



# 2020 Sustainability Report

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**Connecting the future with science and technology**  
**Luxshare Precision Industry Co., Ltd**

April 2021



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# I. About this Report

## Information about this Report

This report is issued in 2020 by Luxshare Precision Industry Co., Ltd ("Luxshare Precision"). It provides the information on the principles, progress, summaries and future plans of Luxshare Precision and subsidiaries in terms of our sustainability performance.

## Preparation Basis

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards. It also takes reference to the *CSR Guideline for Listed Companies* issued by Shenzhen Stock Exchange, the UN Global Compact, *ISO26000 Guidelines for Social Responsibilities*, MSCI and the ESG (Environmental, social and governance) topics that the rating agencies focused in capital markets.

This report is formulated by identifying important stakeholders, analyzing and rating material issues to achieve sustainable development, making decisions on the scope of the report, as well as collecting, summarizing, organizing and reviewing relevant data and materials in the compilation process.

## Reporting Scope

Unless otherwise specified, the policies, statements and materials in this report cover the actual business scope of Luxshare Precision and subsidiaries, which is the same as that of the annual report issued by Luxshare Precision.

Unless otherwise specified, RMB is the currency unit used in this report.

## Time Span

Unless otherwise specified, this report covers the period from January 1<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2020.

## Terms Definition

For the convenience of expression and reading, "Luxshare Precision", "the Group", "the Company", "Company" and "We" in this report refer to Luxshare Precision and subsidiaries.

Unless otherwise specified, the terms used in this report have the same meanings as those defined in the Company's 2020 Annual Report.

## Data Source and Reliability Statement

All data used in the report comes from Luxshare Precision and subsidiaries. The Board of Directors of the Company is responsible for the truthfulness, accuracy and completeness of this report.

## Confirmation and Approval

This report has been approved by the 4<sup>th</sup> Board of Directors at 31<sup>st</sup> meeting on April 20<sup>th</sup>, 2021.

## Access to this Report

You can access to the online report through the following website: <http://www.luxshareict.com/about/sustainability.html>



## II. Chairman's Statement

2020 was a milestone year that marked the ending of the 13<sup>th</sup> Five-Year Plan. The Year 2020 witnessed a success in building of a moderately prosperous society in an all-round way and realizing China's first centennial goal. The world is entering the era of digitalization and fully connected intelligence, with main features of Perception of Everything, Internet of Everything and Intelligence of Everything. The new generation technologies represented by 5G, big data, Artificial Intelligence have provided new possibilities for our work and life and new momentum for the development worldwide.

2020 was the 10<sup>th</sup> anniversary of Luxshare Precision's listing. During the year, Luxshare Precision was faced with serious impacts from the unexpected COVID-19 outbreak and the deep recession of the world economy. However, Luxshare Precision rose to the challenges and set a record in operational performance. Against the complex and severe external background, the Company's sales revenue in 2020 reached RMB 92.501 billion, with a year-on-year growth of 47.96%, and the net profit increased by more than 53.28%. The Company's achievements have been recognized by the society.

We are keenly aware that fulfilling ESG responsibilities is of vital importance to the sustainable development of our business while achieving good performance. Luxshare Precision is committed to continuously improving the corporate governance system, practicing the concept of green environmental protection, and promoting the harmonious development of human and society.

### **Improving corporate governance and striving to create an intelligent future.**

We improve corporate governance, optimize the company system, and focus on the diversification and effectiveness of the Board of Directors. We have strengthened risk management by improving the three lines of defense for risk management. The first line of defense assumes the responsibility for controlling and mitigating risks, the second line of defense performs due diligence function, and the third line of defense independently plays a supervisory role, so as to comprehensively enhancing risk management capabilities. We have consolidated the construction of business ethics standards, strengthened integrity risk management, and developed a corporate culture of "integrity and honesty, openness and fairness, reliability and compliance, incorruptibility and self-discipline". We continuously improve the intellectual property protection system, follow the principle of fair market competition, eliminate unfair competition behavior to further promote ethics in business. As a technology-based company, Luxshare Precision has always focused on precision manufacturing, attached great importance to product quality, and prioritized R&D and innovation. We constantly explore and strive forward on the road of intelligent manufacturing to make contribution to the "intelligent manufacturing in China".

### **Safeguarding the rights and interests of employees and promoting the harmonious development of society.**

Employees are the core asset of the Company. Being people-oriented, we fully respect and safeguard the rights and interests of every employee, strive to establish a diversified and inclusive organization to eliminate any behavior that infringes on employees' rights and interests. Employees' health and safety is essential to business operations. We have an EHS management policy in place and continue to improve the health and safety management system. We fully implement the epidemic prevention and control requirements to ensure the health and safety of employees and resumption of work and production. We also value employees' career development and are committed to investing in employee training to help them realize individual value. We accelerate the development of green supply chain and make constant efforts to ensure the integration of ESG management in supplier management system, so

as to promote a coordinated and high-quality development of the industry value chain. We continue to leverage our resources to help fight against COVID-19, support public benefit programs in communities where the Company operates across the world, and actively carry out voluntary activities for a better society.

**Practicing green concept and actively responding to climate change.** In terms of climate change, we practice the concept of green development in our operations, contribute to the construction of ecological civilization, and in active response to China's commitment of peaking carbon dioxide emissions and reaching carbon neutrality. We are committed to reducing corporate carbon emission intensity by 40% in 2025 compared to that in 2017. To accomplish that objective, we continue to innovate and practice carbon reduction management by improving our management and technology steadily and build "Green Factory", so as to develop a sustainable green ecological environment. In addition, we vigorously promote the use of clean energy by expanding self-built photovoltaic projects and purchasing green power. We have built an energy management system, and invested in high-efficiency equipment to continuously improve energy efficiency. We have also increased investment in R&D and innovation of green products, and applied for green product certification, striving to minimize the adverse impact of products on mankind and nature.

The year of 2021 marks the beginning of the 14<sup>th</sup> Five-Year Plan that has further emphasized "self-reliance and self-improvement in science and technology" as a strategic support for national development and greater efforts will be made to reinvigorate China through science and technology development. In 2021, under the strategic guidance, we will think outside of the box and develop our own strengths to provide connection solutions for people-to-people, people-to-society, people-to-thing, and thing-to-thing. We are committed to making contributions to the connection of everything and the connection of the world. As a Chinese poet goes, "A time will come to ride the wind and cleave the waves, I'll set my cloud-like sail to cross the sea which raves." Let us seize the momentum and embrace changes, to strive for the Company's sustainable development and the high-quality development of the "14<sup>th</sup> Five-Year Plan".



## III. About Us

### (1) Introduction

#### 1. General Information

Luxshare Precision Industry Co., Ltd. ("Luxshare Precision") was founded on May 24<sup>th</sup>, 2004 and listed publicly in the Shenzhen Stock Exchange on September 15<sup>th</sup>, 2010 (stock code: 002475). Since the listing of the Company, sales revenue has maintained at a high growth rate. Being technology oriented, Luxshare Precision integrates product development and application services to gradually realize the leap from traditional manufacturing to intelligent manufacturing.

The Company's headquarter is in Dongguan, Guangdong Province, the People's Republic of China. The manufacturing bases are mainly located in Guangdong Province, Jiangxi Province, Jiangsu Province, Anhui Province, Zhejiang Province, Shanxi Province, Hebei Province, Sichuan Province, Taiwan and other places in China. The overseas bases are mainly located in Germany and Vietnam. There are R&D centers in Dongguan of Guangdong Province, Kunshan of Jiangsu Province, Taiwan and the United States.

#### 2. Main Operations

Being committed to providing customers with one-stop procurement services, the Company mainly produces and operates connectors, cables, motors, wireless charges, FPCs, antennas, acoustics and electronic modules, etc. The products are widely used in computers and peripherals, consumer electronics, communications, enterprise applications, automotive, medical and other important fields.

The Company has always focused on our main operations and forged ahead with determination and perseverance. Meanwhile, the Company has seized opportunities of the market through vertical integration and horizontal business expansion, and constantly maximized the value created by the intelligent R&D design, digital operation management, refined cost control, and automated manufacturing. Through practice of the top-level design concept of intelligent production, the Company provides a full range of design and manufacturing integration services for consumer electronic products from parts to accessories, from modules to intelligent products; the Company also persists in pursuing technological changes from low-speed to high-speed, from wired to wireless, and from copper to optical, thus forming sustainable and intelligent interconnection solutions.

In the future, Luxshare will achieve the transfer from the device-to-device intelligent interaction to the device-to-human intelligent interaction. Relying on a systematic market strategy and a comprehensive technical support network, as well as a professional, youthful and passionate executive team, Luxshare will realize the all-round development

of "machinery, electricity, sound and light" to be rapidly in line with our optimized industry layout. We are determined to become the pioneer among the peers all over the world while leading the industry in which we are operating under the strategy of "Made in China 2025".



