitors	• Ongoing maintenance of visitor sanitation facilities
Important Water-related Areas	
• Improve the cleanliness and aesthetics of important water-related areas	• Monitor the water quality around the factories regularly salvage the water, and assist the relevant departments in treatment



AWS Water Management Advocacy Post

Rida Intelligent Manufacture's Water Protection and Source Purification Campus Promotion Activity

Wastewater Management

Luxshare Precision has always strictly followed the *Law of the Water Pollution Prevention* and *Control Law of the People's Republic of China* and other laws and regulations and formulated the *Operating Procedure of Waste Water, Exhaust Gas and Noise Control* to strengthen our wastewater management efforts. We strictly conduct real-time wastewater discharge monitoring in full compliance with regulatory requirements, mandating all factories to undergo at least one annual third-party wastewater discharge monitoring to ensure compliance while continuously tracking treatment progress.

We are constantly upgrading our wastewater recycling and treatment systems to increase the reuse rate of wastewater while strengthening the system's treatment capacity. In addition, we strengthen our wastewater management by enhancing equipment and piping inspections to prevent leaks.

Luxcase ICT Yancheng's Online Water Recycling and Treatment Equipment

During the Reporting Period, Luxshare Precision:

Factories generating industrial wastewater
17

Factories achieved zero industrial wastewater discharge
8

The water reuse rate of the main production bases reached
75%

Case | Smart Manufacturing Changshu Anode Line Achieved 100% Reuse of Wastewater

The anode line of Smart Manufacturing Changshu produces 4 types of wastewater, namely dyeing, chemical polishing, nickel-containing, and comprehensive, and we accurately remove the impurities by means of filtration of microfiltration, ultrafiltration, nanofiltration, reverse osmosis, and continuous electrode desalination so as to make the water meet the standard of reuse and realize 100% reuse of wastewater from 4 types of wastewater, thus truly achieving zero-discharge of wastewater.

Case | Luxis Factory's Effective Wastewater Treatment Efforts

Luxis Factory is committed to improving the treatment efficiency and reuse rate of industrial wastewater, reducing wastewater discharge, and realizing efficient use of resources through a number of initiatives.

Improving Treatment Efficiency

Luxis Beijing and Luxis Dezhou have installed additional wastewater depressurization and concentration devices to treat the highly concentrated cleaning wastewater generated from the cleaning process of surface mount technology (SMT) production lines into concentrated liquid and low-concentration wastewater. Among them, the concentrated liquid is disposed of harmlessly by outsourcing, and the low-concentration wastewater is qualified for discharge through biochemical treatment.

Cutting Water Reuse

Luxis Beijing and Luxis Dezhou collected the backwash water from the ultrafiltration device in the cutting water recycling system and reuse it in the cutting water recycling system. With the help of reverse osmosis membrane fine filtration, the output meets the production standard of pure water and is directly used in the cutting process, which effectively reduces the wastewater discharge.

Organic Wastewater Recycling

In order to effectively reduce the use of fresh water and improve the efficiency of water recycling, Luxis Dezhou has carried out an organic wastewater recycling project. After the organic wastewater is collected, it is sent to the biochemical treatment facility for treatment by sand filtration, activated carbon filtration, RO reverse osmosis and other devices. The recycled water that meets the requirements is used for cooling tower makeup water.

Wastewater Treatment Station

Exhaust Gas Management

Our Company has always strictly complied with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other laws and regulations as well as the emission standards of various regions in our operation sites. We carry out third-party air pollution tests in accordance with the requirements of the regulatory authorities, and the monitoring results are all in compliance with the national and local emission standards. Moreover, we stringently manage raw materials to guarantee the exclusion of ozone depleting substances as required by laws and regulations.

During the Reporting Period, Luxshare Precision:

The total amount of exhaust gas emissions was nearly

289 tons

Case | Luxshare Precision Carried Out Exhaust Gas Control Work

Luxshare Precision minimizes emissions in the production process from the perspectives of source reduction, on-site improvement, and end-of-pipe treatment.

Source Reduction

In order to reduce the large amount of alcohol that needs to be used when cleaning equipment, Boshuo Electronics optimized the cleaning step to hot water plus detergent wipe to replace the use of alcohol. Through improvement, we can reduce more than 2 tons of alcohol usage per year and decrease the emissions of volatile organic compounds (VOCs) from the source.

Improvement of Exhaust Gas Collection Efficiency

Luxshare Xuancheng has set up a fully enclosed shield for the solder paste printing machine, reflow soldering machine, and other equipment and collects gas through pipelines to improve the collection efficiency of VOC and reduce unnecessary escape of exhaust gas, and the collection efficiency of exhaust gas has been increased to 98%.

Enhancement of End-to-End Management Level

Smart Manufacturing Changshu replaced the end waste gas treatment method from secondary activated carbon treatment to catalytic combustion, which greatly increased the treatment efficiency to more than 90%, effectively enhancing the waste gas treatment capacity.

Waste and Recycling

Luxshare Precision implements meticulous waste management practices to properly handle all waste generated during operations. We actively promote the zero-waste-to-landfill concept and explore innovative recycling approaches to support circular economy development and enhance resource efficiency.

Waste Control Process

Our waste management follows the principle of "classified collection, centralized storage, and unified disposal" in full compliance with *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution* and other relevant regulations. We have established the *Waste Control Operating Procedure* to oversee every aspect of waste management from classification and storage to compliant disposal and documentation, minimizing environmental impact.

Waste Management Procedures

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

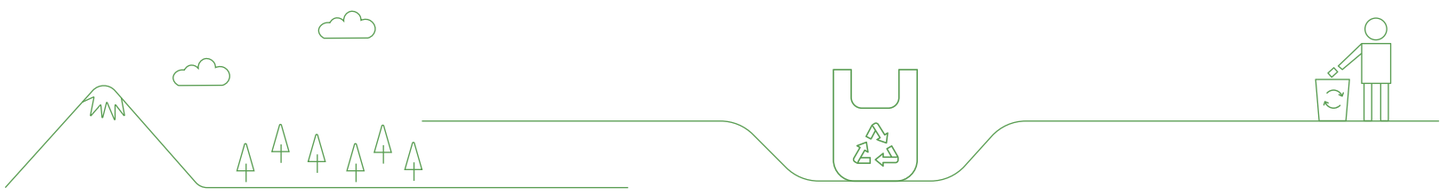
- Storage facilities shall be built in accordance with the *Pollution Control Standard for General Industrial Solid Waste Storage and Landfill* (GB-18599) and the *Pollution Control Standard for Hazardous Waste Storage* (GB-18597) to prevent waste from causing secondary pollution to the surrounding environment,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

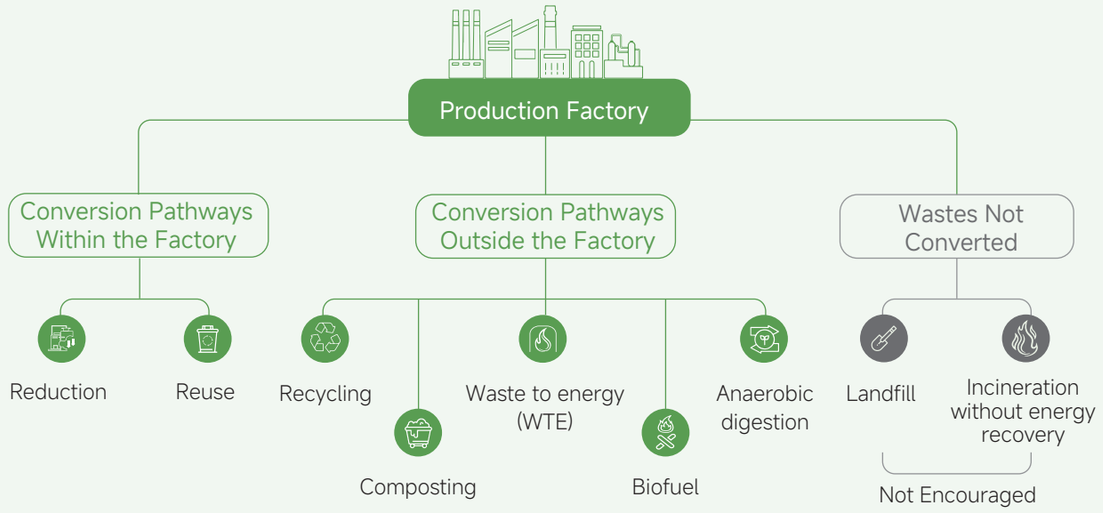
- Establish a solid waste log, and record key information in the waste management process through an electronic information management system



Zero Waste to Landfill

Luxshare Precision actively implements zero waste to landfill initiatives and is committed to minimizing the impact of waste on the environment. The Company has set a 3-year target for the average waste conversion rate, promoted waste reduction, recycling, reuse, and other effective transformation in strict accordance with the Zero Waste to Landfill certification standard (UL 2799) and cooperated with qualified service providers to ensure the proper transfer and disposal of waste. In 2024, the average waste conversion rate of our subsidiaries has already reached 88.18%, an important step towards achieving the target.

Waste Disposal Methods



Case | Lanto Kunshan Optimized Disposal Mode, Turning Waste Release Film into Treasure

The waste release film generated by Lanto Kunshan's die-cutting process was originally classified as non-recyclable waste and could only be incinerated. In 2024, Lanto Kunshan proactively sought recycling partners to reprocess waste release films into industrial plastic products, enabling resources to return to the industrial chain and achieve an efficient recycling model.

During the Reporting Period, Luxshare Precision:

Total amount of waste generated
187,344 t

Non-hazardous waste
123,007 t

Domestic waste
15,568 t

Hazardous waste
48,769 t

Waste conversion and disposal

Recycled	Reused	Reduced
135,538 t	14,778 t	18,548 t
Waste subject to incineration (with energy recovery)	Waste subject to composting	Waste subject to anaerobic digestion
13,762 t	3,168 t	1,550 t

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

Accumulative UL 2799 certified subsidiaries reached
14

Circular Economy

In the wave of circular economy, Luxshare Precision actively explores the recycling mode of waste. We adhere to the "4R" principle[17] to reduce the use of non-essential materials throughout the entire process.

Full Process Control of Materials

Process Design
- We adopt reduction and circular design approaches to minimize raw material consumption and explore the application of recycled materials

Material Sourcing
- We prioritize the use of recyclable materials, actively seek alternative options for non-recyclable materials, and collaborate with suppliers to recycle reusable materials

Product Manufacturing
- We implement internal recycling and reuse of materials such as aluminum, copper, tin, rare earth magnets, post-consumer recycled (PCR) plastics, and reusable polyester resin to reduce material input in the production process

Shipping Phase
- We use recyclable shipping containers and de-plasticize packaging materials to reduce plastic use in product packaging

[17] "4R" principle refers to "Reduce、Reuse、Recycle、Replace"

Case | Luxcase ICT Yancheng Joined Hands with Tsinghua University to Carry Out Research on Waste-Free Supply Chain Related Topics

Luxcase ICT Yancheng and Tsinghua University's National Graduate College for Engineers have jointly conducted research on topics related to zero-waste supply chains. The two parties investigated and analyzed the entire lifecycle of aluminum scrap generated during computer casing production and processing - spanning from raw material procurement to product usage, scrap generation, treatment, and recycling. This study provides foundational support for establishing evaluation standards for zero-waste supply chains in the 3C metal components industry, while also offering valuable references for advancing national circular economy development and promoting sustainable supply chain construction.

Defense Meeting of the Project

Case | Luxshare Xuancheng Recycled and Replaced Copper Scrap

Luxshare Xuancheng collects copper scrap from production lines and cooperates with third-party organizations to carry out copper scrap recycling and replacement. This initiative can reduce the purchase volume of copper materials, lower production costs, and realize the efficient recycling and reuse of copper resources. During the Reporting Period, Luxshare Xuancheng recycled a total of approximately 638 tons of copper scrap.

Case | Boshuo Electronics Continued to Expand the Scenarios for the Use of Recycled Materials

Boshuo Electronics proactively integrates product quality with environmental stewardship through circular economy initiatives. Currently, we have adopted printed circuit boards made of recycled gold and magnets that use 100% recycled rare earth elements in some of our products, and we are vigorously promoting the use of recycled tin in the soldering of printed circuit boards so that we can realize the ecological value of our products while safeguarding product quality.

Biodiversity Conservation

We integrate ecological protection into all aspects of corporate construction and business operations and strictly comply with the *Environmental Protection Law of the People's Republic of China,* the *Convention on Biological Diversity*, and specific ecological protection regulations in domestic and overseas operational regions, and effectively fulfill the responsibility of protecting biodiversity. At the site selection stage of each operation site, the Company has passed a detailed investigation to confirm that the operation site is not within the scope of the red line of ecological protection and is in full compliance with the requirements of the red line of ecological.

The company has established policies related to biodiversity conservation to manage production and activities in an ecological and biodiversity friendly manner. We maintain the ecological and natural balance of the operational site and surrounding areas through waste, wastewater and waste gas testings, soil monitoring, rainwater testing, and regular maintenance of environmental protection facilities, safeguarding the beautiful home that animals and plants rely on for survival.

Case | Guarded Biodiversity, Luxshare Precision in Action

Luxshare Precision is committed to being a guardian of biodiversity and contributing to the sustainable development of the ecological environment. We carefully lay out the green areas in our factories, actively carry out tree-planting activities, and build a rich natural landscape through the creation of garden factories to create a home for natural organisms to live and reproduce.

In addition, we are actively concerned about the biodiversity of the surrounding area. Through a series of activities, we protect aquatic and terrestrial ecosystems.

Beautify Factories Environment

The Water System in the Jinxi Factory Attracts Wild Birds

Jinxi Factory Landscaping

River Basin Governance

Rida Intelligent Manufacture's Volunteers Clean the Beach and Patrol of the River in Longyou Bay Ecological Landscape Zone

Luxcase ICT Yancheng Participates in the Qiandao Lake Basin Management Action

03

Continuous Innovation, Forging Excellent Products

Guided by the ambitious vision of "pushing 30% of our products into uncharted territories in global industries within the next two decades," Luxshare Precision persists in innovation-driven development and technological commercialization. We rigorously safeguard the intellectual property rights of all stakeholders while actively embracing clean technology opportunities and advancing green product upgrades. Concurrently, we maintain close alignment with industry trends and gain an in-depth understanding of customer needs. Through premium product offerings and service, we create differentiated value that fosters mutual success with clients, ultimately achieving long-term shared prosperity.

- Hazardous Substance and Chemicals Management
- Innovative Research and Development
- Customer Relationship Management
- Opportunities in Clean Tech
- Product Responsibility

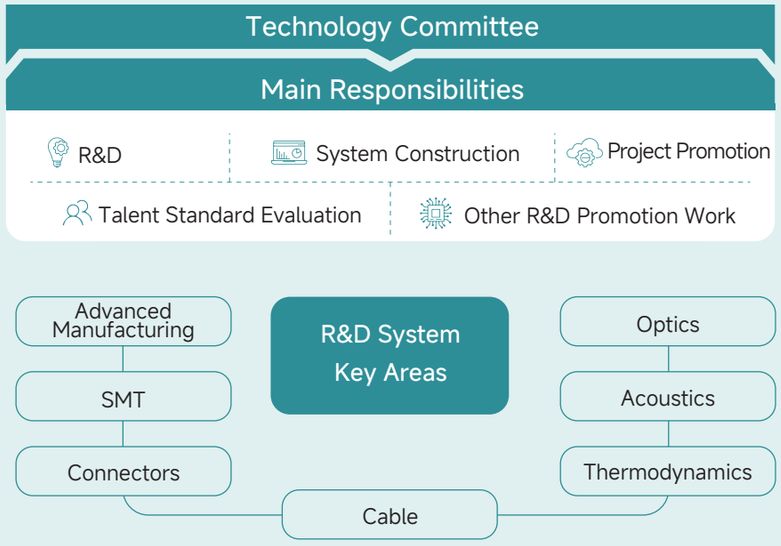
Pioneering Innovation and R&D

We have consistently prioritized forward-looking R&D investments and strategically aligned optimization of R&D management systems to drive technological innovation and accelerate the commercialization of research outcomes. Simultaneously, leveraging a robust intellectual property management framework, we continuously strengthen patent portfolio development and risk mitigation practices. This enables a holistic approach to lifecycle protection and compliance governance of intellectual property assets.

Innovation and R&D Management

Luxshare Precision has established the Technology Committee to strengthen innovation system development, coordinate strategic allocation of technological resources, implement technology enablement initiatives, and cultivate talent pipelines for innovative R&D. These efforts establish a robust foundation for sustained business growth. Furthermore, we have strategically positioned dedicated R&D centers across Shanghai, Dongguan, Shenzhen, Xi'an, and the United States, continuously advancing platform-based and intelligent innovation in products and services.

R&D System



Case | Luxshare Precision Established Intelligent Manufacturing Industry Academy

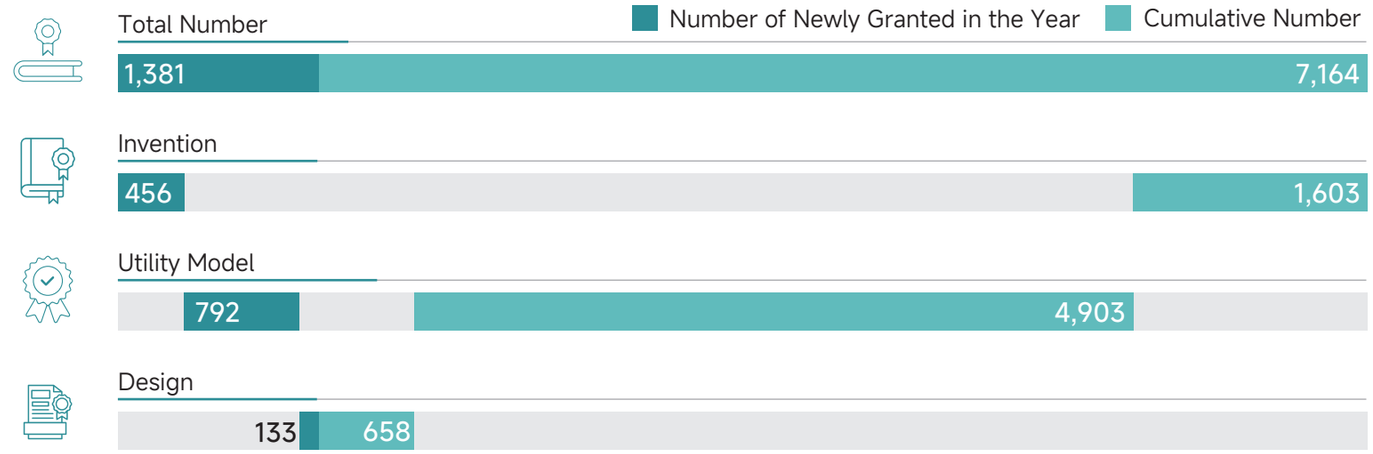
To continuously attract and cultivate skilled R&D professionals with advanced technical competencies, Luxshare Precision officially inaugurated the Intelligent Manufacturing Industry Academy in June 2024. Through deep university-industry collaboration, the Academy has pioneered innovative pedagogical models and curriculum systems, formed a dual-qualified faculty team comprising enterprise experts and academic professors, and invested in state-of-the-art intelligent manufacturing training facilities. This initiative not only provides us with robust talent pipelines and technological innovation momentum but also accelerates industrial upgrading and transformation.

Opening Ceremony of Luxshare Precision's Intelligent Manufacturing Industry Academy

The cultivation of high-value patents is recognized as a central driving force for Luxshare Precision's R&D innovation. During the Reporting Period, we formulated and implemented the *High-Value Patent Cultivation Guidelines*, systematically identifying patents or portfolios that demonstrate exceptional innovation quality, rigorous documentation standards, significant market potential, high economic returns, and the capacity to substantially advance technological progress, industrial competitiveness, and sustainable development.

Concurrently, we conducted patent mining and cultivation initiatives through on-site visits to BG/BU and Intellectual Property strategy workshops to enhance commercialization efficiency. Guided by the *Incentive Regulations on Patents and Trade Secrets*, we established a comprehensive motivation mechanism, providing quarterly public recognition and monetary rewards to teams and individuals achieving outstanding results in patent applications. This approach further stimulates innovation dynamism within R&D teams. During the Reporting Period, Luxshare Precision internally reviewed and recognized 31 high-quality patent proposals and successfully filed 141 high-quality patent applications.

Number of Patents in the Company



Intellectual Property Protection

Luxshare Precision strictly adheres to *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 relevant legal frameworks. In 2024, we proactively updated our internal governance documents, including the *Intellectual Property Manual* and the *Intellectual Property Management and Control Procedures*, aligning with the revised *Guidelines for Enterprise Intellectual Property Compliance Management Systems* (GB/T 29490). These measures systematically fortify our Intellectual Property (IP) protection infrastructure.

Guided by the principle of respecting all stakeholders' intellectual property, Luxshare Precision implements holistic IP risk management across the entire product development lifecycle, ensuring comprehensive safeguarding of the Company's legitimate interests.

Intellectual Property Risk Management Across the Product Lifecycle

Before development	• Utilize risk analysis maps to accurately pinpoint potential risk areas • Conduct market patent research to gain insights into the dynamics of industry intellectual property
During development	• Conduct internal risk assessments and timely warnings of intellectual property risks • Customize intellectual property risk management measures according to the needs of various departments
After development	• Keep a close eye on market trends and promptly identify and respond to infringement behaviors • Adhere to the principle of respecting the intellectual property rights of all parties and properly handle potential risks

During the Reporting Period, Luxshare Precision:

Trademark invalidation and opposition handled **24** cases

Patent landscape analysis conducted **7** pieces

Zero major incident of trademark, patent, or copyright infringement

Cultivating Green Products

Luxshare Precision has integrated the R&D and application of clean technology products into our strategic roadmap for sustainable development and business growth. Guided by a green product philosophy rooted in resource conservation and environmental stewardship, we rigorously implement full lifecycle hazardous substances management to advance our green chemical transition.

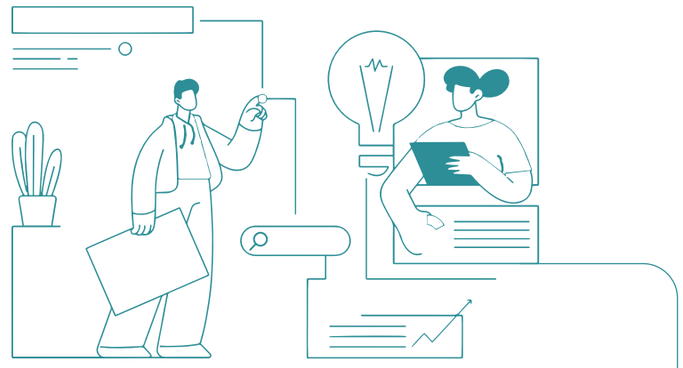
Clean Technology Opportunities

Focusing on key clean technology domains, including new energy vehicles, system and technologies optimization, reuse and recycling, power management, and renewables, we have set clear R&D investment targets. We are actively advancing the development and commercialization of clean technology products such as electric vehicle powertrains, data center cooling solutions, thermal management systems, and wireless charging technologies. Through these efforts, we continuously deliver energy-efficient products and solutions that empower clients to achieve their sustainability goals.

During the Reporting Period, Luxshare Precision:

Investment in clean technology R&D exceeded **400** million RMB

Clean technology related patents obtained were **50**



In 2025:

Target to increase investment in clean technology R&D to **470** million RMB

Core Clean Technology Products

Clean Technology Type	Product Category	Product Name & Description	Revenue Contribution
Energy Efficiency	Fuel Economy: Specialize 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	Electric Vehicle Motor Controller A core component of new energy vehicles, enabling efficient and precise control of motor speed and direction to support startup, acceleration, and braking functions.	<20%
		Electric Vehicle Powertrain Core component of new energy vehicles, integrating power battery, electric drive, and electronic control system. Compact design and high energy conversion efficiency enhance driving stability and energy efficiency.	Under development
	Industrial Operations & Automation: Design energy system optimization technologies and products to enable smart optimization and control across various scenarios, including data centers and consumer applications. Thereby, it ensures efficient energy utilization.	"Light Active" Series Achieving 40%-60% system power consumption reduction compared to conventional AOC optical modules, this series leverages advancements in chip balancing amplification, re-timing, and digital signal processing to extend copper cable application lengths. It further optimizes passive copper cables with smaller diameters and bending radii, streamlining cabling in data centers while maintaining performance.	<20%
		140W 2C1A PD Fast Charger Reducing the wear and tear on power sockets and lowering energy use through multi-protocol support (PD3.0, QC3.0, UFCS fusion fast charging), this charger enables simultaneous charging for diverse devices. Its design prioritizes both efficiency and user convenience, addressing growing demands for high-power, multi-device charging solutions	<20%
		High-Speed Interconnect AI Data Centre Enabling large-scale commercial deployment of 112 Gbps products and pilot-scale 224 Gbps systems, this solution integrates customizable cable backplanes, Chip2IO high-efficiency connectivity, NPC connector modules, and AI cluster optical interconnects. These innovations enhance signal integrity in high-speed links, significantly reduce power consumption, and extend transmission distances for next-gen AI infrastructure.	<20%
	Power Management: Adopt advanced power conversion modules to enhance battery efficiency and reduce energy loss.	Titanium CRPS1300W Server Power Supply Achieving 96% peak efficiency across 30%-60% load range (2023 EU Titanium standard compliant), this server power supply effectively reduces the PUE of data center through optimized energy conversion performance.	Under development
Pollution Prevention & Control	Recycling & Reuse: Diligently identify and capitalize on opportunities for recycling and repurposing waste materials. It pioneers innovative recycling technologies for reused metals and plastics, thereby actively contributing to a significant reduction in the raw material consumption of our products.	Wireless Charging Base & Charging Series Products Reducing carbon emissions by 0.013kg per product on average, this series utilizes post-consumer recycled plastic material through polymerized modification, achieving a recycled plastic PCR content of up to 98%.	<20%
		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.	<20%
		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.	<20%
Alternative Energy	Solar Power: Leveraging deep insights into photovoltaic power generation systems and emerging industry trends, we strategically deploy clean technology products and services encompassing solar inverters and energy storage inverters. This enables us to deliver stable, efficient, and secure customized solutions that flexibly address diverse client requirements.	Photovoltaic Inverters The photovoltaic inverter converts the direct current generated by the module into alternating current, tracks the maximum output power of the photovoltaic array, and feeds its output energy into the grid with minimum conversion loss, contributing to an energy-saving, environmental friendly and low-carbon life.	<20%
	Fuel Cells/Hydrogen: Devote to hydrogen production, storage, and transportation scenarios. It deploys optimized solutions for hydrogen generation, storage, and provision, driving the transformation of the energy mix.	Hydrogen 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

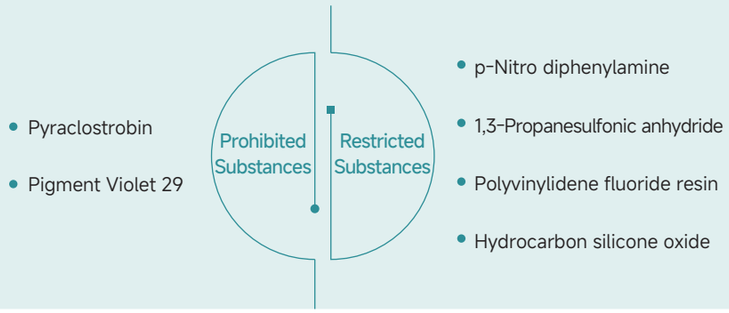
Green Chemicals

Luxshare Precision is proactively advancing full lifecycle chemical management across our operations. Through close collaboration with suppliers, we rigorously control chemical substances present in manufacturing processes and product compositions, striving to minimize environmental and human health risks associated with chemical usage.

Lifecycle Management of Hazardous Substances

We continuously monitor evolving domestic and international regulations on hazardous substance management, as well as client requirements for restricted substances. This includes compliance with the *Stockholm Convention on Persistent Organic Pollutants;* the *EU REACH Regulation* (Registration, Evaluation, Authorization, and Restriction of Chemicals) and its Substances of Very High Concern (SVHC) list; the *EU RoHS Directive* (2011/65/EU, 2015/863/EU) and its amendments; the *EU POPs Regulation* (2019/102/EU); the *EU WEEE Directive* (2002/96/EC); the *California Safe Drinking Water and Toxic Enforcement Act of 1986;* and *China's Volatile Organic Compounds (VOCs) Emission Standards.* Through systematic identification and control of regulatory risks of all chemical substance in processes and products, during the reporting period we updated the *Restricted Substances Management Specifications for Materials and Finished Goods* to Version 36 in 2024, which now defines 80 prohibited substances, 276 restricted substances, and 83 declared substances.

Part of Newly Added Prohibited and Restricted Chemical Substances



We have established a hazardous substance management system spanning the entire product lifecycle, aligned with the Hazardous Substance Process Management (IECQ-HSPM) framework. This system enables risk identification and tiered control of all chemicals present in products and associated manufacturing processes.

Whole Process Management of Hazardous Chemical Substances in Products

Product Development

- We apply the *Principles of Green Chemistry* and follow guidelines like the *General Principles for Ecological Design of Products* and the *Management Standards of Restricted Substances of Materials and Finished Products*. From the feasibility analysis stage to the product design stage, we comprehensively incorporate life - cycle environmental impact assessments into our considerations. We carefully evaluate the potential health and environmental impacts of products during their usage and disposal phases. Thus, we actively adopt harmless chemical compositions and support the hazardous substance free (HSF) philosophy. In addition, our product design specifications and material lists clearly convey the strict environmental standards of our organization

Material Procurement

- We require suppliers to declare the full substance composition of materials through the GP module of the GSCM system and provide the necessary inspection reports. The specialist is responsible for reviewing the environmental protection materials submitted by suppliers to ensure that they always comply with the company's high standards for hazardous substance management, thereby guaranteeing the compliant inflow of materials from the source. A comprehensive identification and supervision process has been established during the procurement process, achieving 100% coverage of all chemicals used in products.

Incoming Material Inspection

- Luxshare Precision comprehensively identifies the risks of hazardous substances in raw and auxiliary materials of different materials and conducts hierarchical management. According to the material properties and risk levels of raw and auxiliary materials, we set corresponding test items and frequencies. For all incoming materials, we adhere to the principle of "no acceptance for non-conforming products" and strictly control the incoming material inspection process. The laboratory systems of the company's main production bases have been equipped with statistical process control functions. Abnormal values of substance concentrations will automatically trigger warnings, effectively improving the efficiency of managing the stability of incoming materials.

Process Control

- In order to prevent cross-contamination during manufacturing processes, our assessment takes into account the possibility of dangerous compounds in machinery and equipment, tools, and auxiliary materials that may come into direct or indirect contact with the product during its manufacture. Before we adopt corresponding preventive measures, we regularly test the harmful substances in auxiliary materials and semi - finished products to avoid the pollution of harmful substances in the manufacturing process.

Finished Product Assurance

- Prior to shipment, we conduct random sampling inspections on finished products. We verify their compliance before affixing environmental labels and providing material composition statements and test reports as regulations and customer requirements. This ensures conformity with clients' standards and relevant legal statutes. Moreover, we disclose full formulations of products and the potential impact assessments through product labels, client portals, International Material Data System, China Automotive Material Data System, and other third-party platforms as requested.

Proactive Management of Prohibited and Restricted Substances

During the revision of the *Management Standard for Restricted Substances of Materials and Finished Goods*, we systematically identified emerging risk factors and formulated internal mitigation strategies. For chemicals not yet formally regulated but with potential hazardous properties, we implemented proactive controls by pre-emptively integrating these substances into our prohibited and restricted substance lists, establishing compliance thresholds ahead of current regulatory requirements.

List of Prohibited and Restricted Substances Managed Ahead of Regulatory Requirements

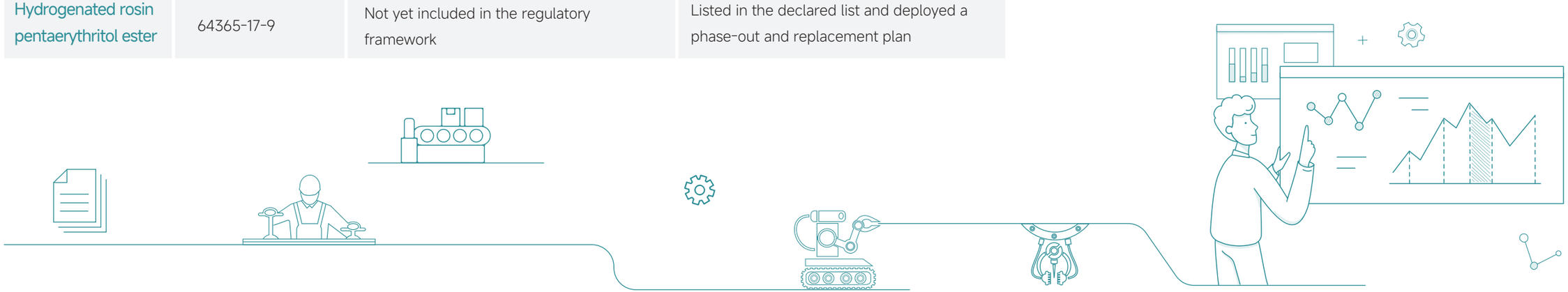
Restricted Substance	CAS No.	Regulatory Requirement	Internal Management Requirement
Medium-chain Chlorinated Paraffins (MCCPs)	85535-85-9	REACH SVHC List	Included in the restricted list
Pigment Violet 29	81-33-4	Toxic Substances Control Act (TSCA) - First Batch of Risk Evaluation Substances	Included in the prohibited list
2,4-Di-tert-butyl phenol	96-76-4	Not yet included in the regulatory framework	Listed in the declared list and deployed a phase-out and replacement plan
p-Cresol and DCPD Butylated Products	68610-51-5	Not yet included in the regulatory framework	Listed in the declared list and deployed a phase-out and replacement plan
2,6-Di-tert-butyl -p-cresol	128-37-0	REACH CoRAP List	Listed in the declared list and deployed a phase-out and replacement plan
Hydrogenated rosin pentaerythritol ester	64365-17-9	Not yet included in the regulatory framework	Listed in the declared list and deployed a phase-out and replacement plan

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

Luxshare Precision has established the long-term plan to phase out all chemicals of concern. We closely monitor the latest developments in domestic and international regulations, align with the most stringent standards of key global clients, and continuously identify opportunities to enhance our restricted substance management. By formulating and actively advancing a series of hazardous substance phase-out initiatives, we are committed to discovering and adopting safer alternatives to reduce the reliance on substances of concern.

Case | Luxshare Chuzhou Implemented Hazardous Substance Phase-out for Eco-Conscious Cable Product Advancement

During production processes, auxiliary materials containing PFAS posed potential contamination risks. Despite no regulatory mandate requiring PFAS phase-out, Luxshare Chuzhou proactively initiated substitution protocols based on risk management principles, preempting future compliance requirements. Through systematic process risk assessments, our team identified PFAS presence in acetate cloth and conductive cloth used for specific cable products. We actively conducted material substitution screening, performing comprehensive evaluations of environmental compatibility and technical feasibility. This led to the successful replacement of PFAS-containing materials with certified PFAS-free alternatives, effectively mitigating contamination risks.



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
2019	Lead and Its Compounds	Copper Alloy Materials	Full Replacement
2019	Antimony Trioxide	Wires/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	Endocrine Disrupting Chemicals (EDCs)	All Materials	Full Replacement
2025	Per- and Polyfluoroalkyl Substances (PFAS)	All Materials	Partial Replacement[18]
2029	Substances of Concern in Components/ Parts Exempted under RoHS Directive	All Materials	Partial Replacement

[18] Immediate phase-out implementation across all new products

Hazardous Substance Management Requirements of the Supply Chain

As the critical bridge connecting suppliers and clients, we recognize that communicating clear material requirements to suppliers is an essential prerequisite for delivering high-quality green products. To ensure the procurement of materials complying with regulatory requirements, we have integrated green product requirements throughout the entire supplier management lifecycle. By holding suppliers to the same stringent standards applied in Luxshare Precision's internal management systems, we drive continuous improvement in suppliers' hazardous substance management capabilities, thereby mitigating supply chain risks and advancing collective sustainability performance.

Hazardous Substance Management Requirements of the Supply Chain

Entry Conditions

- Require raw material suppliers to sign the ***Letter of Guarantee for Environmental Protection*** to ensure that raw materials, components, packaging materials, semi-finished products and finished products supplied to Luxshare Precision meet the management requirements of the Management Standard for Restricted Substances of Materials and Finished Products

Change Management

- Timely communicate with and require suppliers to complete self-inspection, feedback and confirm compliance within the prescribed time limit after the *Management Standard for Restricted Substances of Materials and Finished Products* is updated. Suppliers are required to proactively report changes related to raw material properties and other aspects in accordance with the relevant change management requirements of the Company. They should also provide relevant information and samples as appropriate, so as to effect the change in the supply upon approval

Regular Audit

- Conduct regular audits related to the control of hazardous substances, check the product ingredient list and third - party hazardous substance testing report, and send it to the Company's internal laboratory for hazardous substance testing to prevent the non - environmentally friendly materials and products from flowing into the Company's product chain

Replacement or Reduction

- Actively carry out the replacement or reduction of hazardous chemical substances, and phase out hazardous chemical substances or replace them with safer chemical substances as soon as practicable

Luxshare Precision has implemented the GSCM system's GP module to establish end-to-end digital management spanning from supplier material compliance controls to full substance traceability. In 2024, focusing on auxiliary materials posing direct or indirect product contamination risks, we improved the GSCM system to enable process-driven and systematic online management in pilot factories. This includes automated material requirement dissemination, digital submission of environmental compliance documentation, supplier hazardous substance audit workflows, and real-time update notifications. These enhancements have significantly optimized green procurement efficiency while ensuring stringent quality assurance.

Strengthening Client Trust

"Enabling Customer Success" lies at the heart of Luxshare Precision's operations, while "Relentless Mission" forms the cornerstone of our trusted partnerships. We consistently deliver value through premium product quality, innovative solutions, and service excellence.

Product Quality Management

In accordance with the *Product Quality Law of the People's Republic of China* and related regulations, combined with client requirements, Luxshare Precision has developed the *Quality Manual* and continuously optimizes our quality management system covering R&D, manufacturing, and sales operations. Guided by facility-specific product positioning, process characteristics, and sustainability objectives, we established quality management targets and implemented a performance-linked quality governance framework. Key metrics such as mass production yield rates, Outgoing Quality Control (OQC) defect rates, and Final Quality Control (FQC) batch rejection rates are cascaded to direct process owners with clear accountability and incentive mechanisms. Additionally, we conduct regular quality audits aligned with internal assessment criteria to monitor quality target attainment across major production bases, driving enterprise-wide quality management excellence.

At the end of the Reporting Period, Luxshare Precision and our main production bases were all certified by ISO 9001

At the end of the Reporting Period, Luxshare Precision:

IATF 16949 certified subsidiaries reached
30

ISO 13485 certified subsidiaries reached
12

Luxshare Precision has implemented an automated production and intelligent inspection-based quality management model, integrating machine vision and intelligent patrol inspection technologies for quality monitoring and predictive alerts. Leveraging our quality management system, we achieve comprehensive data collection and visual analytics across the entire product lifecycle.In 2024, we independently developed an intelligent cloud management system through big data and AI analytical models. This system integrates real-time quality tracking dashboards, AI-powered incoming material inspection, and intelligent automated placement lines, enabling end-to-end intelligent process control and further elevating our product quality management capabilities.

Case | Luxshare Van Trung Optimized the End-to-End Quality Management System (QMS)

In 2024, Luxshare Van Trung successfully rolled out the QMS system across all operations. This system encompasses critical modules such as routine inspections, material management, and document management. By monitoring a variety of data points in real time during production, the system can precisely identify production bottlenecks. For instance, if equipment operates below the predefined efficiency standards or if there are delays in material supply, the system triggers alerts. It then leverages automation to optimize production schedules, ensuring a more rational allocation of both workforce and machinery. This reduction in manual intervention minimizes human error and enhances overall product quality. Furthermore, the QMS implements quality surveillance at every stage of production. Utilizing automated detection tools recording mechanism, the system swiftly detects and reports any quality-related issues. It also supports advanced traceability features, allowing for thorough quality tracking throughout the entire production cycle.

Case | Luxis Beijing and Luxis Dezhou Introduced Automated Surface Mount Technology Line for Digital Integration in Production

Traditional semiconductor SMT production lines face several drawbacks, including cumbersome fixture assembly and disassembly processes, frequent system input requirements, extensive manual intervention, inaccurate quality sampling, and slow response times for exceptions. In 2024, Luxis Beijing and Luxis Dezhou have introduced highly integrated and intelligent automated SMT lines. By incorporating advanced features such as automatic identification, fixture auto-handling, real-time information upload, IoT device integration, and optical inspection that replaces manual sampling, these factories have achieved digital integration across their production processes. As a result, product yield rates have improved by 0.15%.

Automated SMT Line

Quality Culture Development

At Luxshare Precision, we are committed to embedding quality awareness into every aspect of employee development, reinforcing employees' understanding of quality from hiring, pre-job training. We continuously host "Quality Month" initiatives, organizing activities such as quality system management knowledge competitions and quality improvement employee interviews to foster a company-wide focus on product quality. In 2024, we innovatively launched quality case workshops, analyzing typical cases to enhance employees' sensitivity to quality issues and practical skills.

During the Reporting Period, Luxshare Precision:

Quality control training delivered
88,279 person-times

Total training hours
169,884 hours

Case | Luxshare Precision Advanced Quality Culture Development

Responding to the national call for Quality Month, Luxshare Precision has continued our annual Quality Month campaign. Under the 2024 theme "Quality Awareness Starts with Commitment, Luxshare Precision's Responsibility Translates into Action", we conducted knowledge consolidation and awareness campaigns across nearly 20 factories. Through integrated online and offline platforms, all factories organized diverse activities including knowledge competitions, knowledge distillation and case study development, and technical skills contests. These initiatives strengthened employees' quality awareness and competencies while fostering the preservation and application of product quality expertise.

Quality Knowledge Competition at Suzhou Luxshare Technology

Quality Case Study Workshop at Jinxi Factory

Visual Inspection Skills Contest at Luxshare Huzhou

Customer Relationship Management

Luxshare Precision upholds the core value of "Enabling Customer Success", effectively engaging global clients through diversified communication channels and engagement models to enhance product and service excellence. We employ multidimensional feedback mechanisms, including annual customer satisfaction surveys and monthly performance evaluations, to gain profound insights into client expectations. During the Reporting Period, we conducted 649 client surveys spanning critical dimensions: product quality, delivery reliability, service responsiveness, and cost-effectiveness. Our structured approach to feedback management, governed by internal protocols such as the *Operating Procedure for Information Communication, the Handling Procedure for Customer Complaints, and the Operating Procedure for Continuous Improvement,* ensures timely and effective resolution of client concerns, thereby strengthening customer satisfaction and brand loyalty.

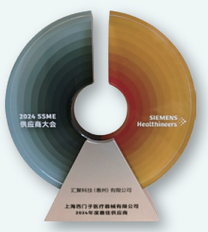
Additionally, we established the *Handling Procedure for Product Sales and Return*, which defines standardized recall implementation processes. This includes systematic arrangements for product retrieval, repair logistics, and transportation coordination, complemented by proactive remedial measures to safeguard client rights and interests.

2024 Partial Client Awards

2024 Hikvision Outstanding Supplier Award – Best Quality Award

2024 Hikvision Outstanding Supplier Award – Green Supplier Award

2024 Li Auto - Best Supply Award



2024 Siemens – Best Supplier Award

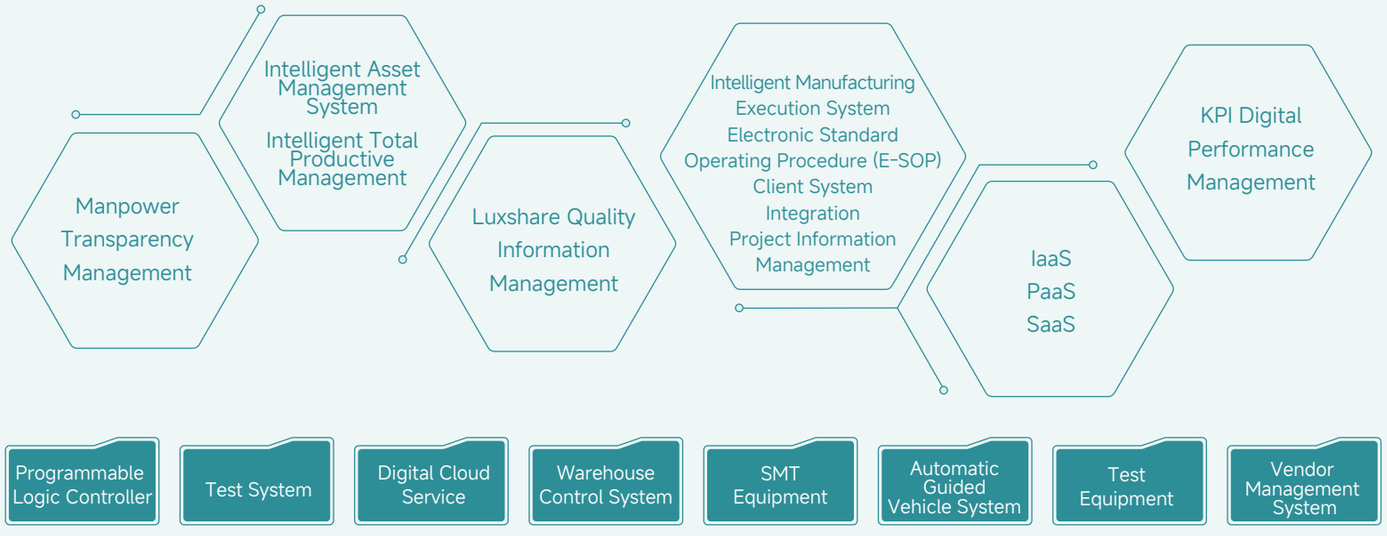
Advancing Intelligent Manufacturing

As a trailblazer in intelligent manufacturing, Luxshare Precision actively responds to industry transformation trends by rigorously implementing the Industry 4.0 strategy, driving the intelligent transformation of production operations through technological leadership.

Intelligent Manufacturing System

Our Manufacturing Operations Management (MOM) platform, built on modular architecture design, achieves holistic integration through the Intelligent Manufacturing Execution System (MES), Quality Information Management Platform, and Intelligent Asset Management System. This ecosystem comprehensively coordinates our production operations, workforce management, and safety protocols. In 2024, we optimized the MOM platform with targeted enhancements in asset utilization efficiency, maintenance response speed, and quality control capabilities, empowering intelligent manufacturing advancements through end-to-end process refinement and operational synergy.

Luxshare Precision MOM Platform



To extend platform capabilities into strategic depth, building upon the continuously upgraded technological foundation of our MOM platform, we initiated a five-year plan for Intelligent Manufacturing in 2023, establishing an integrated management framework that synergizes platforms, data ecosystems, and equipment networks.With proprietary innovation at our core, we have developed a dual-loop intelligent architecture encompassing both hardware infrastructure and system applications. At the hardware level, our self-developed automated equipment systems drive intelligent iteration of production assets. On the systems front, we leverage AI-powered data infrastructure to seamlessly integrate material management with manufacturing execution, forging a new paradigm of intelligent manufacturing characterized by dynamic perception and real-time decision-making.