Research & Innovation



Production & Operation

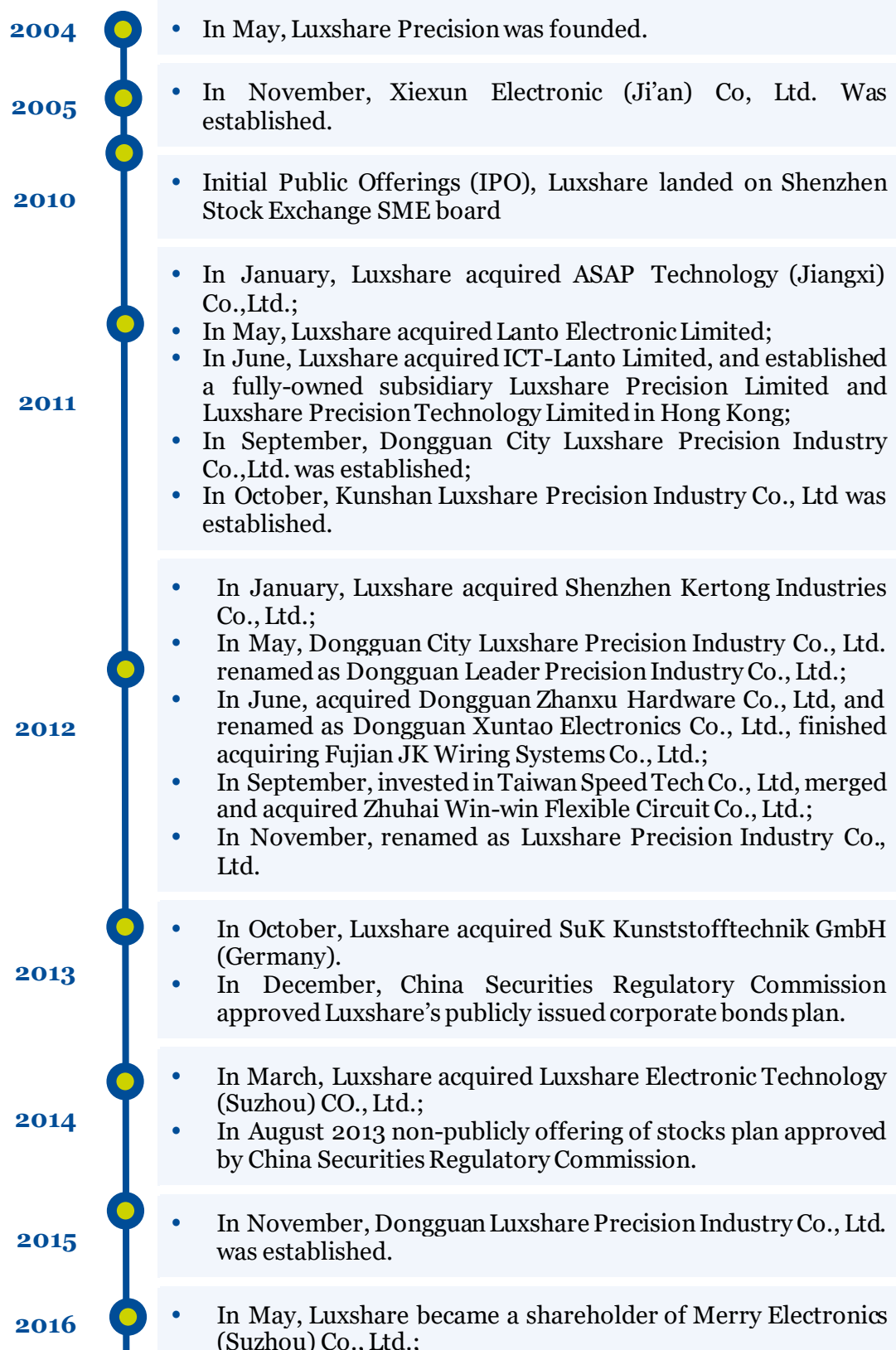


Sales & Marketing


<p>The R&amp;D Intensity reached to <b>6.21%</b> in 2020;</p> <p><b>24</b> laboratories established globally;</p> <p><b>2,139</b> patents licensed globally;</p> <p><b>22</b> subsidiaries certified as National High-tech Enterprises;</p>	<p>The carbon emission intensity dropped to <b>5.92</b> tons/millions of sales revenue in 2020;</p> <p>Cumulative investment on health &amp; safety reached to RMB <b>184.75</b> million;</p> <p><b>9,455</b> global suppliers;</p>	<p>The sales revenue was RMB <b>92.501</b> billion in 2020;</p> <p><b>47.96%</b> growth rate of revenue;</p> <p>The <b>6<sup>th</sup></b> largest connector producer in the world;</p>
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Consumer Electronic	Medical Service	Auto-mobiles	Enterprise Telecom
<ul style="list-style-type: none"> <li>• Smartphone modules</li> <li>• PC components</li> <li>• Smart home products</li> <li>• Wearables</li> <li>• Audio solutions</li> <li>• Accessories</li> </ul>	<ul style="list-style-type: none"> <li>• Surgical cable</li> <li>• Wire harness</li> <li>• Ultrasound cable</li> <li>• ECG cables</li> </ul>	<ul style="list-style-type: none"> <li>• Structural components</li> <li>• Cabling &amp; wire harness</li> <li>• HMI products</li> <li>• HMI products</li> <li>• Complex switches</li> <li>• Sensors</li> </ul>	<ul style="list-style-type: none"> <li>• Highspeed cable</li> <li>• Highspeed connector</li> <li>• Base station antenna</li> <li>• Filter</li> <li>• Optical module</li> <li>• AOC</li> </ul>

### 3. Historical Development





- 
- 2017**
    - In August 2015, private issuing of stocks plan was approved by China Securities Regulatory Commission;
    - In December, LUXSHARE-ICT(VIETNAM) LIMITED was established.
    - In April, Luxshare acquired Merry Electronics (Huizhou) Industry Co., Ltd. and Merry Electronics (Shanghai) Industry Co., Ltd.;
    - In December, Joint venture Guangdong Luxshare & Merry Electronics Industry Co., Ltd. was established.
  - 2019**
    - In August, LUXSHARE-ICT (NGHE AN) LIMITED was established.
  - 2020**
    - In January and April, increased the capital in Luxshare Intelligent Manufacture Technology (Changshu) Co., Ltd;
    - In June, increased the capital in LUXSHARE-ICT (VIETNAM) LIMITED, LUXSHARE -ICT (VAN TRUNG) COMPANY LIMITED and LUXSHARE-ICT (NGHE AN) LIMITED);
    - In October, increased capital in the Luxshare India Private Limited;
    - In November, increased capital in Lanto Electronic Limited, Luxshare Electronic Technology (Kunshan) Co., Ltd, joint venture Changshu Luxsan Intelligent Manufacture Technology Partnership (Limited Partnership) was established;
    - In December, participated in shares of Wistron Investment (Jiangsu) Co., Ltd and Wistron InfoComm Manufacturing (Kunshan) Co., Ltd.

## (2) Our Honors

### Honors and Awards in 2020

- ★ Awarded the "**2020 Evergreen Award - Sustainable Development Green Award**"



- 
- ★ **Ranked 21<sup>st</sup>** in the "Top 500 Chinese New Economy Enterprises"
- 
- ★ **Ranked 121<sup>st</sup>** in the "Top 500 Chinese Private Enterprises"
- 
- ★ **Ranked 25<sup>th</sup>** in the "Top 100 Chinese Intelligent Product Enterprises"
- 
- ★ **Ranked 2<sup>nd</sup>** among "2020 (33<sup>rd</sup>) China Top 100 Electronic Component Enterprises"
- 
- ★ Selected as the "**Top 50 Valued Companies**" Listed at the Small and Medium-sized Enterprises Board
- 
- ★ Selected as the "**Top 10 Growth Companies**" Listed at the Small and Medium-sized Enterprises Board
- 
- ★ Received the honorary title of "**Nomocracy Culture Construction Demonstration Enterprise**" in Guangdong Province in April 2020
- 
- ★ Won the title of "**The 40 Most Respected Listed Companies**" in the 40th Anniversary of Shenzhen Special Economic Zone in August 2020

### (3) Sustainability Management

#### 1. Sustainability Management Framework

Luxshare Precision has established a systematic sustainable development management structure. The Company achieves the goal of sustainable operations through prudent supervision, systematic deployment and implementation.

- **Supervision: Board of Directors**

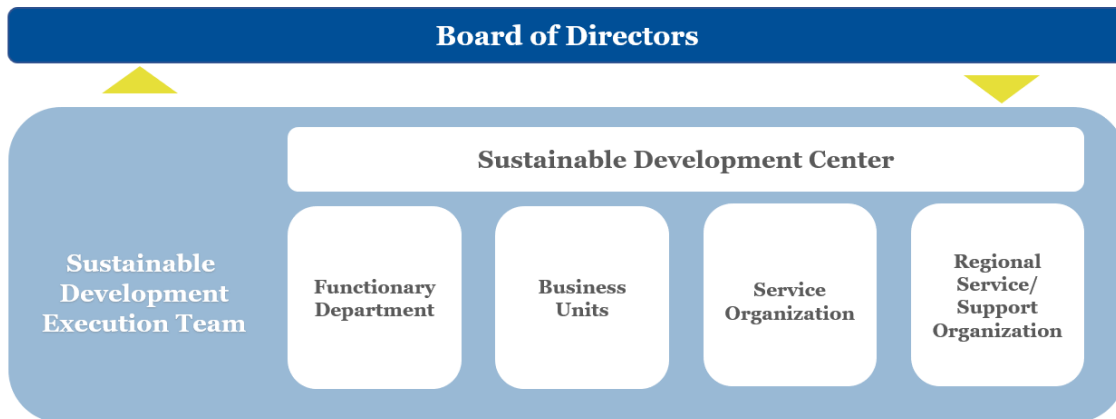
The Board of Directors is responsible for the overall decision-making and comprehensive supervision of the Company's sustainable development-related matters, including internal and external stakeholder communication, importance assessment, risk identification, goal and strategy development, and regularly receives reports from the Sustainable Development Promotion Center on the results of our sustainable development efforts to ensure the implementation of the Company's sustainable development strategy. The Chairman, Mrs. Wang Laichun, as the top leader of the Company, participates in the Company's decision-making of the sustainable development strategy, coordinates, guides, and oversees the related work.

- **Deployment: Sustainable Development Center**

The Sustainable Development Center is responsible for formulating work plans for sustainability and deploying sustainability-related matters, including monitoring, evaluation and specific operations of sustainability. The Sustainable Development Center is overseen by the Board of Directors, and report regularly to the Board in accordance to the Company's sustainability performance. The Sustainable Development Center also provides advice to the Board on the appropriateness and effectiveness of Sustainable Development Center's work.

- **Implementation: Sustainability Execution Team**

The Sustainability Executive Team is responsible for the planned deployment of the Sustainable Development Center, implementing the corresponding work on sustainable development, and regularly reporting on the progress and effectiveness of the implementation of the sustainable development effort. The Sustainability Executive Team is composed of the Company's various departments. Under the coordination of the Sustainable Development Center, the team promotes the concept of sustainable development to each of the enterprise's business level through detailed communication about the sustainable development issues.



Luxshare Precision Sustainability Management Framework









## 2. Sustainability Management Concept

Based on the triple bottom line model of economic, environmental, and people and social, Luxshare Precision has built a sustainable development system suitable to our development stage, thereby contributing to the realization of the UN Sustainable Development Goals (SDGs). The Group always hopes to contribute to the construction of a better society through leading science and technology. We have operations all over the world, and it is one of our important social responsibilities to solve global sustainable development issues. We use our core capabilities and resources to respond to the sustainable development goals launched by the United Nations as the Group's sustainable development goals.