Luxshare Precision's 5-year Plan for Intelligent Manufacturing

2023 (Accomplished)

- Developed three processes of engineering data, production processes, and production information
- Implemented 32 business processes around 12 production scenarios
- Advanced the application of Digital Twin in production
- Gradually achieved the full coverage of the Warehouse Management System (WMS)

2024 (Accomplished)

- Cooperate in the interconnected operations of materials, manufacturing and supply
- Promote intelligent application for premaintenance and repair, logistics path optimization, etc.

2025

- Promote the application of intelligent decision-making, intelligent production scheduling, quality analysis and other intelligent services
- Deeply explore the artificial intelligence field and apply machine learning in the manufacturing process

2026

- Establish the interconnection of the underlying equipment
- Implement the precise distribution and importing of logistics in unmanned workshops
- Establish lean standardization of production lines

2027

- Build the value of lean talent, cultivate lean talents for the enterprise, and assist suppliers in lean coaching
- Promote the application of 3D printing, graphic processing, machine vision and other intelligent technologies

Intelligent Manufacturing Achievements

Luxshare Precision has established our Intelligent Manufacturing System as the cornerstone to holistically advance innovation across production equipment, IT systems, and smart facility upgrades. We are committed to achieving end-to-end data interconnectivity and intelligent decision-making processes. Through developing smart factories that enhance data analytics and predictive capabilities, we comprehensively empower operational decision-making, accelerating our enterprise-wide digital transformation journey.

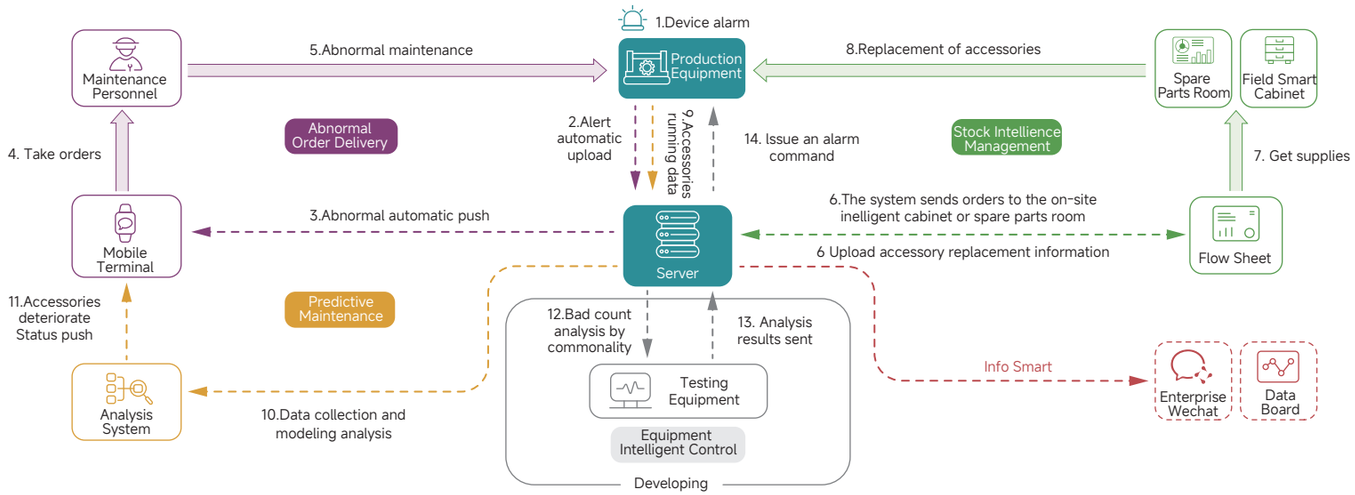
Case | Luxshare Precision Advanced Intelligent Manufacturing Through High-Precision Automated Manufacturing Equipment

Luxshare Precision has positioned hardware innovation as the breakthrough point for Intelligent Manufacturing advancement, achieving domestic substitution through proprietary R&D of critical automation equipment such as 18-axis auto-alignment (AA) systems for smartphone cameras and 12-axis AA devices for optical couplers. The 12-axis optical coupler AA equipment, an industry-leading dual-station fully automated system, incorporates our proprietary global algorithms to achieve precise rapid coupling at optimal optical intensity positions. This significantly enhances automation and precision level of the optical module production, driving intelligent manufacturing transformation in optical communication manufacturing.

Case | Luxshare Electronic Kunshan Intelligent Equipment Management System

In 2024, Luxshare Electronic Kunshan focused on the digital upgrade of production technology and developed an intelligent equipment management system that covers the entire production process. This intelligent equipment management system, through its four major functional modules: abnormal dispatching, predictive maintenance, intelligent equipment management, and spare parts intelligent management, ensures precise and effective handling of equipment anomalies, prolongs the service life of equipment, reduces production costs, and improves production efficiency.

Overview of the Intelligent Equipment Management System



Case | Luxshare Precision's Intelligent Warehouse and Logistics Solutions

Luxshare Precision has independently developed WMS and has been continuously expanding its application scenarios. By the end of the reporting period, we have implemented applications such as three-dimensional automated storage and automated sorting, which have reduced labor costs and enhanced the efficiency of logistics and warehouse management:

Lanto Bozhou Vertical Cable Warehouse Project

Addressing storage challenges posed by heavy materials and frequent inbound/outbound operations, Lanto Bozhou implemented stacker cranes and automated guided vehicles (AGVs) to achieve three-dimensional storage and automated handling of cable materials. This innovation significantly enhanced storage capacity and transportation efficiency.

Luxshare Xuancheng AGV Logistics Optimization Initiative

To resolve material delivery accuracy and production continuity issues, Luxshare Xuancheng deployed AGV systems with real-time integration into production systems. This ensures precise material delivery to assembly lines, maintaining continuous and efficient production workflows.

Tiesong Factory Smart Bin Picking System

The bin warehouse maximizes vertical space utilization through automated barcode scanning for item retrieval and AGV route monitoring. These advancements substantially improved sorting efficiency while reducing labor costs.

Stacker Crane Outbound Retrieval

AGV Automated Transportation Interface

04

Employees Empowerment, Building a Platform for Dreams

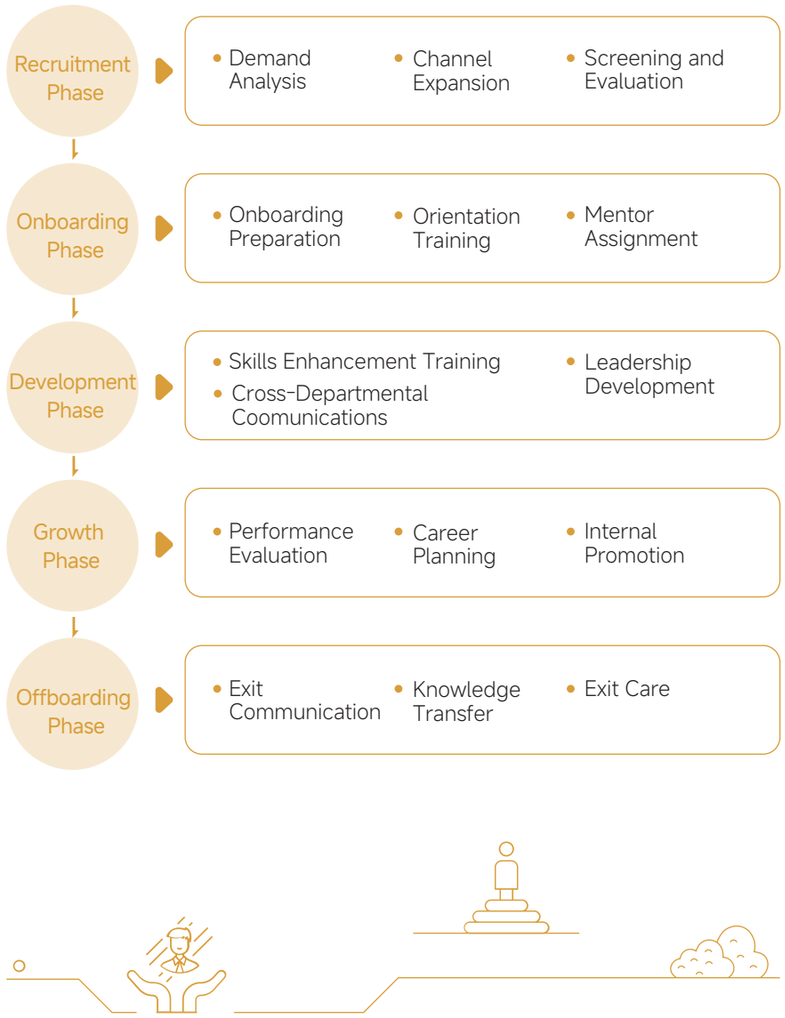
Luxshare Precision actively responds to societal expectations regarding the protection of employee rights, continuously enhancing its talent appeal and fostering a diverse and inclusive workplace. To achieve this, we have established a robust labor risk management mechanism and developed a unique, diversified talent development strategy. We are also committed to optimizing our compensation, benefits, and performance evaluation systems to support the all-round growth of our employees. Additionally, we prioritize occupational health and safety, adhering to the principle of "zero fatal accidents and zero occupational diseases" as our baseline.

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

Attracting Excellent Talent

Luxshare Precision adheres to the principles of compliance, transparency, fairness, equality, and respect throughout its recruitment process. We provide equal employment opportunities for all types of talents and have established a comprehensive management system that supports employees throughout their entire career lifecycle, helping them achieve their personal values.

Employee Lifecycle Management Flowchart



Employee Management

Luxshare Precision employs diverse, open and transparent recruitment channels every year, including nationwide online recruitment, employee referrals, university-enterprise collaborations, job fairs, and headhunting services, to attract a wide range of talents. Additionaly, strategic initiatives such as the "Campus Talent Reserve Program" have been established to build a sustainable talent pipeline. In 2024, to enhance candidate experience during the interviews and onboarding process, the Company launched an integrated recruitment project. This initiative streamlines various recruitment platforms, improving operational efficiency and convenience.

Furthermore, to enhance the experience for new hires, the Company introduced a series of engagement activities for campus recruits in 2024, such as welcome packages and online knowledge competition "How Much Do You Know About Luxshare?"

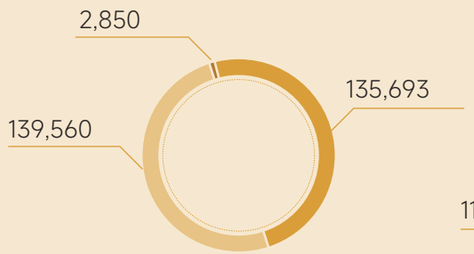
During the Reporting Period, Luxshare Precision also received several external recognitions as employer of choice, including 2024 China Model Employer by 51job, 2024 China Best Employer Award by Zhaopin, 2024 Employer Brand Management Model by Yonyou & Dayee and Most Influential Employer by Haitou Network.

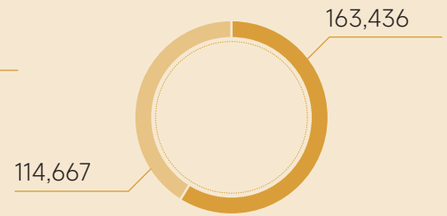
During the Reporting Period, Luxshare Precision:

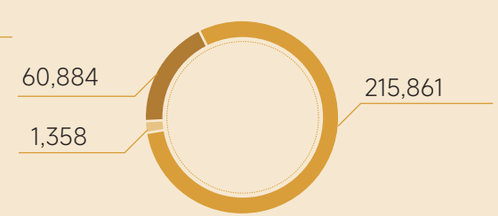
Newly hired graduates
1,648

Distribution Diagram for Employees in 2024

As of the end of the Reporting Period, the total number of employees was 278,103







To safeguard employees' rights and standardize retirement and rehire processes, the Company has established the *Luxshare Precision Retirement and Rehire Management Measures*. This policy outlines retirement criteria, procedures, benefits, and rehire regulations. Additionally, we have introduced retirement honor ceremonies to express gratitude and respect for retiring employees.

Diversity and Inclusion

Luxshare Precision is committed to fostering a culture of friendliness, mutual support, equality, and care. We firmly oppose any form of discrimination and strive to create an open and inclusive workplace. In 2024, Luxshare Precision and its subsidiary, Enshi Luxshare, received certification as a diverse supplier.

Certificate of Diverse Supplier

Certificate of Diverse Supplier – Bona Fide Supplier

At the same time, we advocate for a diverse and inclusive workplace, actively hiring and supporting employees with disabilities. Through a series of assistance measures, we help them better integrate into the Luxshare Precision family. By the end of the Reporting Period, the Company had employed a total of 1,517 employees with disabilities.

During the Reporting Period, Luxshare Precision:

Zero
incident of employee discrimination

Case | Luxshare Precision Launched "International Day of Persons with Disabilities" Theme Month

In December 2024, Luxshare Precision actively organized a theme month for the "International Day of Persons with Disabilities", focusing on "Empowering Leadership Among Persons with Disabilities to Build an Inclusive and Sustainable Future". This initiative aimed to foster a diverse, inclusive, and equitable corporate culture while optimizing internal policies and work environments to better meet the needs of employees with disabilities.

Lanto Kunshan's "Weaving Warmth, Love Without Barriers" Event

Smart Manufacturing Jiangxi's "Walking with Love, Painting the Future" Event

Smart Manufacturing Changshu Simulated Darkness Challenge

Luxshare Chuzhou "Drawing the Blueprint – Nazca Giant Drawing" Activity

Additionally, the Company continues to improve its work environment and infrastructure. We improved life and service-related accessibilty signs and slogans in dining areas, dormitories, and rest zones within the factory premises, upgraded essential wheelchair-accessible facilities, and encouraged employees to provide suggestions for further enhancements, creating a more comfortable, convenient, and inclusive working and living environment.

Barrier-free Facilities in the Factory Area

In terms of training, Luxshare Precision offers multicultural courses such as communication skills and basic sign language to help employees master how to respect colleagues from diverse backgrounds, strengthen awareness of gender equality, and understand the value of a diverse work environment. In 2024, the Company introduced a specialized course on "Diversity, Respect, and Anti-Harassment," utilizing a integrated online and offline teaching model. This program reached employees across facilities in seven areas, including Shanxi, Zhejiang, Taiwan, and Vietnam, aiming to foster a harmonious and healthy workplace atmosphere.

Protecting Employee Rights

Luxshare Precision has issued the *Statement on Labor Human Rights Protection* to affirm its commitment to abide by policy covers ILO core conventions plus additional protections. Adhering to high international labor standards, the Company fully complies with laws and regulations while actively implementing the *Universal Declaration of Human Rights,* the *Guiding Principles on Business and Human Rights,* the *ILO Core Conventions, and the Declaration on Fundamental Principles and Rights at Work.* Additionally, we reference supplementary technical conventions such as the *Social Security (Minimum Standards) Convention,* the *Termination of Employment Convention,* and the *Protection of Workers' Claims (Employer's Insolvency) Convention.* We also align with global initiatives such as the *Responsible Business Alliance (RBA) Code of Conduct,* the *Corporate Responsibility to Respect Human Rights: An Interpretive Guide, the Global Sullivan Principles, and the Social Accountability 8000 (SA 8000)* standard. These efforts underscore our dedication to creating a safe, decent, and sustainable work environment for employees.

Labor Risk Identification and Mitigation

Luxshare Precision has established a comprehensive labor risk management mechanism based on the Organization for Economic Co-operation and Development(OECD) Human Rights Due Diligence framework. This mechanism follows an "Identify-Prevent-Monitor-Mitigate and Remedy" full-cycle labor risk management process. In the event of labor disputes or rights violations, we promptly investigate and take legally compliant remedial actions to ensure timely resolution of potential risks or non-compliance issues.

Labor Risk Management Mechanism

Identification

Conduct a comprehensive review of labor-related risks, including forced labor, child labor, harassment, and discrimination, and establish robust systems to ensure dynamic identification and effective response for each type of risk

Prevention

Continuously enhance prevention mechanisms and build a muti-layered risk control system through various measures such as ID verification, attendance system management, and rights protection trainings, effectively reducing labor rights risks

Monitoring

Implement a "three-tier audit mechanism" covering internal specialzed audits, client audits and external third-party audits (e.g. RBA), to ensure full oversight of labor rights related issues and maintain compliance and transparency

Mitigation and Remediation

Immediately initiative investigation procedures and hold responsible parties accountable in the event of rights violation or upon receiving complaints,and provide affected individuals with legal assistance, financial supplement and psychological support. Prevent similar incidents from recurring through trainings, disciplinary actions, policy upgrades and infrastructure improvements

To strengthen oversight and auditing of labor risks, the Company has developed a Self-Assessment Questionnaire (SAQ) and specialized audit criteria aligned with the *RBA Code of Conduct*. An annual labor risk assessment is conducted across all subsidiaries, followed by rolling specialized audits, with monitored guidance provided to subsidiaries until all identified issues are resolved. In 2024, our labor risk assessments achieved 100% coverage, with specialized audits spanning 14 regions, 20 subsidiaries, and over 100,000 employees. All subsidiaries received an "A" rating in these audits.

Internal Audit Performance Rating Chart (100-point scale)

A Level
80-100 Points
Passes

B Level
70-79 Points
Conditionally Passed

C Level
Below 70 Points
Failed

Furthermore, we actively cooperate with clients for second-party audits, combining regular inspections with irregular spot checks. We also continue to advance third-party audits by authoritative bodies.

During the Reporting Period, Luxshare Precision:

- 1 subsidiary passed RBA Validated Audit Program (VAP) audit and obtained platinum-level certification
- 16 subsidiaries attained silver-level certifications

Labor Rights Management System

The Company has developed and implemented a series of policies, including the *Social Responsibility Management Manual, Employee Handbook, Recruitment Management Procedures, Non-Forced Labor Procedures, Child and Juvenile Labor Management Procedures, Juvenile Worker Protection Procedures, Prohibition of Child Labor and Remediation Management Procedures , Overtime Management Procedures, Freedom of Association and Collective Bargaining Procedures, Anti-Discrimination and Harassment Procedures, and Diversity and Inclusion Management Procedures.* These policies clearly define workplace conduct, prohibit illegal practices such as forced labor, child labor, discrimination, and harassment, ensure reasonable working hours and fair compensation, and respect employees' rights to freedom of association and collective bargaining.

In the supply chain phase, Luxshare Precision regularly conducts CSR risk assessments and audits for suppliers to strengthen labor rights risk prevention and ensure proper protection of labor rights across the supply chain. For details on supplier CSR management measures and audit results, please refer to the *Environmental and Social Responsibility Management* section.

As of the end of the Reporting Period, no incident involving violations of freedom of association, collective bargaining rights, forced labor, illegal servitude, child labor, or any form of discrimination was identified in Luxshare Precision's operations or supply chain.

Labor Rights Risk Management Measures

◇ Forced Labor

- Legally sign labor contracts, clearly define employment conditions, strictly prohibit the collection of deposits or withholding of documents. Upon discovery of forced labor, promptly investigate, hold accountable, and provide support to those affected

◇ Freedom of Association and Collective Bargaining

- Guarantee employees' rights to freely organize or join unions and provide resource support
- Promptly intervene to investigate rights infringement incidents and provide legal support to affected employees

◇ Anti-Harassment and Abuse

- Eliminate all forms of harassment, regulate work discipline through the *Employee Handbook* and legally penalize violations
- Encourage employees to report harassment incidents. Upon receiving complaints, the Company will promptly investigate and provide necessary support to those affected

◇ Equal Pay for Equal Work

- Strictly enforce the principle of equal pay for equal work, ensuring that no different compensation is given based on gender, age, nationality, etc., and that every employee's efforts are duly rewarded

◇ Anti-Discrimination

- Prohibit discriminatory practices at all stages of employment, immediately investigate related complaints, and provide necessary support to ensure a fair and just working environment

◇ Occupational Health and Safety

- Regularly identify and assess occupational risks, take measures to reduce hazards, provide protective equipment, and promptly handle safety incidents while providing necessary support

◇ Prevention of Child Labor

- Strictly verify employee ages to ensure legal employment, encourage employees to report illegal child labor practices. Upon discovery, immediately cease their work, arrange medical check-ups, escort them back to their guardians, and assist them in continuing compulsory education

○ Employment Termination Protection

- Employees shall not be dismissed without just cause, such as violations of terms specified in the *Employee Handbook*. In the event of employment termination, legally provide corresponding dismissal compensation, allowances, or other separation benefits

○ Responsible Restructuring

- Establish clear restructuring policies and ensure protection in cases of company insolvency. During bankruptcy restructuring, comply with local regulations regarding the latest notification periods for operational changes, engage in friendly negotiations with employees, legally handle severance pay and assistance with outplacement, and provide skill development trainings and assist re-employment

○ Living Wage System

- Timely pay employee salaries, commit to provide a living wage, and continuously improve the Company's welfare system to ensure a decent living for employees and their families

○ Overtime Compensation

- Strictly adhere to the *Employee Handbook* regulations, pay overtime wages or subsidies on time
- Do not mandate non-working hours activities, reasonably arrange overtime and rest periods, continuously monitor working hours, immediately correct any issues found, and provide medical support to affected employees

◇ Core Convention ○ Additional

Support for Training and Development

Luxshare Precision places high importance on the integration and development process of its employees, offering a variety of skills and knowledge development training programs and career development training covering all employees (including part-time and contractors[19]), helping employees build core competitiveness.

Employee Promotion and Development

We have established a comprehensive dual-channel promotion system aimed at providing employees with diverse career growth paths. Employees can choose to develop in either professional or management tracks based on their personal capabilities and career plans.

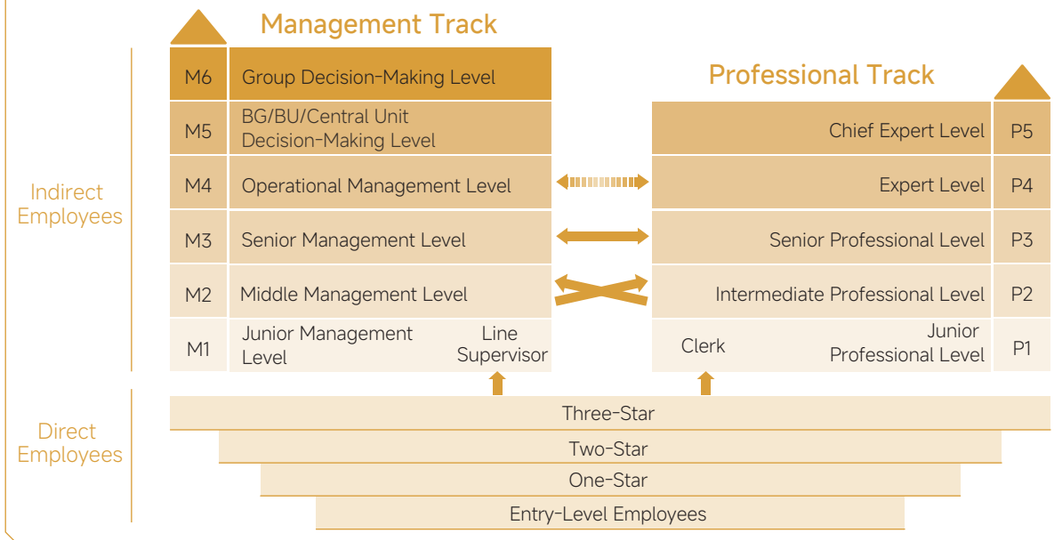
Simultaneously, following talent development strategy, the Company has set targeted promotion policies in key areas such as reserve cadre development, cross-level promotion for mid-level and grassroots employees, and promotion for overseas' local employees,, driving the rapid growth of outstanding talents.

During the Reporting Period, Luxshare Precision:

Management track promotions
2,570 people

Professional track promotions
10,756 people

Employee Promotion and Development Channels



[19] In 2024, Luxshare Precision did not employ part-time or contract workers.

Employee Training and Enhancement

Based on the Company's strategic and management development requirements and considering the comprehensive capability development needs of different positions from the corporate level to the factory level, Luxshare Precision has built a comprehensive talent cultivation system.

During the Reporting Period, Luxshare Precision:

Total employee training hours
5,723,139 hours

Total employee training expenditure
10.71 million RMB

Total employee training participation
3,080,707 person-times

Coverage
100 %

Talent Development System

Luxshare Precision Cultural Execution

Leadership Development Path (M Track)			Professional Development Path (P Track)			Competency Center	Public Class & Lecture
M5 Senior Management Training	Star Class		Key Account Marketing Training Program	New Employee Orientation Training	Cadre-Star Trainee Program	Job Knowledge and Skills Learning Map	Luxshare Lecture Hall Technical Forum
M4 Leadership Training Program	Mentor Qualification Training Program	Lecturer Qualification Training Program	Research and Innovation Training Program				
M4 Reserve Training Program			Project Management Training Program				
M3 Management Advancement Project			Operation Management Training Program				
M3 Reserve Training Project			Supply Chain Management Training Program				
M2 TrainingProject			Human Resource Management Training Program				
M1 Line Supervisor Training Project			Corporate-University Cooperation Institute				
			P3 P4 High Potential Training Program				

System & Mechanism	Resource Library	Platform Center
Rule of Training Operation Management	Trainer Library	E-learning Platform
Rule of Internal Trainer Management	Course Library	Talent Assessment Platform
Rule of Learning Platform Management	Case Library	External Resources Platform

Talent Succession and Development Training

The Company conducts comprehensive succession planning and development programs at multiple levels to continuously strengthen their professional, management, and leadership capabilities, building a sustainable talent reserve system.

Talent Succession Planning and Development Programs

Training Target	Course Themes
M5 Senior Management, M4 Leadership Training Program	Cultural Integration, Business and Strategy, Various Selection Courses
M4 Reserve Training Program	Financial Essentials, Decision-Making, Team Building, Employee Development, Strategic Planning and Execution
M3 Management Advancement Project	Cultural Integration, Self-Management, Team Management, Business Management
M3 Reserve Training Project	Thinking Skills, Professional Skills, Influence, Execution, Decision-Making
M2 Reserve Training Project	Managerial Culture Building, Transition from Technical to Management
M1 Reserved Line-supervisor Training Project	Role Recognition, Basic Work Case Discussions, Knowledge Competitions
P3, P4 High-Potential Programs	Professional Competence Enhancement, General Workplace Skills Improvement, Practical Tasks
Reserve Cadre - Star Program	Intensive Training, Internships, Position Placement, Executive Mentorship, Mentor Guidance, Professional Learning

Suzhou Accessory Star Classroom

Smart Manufacturing Changshu P3, P4 High-Potential Training Class

Luxshare Smart Manufacturing M3 Reserve Training Class

Jinxi Factory M4 Leadership Training Camp

In 2024, by leveraging the digital smart HR platform, the Company efficiently completed talent inventory using multi-dimensional data analysis, focusing on identifying high-potential talents to build an internal talent pool. Training resources were matched according to the characteristics of different talents to strengthen the appointment and development of high-potential reserve talents.

Specialized Skill Training

In terms of professional capability cultivation, Luxshare Precision has launched multiple specialized skill development training projects. By establishing a comprehensive online and offline learning platform and resource library, the Company supports all employees in flexibly and independently acquiring knowledge.

Specialized Skill Training

Professional Foundation

- Onboarding Certification
- University-Enterprise Collaboration

Professional Training and Combat

- Lean Production
- Six Sigma
- Project Management
- Key Account Management
- Supply Chain Management

Case | Luxshare Precision and Golden Collaborated on Financial Training

In 2024, Luxshare Precision collaborated with Golden to conduct a series of financial training projects covering key areas such as lean operation analysis and implementation improvement for financial business partners, practical analysis of business tools, and structured training workshops for budget compilation and reporting. These initiatives aimed to enhance the data analysis capabilities and process management efficiency of financial personnel, providing precise financial insights to assist business decision-making and improve the integration of business and finance.

The training project included 15 sessions, with offline training totaling 167 hours and online learning platform cumulative learning hours reaching 1,623 hours, offering a total of 563 courses.

Advanced Finance Training Program

Academic Advancement Program

Luxshare Precision provides support for degree programs or certifications for all employees (including part-time and contractors[20]). In collaboration with external professional institutions, we offer tuition subsidies and incentives to support employees in advancing their education.

During the Reporting Period, Luxshare Precision:

857

employees registered in degree programs

Degree Improvement Forum at Jinxi Factory

Degree Improvement Forum at Jia Shan Ri Shan

Huarong Communication Degree Improvement Program Registration

Overseas Cadre Training

In 2024, Luxshare Precision organized four sessions of the "Overseas Cadre Training Camp", with 127 cadres from regions such as Vietnam and Japan participated. The training covered business, regulations, culture, sustainability, and digital smart manufacturing. To accommodate employees with different work schedules and time zones, the Company launched the "Cross-Border Assignment Online Training" program, covering assigned employees in Japan, South Korea, Vietnam, Thailand, and Mexico, comprehensively enhancing the professional competence of overseas cadres.

Overseas Cadre Training Camp

[20] In 2024, Luxshare Precision did not employ part-time or contract workers.

Enhancing Compensation and Benefits

Luxshare Precision strictly adheres to local laws and regulations, establishing a performance evaluation system covering all employees and conducting regular compensation adjustments to ensure market competitiveness. Additionally, the Company continuously improves its benefits system, offering diversified non-monetary benefits to enhance employees' recognition to the Company and their satisfaction.

Compensation and Benefits System

To attract, motivate, and retain talent, the Company has established a performance-based incentive pay structure covers all employees around the world and employee stock plan for all employees[21], providing market-competitive compensation.

Variable Performance-Based Compensation

Direct Employees

- Full Attendance Bonus: Monthly bonuses for full attendance
- Outstanding Employee Bonus: Regular evaluations to recognize and reward top-performing employees
- Additional Allowances: Performance-based bonuses and allowances as part of variable compensation

Indirect Employees

- Performance Management: Unified daily performance management
- Annual Evaluation and Compensation Adjustment: Conduct annual performance reviews and adjust salaries accordingly

Furthermore, the Company offers various non-monetary benefits to all employees, comprehensively caring for their well-being and striving to create a stable, healthy, and harmonious work and living environment.

[21] Incentive targets include eligible management personnel, core technical (business) elites, and grassroots employees.

Material Non-Pay Benefits

Welfare and Insurance

- Social insurance
- Retirement benefits
- Group commercial insurance
- Pension insurance
- Medical insurance
- Group expatriate insurance

Family Support

- No less than 14 weeks of parental leave (including maternity and paternity leave)
- Employee children's education support
- School shuttle bus and after-school care services for employees' children

Health Care

- Free health clinics
- Annual health check
- Psychological counseling

Case | Luxshare Precision Conducted Free Health Clinics to Care for Employees' Health

To enhance employee health awareness and quality of life, Luxshare Precision actively organizes free health clinics. Subsidiaries such as Luxshare Jiangsu and Luxshare Xuancheng collaborated with local medical institutions to provide multi-department health services, including orthopedics, traditional Chinese medicine, gynecology, and general medicine, helping employees identify and address potential health issues and demonstrating employee care.

Luxshare Xuancheng Health Consultation and Free Clinic

Luxshare Jiangsu Health Consultation and Free Clinic

Health Check-Ups for Elderly Employees at Luxcase ICT Yancheng

Employee Care

Luxshare Precision's employee care system comprehensively covers all stages of employees' careers. In 2024, we ensured that at least one care project was implemented monthly in each BG/BU to achieve full coverage of all employees, bringing care initiatives to the frontlines.

Employee Care System

Onboarding Support

Offer multiple benefits, including free accommodation, meal subsidies, and shuttle services, to alleviate the initial financial pressure on new employees

Social Connection

Facilitate employee interaction and strengthen team cohesion through social clubs, holiday events, and Qixi Matchmaking activities

Smooth Communication

Establish an Employee Care Center, employee forums, and hotline services to encourage employees to voice their opinions and ensure smooth internal communication

Warm Assistance

Provide specialized support including childcare assistance, education subsidies, financial aid, and disability care for employees with special needs

Health Assurance

Care for employees' health through health checks, psychological counselling and emotional management services

Motivational Engagement

Implement incentives such as labor union benefits, holiday gift packs, and an honors system to strengthen employees' sense of belonging and loyalty

Career Development

Offer dual career paths and comprehensive training programs to support employee personal growth and career development

Sports and Fitness

Organize fitness activities and sports competitions to encourage employee to participate in physical exercise

Cultural Entertainment

Host birthday parties, family days, movie screenings, and singing competitions to enrich employees' leisure time

Respectful Retirement

Hold farewell ceremonies and present commemorative gifts to retiring employees to express gratitude and respect for their long-term service

Case | Caring for Working Mothers: Luxshare Precision Set Up Cozy Nursing Rooms

Adhering to a "people-oriented" management philosophy, Luxshare Precision has set up nursing rooms in multiple facilities, including Lanto Bozhou, SpeedTech, Linkz Suzhou, and Smart Manufacturing Changshu, providing convenience and support for breastfeeding employees. This initiative not only enhances the employee care and welfare system but also significantly boosts employees' sense of belongings and satisfaction, contributing to a warmer and more cohesive workplace ecosystem.

Nursing Room at SpeedTech

Nursing Room at Linkz Suzhou

Nursing Room at Lanto Bozhou

Nursing Room at Smart Manufacturing Changshu

Case | Huarong Communication Established Employee Care Team

To continuously refine the long-term employee care mechanism, Huarong Communication formed an employee care team, building a multi-dimensional care network covering production workshops, employee rest areas, tea rooms, and dormitory living areas. By establishing a regular feedback and response mechanism, the team ensures precise identification, rapid response, and proper resolution of employee concerns, effectively enhancing employee engagement and organizational cohesion, and fostering a harmonious and progressive cultural atmosphere.

Employee Care Team Visiting Plants

Employee Communication

The Company has built a diversified communication matrix to ensure effective two-way dialogue channels between management and employees. Regularly listening to and addressing employee concerns regarding business ethics, environmental and occupational health and safety, and other daily work and life matters strengthens the alignment between organizational development and grassroots concerns.

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

Total labor unions established
40

Labor union federations
1

During the Reporting Period, Luxshare Precision:

Employee requests and suggestions received
31,410

Case closure rate
100 %

Employee Communication Channels

Online

- My Voice
- Global Reporting Hotline
- Integrity Hotline and Email
- AI Intelligent Customer Service
- Star Community

Offline

- Employee Care Center and Hotline
- Suggestion Box
- Production Line Supervisors
- Employee Forums
- General Manager Reception Day

In 2024, to further improve employee communication channels and enhance efficiency, Luxshare Precision launched an AI Intelligent customer service and integrated it into the smart HR platform, providing 24/7 support to employees. This service offers real-time responses to common inquiries across administrative, HR, mechanical and electrical, legal, procurement, CSR, and other dimensions, ushering in a new era of convenient and intelligent consultation for all employees.

AI Intelligent Customer Service

Employee Engagement and Satisfaction

Luxshare Precision conducts engagement and satisfaction surveys for all employees worldwide annually, and tracks performance over time and takes action in response to create a comfortable and convenient work and living environment. The Company invites employees to take the role of "role experience officers" and regular collects feedback through offline channels. In 2024, specific improvements were made, such as constructing covered parking lots and equipping automatic cleaning devices, addressing various aspects of employees' daily lives.

Employee Satisfaction Improvement Initiatives

Work Modules	Recruitment	Dining	Accommodation	Commuting	On-site Management	Work Environment	Factory Environment
Special Initiatives	Authenticity of recruitment publicity	Restaurant hygiene and environment	Dormitory environment	Shuttle service convenience	New employee job training	Internal workshop signage	Factory walking navigation
	Standardized interview process	Meal queue time optimization	Optimization of dormitory occupancy standards	New employee shuttle services	New employee adaptation period	Workshop facility upgrades	Clinic setup
	Onboarding medical check items	Diverse payment methods	Dormitory clinic setup	Holiday shuttle services		Workshop rest areas	Clinic setup Parking convenience
	Paperless recruitment	Food quality	Dormitory facility upgrades	Shuttle interior hygiene		Efficient/gentle security checks	Featured check-in areas
	Clean and organized interview venues	Dedicated dining areas for pregnant employees	Self-service application for special needs dormitories	Shuttle safety			
	Reasonable interview site and flow planning	Restaurant facility upgrades	Emergency assistance system in dormitories	Departure shuttle service for resigning employees			

Additionally, in 2024, the Company launched a star factory evaluation project across all facilities under the theme of "Continuous Improvement, Building a Harmonious Luxshare Campus". The project focuses on smart administrative campuses, upgraded administrative services, and energy management The Company promoted project excellent evaluation mechanism and plans to conduct 1-2 audits annually, either on-site or online, to optimize employee workspaces and living environments, thereby enhancing employee satisfaction.

Luxcase ICT Yancheng Garden Factory

Jinxi Factory Constructs New Covered Parking Lot

Luxshare Smart Manufacturing Automatic Cleaning Equipment

Tiesong Factory New Energy Charging Stations

Employee Activities

The Company is committed to creating a vibrant and cohesive work environment by organizing a variety of employee activities to strengthen emotional connections and foster a positive corporate culture.

Case | Luxshare Precision Hosted Luxshare Cup Global Relay Event

On June 24, 2024, the Luxshare Cup Global Relay event kicked off in Dongguan under the theme "One Dream, One Luxshare". By the end of the Reporting Period, the event had reached eight overseas countries, including Vietnam, Japan, and the United States, with 10 global stops, receiving enthusiastic participation from employees worldwide. As a global enterprise, Luxshare Precision aims to unite employees from diverse cultural backgrounds, enhance global team cohesion, and promote the Company's corporate culture through this initiative.

Luxshare Cup Global Relay Event – Vietnam Nghe An Stop

Case | Luxshare Precision Hosted Family Day Events

In 2024, 14 factories under Luxshare Precision, including Luxshare Electroacoustic, Luxcase ICT Yancheng, and Luxshare Chuzhou, hosted Family Day events, attracting over 430 families and more than 1,400 participants. Under the theme "Together with Family, Together with Love", the events featured parent-child interactions, factory tours, food sharing, and talent performances, strengthening the bond between the Company, employees, and their families, and enhancing their sense of belongings and identity of the corporate culture.

Luxshare Chuzhou Family Day Event

Luxshare Electroacoustic Family Day Event

Luxcase ICT Yancheng Family Day Event

Case | Luxshare Precision Celebrated Teachers' Day

Ahead of Teachers' Day in 2024, facilities such as Luxshare Suining, Luxshare Chuzhou, and Smart Manufacturing Jiangxi hosted diverse celebratory events to express gratitude to instructors, demonstrating the Company's commitment to talent development and social responsibility.

Luxshare Suining Teachers' Day Event

Smart Manufacturing Jiangxi Teachers' Day Event

Luxshare Chuzhou Teachers' Day Event

Case | Luxshare Precision Hosted Tree-Planting Activities

In alignment with national green development strategies, facilities including Luxshare Xingning, Luxshare Smart Manufacturing, Merry Suzhou, and Lanto Kunshan organized tree-planting activities. These initiatives improved the ecological environment of the campuses, increased green spaces, raised environmental awareness, and encouraged employees to actively participate in environmental protection efforts.

Luxshare Xingning Tree-Planting Activity

Luxshare Smart Manufacturing Tree-Planting Activity

Merry Suzhou Tree-Planting Activity

Lanto Kunshan Tree-Planting Activity

Ensuring Occupational Health and Safety

Luxshare Precision integrates occupational health and safety management into every aspect of our business operations, continuously optimizing the Environment, Health, and Safety (EHS) management system to create a work environment with "zero fatal accidents and zero occupational diseases".

EHS Management System

Luxshare Precision strictly complies with laws and regulations such as the *Work Safety Law of the People's Republic of China and the Occupational Disease Prevention and Control Law of the People's Republic of China*. We have established and implemented an occupational health and safety management system that covers all employees[22] and workplaces. The Company has developed unified standards, including the *Group EHS Manual, Group Occupational Health Management Procedures, and Group Incident Management Procedures*, to provide comprehensive occupational health and safety protection for employees.

The Company's EHS Management Committee oversees EHS matters and has formulated the *Group EHS Management Committee Operation Management Procedures* to ensure strict implementation and detailed management across subsidiaries. The committee includes employee representatives, forming an efficient centralized management structure that enhances the scientific rigor and transparency of the management system.

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 EHS management system
- Develop and improve management system documents
- Hold quarterly EHS meetings and coordinates overall EHS work
- Formulate EHS inspection plans and standards, conduct audits, and follow up issue resolution
- Coordinate and command emergency response efforts, activating emergency procedures as needed

Audit Group | Publicity Group | Legal Group

EHS Officers of Facilities

- Fully responsible for EHS work at the facility level, including leading BG/BU EHS inspections
- Collaborate with the Group EHS Director-General to implement EHS management tasks
- Ensure the implementation of EHS measures and review funding allocations

During the Reporting Period, Luxshare Precision:

Zero
work-related fatality took place

Work-related injuries decreased by **24** % year-on-year

Invested in occupational health and safety management approximately **300** million RMB

Luxshare Precision has established an EHS intelligent management platform to standardize control measures and reporting processes. The platform leverages a digital management system to monitor the execution efficiency of EHS-related tasks across all facilities and establishes a standardized evaluation mechanism, driving the Company's EHS management toward systematic, intelligent, and standardized upgrades.

Case | Luxcase ICT Yancheng Implemented Smart AI Video Surveillance System

The anode production line at Luxcase ICT Yancheng poses significant safety risks due to high temperatures and highly toxic chemical materials. To address this, Luxcase ICT Yancheng introduced a smart AI video surveillance system to monitor the operational status of overhead cranes on the anode production line. The AI technology detects the presence of human-like objects within the crane's movement range. Since the system's implementation, no safety incident occurred in the risk area, further strengthening the safety management.

Case | Jinxi Factory Implemented EHS Digital System

The EHS electronic system of Jinxi Factory has achieved controllable risks through visualization, integration, early warning, traceability, and automation. The system covers modules such as the facility safety committee organization, hazard management, and risk source management, supporting automatic hazard tracking, fire safety, and dual-control management. Additionally, the smart fire safety feature enables online monitoring and real-time alerts for water pressure, flow rate, and liquid level in the fire protection system, ensuring a safe and healthy working environment for employees.

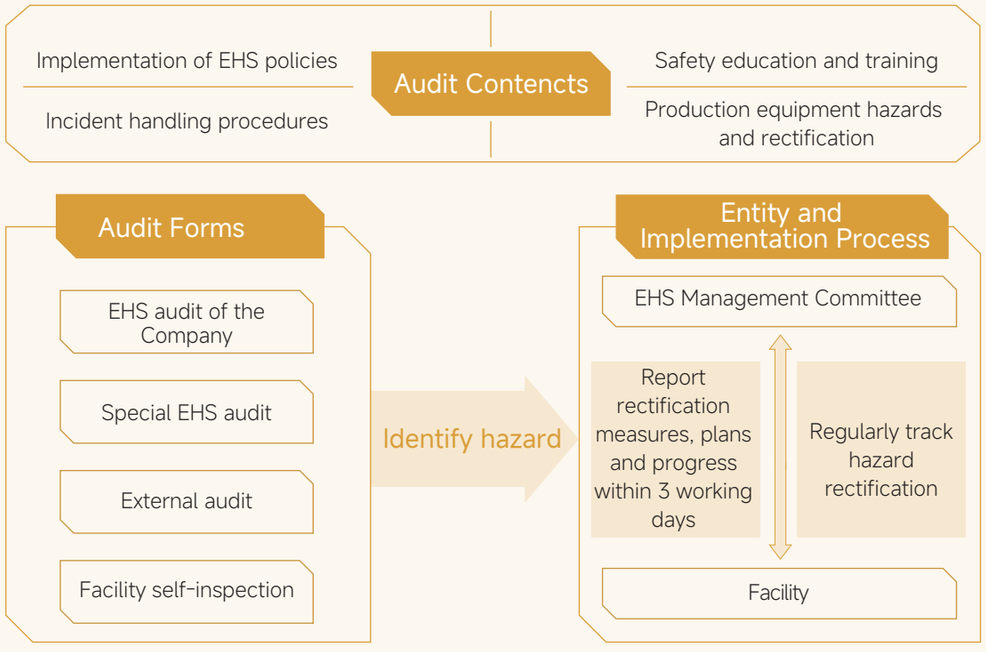
EHS Digital System Dashboard

[22] Applies to all employees and other workers who are working at Luxshare Precision premises (such as suppliers and contractors, etc.).

EHS Risk Identification and Response

Luxshare Precision has formulated the *Group EHS Audit Management Measures* and the *Hazard Identification and Risk Assessment Control Procedures*, proactively identifying, investigating, and managing hazards by considering factors such as safety management, disaster risks, and production layout. We implement graded management of EHS incident risks, enabling dynamic risk monitoring and conducting EHS audits to prevent related incidents.

EHS Audit Mechanism



In 2024, Luxshare Precision conducted on-site EHS audits at 23 subsidiaries, including Luxcase ICT Yancheng and Luxshare Chuzhou, following the Company EHS audit rules. Through a closed-loop management approach of "prevention-process control-continuous improvement", the Company systematically strengthened its risk prevention and control capabilities.

During the Reporting Period, Luxshare Precision:

- **23** domestic and international subsidiaries completed audits
- Spot checks conducted **34**
- Supervised the completion of **686** rectifications

Case | Luxis Beijing Implemented Hydrogen Supply Safety Renovation

In 2024, Luxis Beijing identified safety distance risks between the hydrogen supply station and internal/external roads at the original gas mixing station. To resolve this, Luxis Beijing implemented innovative measures by switching from on-site gas mixing to direct supply of inert nitrogen-hydrogen mixed gas from suppliers, effectively eliminating safety distance issues and flammable/explosive risks. This innovation earned the Beijing Emergency Innovation Case Award.

Mixed Gas Supply Station

2024 Capital Emergency Management Innovation Case Award

Case | Luxcase ICT Yancheng Implemented Full-Process Digital Control for Titanium Scrap

Titanium scrap may undergo chemical reactions and combust or explode when exposed to heat or open flames, posing safety hazards. Luxcase ICT Yancheng has established a full-process digital control system for titanium scrap, covering cleaning and transfer, oil drainage and cooling, briquetting, storage, and outsourcing. Key indicators such as titanium scrap weight, transfer time, and storage time are monitored to comprehensively enhance safety control capabilities.

Titanium Scrap Transfer Vehicle Control System

Electronic chips are installed on dedicated titanium scrap transfer vehicles to monitor entry and exit times, routes, and other data in real time. Alerts are issued for overstays or route deviations.

Titanium Scrap Removal System

Sets management threshold after comparison theoretical and actual titanium scrap generation, reports anomaly notification in time, and generates daily reports on titanium scrap and briquette quantities.

Weighing System

Records the weight of briquette transport vehicles entering empty and exiting loaded, with full process tracking via CCTV systems.

EHS Training and Drills

In 2024, Luxshare Precision conducted comprehensive EHS training for employees at all levels, from senior management to operators, as well as suppliers and contractors.

Safety Training Categories

- Safety Philosophy and Skills
- Occupational Health and Environmental Protection
- Fire Safety
- Chemical Safety
- Hazardous Operations
- Mechanical Safety

During the Reporting Period, Luxshare Precision:

Total employee EHS training participations exceeded
920,000 person-times

Total suppliers and contractors EHS training participations reached
14,000

Total employee EHS training hours exceeded
1.77 million hours

The Company conducted emergency drills on themes such as evacuation, environmental emergencies, and more, targeting major EHS risk sources like fires, environmental pollution, hazardous chemicals, and mechanical injuries, effectively improving employees' emergency response capabilities.