### 3. Stakeholder Engagement

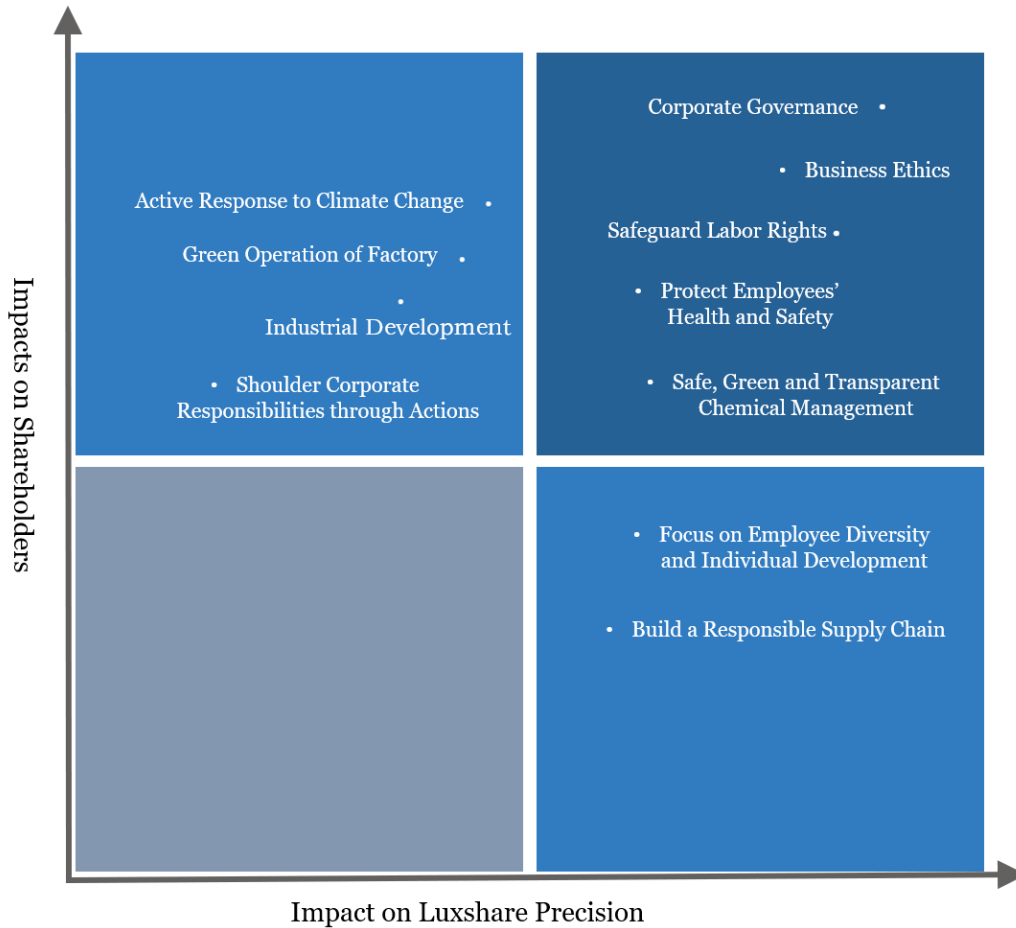
Trust and support from stakeholders are the foundation for us to survive and develop. It is essential for the sustainable development of Luxshare Precision to identify stakeholders, maintain good communications with stakeholders, timely understand their expectations and demands in terms of sustainable development, and actively listen to their opinions and suggestions. The Company actively communicates with all stakeholders through various channels in a comprehensive and sincere manner, while also responding timely to maximize the common value of the Company and stakeholders to achieve a win-win cooperation and harmonious development. The main stakeholders we identified include government regulators, shareholders/investors, suppliers/partners, customers, employees, communities, etc.

Stakeholders	Expectations and Demands	Communication Channels
Government regulators 	Compliance operation Tax payment Climate change Carbon emission abatement Emissions management and use of resources	Be supervised Regular disclosure Report from time to time Participate in the seminar
Shareholders/Investors 	Corporate governance Corporate behavior Risk control and compliance Return on investment in sustainability management Business and profit growth	Information disclosure Shareholders General Meeting Investor activities Survey
Suppliers/Partners 	Sustainable supply chain Transparent purchase Supplier management Conflict minerals management	Public tendering Daily communication with suppliers Supplier inspection and audit Supplier training and empowerment Survey
Customers 	Product quality Product innovation Quality services Carbon emission abatement	Online communication platform Customer complaint and call-back Customer satisfaction survey Participate in the seminar
Employees 	Protection of labor rights Health and safety Career development and training Communication and care	Labor union Safety education and drills Training Communication channels Employee activities Survey
Communities 	Climate change Carbon emission abatement Emissions management and use of resources Chemicals management Environmental protection Social responsibility	Green product design Build Green Factory Develop clean technologies Promote energy conservation and emission reduction Community communication Public welfare and charity activities

#### 4. Material Issue Identification

Based on interactive communication with various stakeholders, we sort out material issues related to the sustainable development of the Company. The Sustainable Development Center is responsible for selecting and discussing those topics.

In 2020, on the base of the existing communication channels, we published questionnaires on the sustainable development issues to stakeholders such as the Company's management, employees, key suppliers and some investors. Based on their opinions and suggestions, we explore the best way to carry out sustainable development management. Based on the evaluation results of stakeholders on sustainable development issues, the major issues matrix of the Luxshare Precision's sustainable development is determined.





# Economic Responsibility

We are looking forward to making people enjoy a better life through technology and making contributions to sustainable development globally. Our primary responsibility is to pursue stable operations through standardized governance and technological innovation on the premise of compliance with laws and regulations. We actively respond to challenges of environmental change, and create value for companies, customers, investors and other stakeholders.



98.6% of suppliers have signed integrity agreements



100% of indirect personnel completed the integrity education



The world's first Company to obtain USB4 Type-C Cable and USB4 Type-C Receptacle certification



We are committed to protecting benefits of all shareholders and assuming economic responsibilities. We have continuously optimized business scope to form a core business in connection devices and systems, with four business segments focusing on consumer electronics, medical services, automobiles, and enterprise telecom, laying a solid foundation for future development. By maintaining a right balance between rapid development and stable operation, we have continued to strengthen corporate governance by improving our governance structure; complied with business ethics and implemented codes of conduct; and increased R&D expenditures, so as to promote the realization of intelligent manufacturing and the development of the industry. We will resolutely and pragmatically forge ahead to create value, and help connect to a beautiful new future.



### Corporate Governance

- ★ Governance System
- ★ Shareholders Rights Protection
- ★ Investor Relations Management
- ★ Remuneration Disclosure
- ★ Risk Control and Compliance



### Business Ethics

- ★ Integrity Management
- ★ Intellectual Property Protection
- ★ Anti-unfairness Competition



### Industrial Development

- ★ Quality Management through whole value chains
- ★ Promote the Intelligent Manufacturing
- ★ Continue with R&D investment

## **(1) Corporate Governance**

Luxshare Precision continues to improve the Company's system, standardize the Company's production and operation, improve the corporate governance structure, and constantly raise the level of corporate governance. Meanwhile, the Company also focuses on protecting the shareholders' rights and interests and the management of investor relations, strengthens corporate governance, prevents the control of insiders and major shareholders, and continuously strengthens risk management.

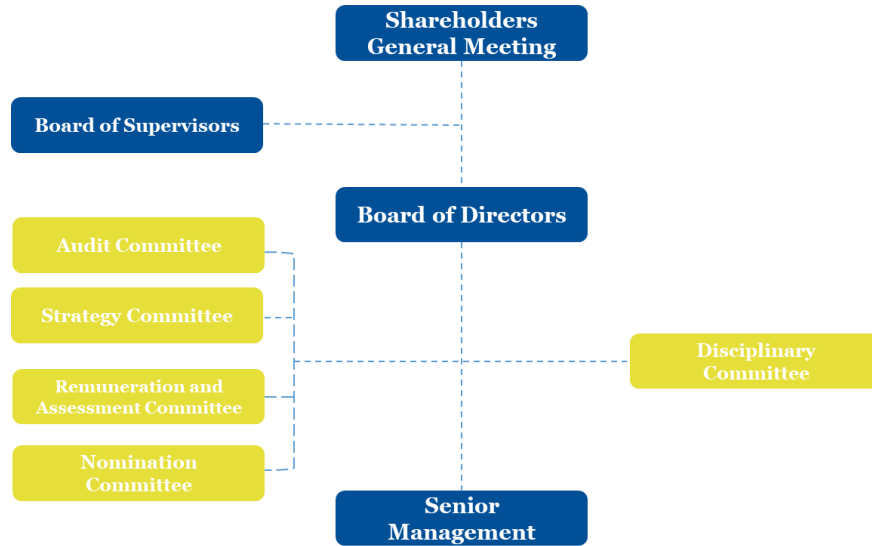
### **1. Governance System**

Luxshare Precision has formulated the *Articles of Association* in accordance with the requirements of *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Listing Rules of the Shenzhen Stock Exchange*, *Guidelines on the Articles of Association of Listed Companies*, *Governance Guidelines for Listed Companies*, *Guidelines for the Standard Operations of Listed Companies of Shenzhen Stock Exchange*, and other laws, regulations, and normative documents. The Company has established a governance system composed of shareholders general meeting, board of directors, board of supervisors and senior management. According to the *Articles of Association*, Luxshare Precision defined the responsibilities, authorities, procedures and obligations of all levels in decision-making, implementation and supervision, which formed a mechanism of coordination and balance among the authority, decision-making, supervision and management.

The Company continuously optimizes organizational structure and continuously enhances the ability of shareholders' meetings, Boards of Directors, supervisory boards and senior management to perform their duties by constructing an organizational structure and system with clear levels, clear responsibilities, checks and balances. On one hand, the improvement of the board's independence and professionalism leads to an enhancement of scientific and reasonable decision-making. On the other hand, the Company consistently promotes the authority of independent directors and supervisory boards to perform their responsibilities on supervising and balancing the management level.

The Company provides a transparent platform for independent directors and supervisory boards to supervise and balance the directors' behaviors by improving the system of external supervision and restraints. The market supervision will be introduced timely through the improvement of information disclosure, external audit, etc., the market participants can also play a supervisory role and form a constructive external restraint mechanism.





Luxshare Precision Governance System

### 1.1 Board of Directors

Directors are elected and appointed in strict accordance with the conditions and procedures as prescribed in the *Articles of Association* to ensure fair and transparent elections, and independence. The Company attaches great importance to the diversity of Board of Directors and has seven directors, three of whom are independent directors. The Board meets the regulator's requirement that at least one-third of the board members of listed companies are independent directors. With different academic backgrounds in the electronics manufacturing industry, financial management and law, the directors have been deeply involved in the corresponding fields for many years, and have gained rich working experience to ensure that they fully implement the diversity policy and optimize the Company's structure of Board of Directors. The directors have in general a term of office of three years and can be re-elected consecutively. However, independent directors shall not be in office for more than six years.