Case | Luxshare Precision Hosted Fire Safety Month Activities

In 2024, Luxshare Precision actively organized Fire Safety Month activities across domestic and international facilities. Through quizzes, skill competitions, interactive games, and practical drills, employees' fire safety awareness and emergency response skills were enhanced. Additionally, fire drills, skill training, facility inspections, and educational courses were conducted to further strengthen safety skills.

Luxshare Hubei Fire Rescue Drill

Smart Manufacturing Jiangxi Fire Skills Competition

Luxshare Van Trung Dormitory Fire Drill

Xiexun Jiangxi Drone Firefighting

Case | Luxshare Xuancheng Conducted Red Cross First Aid Training

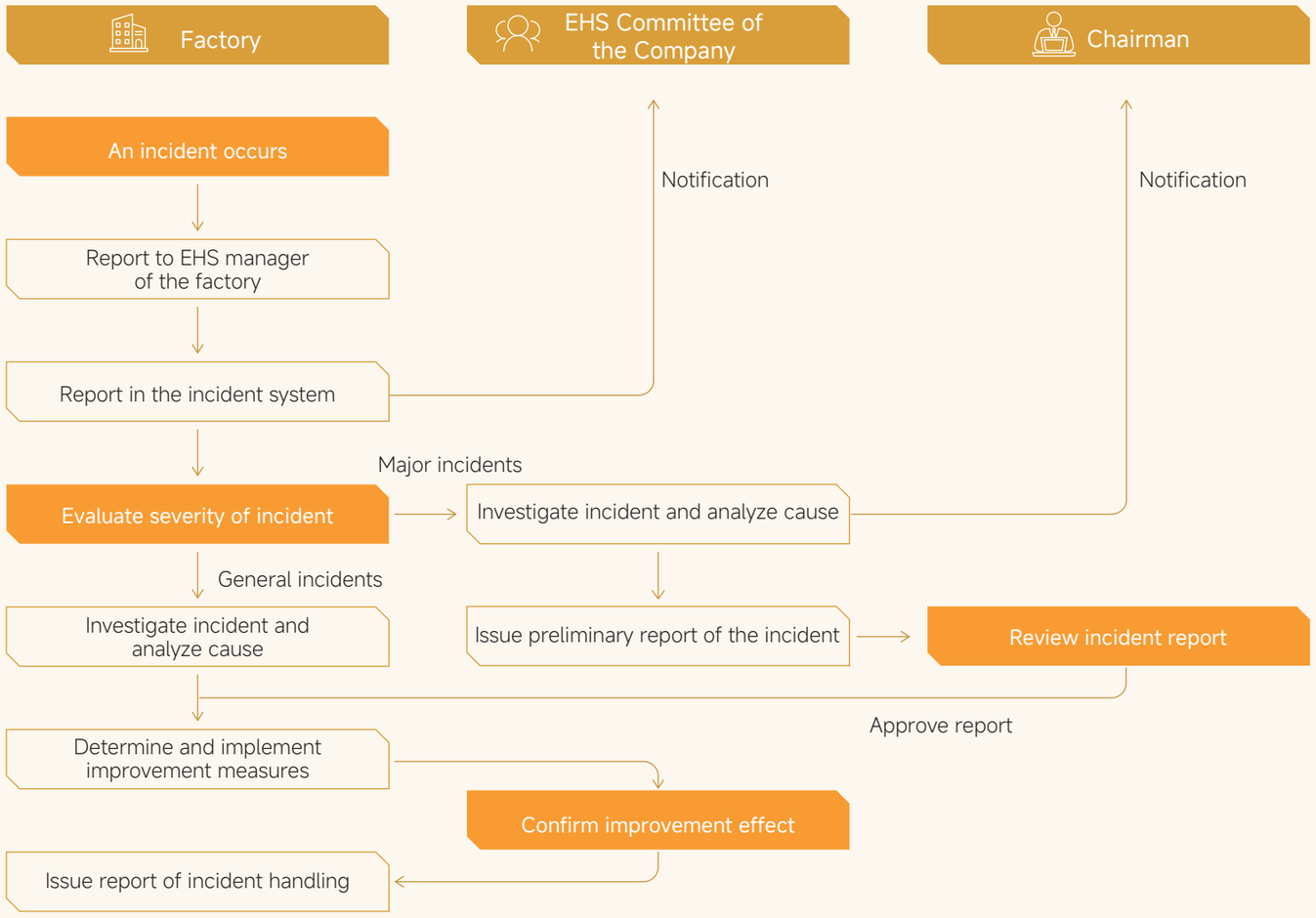
Luxshare Xuancheng collaborated with the Xuancheng Red Cross Emergency Rescue Training Center to provide first aid training. 48 participants learned theoretical and practical first aid skills, including CPR, bleeding and bandaging, and fracture fixation, through a hybrid online and offline model. Upon assessment, they received certificates issued by the Xuancheng Red Cross Emergency Rescue Training Center.

Red Cross First Aid Training

EHS Incident Emergency Response and Management

Luxshare Precision is committed to strengthening EHS incident management processes. All BG/BU supervisors are required to sign an *EHS Management Responsibility Letter*, clarifying their responsibilities to ensure rapid reporting and response through the EHS management system in the event of an incident. Relevant regulatory authorities are notified promptly based on the severity of the incident, enabling timely improvements.

Incident Investigation and Handling Process



During the Reporting Period, Luxshare Precision:

Completed *EHS Management Responsibility Letter* signing rate for BG/BU supervisors

100%

Occupational Injury Management

Luxshare Precision has established multiple procedures, including the *Incident Management Procedures, Health and Hygiene Management Control Procedures*, and *Occupational Injury Management Measures*, to create a comprehensive process for handling occupational injuries and emergency incidents, ensuring timely and effective resolution of health and safety issues. Additionally, the Company provides a 24-hour medical room to offer necessary medical assistance to employees in need.

Division of Duties in Work-Related Injury Handling

Incident Department	• Evacuate and protect employees • Report the incident within 2 hours • Assist in incident investigation • Implement corrective actions
Administration	• Handle occupational injury reports • Arrange medical treatment and follow-ups • Reimburse medical expenses
EHS	• Handle occupational injury reports • Investigate and analyze incidents • Track corrective actions • Audit safety training
HR	• Handle occupational injury reports • File occupational injury claims • Update progress on injury handling
Employees	• Report occupational injuries • Evacuate from high-risk areas

05

Close Collaboration, Contributing to a Harmonious Society

Luxshare Precision adheres to our mission of "Committed to advancing cutting-edge technology, fulfilling the ambitions of our global partners." By establishing a robust supply chain management system and fostering a responsible business ecosystem, we deepen our investments in rural revitalization and social welfare initiatives. Through collaboration with supply chain and community partners, Luxshare Precision drives sustainable development and remains steadfast in building an inclusive, harmonious, and sustainable future.

- Equitable Treatment of Small and Medium-Sized Enterprises
- Responsible Supply Chain Management
- Community Engagement

Collaborative Value Creation

Luxshare Precision is committed to developing a supply chain management model that balances environmental, social, and economic benefits. We uphold high-quality, green, and responsible supply chain partnerships, integrating sustainability assessments into procurement decisions and daily supplier management to drive collective industry progress.

Supply Chain Management System

To systematically mitigate supply chain risks and ensure business continuity, we manage suppliers across their entire lifecycle through a three-phase framework "development access, tiered management, and evaluation and audit". In 2024, we enhanced our risk heatmap by implementing origin tracking for critical electronic materials, enabling rapid aggregation and correlation of material origins, specifications, and supplier data. This upgrade strengthens our capacity to identify and mitigate risks posed by natural disasters and geopolitical conflicts.

Additionally, we plan to collaborate with third-party platforms to refine early-warning mechanisms for at-risk suppliers, further mitigating supply chain risks' operational impacts.

Number of Suppliers in 2024

Total number of suppliers: 9,263

Categorized by Region

Chinese suppliers	8,277
Overseas suppliers	986

Categorized by Type

Service providers	2,084
Suppliers of raw and auxiliary materials	7,179

Development Access

Luxshare Precision strictly evaluates supplier qualifications in accordance with the *Supplier Management Operating Procedures*, the *Electronic Material Supplier Admission Mechanism*, and other procedures by the ISO-certified internal auditors. Furthermore, we implement baseline capability surveys across critical dimensions, including production testing capabilities, technical process competencies, quality control, and environmental compliance management. Suppliers must hold at least 1 quality management system certification and 1 social responsibility system certification for inclusion in our preferred supplier list.

Requirements of System Certification for Supplier Admission

Quality Management System Certification

ISO 9001, IATF 16949, ISO13485, QC 080000, SONY GP, or third-party quality system certifications of other categories

Consumer Electronics	Automotive Electronics
➤ At least certified in one of ISO 9001, IATF 16949, and ISO 13485	➤ Certified in ISO 9001 ➤ Certified in IATF 16949 or has established an IATF 16949 certification introduction plan

Social Responsibility System Certification

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

Luxshare Precision seeks partners who share our values. During the onboarding phase, suppliers are required to sign critical agreements, including the *Supplier Code of Conduct Acknowledgment Letter of Integrity Commitment for Supplier*, and *Environmental Assurance Letter,* formally committing to uphold our ethical business standards and environmental and social requirements.

Tiered Management

We implement a tiered management system for qualified suppliers, conducting monthly, quarterly, and annual evaluations through our Supplier Relationship Management(SRM) platform. Performance-based tier classifications determine collaboration frameworks, enabling us to gain precise, real-time insights into supplier capabilities and performance, allowing targeted supply chain optimization.

Tiered Supplier Management Standards

Grades in Performance Appraisal	Management Measures
Grade A/B	Long-term Partnership, Co-research, Priority Procurement, and More Resource Support
Grade C	Required to provide an improvement report, with corrective results 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

Evaluation and Audit

To ensure supply chain compliance and high-quality development, Luxshare Precision conducts annual supplier audits through integrated online and onsite method. In 2024, we formally implemented a Supplier Blacklist Mechanism. Suppliers subject to integrity violations, fraudulent activities, or ethical breaches will be added to the blacklist, and receive relevant management and punishment. All blacklist decisions and supplier disqualifications are transparently communicated via the SRM platform, ensuring full accountability.

Supplier Blacklist Mechanism Assessment Dimension

Assessment Dimension	"Blacklist" Behaviors
Integrity	Suppliers violating Luxshare Precision's Integrity Policies
Fraudulent Practices	Material fraudulent practices include supply of counterfeit/adulterated materials, cost-cutting through inferior substitutes, and unauthorized material substitution without approval
Honesty	Major breaches of trust include collusive bidding or bid rigging during tenders, violation of procurement contracts, and failure to fulfill contractual delivery obligations
Others	Suppliers failing two consecutive annual audits with unresolved non-conformances

Supplier Training

We systematically enhance supplier capabilities through diversified engagement formats including one-on-one coaching, business review sessions, specialized training programs, thematic workshops, and annual supplier summits. Collaborating with suppliers to identify optimization opportunities, we empower them to strengthen comprehensive sustainability competencies in environmental governance, social responsibility fulfillment, and business ethics development. This collaborative approach drives synergistic advancement of supply chain competitiveness.

Topics of Supplier Training

During the Reporting Period, Luxshare Precision:

3
on-site supplier training sessions

Accumulative on-site participants exceeded
800

Case | Luxshare Precision Hosted 2024 Southern China Supplier Summit

On July 6, 2024, Luxshare Precision convened the 2024 Southern China Supplier Summit under the theme "Collaborative Innovation, Shared Future", gathering over 700 representatives from approximately 300 suppliers. The summit strengthened partnerships through integrity compliance sessions, excellence awards ceremonies, sustainability achievement showcases, and procurement strategy briefings, fostering collaborative business growth and innovation while establishing a platform for in-depth dialogue. We presented a comprehensive overview of Luxshare Precision's sustainability progress, outlining specific requirements for suppliers in data accounting, carbon reduction initiatives, energy structure transition, and CSR implementation. These efforts significantly enhanced suppliers' understanding and operational capabilities in sustainability practices, accelerating the supply chain's transition toward low-carbon operations and inclusive practices.

2024 Southern China Supplier Summit

Environmental and Social Responsibility Management

Luxshare Precision has deeply embedded environmental and social responsibility management into our supply chain management framework, empowering green and low-carbon transformation across the value chain through strategic influence.

Supplier CSR Management

Guided by global standards including the *UN Guiding Principles on Business and Human Rights* and the *RBA Code of Conduct*, we formulated the *Supplier Code of Conduct Acknowledgement,* requiring all suppliers to sign and comply with its requirements as well as applicable local laws and regulations where it operates. Any violations of these provisions may jeopardize ongoing collaborations and result in termination of partnerships.

We conduct supplier CSR risk assessments and audits via a hybrid online-offline approach based on the *Supplier Audit Checklist,* continuosly enhancing supplier's CSR management capabilities. Leveraging the CSR module within our Green Supply Chain Management (GSCM) system, we achieve digital and systematic execution of supplier data collection, risk evaluation, and audit processes.

Audit Criteria	Audit Contents	Rectification Items Completed
Labor Management	• Child labor • Forced labor • Discrimination and disciplinary measures • Free association and communication • Working hours and remuneration • Diversity management	444
Occupational Health and Safety Management	• Fire safety • Occupational safety • Equipment safety and health • Emergency plan • Industrial hygiene • Prevention and control of occupational diseases • Physically demanding work • Public hygiene, food, and accommodation	686
Environmental Management	• Environmental permits and reports • Water resource management • Air pollution • Energy conservation and emission reduction • Waste • Noise • Hazardous substances	647
Business Ethics	• Business integrity • No improper benefits • Fair trade, advertising, and competition • Identity protection and anti-retaliation policy • Information disclosure • Intellectual property protection • Privacy protection • Equal business, advertisement publish and competition	22
Management System	• Management system • Regulatory and client requirements • Supplier management • Responsible procurement (conflict minerals management) • Training • Communication • Employee feedback, engagement, and appeals • Corrective action process	383

During the Reporting Period, Luxshare Precision:

The number of suppliers that underwent CSR audits
1,436

The suppliers that completed on-site CSR audits
678

The rate of new suppliers that underwent CSR audits
100 %

No major
CSR risk was found in suppliers

Green and Low-Carbon Supply Chain

Luxshare Precision is committed to collaborating with suppliers to build a green and low-carbon supply chain ecosystem, sharing expertise and resources to minimize environmental impacts across product lifecycles. By the end of 2024, we established supply chain *Green and Low-Carbon Commitment* and set relevant supply chain targets commitment. Moving forward, we will progressively engage core suppliers to sign and implement these commitments, accelerating industry-wide sustainable transformation.

Targets and Commitments in the *Green and Low-Carbon Commitment*

- Achieve a 6% year-on-year reduction in absolute carbon emissions related to Luxshare Precision's business by 2032 (base year [23]: 2024)
- Gradually increase renewable energy use percentage, transition 100% of Luxshare Precision-associated production to renewable energy by 2030
- Annually disclose pollutant release and transfer registers (PRTR) and carbon emissions data via the IPE platform

Luxshare Precision has partnered with IPE for consecutive years. Leveraging its Blue EcoChain platform, we precisely and efficiently acquire supply chain's environment performance and dynamically monitor the supply chain's environmental violation records, further driving PRTR disclosures. We provide suppliers with tailored training to enhance environmental management capabilities, jointly advancing green supply chain development.

During the Reporting Period, Luxshare Precision:

- Corporate Information Transparency Index (CITI) overall ranking **11**th place
- CITI industry ranking **5**th place
- Assisted **110** suppliers in removing of environmental violation records
- Promoted **239** suppliers to disclose the PRTR information

[23] For suppliers newly admitted after 2024, the base year refers to the first year of the transaction happened with Luxshare Precision.

We consistently leverage our net-zero impact in supply chain management by conducting on-site green and low-carbon investigation, guiding suppliers to strengthen carbon emission management, implementing energy-saving projects, and encouraging active participation in carbon inventory. In collaboration with IPE, we launched the *Zero Carbon Supply Chain Initiative*, incentivizing suppliers to disclose emissions data through IPE platform. In 2024, we upgraded our GSCM system with automated raw material carbon accounting, significantly improving Scope 3 data accounting accuracy and efficiency.

During the Reporting Period, Luxshare Precision:

- Provided on-site green and low-carbon related investigation and coaching for **50** suppliers
- Suppliers promoted to disclose their carbon emission information on the IPE platform was **229**
- Facilitated suppliers' energy conservation of **33,013** MWh

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

Supplier 1: Waste Heat Recovery of Air Compressor

- The waste heat recovery of the air compressor is used to supply hot water in the living area of the facility. It can save approximately 250,000 kWh of electricity per year, and the annual emission reduction exceeds 155 tCO_2e.

Supplier 2: Transformation of Machine Lighting Strips

- The lighting inside the production line machines is changed from fluorescent lamps to lighting strips. After the improvement, the power efficiency is increased by about 58%. It can save approximately 210,000 kWh of electricity per year, and the annual emission reduction exceeds 130 tCO_2e.

Supplier 3: Application of Air Conditioning Intelligent Control System

- The central air-conditioning refrigeration station is renovated, and through the intelligent control system and cloud networking system, it can automatically sense the indoor cooling air in real time, thereby reducing the use of the cooling water tower. It can save up to 330,000 kWh of electricity per year, and the annual emission reduction exceeds 205 tCO_2e.

Supplier 4: Installation of Rooftop Photovoltaic Panels

- Photovoltaic solar panels are installed on the rooftops of the facility. The photovoltaic power generation is used to supply power to the switchgear room. The total annual power generation is approximately 1.1 million kWh, and the annual emission reduction can reach 685 tCO_2e.

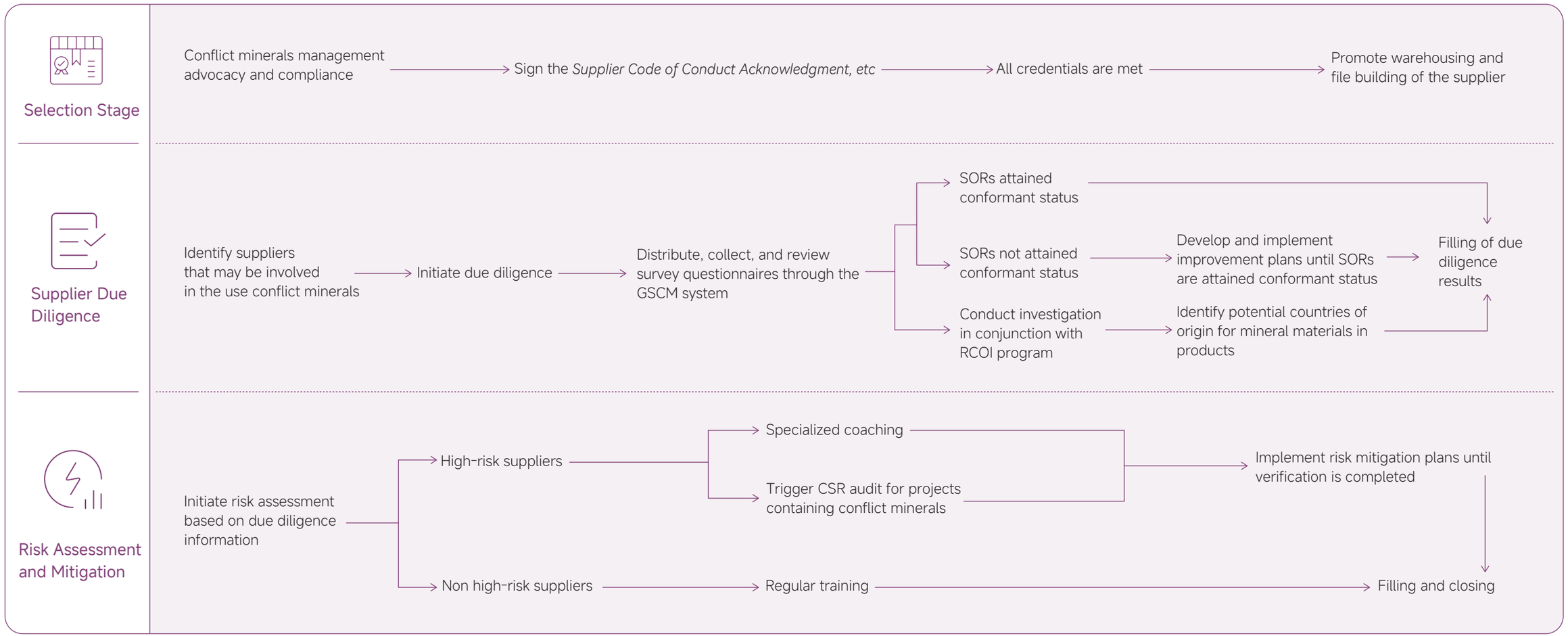
Responsible Minerals Sourcing

Luxshare Precision does not directly engage in the procurement and use of mineral ores. However, the materials and components necessary for our production may potentially contain mineral components such as 3TG, cobalt, and mica. We have joined the Responsible Minerals Initiative (RMI) initiated by the RBA and committed to adhering to international guidelines such as the OECD Due Diligence Guidance to ensure that all materials used in our products come from socially and environmentally responsible procurement channels.

Systematic Management Mechanism

We regularly update our management systems, including the *Conflict Minerals Management Measures*, defining the workflow for managing conflict minerals like 3TG and cobalt from three dimensions: supplier qualification, due diligence, risk assessment and mitigation. We require all suppliers to comply with the RBA Code of Conduct, ensuring that 3TG minerals are sourced only from SORs certified as conformant by RMAP.

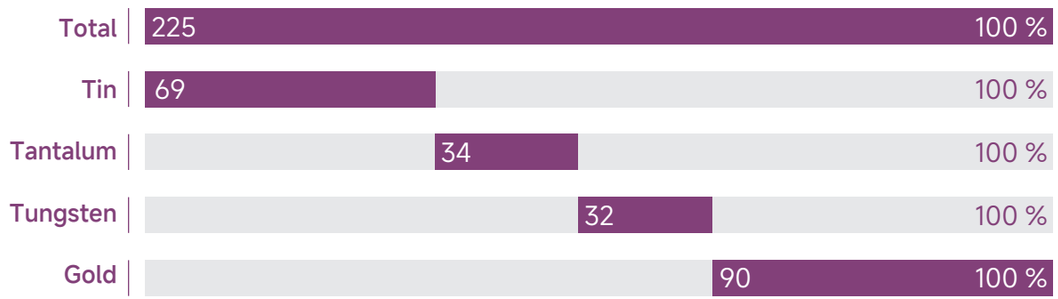
Conflict Minerals Management Process



Due Diligence

Luxshare Precision adopted the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) provided by RMI to conduct due diligence on suppliers involving 3TG, cobalt, and mica. In 2024, we initiated CMRT surveys for 2,051 suppliers involving 3TG, achieving a 100% response rate; we also initiated EMRT surveys for 1,033 suppliers involving cobalt and mica, with a nearly 100% response rate. By the end of the Reporting Period, 100% of the 3TG raw materials involved in all our products came from SORs certified as conformant by RMAP.

3TG SORs Certified as Conformant by RMAP in Luxshare Precision's Supply Chain



We continue to carry out RCOI work, strengthening the identification and management of source risks, and helping suppliers establish responsible mineral management procedures that meet the standards of Luxshare Precision. By combining the RMAP certification audit results with the RCOI tools provided by RMI, we conduct investigations on 3TG in the supply chain. By comparing the aggregated SORs information with the RCOI database, we have identified the country location of the 225 SORs that provide 3TG to the Company's suppliers, and recognized the potential countries of origin for 3TG minerals in Luxshare Precision's supply chain, as shown in the figure on the right.

Potential Countries of Origin

Tantalum sourced from

Australia, China, France, Madagascar, Sierra Leone, Spain, Thailand, etc.

Tin sourced from

Australia, China, Indonesia, Laos, Malaysia, Mongolia, Namibia, Peru, Portugal, Spain, Vietnam, etc.