The Company cares about the interests of shareholders, adheres to scientific decision-making, and believes that a sound and effective Board of Directors is the foundation of corporate governance. Under this principle, the Company's Board of Directors has established four specialized committees<sup>1</sup> - the Audit Committee, the Remuneration and Assessment Committee, the Nomination Committee and the Strategy Committee - to assist the Board of Directors in performing their supervisory duties. In 2020, the Company's Board of Directors held 13 meetings and passed a total of 53 documents and proposals including the *Suggestive Notice of the Controlling Shareholder to Reduce the Share Interest*, *Independent Opinions of Independent Directors on Relevant Matters*, *First Quarter Report in 2020*, *Announcement on appointment of chief operating officer*, *Announcement on Progress of Outbound Investment and Related Transactions*. The proposal involved the Company's daily operations, financial information and disclosure, capital increase in subsidiaries, and the construction and implementation of internal control systems. All Directors who should be present have attended the meeting. In 2020, in accordance with the "Guidelines for the Sponsorship of Listed Companies on the Shenzhen Stock Exchange" and other provisions, the Company also received continuous

<sup>1</sup> The main responsibilities of each specialized committee and the performance of their duties in 2020 are detailed in the sustainable development section of Luxshare's official website.

supervision and training from the sponsor CITIC Securities Co., Ltd. The training, which was designed for directors, supervisors, senior executives, related personnel in securities affairs office and financial department, includes subjects related to the corporate governance, responsibilities for directors, supervisors and senior executives, prohibition of insider trading, provisions on related party transactions as well as the information disclosure for the listed companies.

## **1.2 Board of Supervisors**

The Board of Supervisors of the Company shall, in accordance with the provisions of relevant laws and regulations such as the *Company Law of the People's Republic of China*, *Guidelines for the Standard Operations of Listed Companies of Shenzhen Stock Exchange* and *the Guidelines for the Charter of Listed Companies*, earnestly perform their duties, carry out work diligently and conscientiously, and supervise the standardized operation of the Company.

To protect the rights and interests of the Company and shareholders, especially public shareholders, in the course of performing the supervisory duties, the supervisor supervises directors' performance of their duties in the Company, and may make recommendations on the removal of directors who violate laws, administrative regulations, articles of association or resolutions of the shareholders' meeting. On the other hand, the supervisor shall promptly report to the board of directors, the board of supervisors, ask the board of directors and senior management for correction, and report to the CSRC, the Office or other relevant departments for any act that the directors have caused or may cause significant losses to the Company. In addition, the supervisory board will also submit written review opinions on the periodic report, indicating whether the board of directors' preparation and examination procedures for periodic reports comply with laws, administrative regulations and the provisions of the CSRC, and whether the contents of the report can truly, accurately and completely reflect the actual situation of listed companies. In 2020, the Company's Board of Supervisors held 13 meetings, and met the requirement of *Guidelines for the Charter of Listed Companies* that indicates that Board of Supervisors must hold meeting every 6 months. The Board also passed 48 documents and proposals including *The Board of Supervisors' Opinions on the Company's First Quarter Report in 2020*, *Resolution of the 22nd Meeting of the 4th Board of Supervisors*, etc. All Supervisors required to present have attended the meeting.

## **2. Shareholders Rights Protection**

According to the *Articles of Association*, Luxshare Precision has formulated the *Rules of Procedures for the Shareholders General Meeting*. From the perspective of shareholders' rights and interests, we establish a corporate governance structure that can ensure that all shareholders fully exercise their rights and enjoy equal status, especially small and medium shareholders. As guided by the *Rules of Procedures for the Shareholders General Meeting*, before the convening of a Shareholders General Meeting, a written notice specifying the matters for deliberation, date, and venue of the meeting is sent to all registered shareholders. Shareholders (including shareholder agents) exercise their voting rights based on the number of voting shares represented, and each share is entitled to one vote. Both on-site voting and online voting are utilized for the Shareholders General Meeting in order to facilitate shareholders participation. The voting results of minority shareholders are separately disclosed in the resolution of the Shareholders General Meeting in order to fully reflect their opinions.

The two proposals including *Extending the Validity Period of the Resolutions of the Shareholders General Meeting of the Public Issuance of Convertible Corporate Bonds* and

*Submittal to the Shareholders General Meeting on Extending the Effective Period of Authorization to the Board of Directors to Handle the Company's Public Issuance of Convertible Corporate Bonds* were approved at the first Extraordinary Shareholders General Meeting held on July 27<sup>th</sup>, 2020.

To protect the rights and interests of small and medium shareholders, Luxshare Precision follows the regulations and laws of *Company Law of the People's Republic of China*, *Shenzhen Stock Exchange Stock Listing Rules*, etc., and regulated and clarified the related party transactions in the Article of Association to promote the fair competition in the market. When the general meeting of shareholders considers related transactions, related shareholders shall not participate in the voting, and the number of voting shares represented by them shall not be included in the total number of valid votes. The announcement of the resolutions of the general meeting of shareholders shall fully disclose the voting status of non-associated shareholders. The Company's related party transactions with a transaction value of more than RMB 30 million and accounting for more than 5% of the absolute value of the Company's most recent audited net assets shall be reviewed by the Company's board of directors and submitted to the Company's general meeting of shareholders for review after approval. The procedures for the withdrawal and voting of related shareholders are:

- 1) The secretary of the Company's board of directors or related shareholders or other shareholders file an application for the withdrawal of related shareholders in accordance with relevant regulations, and conduct the withdrawal;
- 2) Related shareholders shall not participate in the review of any related transactions;
- 3) When the general meeting of shareholders votes on related transactions, after deducting the number of voting shares represented by the related shareholders, the non-related shareholders attending the general meeting shall vote in accordance with the provisions of the *Articles of Association*.

In 2020, Luxshare Precision has also disclosed the announcements of *Announcement on the Estimated Daily Related Party Transactions in 2020*, *Special Audit Notes on the Occupation of Funds by Controlling Shareholders and Other Related Parties*. All shareholders can learn about related transactions, enhance the transparency of transactions, and safeguard the interests of small and medium shareholders.

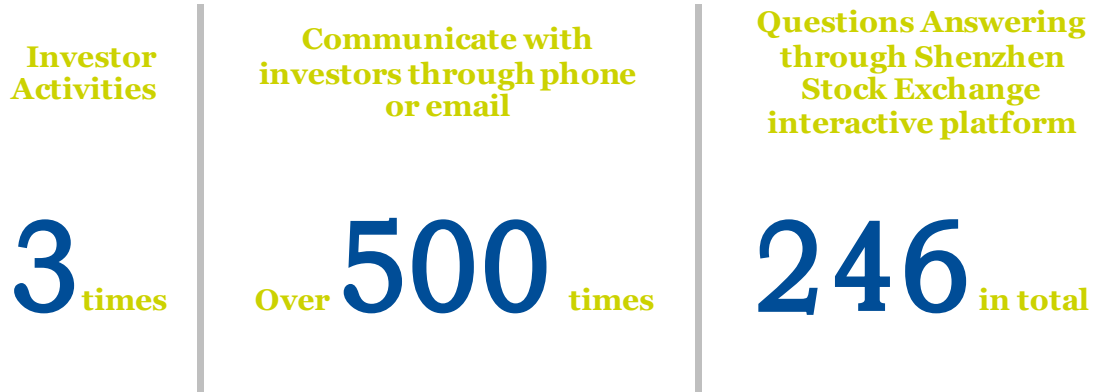
### **3. Investor Relations Management**

Luxshare Precision has established diversified and effective communication channels for domestic and foreign investors, including online interactive platform, investor hotline, regular email exchanges, online performance briefing, and on-site exchange activities. By maintaining good investor relations, investors can better understand the Company's business operations, development strategies and investment value, and therefore the interests of minority investors can be protected.

The Company is also constantly strengthening internal and external communications on sustainability matters. Internally, the Company has established a Sustainable Development Center, which can help convey information on sustainability matters throughout the Company; externally, the Office of the Secretary to the Chairman has established a communication channel for investors on sustainability matters, and carried out exchange with investors from time to time. Meanwhile, the Company has followed up on internal and external opinions and suggestions regarding sustainability matters in a timely manner, and gradually promoted the establishment of an efficient and transparent



communication mechanism. In 2020, the Company has carried out investor exchange activities in various forms to promote investor exchange and maintain investor relations.



## **4. Remuneration Disclosure**

### **4.1 Decision-making Process**

The remuneration of directors, supervisors and senior management is determined under a strict evaluation and decision process. First, the Remuneration and Assessment Committee is responsible for formulating the remuneration plan for directors, supervisors and senior management, and then the plan shall be approved by the Board of Directors and the General Meeting of Shareholders before it can be finalized and implemented. Meanwhile, as supervisory departments, the Supervisory Board and independent directors shall express their views on whether the remuneration plan is conducive to the sustainable development of the Company, and whether there are any circumstances that clearly harm the interests of the Company and all shareholders.

### **4.2 Basis for Determination**

- Basis for Determining Remuneration and Performance

Luxshare Precision advocates a value-oriented performance culture, the directors, supervisors and senior managers will be evaluated by the performance appraisal and their income is conducted in a way of “fixed salary plus short-term incentive plus long-term incentive”.

- Basis for Determining Stock Option Incentives

In addition to paying performance-based compensation and benefits, the shareholders general meeting has also reviewed and approved the stock option incentive plan to improve the long-term effective incentive and restraint mechanism, also further improve the Company's compensation appraisal system. The Company established a stock option incentive plan for directors, senior managers, middle managers and core technology (business) backbones. In order to stimulate the employees' enthusiasm and creativity, the incentive plan grants stock options to the participants, and the exercise of stock options is based on employees' performance results.

### **4.3 Assessment Management**

An effective performance appraisal mechanism is an important assurance to improve the compensation system. The Company has formulated a systematic and scientific appraisal management method to provide evaluation basis for the remuneration of directors, supervisors and senior managers. Under the delegated authority of the Board of Directors, the Remuneration and Assessment Committee is responsible for remuneration assessment and conducting the appraisal on the basis of the performance indicators set by the Company. The Committee also needs to ensure that the performance appraisal and evaluation results fully reflect employees' true performance and ability level, and ensure the transparency of the appraisal.

- Remuneration and Performance Management

Luxshare Precision also conducts year-end appraisals of directors, supervisors and senior management according to the Company's operating conditions and personal performance, and determines individual total annual income in accordance with the appraisal.

- Stock Option Incentives<sup>2</sup> Management

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<sup>2</sup> Details for Luxshare Precision Stock Options Plan is available on the Shenzhen Stock Exchange website

The appraisal content of stock option incentive plan is divided into two parts: Company performance is the first consideration. The completion of the Company's performance is the basic condition of whether the exercise of power, but also the premise of the follow-up individual performance appraisal, followed by individual performance. Each year, the Company formulates and revises the performance appraisal indicators of each position and determines weight and target value according to the importance of each performance appraisal index. On this basis, the Company conducts statistics annually for the completion of performance index and finalizes individual performance. The results of the assessment are divided into five levels, which are A+/ A/B/C/D, corresponding to different proportions of feasible rights.

For details of the Company's directors and supervisors' high salary system and equity incentives this year, please refer to the chapter on economic responsibility in the sustainable development section of the official website.

## **5. Risk Control and Compliance**

Facing the uncertain external environment, effectively identifying internal risks and perfecting corporate governance are vital for enterprises to prevent and defuse risks and continue to operate steadily. The Company continues to enhance the risk control, compliance management and internal audit to achieve the Company's sustainable development.

### **5.1 Risk Control**

In accordance with the *Basic Standards for Enterprise Internal Control* formulated by the Ministry of Finance in conjunction with China Securities Regulatory Commission, China Audit Commission, China Banking Regulatory Commission and China Insurance Regulatory Commission and our internal control policies, the Company methodically conducts comprehensive risk monitoring and prompt risk evaluation against key risks according to applicable guidelines. We ensure effective risk control through accurate risk identification and assessment, and sound risk responses. Control objectives are defined to spot internal and external risks. Qualitative and quantitative assessments are conducted to determine risk priority based on the occurrence likelihood, impact scale, risk tolerances, and pros and cons. Risk responses are thus defined to avoid, reduce, mitigate risks. The Company will further improve risk evaluation mechanisms to adapt to the business environment and development needs.

### **5.2 Compliance Management**

Compliance operation is the precondition for the long-term stable development of an enterprise, thus Luxshare Precision adheres to the governance philosophy of legal compliance, striving to create a standardized, transparent and healthy development pattern. In accordance with relevant regulatory requirements on internal control of listed companies, such as the *Basic Standards for Enterprise Internal Control*, the Company continuously improves internal management to ensure the normal and orderly operation of business activities.

- In terms of procurement, Luxshare Precision strictly regulates procurement contracts to avoid legal and commercial risks. At the same time, the Company attaches importance to supplier management as it establishes a sound mechanism for supplier development, certification, evaluation and exit, which properly ensures the stability and efficiency of the supply chain; besides, the Company checks and evaluates the weak links in the procurement process on a regular basis,

and takes effective control measures to ensure that the materials purchased can meet the needs of the Company's production and operation.

- With regard to production, the Company strictly enforces relevant quality control standards based on customer demands, stringently supervises and inspects on the whole process from products development to production, so as to effectively ensure the production of high-quality products, and avoid major quality and violation risks.
- As for sales, Luxshare Precision has established a sound management system for sales and collection, as well as a standard operating procedure to regulate sales behaviors and prevent sales risks.

Moreover, we also optimized the management of the entire process covering financial activities, asset management, R&D, budget management, etc., so as to ensure that the Company operates within a legal and compliant framework, from external operations to internal information communication.

### **5.3 Internal Audit**

In order to assure the comprehensive and correct implementation of corresponding management measures and procedures, Luxshare Precision is highly attentive to internal supervision. We established and improved the internal audit system with "exclusive responsibility, extensive coverage and prominent focus".

- **Specialized responsibility:** To further standardize internal audit and improve quality, Luxshare Precision has set up an Internal Audit Office, which is a special internal audit agency in charge of the regular supervision and inspection of the establishment and implementation of the Company's internal control system, and the authenticity and integrity of the financial information.
- **Extensive coverage:** The internal audit covers all business activities relating to financial reporting and information disclosure. Apart from R&D, procurement, sales, and asset management, it also includes those flexible activities such as organizational structure, development strategy, social responsibility, and corporate culture. Meanwhile, the Internal Audit Office can also make adjustment to the businesses that are internally audited according to the changes in the Company's operating conditions.
- **Prominent focus:** Based on our businesses, the Company conducts regular or irregular special audits on high-risk areas and matters, such as fund raising, provision of guarantees and related party transactions. Luxshare Precision attaches great importance to special audits on anti-corruption and anti-fraud. The Internal Audit Office is assigned to support the establishment and improvement of the anti-fraud mechanism, determine the key areas, key links and main contents of anti-fraud, detect and examine the possible corruption and fraud behaviors in the internal audit process.

## **(2) Business Ethics**

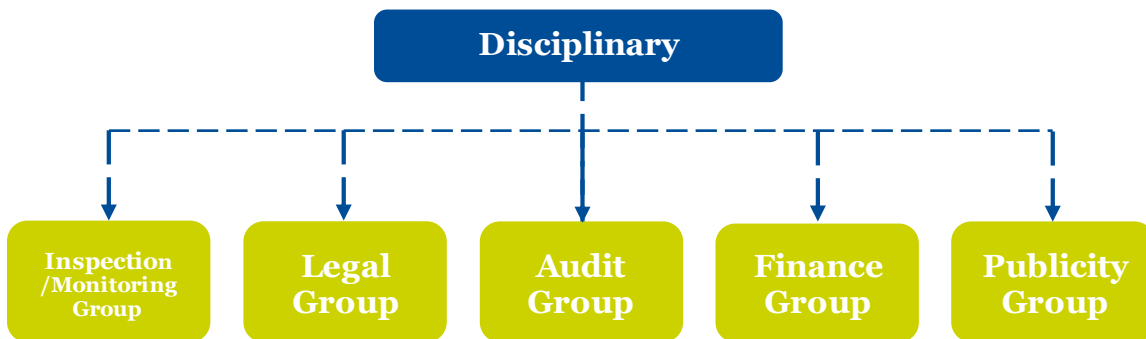
### **1. Integrity Management**

Luxshare Precision pursues the business philosophy of honesty, trustworthiness and legal compliance, and regards it as the cornerstone of our sound and long-term development. Anti-bribery and anti-corruption are not only the basic principles for building a clean and transparent commercial community, but also the internal requirements of Luxshare Precision's values and corporate culture, which also reflect the commitment of the Company's management to operate on an ethical, honest, and trustworthy basis. Luxshare



Precision is utterly opposed to bribery and corruption. We regulate the behaviors of employees and partners by formulating a series of rules and regulations such as the *Luxshare Precision Employee Manual*, the *Code of Ethical Operating Procedures*, and the *Global Code of Business Conduct and Ethics*, and it has constructed a corporate culture of "integrity and honesty, openness and fairness, reliability and compliance, probity and self-discipline".

In order to effectively promote "acting in good faith, advocating integrity and punishing corruption", the Company has set up a Discipline Committee under the Board of Directors. In accordance with relevant laws and regulations and the Company's policies, the Committee is in charge of the supervision and acceptance of complaints and whistleblower reporting relating to the violations of laws, disciplines and professional ethics, as well as the acts against the Company's interests by employees or units in Luxshare Group. The Discipline Committee directly reports to the Chairman and has the authority to conduct independent investigations and management. The Disciplinary Committee continues to strengthen the Company's anti-corruption supervision, and construct the ideological of "unwilling to corrupt, dare not to corrupt".



Note: As for the main responsibilities of each department in the Figure above, please refer to the below website:

<https://www.luxshare-ict.com/sustainability/CorporateGovernance.html>

For internal employees, the Company clearly stipulates that employees shall abide by laws and regulations and business ethics to deal with commercial gifts and hospitality when connect with customers, suppliers and partners, and shall not offer or accept any commercial gifts and hospitality beyond reasonable standards or contrary to the Company's policies. At the same time, all new hires are required to sign the *Anti-corruption Statement* and the *Employee Code of Conduct Statement*, so that they can have a clear awareness of integrity and honesty, and better understand the corporate culture. The Company has provided courses on anti-corruption for all employees; they are required to complete related courses via the internal learning platform on a quarterly basis. Those who fail to do so may be denied pay raise or promotion.

The Company has signed a *Manufacturer's Anti-corruption Statement* with all suppliers / partners, who are required to make a promise to not provide any form of corruption, bribery or other illegitimate beneficial interests transfer to Luxshare. The Company regularly releases the *Luxshare Precision Anti-corruption Notice* to representatives of partnering manufacturers and internal sales representatives, and jointly builds an honest and a clean business relationship with suppliers and partners, so as to construct a

corporate culture of honesty and integrity on a long-term basis. Meanwhile, during Annual Supplier Conference, anti-corruption is communicated to ensure that no commercial bribery occurs in our business activities in any form. As of December 31<sup>st</sup>, 2020, the number of suppliers who have signed the *Manufacturer's Anti-corruption Statement* was 9,320, accounting for 98.6% of all suppliers, which covered all core suppliers.

The Company provides special complaint reporting channels for employees, customers or suppliers, and encourages persons to whistleblower reporting of any unethical violations or behaviors. The employees who have been proved to have violated the rules will be severely punished in accordance with laws and the Company's policies; and for the partners who have been proved to have violated the rules, the Company will terminate the cooperative relationship with them, and may also investigate their corresponding legal liabilities;

If a Director, Supervisor or Senior Manager has a violation of laws and regulations while performing their official duties, the shareholders can file appeals to the People's Court when their rights and interests are infringed. If it causes any loss to the Company, they shall be liable for compensation.

The Company constantly improves the internal and external whistleblower protection mechanisms, all whistleblower reports are confidentially handled and investigated by the Company's disciplinary committee, to protect relevant source of the reporting. This requirement is also explicitly required in the *Code of Ethics Operating Procedures* to ensure that employees or stakeholders are not being retaliated for whistleblowing reporting or refusal to involve in bribery and corruption.

## Reporting Channel



**Declare Regularly:** The Company regularly conducts formal declarations. The form of declaration includes "Supplier's Voluntary Declaration", "Employee Voluntary Declaration" etc.



**Reporting Email:** [justice@luxshare-ict.com](mailto:justice@luxshare-ict.com)



**Special Line:** 0769-38800880

### Dongguan Luxshare: "Special Training on Anti-corruption"

In 2020, Dongguan Luxshare launched "Special Training on Anti-corruption" for all managers and external contacts. The training was led by the Anti-corruption Discipline Committee. By combining regulations and numerous real cases, we explained common corruption cases to employees, e.g., suppliers' illegal operations, taking "kickbacks" by taking advantage of their positions, and contracting out construction projects privately, which could make employees fully aware of the harmfulness and seriousness of duty crimes. Such practices had raised employees' attention to anti-corruption and enhanced their self-discipline, and also served as a wake-up call for them.