Gold sourced from

Benin, Canada, Chile, Guyana, Papua New Guinea, the Philippines, Sweden, Uzbekistan, Japan, etc.

Tungsten sourced from

Australia, Brazil, China, Malaysia, Mongolia, Portugal, Spain, Thailand, the United Kingdom, the United States, etc.

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

100 %
traced to the country of origin across all products containing 3TG raw materials

Risk Management

Based on due diligence and RCOI investigation results, we accurately assess and define the risk levels of our suppliers. For high-risk suppliers, we require them to either complete RMAP certification for non-compliant SORs within a specified timeframe or remove them from the supply chain. In the meantime, we provide specialized guidance and further carry out CSR audits that include conflict minerals evaluation indicators. We continuously follow up, assess, and audit suppliers' progress in SORs certification and mineral traceability until all SORs involved in the supply chain are verified as compliant before closing the case. For non high-risk suppliers, we will conduct regular educational training to continuously improve their conflict minerals management capabilities and awareness.

Revitalizing Rural Areas

Luxshare Precision remains deeply committed to societal impact, actively engaging in and organizing initiatives such as supporting agricultural development, promoting rural cultural heritage and advancing rural education, aimed at fostering distinctive cultural industries, improving rural living conditions, and collectively advancing the vision of rural revitalization.

During the Reporting Period, Luxshare Precision:

Total investment in rural revitalization
10.35 million RMB

Case | Shanghai Ri Ming Donated the Charity Beds, Supporting Rural Education Initiatives

In August 2024, upon understanding of the inadequate living conditions faced by students at Cuoka Primary School in Xinlong County, Sichuan Province—specifically the lack of beds—Shanghai Ri Ming swiftly responded by delivering 257 sets of beds to the school within 12 days. This initiative aimed to enhance the educational environment in the rural area. Embodying the philosophy of "weaving a net of love to spread warmth,"Shanghai Ri Ming provided direct support for the children's development, actively contributed to advancing rural education, and empowered rural revitalization through these meaningful actions.

Donating the Charity Beds

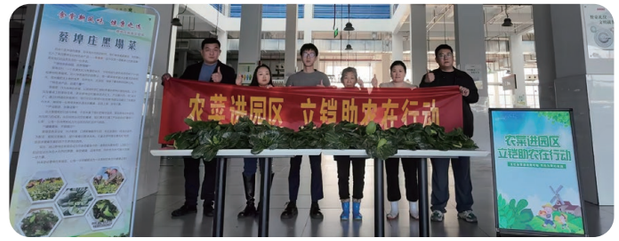
Loading the Charity Beds

Case | Luxshare Precision Launched Farmer Support Campaign

To support the steady growth of farmers' income, several subsidiaries of Luxshare Precision have launched initiatives to procure local agricultural products, thereby assisting farmers in expanding their sales channels and fostering rural economic development.

Rida Intelligent Manufacture Restaurant Supports Farmers by Procuring Vegetables

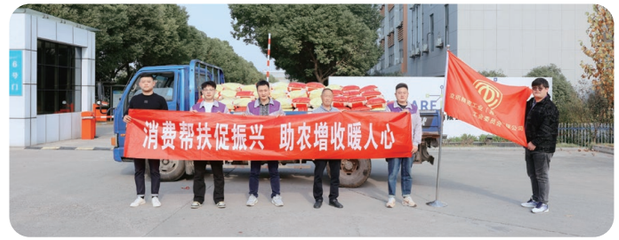
In 2024, to address farmers' surplus vegetables in Caibuzhuang, Changjiang Town, and Rugao City, Ruida Intelligent Manufacture implemented a "field investigation - targeted procurement - continuous assistance" mechanism and organized an agricultural support activity titled "Bringing Farm Produce into the Park, Luxcase Supports Agriculture in Action," purchasing a total of 800 kg of vegetables. This effort helped local farmers achieve a sustained increase in income.



"Bringing Vegetables into the Park, Luxcase Supports Farmers in Action" Theme Activitity

Luxshare Chuzhou Rice Purchase Assistance Program

In November 2024, Luxshare Chuzhou actively participated in the government's consumption assistance system by joining the "Revitalization Consumption Assistance, Helping Farmers Increase Income, and Warm Hearts" campaign. Aiming to promote rural revitalization and boost farmers' income, the Company purchased 2,250 kg of rice from Xinxing Village, Dashu Town, and Quanjiao County. This initiative supported the development of local characteristic agriculture.



Luxshare Chuzhou Purchased Rice

Case | Suzhou Luxshare Technology Organized Tie-Dyeing Classes to Promote Excellent Traditional Culture

In August 2024, Suzhou Luxshare Technology actively supported the promotion of intangible cultural heritage as part of rural revitalization efforts. The Company invited a master artisan specializing in the traditional batik technique to conduct an immersive workshop. During this event, employees had the opportunity to engage directly with the artistic process, creating their own unique batik pieces. This initiative aimed to deepen employees' appreciation for traditional culture and foster a broader awareness and valuation of intangible cultural heritage within the organization.

Batik Workshop

Pooling Compassion

Luxshare Precision is committed to the principle of social responsibility and value sharing. The Company actively implements diverse community and volunteer initiatives, including old clothing recycling, disaster relief, blood donation, and support for vulnerable populations. Through these efforts, Luxshare Precision contributes to fostering a more harmonious and inclusive society.

Donation and Condolence Activities

By leveraging our internal resources and capabilities, we support vulnerable social groups, including low-income families and communities affected by disasters, thereby advancing public welfare programs.

During the Reporting Period, Luxshare Precision:

- Number of volunteers engaged **3,747** person-times
- Total volunteer hours served **1,715** hours
- Total investment in public welfare and charities was **3.41** million RMB

Case | Luxshare Precision Organized Post-Disaster Condolences Across Various Vietnam Factories

In September 2024, Vietnam experienced the devastating impact of Typhoon Yagi, severely endangering the lives and property of the local population. Responding swiftly to this crisis, Taihan Precision, Luxshare Nghe An, Luxshare Van Trung, and the Luxshare Vietnam Gwangju Factory—initiated comprehensive disaster relief efforts, mobilized both personnel and resources to provide financial assistance and deliver essential supplies, including food, clean drinking water, clothing, and medical provisions, to those affected by the typhoon. These efforts ensured that the fundamental needs of the impacted communities were adequately addressed during this critical period.

Luxshare Nghe An Organized a Condolence Event

Taihan Precision Organized a Comfort Visit Event

Case | Luxshare Electroacoustic Organized "Clothes with Love" Old Clothing Recycling Charity Event

By the end of December 2024, Luxshare Electroacoustic had successfully implemented the "Clothes for Love" old clothing collection campaign, amassing over 300 kilograms of used clothes. These donations were directed to the "Earth Station Public Welfare Recycling" organization, for the "One Piece of Paper for Love" public welfare project spearheaded by the China Charity Federation. Luxshare Precision effectively promoted environmental conservation such as waste minimization and proper garbage categorization through waste paper and old clothes donation. Furthermore, this initiative extended vital support to children afflicted with congenital heart defects from economically disadvantaged families and individuals diagnosed with echinococcosis in Tibetan regions.

The China Charity Federation Awarded a Public Welfare Certificate

Old Clothing Recycling

Case | Luxshare Nghe An Launched a Hair Donation Campaign for Cancer Patients

In 2024, Luxshare Nghe An conducted a hair donation event aimed at supporting and uplifting cancer patients. Employees voluntarily participated in shaving and donating hairs activity, sought to inspire cancer patients with positivity and resilience, encouraging them to actively pursue treatment and confront their challenges with determination.

Employees Donated Hairs for Cancer Patients

Case | Luxshare Precision Organized Public Welfare Blood Donation Activities

Committed to the founding mission of societal contribution, the Company actively promotes employee participation in voluntary blood donation, fostering a culture of compassion. Throughout 2024, multiple subsidiaries—including Linkz Shanghai, Luxshare Smart Manufacturing, Merry Huizhou, Luxshare Nghe An, Luxshare Xuancheng, and Luxshare Enshi—organized and participated in public welfare-driven blood donation initiatives. Notably, Merry Huizhou received the "Voluntary Blood Donation, Passing on Love" accolade from the Huizhou City government, while Luxshare Enshi was distinguished as a "Passionate Public Welfare Unit".

Employees of Linkz Shanghai Donated Blood

Employees of Luxshare Smart Manufacturing Donated Blood

Employees of Luxshare Nghe An Donated Blood

Employees of Merry Huizhou Donated Blood

Volunteer Charity Events

Luxshare Precision consistently embodies our commitment to social responsibility and care for vulnerable populations by actively organizing and participating in elderly and youth support initiatives. Through these efforts, the Company provides both material aid and emotional support to these groups, upholding our founding mission of advancing public welfare and fostering a culture of philanthropy.

Case | Jinxi Factory Organized Visits to Welfare House on Children's Day

In June 2024, the Jinxi factory organized volunteers with carefully prepared stationery, nutritional products, and other supplies to visit the Kunshan Welfare Institute and Jinxi Primary School. They spent a joyful and warm holiday with the children, providing both material and spiritual care, and brought the warmth of society to them.

"Embracing Dragon Boat Festival with Children's Day
- Sharing Dreams and Love, Converging Toward the Future" Event

Case | Luxshare Van Trung Expressed Sympathy for Underprivileged Children in Bac Giang Province, Vietnam

In June 2024, the executive committee and representative team of the Luxshare Van Trung Labor Union undertook charitable public welfare activities in An Yong County, Bac Giang Province, Vietnam. They visited poor and seriously ill students, presenting them with substantial gifts. During their visit, the team thoroughly assessed the students' living and educational circumstances, offering encouragement to help the children confront challenges with resilience and providing them with care and hope.

On-site Visited and Consoled Students

Case | Time Huizhou Organized Employees to Visit Nursing Home

During traditional festivals such as the Mid-Autumn and Double Ninth Festival, Time Huizhou organized employee volunteers to visit nursing homes, delivering festival greetings and blessings to the elderly. Through companionship, conversation, and entertainment performances, the volunteers strive to make the elderly feel respected and cared for by society.

Consoled the Elderly

Visited a Nursing Home

Appendix

Assurance Report

TÜVNORD

Assurance statement No. CN-202504-CSR-05

Assurance Statement of Sustainability Report

TÜV NORD (Hangzhou) Co., Ltd. (hereinafter "TNHZ") has been commissioned by Luxshare Precision Industry Company Limited (hereinafter "Luxshare Precision") to conduct an independent third-party assurance of Luxshare Precision's 2024 Sustainability Report (hereinafter "Report").

Luxshare Precision is responsible for collecting, analysing, summarising and disclosing the information mentioned in the report. TNHZ carries out this work within the scope of the terms of reference recognised in the scope of the agreement with Luxshare Precision (report assurance). Luxshare Precision is the designated user of this statement.

This statement is based on the 2024 Sustainability Report prepared by Luxshare Precision. Luxshare Precision is responsible for the completeness and authenticity of the information and data in the report.

User of the Assurance Statement

This assurance statement is provided to all interested parties of Luxshare Precision.

Assurance Scope

- Sustainability key performance and related information disclosed in the report during the year 2024;
- Assurance Location: Luxshare Precision Headquarters, 313 North Ring Road, Dongguan City, Guangdong Province, China;
- Evaluate the management process of collecting, analysing and examining the data and information covered in the report;
- Economic data are verified by a third party, so no double-checking is done; carbon emission data are subject to the final inventory and publication by a third party.

The on-site assurance has been conducted from March 26th to March 28th, 2025.

Assurance Method

The assurance process includes the following activities:

- Evaluating the information in the documents provided by Luxshare Precision;
- Interviewing Luxshare Precision management and the persons who are responsible for sustainability performance information collection and statistics;
- Checking relevant websites and public information published by the media, and verifying the relevant data and information in the report through sampling methods;
- The report was evaluated based on the requirements of the GRI Sustainability Reporting Standards (GRI Standards 2021) in terms of balance, comparability, accuracy, timeliness, clarity and reliability;
- In accordance with the guidelines related to the sustainability report of listed companies of the Shenzhen Stock Exchange: "Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 17 - Sustainability Report (for Trial Implementation)";
- The validation activities are carried out in accordance with the requirements of TNHZ Report Assurance Implementation Rules (SC - P - A015 Rev.00).

Assurance Standard and Level

AA1000 AS (V3): Type 2, Moderate Assurance.

Assurance Conclusion

The 2024 Sustainability Report prepared by Luxshare Precision objectively reflects the status of the Company's sustainable development work and the performance achieved in the year 2024. The data in the Report is reliable and objective, TNHZ has not found any systematic or material errors.

- **Inclusivity:** Luxshare Precision identifies key stakeholders, including government and regulatory agencies, shareholders and investors, suppliers, customers, employees, community members, partners, and the media, and develops a regular stakeholder interaction process. In 2024, Luxshare Precision launched a series of formal stakeholder engagement activities, including ESG-

TÜVNORD

Assurance statement No. CN-202504-CSR-05

specific investor exchanges, research on material topics, and supplier conferences, actively responding to the concerns of relevant parties regarding major economic, social, and environmental topics;

- **Materiality:** Luxshare Precision has adopted a double materiality analysis process, organizing financial meteriality seminars, conducting stakeholder surveys, and combining the opinions of third-party experts. It has rationally evaluated and prioritized from the two dimensions of "financial materiality" and "impact materiality", forming an material topics matrix. It discloses the strategic, management actions and performance data in the Company's sustainable development management and operation process. The content of the report is material;
- **Responsiveness:** The report is responsive as it discloses management processes and comparable key performance data around materiality topics in a variety of forms such as ESG highlights performance, case studies, etc., including greenhouse gas emissions (including Scope 3), waste generation and disposal, sustainable water resource management, employee rights and benefits protection and training, and supply chain management;
- **Impact:** Luxshare Precision management system can monitor and measure how their actions affect the broader ecosystem. The Company has carried out risk and opportunity analysis of material topics as well as value chain impact analys is, integrating sustainable development into business operations and management. In response to the risks of climate change, the Company has set SBT and taken proactive measures to reduce carbon emissions in its operations and value chain. Focusing on the protection of its own and supply chain labor rights and interests, Luxshare Precision has taken key measures such as formulating a self-assessment and special audit standard framework and conducting audits, as well as regularly conducting CSR audits of suppliers
- The report in accordance with GRI Standards 2021.

Suggestions for Improvement

Through the aassurance and evaluation activities, we have the following recommendations for improvement of Luxshare Precision's practice and management of sustainable development:

- It is suggested that the requirements for report compilation be established in the system to accelerate the release time of the report and thereby increase the timeliness of the report content.

Special Statement

Excluded in this assurance statement:

- Activities other than information disclosure;
- A statement regarding the standpoint, viewpoints,beliefs, objectives, future development direction and commitment of Luxshare Precision.

Statement of Independence and Competence

TÜV NORD is a world-leading certification body with branches in more than 100 countries around the world. It provides inspection, testing and verification services, including management system and product certification; audits and training in the aspects of quality, environment, society and compliance; assurance of environmental, social responsibility and sustainability reports.

As one of the global branches of TÜV NORD, TÜV NORD(Hangzhou) Co.,Ltd.is independent, ensuring that there is no conflict of interest with TPV Technology's branches or stakeholders during the report assurance process. All the information in this report is provided by TPV Technology Co., Ltd., and TNHZ has not been involved in the report preparation process.

TÜV NORD (Hangzhou) Co., Ltd.

The authorized person: Mr. Wang Peng

Date: April 18th, 2025

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Licensed Report
000-794/V3-2FOOG

Note: In case of conflict between the Chinese and English versions of this statement, please refer to the Chinese version.

Key Performance Data [24]

Environmental Performance Table

Indicator	Unit	2022	2023	2024
GRI 302-1 Energy consumption within the organization / *Guideline* - Article 35 (1) (2) [25] [26]				
Non-renewable energy consumption	MWh	265,951.63	209,165.88	223,575.10
Gasoline	MWh	3,851.59	4,542.32	4,362.17
Diesel oil	MWh	5,064.01	6,143.46	6,641.04
Liquefied petroleum gas	MWh	109.61	216.09	249.06
Natural gas	MWh	256,909.42	198,264.01	212,322.83
Renewable energy consumption	MWh	40,389.48	79,062.61	143,477.35
Biomass energy (ethanol gasoline)	MWh	288.76	406.46	656.26
PV power consumption	MWh	40,100.72	78,656.15	142,821.09
Purchased municipal electricity	MWh	2,826,377.34	2,497,635.19	3,290,655.64
Purchased green electricity	MWh	271,619.41	755,796.54	1,603,209.65
Purchased green certificates	MWh	301,490	788,326	686,839
Purchased thermal energy	MWh	327.23	0.00	0.00
Purchased cold energy	MWh	0.00	0.00	0.00
Purchased steam	MWh	428.53	35,301.34	55,965.41
Total energy consumption [27]	MWh	3,133,474.21	2,821,165.02	3,713,673.50
Direct energy consumption	MWh	306,324.11	288,228.49	367,052.45
Indirect energy consumption	MWh	2,827,133.10	2,532,936.53	3,346,621.05
Guideline - Article 35 (2)				
Proportion of clean energy use	MWh	21.39	62.99	70.86
GRI 302-3 Energy intensity/ *Guideline* - Article 35 (1)				
Energy consumption intensity per unit of business revenue	MWh/ million RMB	14.64	12.17	13.82
Electricity consumption intensity per unit of business revenue	MWh/ million RMB	13.39	11.11	12.77

[24] According to the latest requirements of the *Guideline*, some indicators are newly disclosed or have changed disclosure standards, and data for 2023 and 2022 cannot be traced.

[25] 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.

[26] Data of the energy consumption in 2024 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)*.

[27] In accordance with the *General Rules for Calculating Comprehensive Energy Consumption (GB/T 2589-2020)*, the energy consumption unit is converted to 1 MWh = 0.1229 tons of standard coal.

Indicator	Unit	2022	2023	2024
GRI 302-4 Reduction of energy consumption				
Annual electricity savings	MWh	189,975.21	143,893.50	209,435.36
Installed photovoltaic capacity [28]	MW	54.64	85.29	149.89
GRI 303-3 Water withdrawal/ *Guideline* - Article 36 (1) [29]				
Total water withdrawal	ML	24,476.90	24,574.18	29,286.30
Surface water	ML	0.00	0.00	0.00
Groundwater (renewable)	ML	6.29	2.52	43.93
Groundwater (non-renewable)	ML	0.00	0.00	0.00
Seawater	ML	0.00	0.00	0.00
Extracted/entrained water/generated water	ML	0.00	0.00	0.00
Third-party water sources	ML	24,470.61	24,571.66	29,242.37
Total water withdrawals in areas under water resources stress [30]	ML	1,911.07	1,912.00	3,590.19
GRI 303-4 Water discharge				
Total water discharge	ML	22,492.04	22,379.95	27,200.68
Total discharge to surface water	ML	0.00	0.00	0.00
Total discharge to groundwater	ML	0.00	0.00	0.00
Total discharge to seawater	ML	0.00	0.00	0.00
Total discharge to third-party organizations	ML	22,492.04	22,379.95	27,200.68
Total industrial wastewater	ML	6,111.67	6,328.26	8,905.67
Total domestic sewage discharge	ML	16,380.37	16,051.69	18,295.01
Total discharge in areas under water resources stress	ML	1,708.69	1,680.95	3,086.88
Times of administrative penalties for sewage discharge of the Company	Times	0	0	0

[28] Total installed photovoltaic capacity is the total installed rooftop photovoltaic capacity of the Company as of the end of the Reporting Year.

[29] Unit conversions for water withdrawals, discharges, and consumption are all 1 ML = 1000 tons.

[30] Adjustments to the statistical logic for water stress areas have been made, so the data for 2022 and 2023 have been adjusted.

Environmental Performance Table（Continued）

Indicator	Unit	2022	2023	2024
GRI 303-5 Water consumption/ *Guideline* - Article 36 (1)				
Total water consumption	ML	1,984.86	2,194.23	2,085.62
Total water consumption in areas under water resources stress	ML	202.38	231.05	503.31
Water intensity per unit of business revenue	ML/ million RMB	0.01	0.01	0.01
GRI 305-1 Direct (Scope 1) GHG emissions / *Guideline* - Article 24[31] [32]				
Total Scope 1 Greenhouse Gas emissions	tCO_2e	93,645.54	64,857.33	81,369.54
Total CO_2 emissions	tCO_2e	56,787.78	44,799.78	49,947.47
Total CH_4 emissions	tCO_2e	20,986.61	16,921.49	24,641.17
Total N_2O emissions	tCO_2e	134.27	104.85	118.39
Total HFCs emissions	tCO_2e	15,736.88	3,031.21	6,662.51
Total PFCs emissions	tCO_2e	0.00	0.00	0.00
Total SF_6 emissions	tCO_2e	0.00	0.00	0.00
Total NF_3 emissions	tCO_2e	0.00	0.00	0.00
Biogenic CO_2 emissions	tCO_2e	58.90	103.28	167.08
GRI 305-2 Energy indirect (Scope 2) GHG emissions / *Guideline* - Article 24				
Total Scope 2 Greenhouse Gas emissions (Location-based)	tCO_2e	1,755,406.64	1,571,530.89	2,086,738.39
Total Scope 2 Greenhouse Gas emissions (Market-based)	tCO_2e	1,385,529.80	610,143.44	649,157.52
GRI 305-3 Other indirect (Scope 3) GHG emissions/ *Guideline* - Article 24[33]				
Total Scope 3 Greenhouse Gas emission	tCO_2e	6,609,751.98	5,902,547.87	5,552,265.90
Category 1: Purchased goods and services	tCO_2e	3,325,446.59	2,014,192.98	1,391,925.15
Category 2: Capital goods	tCO_2e	218,591.07	135,396.76	82,341.12
Category 3: Fuel and energy-related activities (excluded in Scope 1 or Scope 2)	tCO_2e	409,512.71	380,364.66	391,967.87
Category 4: Upstream transportation and distribution	tCO_2e	414,219.81	736,135.72	382,455.35
Category 5: Waste generated in operations	tCO_2e	77,868.03	29,255.51	4,753.81
Category 6: Business travel	tCO_2e	2,319.80	8,077.61	11,509.44
Category 7: Employee commuting	tCO_2e	48,401.59	50,030.14	38,369.81
Category 8: Upstream leased assets	tCO_2e	4,110.92	67,043.61	65,242.64
Category9: Downstream transportation and distribution	tCO_2e	124,995.72	104,323.11	54,877.67
Category 10: Processing of sold products	tCO_2e	112,695.63	277,885.69	263,218.80
Category 11: Use of sold products	tCO_2e	1,815,113.12	1,985,053.44	2,404,273.31
Category 12: End-of-life treatment of sold products	tCO_2e	26,658.18	17,461.22	400,658.11
Category 13: Downstream leased assets	tCO_2e	23,019.41	30,389.13	36,001.63
Category 14: Franchises	tCO_2e	/	/	/
Category 15: Investments	tCO_2e	6,799.40	66,938.29	24,671.19
GRI 305-4 GHG emissions intensity/ *Guideline* - Article 24				
Total Scope 1 & 2 Greenhouse Gas emissions (Location-based)	tCO_2e	1,849,052.18	1,636,388.22	2,168,107.93
Total Scope 1 & 2 Greenhouse Gas emissions (Market-based)	tCO_2e	1,479,175.34	675,000.77	730,527.06
Scope 1 & 2 Greenhouse Gas emission intensity per unit of business revenue (Location-based)	tCO_2e/ million RMB	8.64	7.06	8.07
Scope 1 & 2 Greenhouse Gas emission intensity per unit of business revenue (Market-based)	tCO_2e/ million RMB	6.91	2.91	2.72
Scope 1 Greenhouse Gas emission intensity per unit of business revenue	tCO_2e/ million RMB	0.44	0.28	0.30
Scope 2 Greenhouse Gas emission intensity per unit of business revenue (Location-based)	tCO_2e/ million RMB	8.20	6.78	7.76
Scope 2 Greenhouse Gas emission intensity per unit of business revenue (Market-based)	tCO_2e/ million RMB	6.47	2.63	2.42

[31] Based on the nature of the Company's business, greenhouse gas (GHG) emissions are primarily from purchased municipal power, purchased steam and fossil fuel combustion. The greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide, and hydrofluorocarbons. The greenhouse gas emission data is presented in terms of carbon dioxide equivalent, and the calculation of greenhouse gas emissions in 2024 is based on the standard GB/T 2589-2020 General Rules for Calculation of Comprehensive Energy Consumption issued by the State Administration of Market Supervision and Administration and the Standardization Administration of the People's Republic of China, the Sixth Assessment Report of the IPCC issued by the IPCC, the IPCC 2006 Guidelines for National Greenhouse Gas Inventories and the Guidelines for Provincial Greenhouse Gas Emission Inventories (Trial). Inventory Guidelines for Provincial Level Greenhouse Gas Inventories (Trial), Mainland China Grid Emission Factors (adopted by Mainland China and Taiwan), Vietnam Electricity Emission Factors (adopted by Vietnam factories), and Philippines Electricity Emission Factors (adopted by Philippines factories).