The Company organizes a variety of training to shape the corporate culture of integrity. We have developed special administrative measures on integrity training and assessment, and new employees shall abide by the business ethics and receive the anti-corruption training upon their joining. During the reporting period, employees including the Board of Directors, senior management, intermediate management and ordinary employees participated in the special training on business ethics and anti-corruption held by the Company, and all indirect employees<sup>3</sup> are required to complete online training on anti-corruption via the "i-school". The online training is carried out in the form of "online course plus examination", and employees are required to pass the examination with all the questions answered correctly. The year-end assessment is connected with the training results, which will directly affect their salary, benefits and promotion. In 2020, the Company carries out integrity education, covering 100% of indirect employees. The Company will continue to launch integrity training, and is committed to more business ethics and anti-corruption training at all levels.

<sup>3</sup> Direct employees are those who are engaged in production and manufacturing line operations and are directly linked to production capacity; indirect employees are those who are not directly involved in production and manufacturing, such as those who are engaged in engineering research and development, quality, project management, IT, sales, management, etc.

## **2. Intellectual Property Protection**

While stringently abiding by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other relevant laws and regulations in the countries and regions where the Company operates, Luxshare Precision formulated the *Intellectual Property Management Manual* based on our characteristics and actual conditions. We continuously enhance the intellectual property protection and the management system, so as to constantly improve intellectual property from quantity to quality and to efficiency.

The Company fully respects others' intellectual property rights and monitors the intellectual property risks of products at regular or irregular intervals. The Company will designate relevant departments to conduct patent investigations on the whole process from product R&D, project approval, design, procurement to sales, so as to effectively check and control potential risks of intellectual property infringement in the Company's operating activities; where necessary, the Company will employ external professional consultants to determine intellectual property rights risks, provide patent invalidity analysis or suggestions on design around/business model. At the same time, we highly value the self-protection of intellectual property rights. We will do our utmost and take the initiative to safeguard our rights when we encounter IPR infringements that damage the Company's legitimate rights and interests, such as counterfeit or substandard products produced, trademark infringement and malicious competition.

In order to further promote the development and implementation of intellectual property management, the Company has also set up a series of patent management knowledge courses and organized relevant training to fully enhance the intellectual property awareness of employees. In addition to course training, the Company also made full use of the form of propaganda. In the excellent case sharing meeting of R&D projects in East China plant area held this year, the Company specially assigned personnel from the intellectual property department to share the knowledge of patent management, so that the employees could better understand the importance of patents and intellectual property rights. In 2020, the Company had 225 new patents, and 2,139 valid patents in total.

## **3. Anti-unfair Competition**

Luxshare Precision has strictly observed the *Advertising Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Several Provisions on Prohibiting Infringements upon Trade Secrets* and other relevant laws and regulations in local countries and regions. On this basis, the Company improved the *Code of Ethical Operating Procedures*, which clearly stipulated that no illegal means shall be used to collect competitors' trade secrets or other confidential information, and unlawful invasion, theft, wiretapping, bribery and stealing were also prohibited. In addition, the Company attaches great importance to customer value and rights, explicitly forbidding illegal acts like publishing false or misleading advertising information or colluding with peers in pricing to disrupt market order.

## **(3) Industrial Development**

As a leading technological manufacturer, Luxshare Precision is convinced that technological innovation is the driving force for enterprise development. As a result, since listing, the Company has always regarded R&D and innovation as the top priority of corporate strategy, maintained vigorous investment in technology R&D, striven to revolutionize traditional manufacturing processes, and continuously increased automated production, so as to achieve the platform building of all precision manufacturing technologies.





## The related industry organization joined by Luxshare Precision

### 1. Quality Management Through Whole Value Chains

The Company's value and dignity are underpinned by quality. Since we established, Luxshare Precision has regarded "Quality First" as core corporate value. In addition to continuously developing a sound quality management system through scientific and effective quality management measures, we have incorporated quality assurance into the entire chain process from product design, manufacturing to inspection.

With great emphasis on product quality, the Company has created a complete and advanced NPI (New Product Introduction) management process. This process controls quality from the beginning (product development and design) and adopts the highest mass production requirement as the approval standard to move on to the next stage, thus laying a solid foundation for the smooth mass production. Over the years, the Company's steadfast insistence and meticulous work has not only achieved the sustained and rapid growth of performance, but also established the Company's core competitive advantages in quality assurance.

At present, Luxshare Precision has established the systems of ISO9001, ISO14001, and ISO45001, and all major production bases have completed or are in progress of obtaining the certification of these systems. Based on customer requirements and internal requirements, all production bases have passed certification for SONY GP (Green Partner), QC080000, the ISO50001 Energy Management System, the ISO14064 Greenhouse Gas Emission System, the IATF16949 International Standard for Automotive Quality Management Systems, and the ISO13485 Quality Management Systems for Medical Devices.

### "Quality Month" Special Event

In order to enhance employees' quality awareness in a larger scope and increase the Company's quality competitiveness, Luxshare Precision heeded the country's call positively by carrying out the "Quality Month" special event. Since the launch, each factory had performed the "Quality Month" activity in various ways, aiming for building "Quality Luxshare" brand and providing customers with quality products. Various "Quality Month" activities were like the following: Kunshan Factory held the "Quality Management Knowledge Contest" to stimulate employees' quality-mindset; Chuzhou Factory carried out the "Quality in Your Heart" hand-copied poster competition to boost employees' innovative vitality; Jiangxi Factory conducted theoretic training on "Quality, Environment, Hazardous Substances" to improve standardization and normalization of the staff by integrating theoretical study with simulation exercises. Apart from a series of special events, publications on quality could be found everywhere; each factory hung up the slogans for "Quality Month" and displayed quality knowledge and skills on the glass-fronted billboard, thus creating a favorable atmosphere where all employees would have the consciousness to improve the quality.



## 2. Promote the Intelligent Manufacturing

In Luxshare Precision, the Intelligent Manufacturing Design Center is responsible for the introduction and optimization of technologies related to intelligent manufacturing. The center currently has 800 employees working in functions, such as software development, visual development, organizational design, machining, and equipment manufacturing. High-precision design techniques, visual navigation, visual measurement, defect detection techniques, automatic data collection, cloud computing, and intelligent analysis technology have been extensively applied to develop and implement intelligent systems and high-precision equipment like big data product manufacturing analysis systems, lifecycle equipment management systems, intelligent warehousing, intelligent workshops, automated production equipment and production lines, and high-precision assembly and

machining equipment. Services are provided to industries including those of the cables, intelligent wearables, communication products, wireless charging, camera modules, acoustics, SMTs, automobiles, medical, and radio frequency, supporting the diversified and advanced development of the Group in the fields of product manufacturing and R&D.

In terms of product automation technology, the Company connects product design with automatic process design seamlessly. Based on ensuring the process capability of key stations to stay ahead in the industry, the Company introduces visual robots in all aspects for AOI automatic optical inspection, so as to realize the active and mutual cooperation and positioning between parts and fixtures. As for product quality control, the Company makes use of big data, AI technology and self-developed algorithms to feedback measurement data in real time, so that products can be provided with a reliable quality assurance and a full traceability. The Company has also introduced intelligent logistics and storage to help the factories to develop an automatic logistics production system from warehousing raw material to storing final products, and automatically connecting different production processes, so as to finally build an unmanned and intelligent factory.

## Case

### Intelligent Manufacturing System of High-Speed Cable

Luxshare Precision continues to push forward the Company's intelligent transformation, and aims to become an advocator, leader and enabler of China's intelligent transformation. This year, Luxshare placed the emphasis on building an intelligent manufacturing system of high-speed cables, which had functions like automatic dispatching tracking, real-time feedback and tracking for process production information, models and fixtures monitoring and management, equipment operation/maintenance monitoring and management, process quality monitoring and management, etc. The system can help achieve automation in intelligent scheduling, quality tracking, quality information management, terminal interaction, equipment management, data management, warehousing and logistics management, etc. To date, the system has been put into use and is constantly optimized.



### 3. Continue to R&D investment

"Innovation" is one of the eight core values of Luxshare Precision's corporate culture. The impressive achievements are inseparable from the Company's continuous practice with the spirit of innovation. Since we established, Luxshare Precision has always been technology-oriented because we firmly believe that the implementation of all far-sighted strategies is inseparably intertwined with the mastery and application of core technologies. For the years to come, Luxshare will continue to invest very heavily in technology R&D and innovation, and strive to revolutionize traditional manufacturing processes, so as to gradually transform from Made in China to Intelligent Manufacturing in China.

At present, the Company's R&D investment mainly includes two types, i.e., prior-period investment and product iterative investment. The prior-period investment mainly focuses more on the medium and long-term product and business planning of the Company, including the Company's investment in new future products and areas as well as the research expenses on underlying technologies; the product iterative investment, on the other side, is mainly about R&D investment in the process from forming concepts of new solutions and new products to transforming them to NPI. At the same time, the Company is highly attentive to the long-term efforts in underlying materials and innovative production technology. By studying in the countries and regions with advanced technologies, the R&D team learns from and explores advanced precision manufacturing technology and product applications, works together with core customers to jointly set up several advanced techniques development laboratories and develop cutting-edge technologies, such as new dispensing technology, AOI appearance inspection and laser welding. Continuous and stable investment in R&D not only enables the Company to keep ahead in the industry, but also improves ability to withstand risks in this changing macro environment, thereby laying a solid foundation for the Company's sustained and rapid development in the future.

In addition, we have invested extensive funding and resources in laboratory construction. To date, the Company has built 24 laboratories, which are mainly located in South China, East China, and Taiwan. Four laboratories have been ISO17025-certified.

#### **Case: Research Results Achieved the World's Top Professional Certification**

In 2020, Luxshare Precision made many breakthroughs in innovation and R&D, and achieved good research results once again. This can be proved by worldwide recognition and numerous global No.1 honors: in September and December 2020, Luxshare Precision was certified by the "USB Type-C Connectors and Cable Assemblies Compliance Document Revision 2.0" (newly released by the USB-IF), and obtained the test result of Global Pass, which was subsequently published on the website of Integrator List. Luxshare Precision was the first manufacturer certified by the Full-Featured USB-C Cable (USB4 Gen3) and the USB-C Receptacle Connectors (USB4™ Gen3) 40Gbps.





# Human and Social Responsibility

Talent is the core resource of Luxshare Precision. We respect employees, adhere to labor standards, and protect their legal rights and interests; we value talents, increase talents recruitment, provide diversified training opportunities, and create a broad promotion and development platform for employees; we care about employees, share the value of sustainable development with employees through a healthy and safe working environment and comprehensive welfare and care measures. We always believe that human capital development is an important cornerstone of the Company's sustainable development. Luxshare Precision has always insisted on building an organization that can attract talents and is suitable for talents growth.



The total training time for employees is 1,323,332 hours



Over RMB 184.75 million has been invested in employees' health and safety



The response rate of the Conflict Minerals questionnaire was 96.6%








Donated anti-epidemic materials and cash to all sectors of the society with a total of over RMB 17.8 million



Luxshare Precision is making every effort to create a global working environment that truly attracts global talents. We also constantly develop new products and innovate our services, thus making a positive contribution to the whole society. Upholding core values of the Company - "Pragmatism, Enterprise, Innovation, Collaboration, Integration, Gratitude and Rewards", we highly respect our employees, adhere to labor standards, and protect their legitimate rights and interests. We care for our people and share the value of sustainable development with them through establishing a healthy, safe working environment, providing a comprehensive welfare system, and carrying out different caring initiatives. We also provide various training for employees with more promotion opportunities and a broad development platform.

We deeply understand that the sustainable development of enterprises is not only to achieve their own strategic goals, but also to realize the important value of enterprise behavior to the development of partners and communities where they operate. As a responsible corporate, the compliance and sustainability of the supply chain are highly valued in Luxshare Precision. We identify and manage the impact of the supply chain on the environment and society, support the sustainable development of the communities in each operation factory, and positively fulfil our social responsibility.

We conduct internal and external audits on labor rights in accordance with the requirements of the Responsible Business Alliance (RBA), including labor rights and interests, occupational health and safety, business ethnics and other CSR risks, so that we can implement corrective action plans in a timely and effective manner. In 2020, a total of 130 Social Responsibility internal and external audits were carried out in each factory within the Group.

				
<b>Safeguard Labor Rights and Interests</b>	<b>Protection of Employees' Health and Safety</b>	<b>Valuing Employee Diversity and Individual Development</b>	<b>Establishing a Responsible Supply Chain</b>	<b>Shouldering Corporate Responsibilities Through Actions</b>
<ul style="list-style-type: none"> <li>✦ Prohibition of Child Labor</li> <li>✦ Prohibition of Discrimination, Harassment and Abuse</li> <li>✦ Prohibition of Forced Labor</li> <li>✦ Advocation of Freedom of Association and Collective Bargaining</li> </ul>	<ul style="list-style-type: none"> <li>✦ Occupational Health and Safety</li> <li>✦ Chemical Safety Management</li> <li>✦ Employees in Pandemic</li> </ul>	<ul style="list-style-type: none"> <li>✦ Diversity</li> <li>✦ Career Development and Trainings</li> <li>✦ Employee Communication and Care</li> </ul>	<ul style="list-style-type: none"> <li>✦ Social Responsibility Requirements for Suppliers</li> <li>✦ Supplier Responsibility Management Practice</li> <li>✦ Steadily Promoting Conflict Mineral Management</li> </ul>	<ul style="list-style-type: none"> <li>✦ Contributing to the Community with Our Responsibilities</li> <li>✦ Dedicated to Environmental Protection</li> </ul>



## **(1) Safeguard Labor Rights and Interests**

Luxshare Precision continuously improves the labor management system by strictly abiding by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Special Provisions on Labor Protection for Female Employees* and other laws and regulations related to employment in the local country, while making reference to the *Universal Declaration of Human Rights*, the *International Covenant on Economic, Social and Cultural Rights*, the *International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work*, the *United Nations Global Compact (UNGC)* and other global related initiatives.

Each employee is the crucial cornerstone of the Company's sustainable development. We are committed to creating an organization that attract and retain talents and is suitable for their growth. We have formulated internal policies, including the *Employee Manual*, the *Global Code of Business Conduct and Ethics*, the *Code of Ethical Operating Procedures*, and the *Human Resource Management Operating Procedures* to fully respect and safeguard the labor rights and interests of every employee, forbid any discrimination in employment, and refrain from engaging in any act or practice that ignores or infringes labor rights. Each policy and document have been translated into different languages to ensure every employee is able to accurately understand the Company's requirements for labor rights protection, no matter which country or region he/she comes from.

### **1. Prohibition of Employing Child Labor**

Child labor is strictly prohibited, and the employment of minor workers is restricted in Luxshare Precision. We have formulated the *Recruitment Management Measures*. The valid identity of applicants is reviewed and confirmed in a variety of ways during recruitment, onboarding approval, and onboarding registration to ensure that no child labor is recruited. If any child labor is found in Luxshare Precision, we will take immediately remedial measures, including immediate ceasing their work, accompanying with them to hospital for physical examinations to ensure their health, and sending them to home safety. The cost and expense shall be spent by the Company. For minor workers, we has drawn up the *Measures for the Management of Labor Assignment*, *Measures for the Management of Student Internship*, *Measures for the Management of Assignment to Various Regions*, and the *Child Laborer and Minor Worker Management Operating Procedures*, to ensure their basic rights and interests in working hours, working environment, and safety training. Minor workers are not allowed to be assigned to overtime work, night work, dangerous jobs, etc.

### **2. Prohibition of Discrimination, Harassment and Abuse**

We firmly prohibit discrimination, harassment and abuse in the workplace, as well as intimidation or coercion of employees by harsh or inhuman treatment, including but not limited to verbal abuse and harassment, psychological harassment, and mental and physical coercion. We strive to ensure that all individuals will receive honest, fair, and polite treatment in the workplace. We have zero tolerance for discrimination or harassment based on race, skin color, religious belief, gender, age, ethnicity, birthplace/residence, citizenship, physical or mental disability, medical conditions, sexual orientation, veteran status, marital status, or any other feature protected by law. Furthermore, we cherish employee diversity and provide fair employment opportunities for all applicants and promotion opportunities for employees.

### **3. Prohibition of Forced Labor**

In compliance with the relevant laws and regulations on working hours in the local countries and regions, we have clear restrictions on overtime hours. Employees are encouraged to fully enjoy a rest on non-working days, but they can also apply for overtime voluntarily if their rest can be ensured. To better control overtime work, each factory has set up an overtime warning mechanism and automatic notification mechanism to regulate employees' working hours. The overtime hours are distinguished and remarked in different colors in the application system, and the approval level will be raised if statutory overtime hours are exceeded. Moreover, for different working hours, departments and factories will receive different management reports as a reference for managing working hours. We set up a working hours inquiry system for the person in charge of working hours in each factory to check the working hours of their people, so that they can arrange the overtime reasonably. Once we find that the employee's working hours are falsified, the factory will be ordered to conduct self-inspection and reform immediately. We will conduct a comprehensive review on the working hours management system until the root cause is found. We also require the factory to propose an improvement plan, which must be implemented thereafter, so as to prevent violations from happening again.

### **4. Advocation of Freedom of Association and Collective Bargaining**

Luxshare Precision respects the freedom of association and protects labor rights. On the basis of observing laws and regulations in local countries and regions, the Company establishes management policy documents such as *the Measures for the Management of Employee Representative Election*, *the Measures for the Management of Employee Relations*, and *Freedom of Association and Collective Bargaining Management Procedure*. Each factory of Luxshare Precision has set up a Trade Union or a Congress of Workers and Staff. As clearly stipulated in the relevant administrative regulations, the union or organization shall have an equal and sincere dialogue with employees or employee representatives to ensure that workers can exercise their rights in an environment that is free from violence, pressure, fear, intimidation and threats, so that they can establish a sound, harmonious labor relationship and constructively deal with employees' point of view. The rights and interests of workers are protected at all times. They have the freedom to make friends, form and join various employee organizations (unions) without prior approval. Besides, no discrimination or retaliation shall be taken against workers who have signed contract with (or are about to sign) or joined (or are about to join) organizations similar to the Trade Union. If a breach of commitment is found, the Company shall take appropriate corrective actions promptly in accordance with the *Labor Dispute Case Operating Procedures*. We enhance employees' satisfaction at work, ensure labor security, provide professional psychological guidance, and facilitate complaint filing with the help of the Trade Union or the Congress of Workers and Staff.

#### **(2) Protect Employees' Health and Safety**

We always take employee health and safety as an important issue in our operation. In accordance with national laws and regulations as well as the requirements set by the local authorities, the Group's factories have established regulations to safeguard employees' health and safety and prevent safety incidents. Besides, they also formulate the *Measures for the Management of Emergency Prevention and the Emergency Response Plan* to improve health and safety in the workplace. By organizing regular physical examinations and holding employee health and safety training and lectures, the awareness and concept of health and safety are rooted in employees' minds.



## 1. Occupational Health and Safety

Upholding our health and safety management policy of "Disaster Prevention, Responsible Care, Legal Compliance, and Continuous Improvement", we have established a well-designed health and safety management system, and formulated a series of management policy documents to practically protect employee health and safety, such as the *EHS Management Manual*, the *Emergency Preparedness and Response Procedure*, the *Hazard Identification, Risk Assessment and Control Procedure*, the *Measures for the Management of Production Safety Responsibility*, the *Safety Protection Operating Procedures*, the *Measures for the Management of Special Operations*, the *Measures for the Management of Emergency Responses to Chemical Accidents*, the *Measures for the Management of Emergency Fire Responses*, and the *Measures for the Management of Emergency Responses to Accidental Injury*. In order to prevent occupational accidents and ensure the safety and health of our people, each factory of the Group has a responsible department taking charge of employees' health and safety management. The top executive of each department is responsible for carrying out EHS related work and conducting EHS training and publicity work for the staff in the department. As of December 31<sup>th</sup>, 2020, 65.22% of Luxshare Precision Group's factories were certified by the ISO45001 Occupational Health and Safety Management Systems, with a total of 138 ISO45001 internal and external audits being carried out. The audit remediation rate reached 100%, and we will continue to promote the system in other factories.

Employees' Health and Safety Performance	2020	2019
Certified by the ISO45001 Occupational Health and Safety Management Systems (%)	65.22	54.76
Number of Employees Taking Occupational Health Examinations (person)	20,844	11,949
Total Number of Work-related Incidents (time)	197	232
Number of Employees Suffering Work-related Injuries (person)	198	231

Based on the relevant laws the ISO45001 and Occupational Health and Safety Management Systems, the Group has formulated the *Medical Health and Occupational Disease Prevention Operational Procedures* and *EHS Operational Procedures*, etc. The third-party evaluations of occupational hazard risks have been conducted on a regular basis. The Group has also informed the factors that may cause occupational hazard to employees before signing contract or on the production factory, and provided relevant protection equipment. Employees in positions vulnerable to occupational diseases have been provided with regular occupational disease examinations. In 2020, there is no occupational disease cases occurred in Luxshare Precision.