[32] The GHG data for FY2023 is updated to certified data, and the GHG emission intensity is updated accordingly.

[33] Scope 3 GHG emissions are calculated based on the *2024 Government Greenhouse Gas Conversion Factors for Company Reporting* issued by the Department for Business Innovation and Skills (BIS) and the Department for Environment, Food and Rural Affairs (DEFRA) and the simapro database.

Environmental Performance Table（Continued）

Indicator	Unit	2022	2023	2024
Guideline - Article 24				
Total Greenhouse Gas emissions (Location-based)	tCO_2e	8,458,804.16	7,538,936.09	7,720,373.83
Total Greenhouse Gas emissions (Market-based)	tCO_2e	8,088,927.32	6,577,548.64	6,282,792.96
GRI 305-5 Reduction of GHG emissions				
Total reduction of GHG emissions	tCO_2e	512,010.64	1,100,074.21	1,658,578.86
GRI 305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions/ *Guideline* – Article 30 (1)				
Total exhaust gas emissions	t	304.19	314.24	288.62
Boiler exhaust gas	t	5.48	9.65	6.32
Kitchen fume	t	5.15	4.14	8.30
Industrial exhaust gas	t	258.21	298.95	272.70
Nitrogen Oxides (NOx) emissions	t	6.03	40.33	35.20
Sulfur Oxides (SOx) emissions	t	1.13	10.09	6.20
Persistent organic pollutant (POP) emissions	t	0.00	1.40	0.90
VOCs emissions (including non-methane hydrocarbon)	t	95.18	70.71	68.00
Sulfuretted hydrogen emissions	t	0.00	0.00	0.00
Particulate matter emissions	t	118.07	162.50	150.20
Tin and its compounds emissions	t	37.80	13.92	12.20
Other exhaust gas emissions	t	35.35	1.50	1.30
GRI 306-3 Waste generated / *Guideline* – Article 31 (1)				
Overall waste generated	t	154,368.43	153,009.79	187,344.21
Non-hazardous waste generated	t	100,819.82	114,618.42	123,007.14
Domestic waste generated	t	14,447.89	14,309.43	15,568.11
Hazardous waste generated	t	39,100.72	24,081.94	48,768.96
GRI 306-4 Waste diverted from disposal / *Guideline* – Article 31 (1) (2)[34]				
Total amount of waste recovered	t	104,007.10	121,319.28	150,316.23
Amount of hazardous waste recovered	t	13,319.50	22,685.99	45,919.93
Amount of hazardous waste transferred for reuse	t	1316.29	691.47	263.19
Amount of waste reused off-site	t	1316.29	391.15	60.58
Amount of waste reused on-site	t	0.00	300.32	202.61
Amount of hazardous waste transferred for recycling	t	12,003.21	21,994.52	45,656.74
Amount of hazardous waste transferred to other recovery operations	t	0.00	0.00	0.00
Amount of non-hazardous waste recovered	t	86,181.94	93,796.50	97,951.30
Amount of non-hazardous waste transferred for reuse	t	46,826.46	26,727.55	14,329.88
Amount of waste reused off-site	t	3,145.13	5,694.85	5,913.22
Amount of waste reused on-site	t	43,681.33	21,032.70	8,416.66
Amount of non-hazardous waste transferred for recycling	t	39,355.48	67,068.95	83,621.42
Amount of non-hazardous waste transferred for other recovery operations	t	0.00	0.00	0.00
Amount of domestic waste recovered	t	4,505.66	4,836.79	6,445.00
Amount of domestic waste transferred for reuse	t	0.00	194.63	184.87
Amount of domestic waste transferred for recycling	t	4,505.66	4,642.16	6,260.13
Amount of domestic waste transferred for other recovery operations	t	0.00	0.00	0.00
GRI 306-5 Waste directed to disposal / *Guideline* – Article 31 (1) (2)[35]				
Total amount of waste directed to disposal (including those transferred)	t	50,361.27	31,690.51	37,027.98
Amount of hazardous waste directed to disposal	t	25,781.16	1,395.95	2,849.03
Amount of hazardous waste directed to disposal by incineration (with energy recovery)	t	797.07	1,031.08	2,193.95
Amount of hazardous waste directed to disposal by incineration (without energy recovery)	t	0.00	0.00	0.00
Amount of hazardous waste directed to disposal by landfill	t	0.00	0.00	0.00
Amount of hazardous waste disposed into other disposal methods	t	24,984.09	364.87	655.08
Off-site disposal	t	0.00	0.00	66.60
On-site disposal	t	24,984.09	364.87	588.48

[34] Disposal of non-hazardous and hazardous waste transfer quantities entering preparation for reuse is categorized as off-site versus on-site, and the rest of the waste transferred from disposal is disposed of off-site.

[35] Hazardous waste entering other disposal methods is divided into on-site and on-site disposal, non-hazardous waste entering other disposal methods is disposed of on-site, and the rest of the waste entering disposal is disposed of off-site.

Environmental Performance Table（Continued）

Indicator	Unit	2022	2023	2024
Amount of non-hazardous waste directed to disposal by landfill	t	14,637.88	20,821.92	25,055.84
Amount of domestic waste directed to disposal by incineration (with energy recovery)	t	6,530.27	5,573.83	7,096.44
Amount of domestic waste directed to disposal by incineration (without energy recovery)	t	0.00	0.00	0.00
Amount of domestic waste directed to disposal by landfill	t	0.00	0.00	0.00
Amount of domestic waste directed to disposal by other disposal methods	t	8,107.61	15,248.09	17,959.40
Amount of domestic waste disposed	t	9,942.23	9,472.64	9,123.11
Amount of domestic waste disposed by incineration (with energy recovery)	t	5,733.80	5,036.75	4,471.26
Amount of domestic waste disposed by incineration (without energy recovery)	t	0.00	0.00	0.00
Amount of domestic waste disposed by landfill	t	0.00	0.00	0.00
Amount of domestic waste disposed of that goes to other disposal methods	t	4,208.43	4,435.89	4,651.85
Guideline – Article 31 (1)				
Emission intensity of waste per unit of business revenue	t/ million RMB	0.72	0.66	0.70
Emission intensity of non-hazardous waste per unit of business revenue	t/ million RMB	0.47	0.50	0.46
Emission intensity of domestic waste per unit of business revenue	t/ million RMB	0.07	0.06	0.06
Emission intensity of hazardous waste per unit of business revenue	t/ million RMB	0.18	0.10	0.18

Social Performance Table

Indicator	Unit	2022	2023	2024
GRI 2-6 Activity, value chain and other business relations				
Total number of suppliers in the database	Supplier	10,680	9,524	9,263
Overseas suppliers	Supplier	1,869	1,667	986
Chinese suppliers	Supplier	8,811	7,857	8,277
Service suppliers	Supplier	2,403	2,143	2,084
Raw and auxiliary suppliers	Supplier	8,277	7,381	7,179
GRI 2-7 Employees/ *Guideline* - Article 50 (1)				
Total number of employees	Person	236,932	232,585	278,103
Employees aged 29 or below	Person	114,915	112,074	135,693
Employees between 30 and 49	Person	120,244	118,379	139,560
Employees aged 50 or above	Person	1,773	2,132	2,850
Male employees	Person	134,768	132,253	163,436
Female employees	Person	102,164	100,332	114,667
Employees from Chinese Mainland	Person	187,784	183,649	215,861
Employees from Hong Kong, Macao and Taiwan regions	Person	1,350	1,319	1,358
Overseas employees (excluding employees from Hong Kong, Macao and Taiwan regions)	Person	47,798	47,617	60,884
Total number of indirect labor	Person	69,801	64,182	68,821
Total number of direct labor	Person	167,131	168,403	209,282
Total number of long-term employees	Person	236,932	232,585	278,103
Total number of temporary employees	Person	0	0	0
Total number of full-time employees	Person	236,932	232,585	278,103
Total number of part-time employees	Person	0	0	0
GRI 2-9 Governance structure and composition				
Total Number of Directors within the Board	Person	7	7	7
Independent Directors	Person	3	3	3
Non-independent Directors	Person	4	4	4
Male Directors	Person	4	4	4
Female Directors	Person	3	3	3

Social Performance Table（Continued）

Indicator	Unit	2022	2023	2024
GRI 2-28 Membership associations				
Total number of important associations participated in	Association	32	53	74
GRI 201-1 Direct economic value generated and distributed				
Amount of operating revenue	million RMB	214,028.39	231,905.46	268,794.74
Operating revenue growth compared with the previous year	%	39.03	8.35	15.91
GRI 201-2 Financial implications and other risks and opportunities due to climate change				
Investment in Clean Technology	million RMB	Nearly 260	Over 300	Over 400
Investment goal in Clean Technology in next year	million RMB	Over 300	Over 320	Over 470
Property all risks insurance coverage	10,000 RMB	4,039,585.09	5,794,000	7,705,891.14
Annual premiums for property all risks insurance	10,000 RMB	347.4	699.1	1,595.48
GRI 205-1 Operations assessed for risks related to corruption				
Percentage of the subsidiaries conducting internal risk assessment of integrity/anti-corruption this year	%	100.00	100.00	100.00
GRI 205-2 Communication and training about anti-corruption policies and procedures/ *Guideline* - Article 55 (3)				
Number of employees signing the *Letter of Integrity Commitment*/signing the *Letter of Integrity Notice*	Person	236,932	232,585	278,103
Number of the Directors signing the *Letter of Integrity Commitment*/signing the *Letter of Integrity Notice*	Person	/	/	7
Percentage of Directors from Chinese Mainland signed	%	/	/	71.43
Percentage of Directors form Hong Kong, Macao and Taiwan region signed	%	/	/	28.57
Percentage of Directors from Overseas (excluding Hong Kong, Macao and Taiwan regions) signed	%	/	/	0.00
Number of management employees[36] signing the *Letter of Integrity Commitment*/signing the *Letter of Integrity Notice*	Person	/	/	11,211
Percentage of management employees from Chinese Mainland signed	%	/	/	84.79
Percentage of management employees form Hong Kong, Macao and Taiwan region signed	%	/	/	2.95
Percentage of management employees from Overseas (excluding Hong Kong, Macao and Taiwan regions) signed	%	/	/	12.26
Number of general employees signing the *Letter of Integrity Commitment*/signing the *Letter of Integrity Notice*	Person	/	/	266,889
Percentage of general employees from Chinese Mainland signed	%	/	/	77.47
Percentage of general employees form Hong Kong, Macao and Taiwan region signed	%	/	/	0.39
Percentage of general employees from Overseas (excluding Hong Kong, Macao and Taiwan regions) signed	%	/	/	22.14
Percentage of direct labor signing the *Letter of Integrity Commitment*/signing the *Letter of Integrity Notice*	%	70.54	72.41	75.25
Percentage of indirect labor signing the *Letter of Integrity Commitment*/signing the *Letter of Integrity Notice*	%	29.46	27.59	24.75
Percentage of suppliers signing the *Letter of Integrity Commitment*	%	98.69	98.95	100.00
Percentage of suppliers from Chinese Mainland signed	%	83.60	83.60	77.75
Percentage of suppliers form Hong Kong, Macao and Taiwan region signed	%	9.02	9.02	11.61
Percentage of suppliers from Overseas (excluding Hong Kong, Macao and Taiwan regions) signed	%	7.38	7.38	10.64
Percentage of service suppliers signed	%	22.50	22.51	22.50
Percentage of raw and auxiliary suppliers signed	%	77.50	77.49	77.50
Total number of employees receiving anti-corruption trainings	Person	236,932	232,585	278,103
Coverage of employees receiving anti-corruption trainings	%	100.00	100.00	100.00
Number of Directors receiving anti-corruption trainings	Person	/	/	7
Percentage of Directors from Chinese Mainland trained	%	/	/	71.43
Percentage of Directors form Hong Kong, Macao and Taiwan region trained	%	/	/	28.57
Percentage of Directors from Overseas (excluding Hong Kong, Macao and Taiwan regions) trained	%	/	/	0.00
Number of management employees receiving anti-corruption trainings	Person	/	/	11,211
Percentage of management employees from Chinese Mainland trained	%	/	/	84.79
Percentage of management employees form Hong Kong, Macao and Taiwan region trained	%	/	/	2.95
Percentage of management employees from Overseas (excluding Hong Kong, Macao and Taiwan regions) trained	%	/	/	12.26
Number of general employees receiving anti-corruption trainings	Person	/	/	266,889
Percentage of general employees from Chinese Mainland trained	%	/	/	77.47
Percentage of general employees form Hong Kong, Macao and Taiwan region trained	%	/	/	0.39
Percentage of general employees from Overseas (excluding Hong Kong, Macao and Taiwan regions) trained	%	/	/	22.14
Percentage of direct labor trained	%	70.54	72.41	75.25
Percentage of indirect labor trained	%	29.46	27.59	24.75
Total number of employees receiving anti-corruption trainings	Person-times	313,498	633,223	596,690
Total hours of anti-corruption trainings	Hours	959,488.00	293,076.36	286,567.30
COC exam pass rate	%	100.00	100.00	100.00

[36] Number of management employees excludes 3 Directors who hold senior management positions.

Social Performance Table（Continued）

Indicator	Unit	2022	2023	2024
GRI 205-3 Confirmed incidents of corruption and actions taken				
Times of corruption whistleblowing received	Event	12	16	24
Total number of confirmed incidents of corruption	Event	4	4	2
Total number of the confirmed events (among which the employees were fired or disciplined due to the corruption)	Event	3	4	2
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	0
Confirmed legal actions involving company and employee corruption	Event	0	0	0
Corruption litigation concluded involving the Company and employees	Times	0	0	0
Compensation amount of corruption litigation concluded involving the Company and employees	RMB	0.00	0.00	0.00
GRI 206-1Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices/ *Guideline* - Article 56 (2)				
Confirmed anti-unfair competition, antitrust and anti-monopoly lawsuit	Event	0	0	0
Corruption litigation concluded involving the Company for anti-competitive practices, antitrust, or monopoly law violations	Event	0	0	0
Compensation amount of anti-unfair competition, antitrust and anti-monopoly lawsuit concluded involving the Company	RMB	0.00	0.00	0.00
GRI 401-1 New employee hiring rate and employee turnover / *Guideline* - Article 50 (1)				
Turnover rate of indirect labor[37] (Loss of employees include quitting, dismissed and fired employees)	Person	18.74	23.83	24.25
Number of fresh graduate employees	Person	/	/	1,648
GRI 401-3 Parental leave				
Number of employees having rights of parental leave (male)	Person	134,768	132,253	163,436
Number of employees actually using parental leave (male)	Person	3,988	4,791	6,397
Number of employees having rights of parental leave (female)	Person	102,164	100,332	114,667
Number of employees actually using parental leave (female)	Person	2,536	3,708	5,404
GRI 403-5 Worker training on occupational health and safety /*Guideline* - Article 50 (2)				
Total hours of EHS training	Hours	2,505,922.00	2,151,601.17	1,774,670.85
Total number of employees receiving EHS training	Person	119,089	232,585	278,103

[37] 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).

Indicator	Unit	2022	2023	2024
Total person-times of employee receiving EHS training	Person-times	349,882	925,624	921,416
Total hours of Board of Directors members receiving EHS training	Hours	14.00	14.00	14.00
Total number of Board of Directors members receiving EHS training	Person	7	7	7
Total person-times of Board of Directors members receiving EHS training	Person-times	7	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	236,932	232,585	278,103
Proportion of employees in the operational sites with occupational health and safety management system	%	100.00	100.00	100.00
Number of employees in the operational sites with occupational health and safety management system having passed internal audit	Person	236,932	232,585	278,103
Proportion of employees in the operational sites with occupational health and safety management system having passed internal audit	%	100.00	100.00	100.00
Number of employees in the operational sites with occupational health and safety management system having passed internal audit	Person	184,479	195,405	251,626
Proportion of employees in the operational sites with occupational health and safety management system having passed external audit	%	77.86	84.01	90.48
GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health				
Total working hours	Million hours	471.97	463.31	558.43
Number of fatalities due to work-related injuries	Times	0	0	0
Rate of fatalities due to million-hour work-related injuries	Times/ Million hours	0.00	0.00	0.00
Number of serious injuries due to work-related injuries	Times	1	0	0
Rate of million-hour work-related injuries with serious consequences	Times/ Million hours	0.00	0.00	0.00
Compensation amount of corruption litigation concluded involving the Company for anti-competitive practices, antitrust, or monopoly law violations	Times	268	145	110
Total number of recorded employee injuries	Times	269	145	110
Rate of recorded work-related injuries per million working hours	Times/ Million hours	0.57	0.31	0.20

Social Performance Table（Continued）

Indicator	Unit	2022	2023	2024
GRI 404-1 Average hours of training per year per employee/ *Guideline* - Article 50 (3)				
Total hours of employee trained	Hours	10,715,691.29	5,240,496.97	5,723,138.94
Total hours of male employees trained	Hours	6,107,944.04	2,941,306.72	3,374,762.82
Total hours of female employees trained	Hours	4,607,747.26	2,299,190.25	2,348,376.12
Total hours of direct labor trained	Hours	1,901,896.00	2,971,557.00	2,571,932.50
Total hours of indirect labor trained	Hours	8,813,795.29	2,268,939.97	3,151,206.44
Average employee training hours	Hours	45.23	22.53	20.58
Average male employee training hours	Hours	45.32	22.24	20.65
Average female employee training hours	Hours	45.10	22.92	20.48
Average direct labor training hours	Hours	11.38	17.65	12.29
Average indirect labor training hours	Hours	126.27	35.35	45.79
Total person-times of employees trained	Person-times	1,958,541	3,853,949	3,080,707
Annual coverage of employees trained	%	100.00	100.00	100.00
GRI 404-2 Programs for upgrading employee skills and transition assistance programs				
Total training expense	10,000 RMB	1,309.48	1,095.34	1,070.77
Number of employees enrolling in academic education	Person	860	1,635	857
Total number of internally certified instructors	Person	909	1,163	1,135
GRI 404-3 Percentage of employees receiving regular performance and career development reviews				
Percentage of indirect labor receiving regular performance and career development reviews	%	100.00	100.00	100.00
Male indirect employees	%	100.00	100.00	100.00
Female indirect employees	%	100.00	100.00	100.00
GRI 405-1 Diversity of governance bodies and employees/ *Guideline* - Article 50 (1)				
Total number of the Board's members	Person	7	7	7
Number of male Directors	Person	4	4	4
Number of female Directors	Person	3	3	3

Indicator	Unit	2022	2023	2024
Number of Directors aged 29 or below	Person	0	0	0
Number of Directors between 30 and 49	Person	2	2	3
Number of Directors aged 50 or above	Person	5	5	4
Number of Directors with industry or technology background	Person	4	4	4
Number of Directors with legal, financial, or accounting background	Person	3	3	3
Percentage of male Directors	%	57.14	57.14	57.14
Percentage of female Directors	%	42.86	42.86	42.86
Percentage of Directors aged 29 or below	%	0.00	0.00	0.00
Percentage of Directors between 30 and 49	%	28.57	28.57	42.86
Percentage of Directors aged 50 or above	%	71.43	71.43	57.14
Percentage of employees aged 29 or below	%	48.50	48.18	48.80
Percentage of employees between 30 and 49	%	50.75	50.90	50.18
Percentage of employees aged 50 or above	%	0.75	0.92	1.02
Percentage of disabled employees	%	0.17	0.26	0.55
GRI 406-1 Incidents of discrimination and corrective actions taken				
Number of incidents of discrimination	Case	0	0	0
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	2,389	1,405	995
Percentage of new suppliers subject to CSR audit	%	100.00	100.00	100.00
Number of suppliers completing CSR audit in 2024	Supplier	2,451	1,624	1,436
Number of suppliers completing audit on-site	Supplier	800	527	678
Number of suppliers having significant, actual and potential negative environmental and social impacts confirmed	Supplier	1	0	0
Percentage of suppliers agreeing to improvements after assessments	%	0.00	0.00	0.00

Social Performance Table (Continued)

Indicator	Unit	2022	2023	2024
Number of suppliers terminating relationships after assessments	Supplier	1	0	0
Percentage of suppliers terminating relationships after assessments	%	100.00	0.00	0.00
GRI 418-1 Substantiated complaints concerning breaches of customer privacyand losses of customer data / *Guideline* - Article 48 (22)				
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Number of incidents concerning breaches of customer privacy and losses of customer data	Case	0	0	0
Number of information security incidents	Case	0	0	0
Monetary amount of information security incidents involved (including fines and amounts involved in the case)	Million RMB	0.00	0.00	0.00
Monetary amount of customer privacy breaches incidents involved (including fines and amounts involved in the case)	Million RMB	0.00	0.00	0.00
Guideline - Article 39 (3)				
Total investment in rural revitalization	10,000 RMB	/	/	1,035.26
Guideline - Article 40				
Number of volunteers engaged	Person-times	/	/	3,747
Total volunteer hours served	Hours	/	/	1,715.00
Total investment in public welfare and charities	10,000 RMB	/	/	340.61
Guideline - Article 42 (3)				
Number of patents obtained	Number	4,526	6,202	7,164
Number of invention patents obtained	Number	738	1,142	1,603
Number of utility model patents obtained	Number	3,373	4,491	4,903
Number of appearance design patents obtained	Number	415	569	658
Number of new patents obtained	Number	1,585	1,527	1381
Number of new invention patents obtained	Number	340	376	456
Number of new utility model patents obtained	Number	1,108	982	792
Number of new appearance design patents obtained	Number	137	169	133
Guideline - Article 53 (2)				
Large-scale investor engagement activities held	Event	7	6	5
Small-scale communications by phone, email, etc. conducted	Times	386	428	417
Inquires and communications via Easy IR platform completed	Times	276	203	151

Summary of Honors [38]

Company Name	Name of Honor	Level
Bozhou Lanto Electronic Limited	Specialized, Sophisticated, Distinctive, and Innovative "Little Giant"	National
Bozhou Lanto Electronic Limited	Green Factory	National
ShenZhen Luxshare Acoustics Technology Ltd.	Title of "National Model Workers' Home"	National
Luxshare iTech (Zhejiang) Co., LTD.	2024 Top 500 Private Manufacturing Enterprises in China	National
Luxshare iTech (Zhejiang) Co., LTD.	Green Factory	National
Dongguan Luxshare Technology Co., Ltd.	National Key "Little Giant" Enterprise	National
Luxcase Precision Technology (Yancheng) Co., Ltd.	2024 Top 500 Private Manufacturing Enterprises in China	National
Luxcase Precision Technology (Yancheng) Co., Ltd.	2024 Top 500 Private Enterprises in China	National
Luxcase Precision Technology (Yancheng) Co., Ltd.	Green Factory	National
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	2024 Top 500 Private Manufacturing Enterprises in China	National
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	2024 Top 500 Private Enterprises in China	National
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	2024 5G Factory Directory	National
Huzhou Jiuding Electronic Co., Ltd.	Green Factory	National
Linkz Industries (Suzhou) Limited	Green Factory	National
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Green Factory	National
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Green Supply Chain	National
Luxshare Precision Industry (Chuzhou) Co., Ltd.	Green Factory	National
Luxshare Precision Industry (Chuzhou) Co., Ltd.	Green Supply Chain	National
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Green Factory	National
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Green Factory	National
Luxshare Precision Industry (Enshi) Co., Ltd.	Green Factory	National
Huzhou Jiuding Electronic Co., Ltd.	2024 Top 500 High-Tech Enterprises in Zhejiang Province for Innovation Capability	Provincial
Linkz Industries (Suzhou) Limited	Specialized, Sophisticated, Distinctive, and Innovative Enterprise in Jiangsu Province	Provincial
Linkz Industries (Suzhou) Limited	2024 Five-Star Cloud Enterprise in Jiangsu Province	Provincial

[38] Not all honors are listed here.

Summary of Honors (Continued)

Company Name	Name of Honor	Level
Da Chuang Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	2024 Three-Star Cloud Enterprise in Jiangsu Province	Provincial
Luxshare-ICT (Vietnam) Limited	Enterprise with Significant Contributions to Social Security in Bac Giang Province	Provincial
Luxshare-ICT (Van Trung) Company Limited	Enterprise with Significant Contributions to Social Security in Bac Giang Province	Provincial
Luxshare-ICT (Nghe An) Limited	Outstanding Grassroots Trade Union Award	Provincial
Xuancheng Luxshare Precision Industry Co., Ltd.	Green Factory	Provincial
Xuancheng Luxshare Precision Industry Co., Ltd.	Leading Enterprise in Land Use Efficiency in Anhui Province	Provincial
Luxshare Precision Industry (Hubei) Co., Ltd.	Green Factory	Provincial
Suining Luxshare Precision Industry Co., Ltd.	Civil-Military Integration Enterprise (Unit) in Sichuan Province	Provincial
Xiexun Electronic (Ji'an) Co., Ltd.	Green Factory	Provincial
Xiexun Electronic (Ji'an) Co., Ltd.	2024 Intelligent Manufacturing Benchmark Enterprise in Jiangxi Province	Provincial
Xiexun Electronic (Ji'an) Co., Ltd.	Demonstration Enterprise of Single Champion in Manufacturing in Jiangxi Province	Provincial
ASAP Technology (Jiangxi) Co., Ltd.	Cultivation Enterprise of Technology Leader in Jiangxi Province	Provincial
ASAP Technology (Jiangxi) Co., Ltd.	Green Factory	Provincial
Xinyu Xiexun Electronic Co., Ltd.	Green Factory	Provincial
ASAP Electronics (Jiangxi) Co., Ltd.	2024 Specialized, Sophisticated, Distinctive, and Innovative SME in Jiangxi Province	Provincial
Luxshare Electronic Technology (Kunshan) Co., Ltd.	2024 Top 100 Private Enterprises in R&D Investment in Jiangsu Province	Provincial
Luxshare Electronic Technology (Kunshan) Co., Ltd.	2024 Top 200 Private Enterprises in Jiangsu Province	Provincial
Luxshare Precision Industry (Chuzhou) Co., Ltd.	Top 100 Manufacturing Enterprises in Anhui Province	Provincial
Luxshare Precision Industry (Chuzhou) Co., Ltd.	Top 100 Private Manufacturing Enterprises in Anhui Province	Provincial
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Cultivation Enterprise of Technology Leader in Jiangxi Province	Provincial
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Provincial Industrial Internet Platform in Jiangxi Province	Provincial
Luxshare iTech (Zhejiang) Co., Ltd.	2024 Top 500 High-Tech Enterprises in Zhejiang Province for Innovation Capability	Provincial
Luxshare iTech (Zhejiang) Co., Ltd.	Eagle Enterprise in Zhejiang Province	Provincial
Luxshare iTech (Zhejiang) Co., Ltd.	Key Enterprise Research Institute in Zhejiang Province	Provincial
Luxshare iTech (Zhejiang) Co., Ltd.	Enterprise Technology Center in Zhejiang Province	Provincial
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	2024 Intelligent Workshop in Jiangsu Province	Provincial
Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd.	2024 Five-Star Cloud Enterprise in Jiangsu Province	Provincial
Dongguan Xuntao Electronics Co., Ltd.	Clean Production Enterprise in Guangdong Province	Provincial
Suzhou Luxshare Technologies Co., Ltd.	2024 Three-Star Cloud Enterprise in Jiangsu Province	Provincial
Suzhou Luxshare Technologies Co., Ltd.	2024 Gazelle Enterprise in Jiangsu Province	Provincial
Luxcase Precision Technology (Yancheng) Co., Ltd.	2024 Top 100 Private Manufacturing Enterprises in Jiangsu Province	Provincial
Luxcase Precision Technology (Yancheng) Co., Ltd.	Enterprise Technology Center in Jiangsu Province	Provincial
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	Green Factory	Provincial
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	Zhejiang Province's Sixth Batch of "Frontrunner" Enterprises in Domestic and Foreign Trade Integration	Provincial
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	2023 Intelligent Factory in Zhejiang Province	Provincial
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	2024 Provincial Green and Low-Carbon Factory in Zhejiang Province	Provincial
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	Zhejiang Province's Second Batch of Pilot Enterprises for Chief Data Officer System Construction	Provincial
Ri Shan Computer Accessory (Jiashan) Co., Ltd.	2024 Provincial Industrial Internet Platform	Provincial
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	Intelligent Manufacturing Factory in Jiangsu Province	Provincial
Rida Intelligent Manufacture Technology (Rugao) Co., Ltd.	2024 Five-Star Cloud Enterprise in Jiangsu Province	Provincial
Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	2024 Three-Star Cloud Enterprise in Jiangsu Province	Provincial
Luxis Precision Intelligent Manufacturing (Kunshan) Co., Ltd.	2024 Intelligent Workshop in Jiangsu Province	Provincial
Huzhou Luxshare Precision Industry Co., Ltd.	Provincial Technology-Based SME	Provincial
Huzhou Luxshare Precision Industry Co., Ltd.	Provincial Innovative SME	Provincial
Luxshare Precision Accessory (Suzhou) Ltd.	Green Factory	Provincial
Lanto Electronic Limited	Green Factory	Municipal
Ri Ming Computer Accessory (Shanghai) Co., Ltd.	Shanghai 2024 Zero-Carbon Pioneer Enterprises	Municipal

For details on the high-tech enterprise certification status of Luxshare Precision and its subsidiaries, please refer to Section X of the *2024 Annual Report*.

GRI Standards Index

Statement of use	Luxshare Precision Industry Company Limited has reported in accordance with the GRI Standard for the period from January 1, 2024 to December 31, 2024.
Used standard	GRI 1: Foundation 2021

GRI Standards	GRI	Location or Reason for Omission
GRI 2 The organization and its reporting practices 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 Feedback Form
	2-4 Restatements of information	Continuous Low-Carbon Operations Key Performance Data
	2-5 External assurance	Assurance Report
GRI 2 Activities and workers 2021	2-6 Activities, value chain and other business relationships	Company Profile Key Performance Data
	2-7 Employees	Attracting Excellent Talent Key Performance Data
	2-8 Workers who are not employees	2-8-a, 2-8-b, 2-8-c are omitted. Information unavailable/incomplete The Company respects all employees regardless of employment type, but current data collection is incomplete and cannot be fully disclosed.
GRI 2 Governance 2021	2-9 Governance structure and composition	Stabilizing Enterprise Operations
	2-10 Nomination and selection of the highest governance body	Stabilizing Enterprise Operations
	2-11 Chair of the highest governance body	Stabilizing Enterprise Operations
	2-12 Role of the highest governance body in overseeing the management of impacts	Stabilizing Enterprise Operations
	2-13 Delegation of responsibility for managing impacts	Stabilizing Enterprise Operations
	2-14 Role of the highest governance body in sustainability reporting	Implementing ESG Governance
	2-15 Conflicts of interest	Stabilizing Enterprise Operations
	2-16 Communication of critical concerns	Implementing ESG Governance Stabilizing Enterprise Operations
	2-17 Collective knowledge of the highest governance body	Stabilizing Enterprise Operations
	2-18 Evaluation of the performance of the highest governance body	Stabilizing Enterprise Operations
	2-19 Remuneration policies	Stabilizing Enterprise Operations
	2-20 Process to determine remuneration	Stabilizing Enterprise Operations

GRI Standards	GRI	Location or Reason for Omission
GRI 2 Governance 2021	2-21 Annual total compensation ratio	2-21-a, 2-21-b, 2-21-c are omitted. Confidentiality constraints The Company actively promotes pay equity among employees. Disclosure is omitted to protect employee privacy.
GRI 2 Strategy, policies and practices 2021	2-22 Statement on sustainable development strategy	Implementing ESG Governance
	2-23 Policy commitments	Stabilizing Enterprise Operations Operating an Honest and Trustworthy Enterprise Cultivating Green Products Protecting Employee Rights Collaborative Value Creation
	2-24 Embedding policy commitments	Implementing ESG Governance Stabilizing Enterprise Operations Cultivating Green Products Protecting Employee Rights Collaborative Value Creation
	2-25 Processes to remediate negative impacts	Implementing ESG Governance
	2-26 Mechanisms for seeking advice and raising concerns	Implementing ESG Governance
	2-27 Compliance with laws and regulations	Stabilizing Enterprise Operations Operating an Honest and Trustworthy Enterprise
	2-28 Membership associations	Company Profile
GRI 2 Stakeholder engagement 2021	2-29 Approach to stakeholder engagement	Stabilizing Enterprise Operations
	2-30 Collective bargaining agreements	2-30-a, 2-30-b are omitted. Information unavailable/incomplete The Company complies with relevant laws and regulations to protect employees' legitimate rights and interests. Complete disclosure is not possible due to difficulties in obtaining accurate statistical data.
GRI 3: Disclosures on material topics 2021	3-1 Process to determine material topics	Stabilizing Enterprise Operations
	3-2 List of material topics	Stabilizing Enterprise Operations
GRI 3: Disclosures on material topics 2021	3-3 Management of material topics	Stabilizing Enterprise Operations
	201-1 Direct economic value generated and distributed	Key Performance Data

GRI Standards Index（Continued）

GRI Standards	GRI	Location or Reason for Omission
GRI 201：Economic Performance 2016	Process to determine remuneration	Key Performance Data
	201-2 Financial implications and other risks and opportunities due to climate change	Responding to Climate Change Cultivating Green Products Key Performance Data
	201-3 Defined benefit plan obligations and other retirement plans	Compensation and Benefits System
GRI 202：Topic management disclosures 2016	3-3 Management of material topics	Implementing ESG Governance Enhancing Compensation and Benefits Protecting Employee Rights
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	201-a, 201-b, 201-c, 201-d are omitted Confidentiality constraints The Company adheres to the "equal pay for equal work" principle and provides employees with wages that ensure a decent standard of living. Disclosure is omitted due to confidentiality requirements.
	202-2 Proportion of senior management hired from the local community	202-a, 202-b, 202-c, 202-d are omitted Confidentiality constraints The Company continuously promotes management diversity and localization. Disclosure is omitted due to confidentiality requirements.
GRI 205：Anti-corruption 2016	3-3 Management of material topics	Implementing ESG Governance Operating an Honest and Trustworthy Enterprise
	205-1 Operations assessed for risks related to corruption	Operating an Honest and Trustworthy Enterprise Key Performance Data
	205-2 Communication and training about anti-corruption policies and procedures	Operating an Honest and Trustworthy Enterprise Key Performance Data
	205-3 Confirmed incidents of corruption and actions taken	Operating an Honest and Trustworthy Enterprise Key Performance Data
GRI 206：Anti-competitive Behavior 2016	3-3 Management of material topics	Implementing ESG Governance Operating an Honest and Trustworthy Enterprise
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Operating an Honest and Trustworthy Enterprise Key Performance Data
GRI 207：Tax 2019	3-3 Management of material topics	Implementing ESG Governance Stabilizing Enterprise Operations
	207-1 Approach to tax	Stabilizing Enterprise Operations
	207-2 Tax governance, control, and risk management	Stabilizing Enterprise Operations Operating an Honest and Trustworthy Enterprise
GRI 207：Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	Stabilizing Enterprise Operations
	207-4 Country-by-country reporting	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	Implementing ESG Governance Optimizing Energy Use
	302-1 Energy consumption within the organization	Key Performance Data
	302-2 Energy consumption outside of the organization	302-2-a, 302-2-b, and 302-2-c are omitted. Information unavailable/ incomplete Due to incomplete methodologies for statistical measurement/estimation of energy consumption in upstream and downstream activities, we are currently unable to disclose this information with full accuracy.
	302-3 Energy intensity	Key Performance Data
	302-4 Reduction of energy consumption	Optimizing Energy Use Key Performance Data
	302-5 Reductions in energy requirements of products and services	302-5-a, 302-2-b, 302-5-c are omitted. Confidentiality constraints Due to confidentiality restrictions on business information, the data is omitted
GRI 303：Water and Effluents 2018	3-3 Management of material topics	Implementing ESG Governance Implementing Green Manufacturing
	303-1 Interactions with water as a shared resource	Implementing Green Manufacturing
	303-2 Management of water discharge-related impacts	Implementing Green Manufacturing
	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	Implementing ESG Governance Continuous Low-Carbon Operations Implementing Green Manufacturing
	305-1 Direct (Scope 1) GHG emissions	Continuous Low-Carbon Operations Key Performance Data

GRI Standards Index（Continued）

GRI Standards	GRI	Location or Reason for Omission
GRI 305：Emissions 2016	305-2 Energy indirect (Scope 2) GHG	Continuous Low-Carbon Operations Key Performance Data
	305-3 Other indirect (Scope 3) GHG emissions	Key Performance Data
	305-4 GHG emissions intensity	Continuous Low-Carbon Operations Key Performance Data
	305-5 Reduction of GHG emissions	Continuous Low-Carbon Operations Key Performance Data
	305-6 Emissions of ozone-depleting substances (ODS)	Implementing Green Manufacturing
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Performance Data
GRI 306：Waste 2020	3-3 Management of material topics	Implementing ESG Governance Implementing Green Manufacturing
	306-1 Waste generation and significant waste-related impacts	Implementing Green Manufacturing
	306-2 Management of significant waste-related impacts	Implementing Green Manufacturing
	306-3 Waste generated	Implementing Green Manufacturing Key Performance Data
	306-4 Waste diverted from disposal	Implementing Green Manufacturing Key Performance Data
	306-5 Waste directed to disposal	Implementing Green Manufacturing Key Performance Data
GRI 308：Supplier Environmental Assessment 2016	3-3 Management of material topics	Implementing ESG Governance Collaborative Value Creation
	308-1 New suppliers that were screened using environmental criteria	Collaborative Value Creation Key Performance Data
	308-2 Negative environmental impacts in the supply chain and actions taken	Collaborative Value Creation
GRI 401：Employment 2016	3-3 Management of material topics	Implementing ESG Governance Attracting Excellent Talent Enhancing Compensation and Benefits

GRI Standards	GRI	Location or Reason for Omission
GRI 401：Employment 2016	401-1 New employee hires and employee turnover	Key Performance Data 401-1-a, 401-1-b are omitted. Confidentiality constraints Due to confidentiality requirements, only indirect employee annual turnover rate data is disclosed.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Enhancing Compensation and Benefits
	401-3 Parental leave	Enhancing Compensation and Benefits Key Performance Data 401-3-c, 401-3-d, 401-3-e are omitted. Information unavailable/incomplete The Company provides parental leave for all employees. Partial indicators of this disclosure item are omitted this year due to ongoing data management improvements.
GRI 402：Labor/Management Relations 2016	3-3 Management of material topics	Implementing ESG Governance Protecting Employee Rights
	402-1 Minimum notice periods regarding operational changes	Protecting Employee Rights
GRI 403：Occupational Health and Safety 2018	3-3 Management of material topics	Implementing ESG Governance Compensation and Benefits System Ensuring Occupational Health and Safety
	403-1 Occupational health and safety management system	Ensuring Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Ensuring Occupational Health and Safety
	403-3 Occupational health services	Ensuring Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Ensuring Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Ensuring Occupational Health and Safety Key Performance Data
	403-6 Promotion of worker health	Compensation and Benefits System
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Ensuring Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Ensuring Occupational Health and Safety Key Performance Data

GRI Standards Index（Continued）

GRI Standards	GRI	Location or Reason for Omission
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Ensuring Occupational Health and Safety Key Performance Data
	403-10 Work-related ill health	Cultivating Green Products Ensuring Occupational Health and Safety Key Performance Data
GRI 404: Training and Education 2016	3-3 Management of material topics	Implementing ESG Governance Protecting Employee Rights Support for Training and Development
	404-1 Average hours of training per year per employee	Key Performance Data
	404-2 Programs for upgrading employee skills and transition assistance programs	Protecting Employee Rights Support for Training and Development Key Performance Data
	404-3 Percentage of employees receiving regular performance and career development reviews	Key Performance Data
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Implementing ESG Governance Stabilizing Enterprise Operations Diversity and Inclusion
	405-1 Diversity of governance bodies and employees	Stabilizing Enterprise Operations Attracting Excellent Talent Key Performance Data
	405-2 Ratio of basic salary and remuneration of women to men	405-2-a, 405-2-b are omitted. Confidentiality constraints The Company upholds the "equal pay for equal work" principle and is committed to creating an equitable and diverse workplace. Disclosure is omitted due to confidentiality requirements.
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Implementing ESG Governance Diversity and Inclusion Protecting Employee Rights
	406-1 Incidents of discrimination and corrective actions taken	Attracting Excellent Talent Protecting Employee Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	Implementing ESG Governance Protecting Employee Rights
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protecting Employee Rights
GRI 408: Child Labor 2016	3-3 Management of material topics	Implementing ESG Governance Protecting Employee Rights
	408-1 Operations and suppliers at significant risk for incidents of child labor	Protecting Employee Rights
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	Implementing ESG Governance Protecting Employee Rights
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Employee Rights
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Implementing ESG Governance Collaborative Value Creation
	414-1 New suppliers that were screened using social criteria	Collaborative Value Creation Key Performance Data
	414-2 Negative social impacts in the supply chain and actions taken	Collaborative Value Creation
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	Implementing ESG Governance Strengthening Client Trust
	416-1 Assessment of the health and safety impacts of product and service categories	Strengthening Client Trust Cultivating Green Products
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	416-2-a and 416-2-b are omitted due to confidentiality constraints. The Company is committed to providing high quality and non-hazardous products, the disclosure is omitted due to confidentiality requirements.
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Implementing ESG Governance Ensuring Information Security
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ensuring Information Security Key Performance Data

Shenzhen Stock Exchange Sustainability Report Guidelines Index

Usage Instructions	Luxshare Precision Industry Co., Ltd. complies with the requirements of the *Guideline* from January 1, 2024, to December 1, 2024.
Standards Used	*Shenzhen Stock Exchange Self-Regulatory Guidelines No. 17 - Sustainable Development Report (Trial)*

Disclosure Requirements	Corresponding Articles	Location or Reason for Omission
Sustainability Information Disclosure Framework	11 to 19	Implementing ESG Governance The Company adopted a qualitative description rather than quantifying the financial risks and opportunities of individual ESG issues within the current and subsequent fiscal year's. We will enhance our financial quantitative information disclosure in the future.
Addressing Climate Change	21 to 28	Implementing ESG Governance Responding to Climate Change Implementing Green Manufacturing Optimizing Energy Use Key Performance Data
Pollutant Emissions	30	Implementing ESG Governance Implementing Green Manufacturing Key Performance Data
Waste Management	31	Implementing ESG Governance Implementing Green Manufacturing Key Performance Data
Ecosystem and Biodiversity Conservation	32	Implementing Green Manufacturing
Environmental Compliance Management	33	Implementing Green Manufacturing Key Performance Data
Energy Utilization	35	Implementing ESG Governance Continuous Low-Carbon Operations Optimizing Energy Use Key Performance Data
Water Resource Utilization	36	Implementing ESG Governance Implementing Green Manufacturing Key Performance Data
Circular Economy	37	Implementing ESG Governance Implementing Green Manufacturing Key Performance Data
Rural Revitalization	39	Revitalizing Rural Areas Key Performance Data
Social Contribution	40	Pooling Compassion Key Performance Data
Innovation Driven	42	Implementing ESG Governance Pioneering Innovation and R&D Advancing Intelligent Manufacturing Cultivating Green Products Key Performance Data *2024 Annual Report* Section III
Technology Ethics	43	Not applicable, Luxshare Precision's core business operations do not involve scientific research, technology development, or related activities in technology ethics-sensitive fields such as life sciences and artificial intelligence.
Supply Chain Security	45	Implementing ESG Governance Collaborative Value Creation Key Performance Data
Equal Treatment of Small and Medium-sized Enterprises	46	Luxshare Precision consistently treats small and medium-sized enterprises (SMEs) fairly and equally. During the Reporting Period, there were no material overdue payments outstanding.
Product and Service Safety and Quality	47	Implementing ESG Governance Strengthening Client Trust
Data Security and Customer Privacy Protection	48	Implementing ESG Governance Ensuring Information Security Key Performance Data
Employees	50	Implementing ESG Governance Attracting Excellent Talent Protecting Employee Rights Support for Training and Development Enhancing Compensation and Benefits Ensuring Occupational Health and Safety Key Performance Data *2024 Annual Report* Section X *Guidelines – Article 50 (ii)* Work Safety Liability Insurance is not applicable as the Company does not belong to the high-risk industries specified in the Work Safety Liability Insurance regulations.
Due Diligence Investigation	52	Implementing ESG Governance Collaborative Value Creation Key Performance Data
Stakeholder Communication	53	Implementing ESG Governance Key Performance Data Stabilizing Enterprise Operations
Anti-corruption and Anti-bribery	55	Implementing ESG Governance Operating an Honest and Trustworthy Enterprise Key Performance Data
Anti-unfair Competition	56	Implementing ESG Governance Operating an Honest and Trustworthy Enterprise Key Performance Data

Feedback Form

Dear Readers,

Thanks for reading the 2024 Sustainability Report published by Luxshare Precision Industry Company Limited. We sincerely appreciate your suggestions and comments to help us keep moving forward.

Your contact Information

Name: _____

Phone: _____

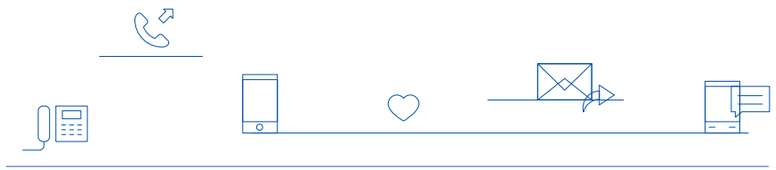
Email: _____

Luxshare Precision will strictly keep your personal information confidential and will not use it for commercial purposes

You can contact us in the following ways:

Tel: 0769-87892475

Email: *public@luxshare-ict.com*



Your evaluation of this report (please check the corresponding box):

1. Do you obtain the information you want to know?

☐ Strongly Agree ☐ Agree ☐ Neutral

☐ Disagree ☐ Strongly Disagree

2. Do you think the content layout and design style of this report is conducive to reading?

☐ Strongly Agree ☐ Agree ☐ Neutral

☐ Disagree ☐ Strongly Disagree

3. Will you continue to pay attention to Luxshare Precision's future sustainability report?

☐ Strongly Agree ☐ Agree ☐ Neutral

☐ Disagree ☐ Strongly Disagree

4. Which part of the report are you most interested in? (Please specify it)

_____

_____

5. What additional topics do you want to learn but do not appear in the report? (Please specify it)

_____

_____

6. What's your suggestion to future sustainability reports? (Please specify it)

_____

_____