To promptly respond to work-related injuries, the Company has introduced the *Medical Health and Occupational Disease Prevention Operational Procedures* and *Accident Report Investigation and Handling Procedures*. Work-related injury incidents are required to be immediately reported to the factory's work-related injury principal, and injured employees should be given medical care. Within 24 hours after the event, the factory, time, and description of the injuries should be given in a report to the factory's work-related injury principal. The Employee Care Center should apply for work injury

certificate and medical expense reimbursement from the local labor bureau and medical insurance bureau according to the contents of the report, with follow up actions. In 2020, Luxshare Precision underwent no major work safety incidents, and the number of employees suffering work-related fatalities was zero.

To raise awareness of occupational health and safety, Luxshare Precision promoted safety culture and implemented safety programs at each factory. In 2020, the Company continuously urged production bases to launch regular fire safety drills, chemical leakage drills, and emergency food poisoning drills according to the relevant standards. In addition, various targeted trainings on occupational health and safety were provided to convey safety culture to employees, such as occupational health and safety system training, occupational disease prevention training, workshop production safety system training, operational procedure training, work safety month, chemical and hazardous material training, and labor protection equipment training.



Fire Drills at Factories



Work-related Injuries Prevention Trainings and Health Lectures at Factories



Fire Knowledge Popularization in Fire Safety Month



## 2. Chemical Safety Management

Hazardous chemicals are one of the major sources that may potentially cause corporate safety incidents as well as personnel health and safety risks. To take control of the full process and ensure operation safety, we have introduced *Chemical Control Operating Procedures*. We conduct a thorough assessment of harmless alternatives when selecting new chemical products. All newly purchased hazardous chemicals are subject to an additional chemical assessment process such as reviewing compliance of *Chemical Substance Safety Information Sheet*, internal labor protection supplies and emergency facilities to ensure that chemicals in contact with employees are controlled at the source and that use of hazardous chemicals are avoided. All chemicals are stored and used in accordance with Material Safety Data Sheet (MSDS) and occupational health and safety protection requirements, MSDS and occupational hazard notification and safety instructions are posted, chemical management requirements are specially trained for relevant personnel, and occupational disease medical examinations are organized for those who have close contact with chemicals. Meanwhile, the factories have developed a sound chemical emergency management system, provided corresponding emergency facilities, and regularly organized chemical leakage drills. The Company had no occurrences of any chemical leakage accidents, work-related injuries and occupational disease caused by using hazardous chemicals in the year of 2020.



Chemical Leakage Drills at Factories

## 3. Employee Management in Pandemic

When COVID-19 swept over the world, Luxshare Precision made timely responses according to the *Protocol on Prevention and Control of Novel Coronavirus Pneumonia* and *Guidelines for the Prevention and Control of Novel Coronavirus Pneumonia during the Resumption of Work and Production for Public Institutions* by immediately setting up emergency prevention and control center and carrying out anti-epidemic work. We promptly made decisions in response to the epidemic and provided detailed action plans for each factory, of which emergency teams acted in line with the Group and local government's guidance, safeguarding our employees' health.

To manage work resumption, the Group formulated a series of strict epidemic prevention policies and related measures, specifying comprehensive epidemic prevention and control process for employees at home and at work. We require employees to report and monitor their personal health status timely, and provide them with sufficient anti-epidemic supplies. Personnel visiting the factory is under strict monitoring and is required to accept temperature checks and register personal information. For work and production at factories, we require employees to wear masks when entering the factories; disinfect and sterilize factories timely; and promote online meetings instead of offline meetings. We

keep track of the real-time development of COVID-19, release up-to-date notices to inform employees of real-time epidemic information and anti-epidemic knowledge for their daily life. Further, we showed our care for employees who stayed in the factories during the Spring Festival due to COVID-19.

#### Luxshare Precision Implements Comprehensive Anti-Epidemic Measures



### (3) Value Employee Diversity and Individual Development

Luxshare Precision is always devoted to improving the talent management system, pooling diversified talents and enhancing employees team building. We also pay great attention to the career development of employees, continue to lead all employees to improve their professional abilities, and provide employees with a variety of value realization channels.

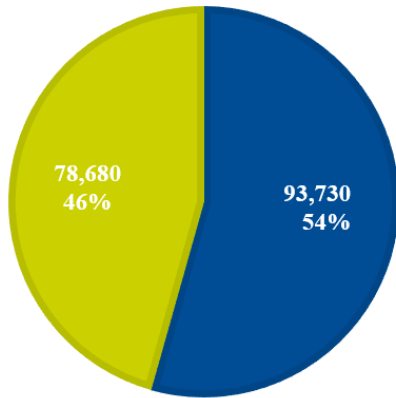
#### 1. Employee Diversity

We strive to create a harmonious and inclusive working environment where each employee is provided with sufficient development space and create an efficient and relaxing working atmosphere, allowing employees to freely live up to their best potential in the organizations. As of December 31<sup>th</sup>, 2020, Luxshare Precision has a total of 172,410 employees from 20 countries and regions worldwide. In overseas locations, we insist on giving priority to local employees, and continue to build a diverse workforce, including 47,736 overseas employees.

By gender (Person)	2020	2019	By age (Person)	2020	2019
Male	93,730	77,017	Aged 30 or below	104,029	81,904
Female	78,680	60,267	Aged 31 to 50	54,110	39,971
			Aged above 50	14,271	15,409

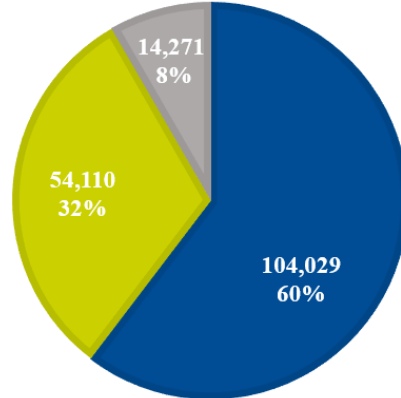
By educational background (Person)	2020	2019	By employee category (Person)	2020	2019
Bachelor's and above	9,190	7,152	Production staff	143,902	113,918
College degree holders	16,034	14,127	Marketing staff	2,300	2,279
High school, technical secondary school, and below	147,186	116,005	Technical staff	15,154	12,809
			Functional staff	11,054	8,287

**By Gender (Person)**



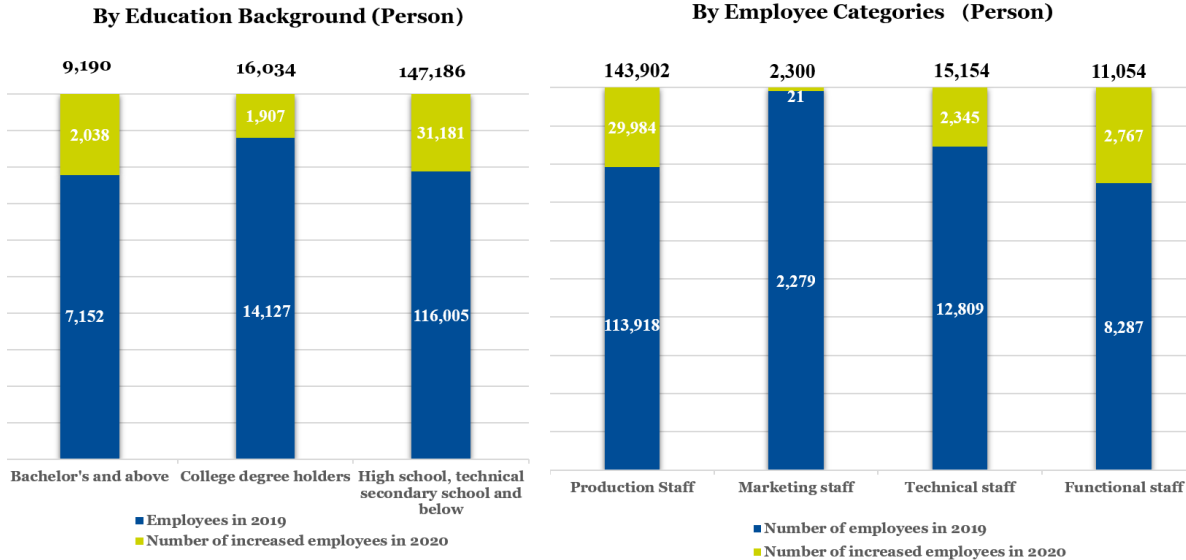
■ Male ■ Female

**By Age (Person)**



■ Aged 30 or below ■ Aged 31 to 50 ■ Aged 50 above





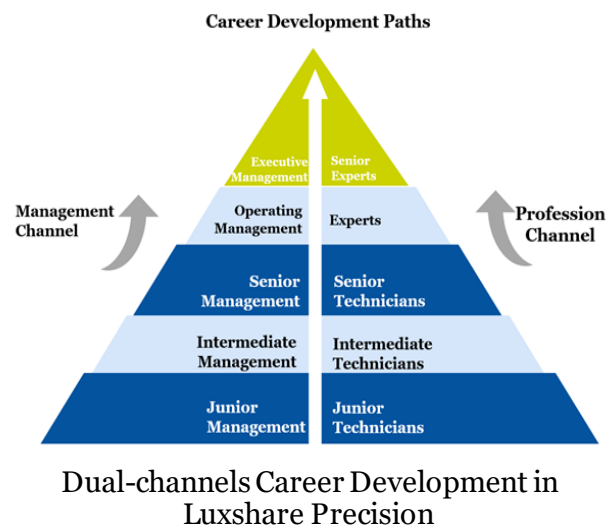
## 2. Career Development and Trainings

Luxshare Precision attracts talents through clear career development path and competitive remuneration package. We fully encourage our employees to use their expertise, help them to realize personal value, and implement monetary and non-monetary incentive plans to enhance their sense of well-being.

### 2.1 Rational Career Development Path

Through continuous optimization of career development path, Luxshare Precision is able to fuel the mutual growth of employees and the Company and help employees to realize personal value. In accordance with the *Promotion Management Measures*, the Group evaluates employees' personal abilities and annual performance, and incorporates individual overall qualities into performance dimension for comprehensive evaluation. To ensure employees are promoted in a fair and just manner, we also set up a Human Resource Appraisal Committee, a platform to deal with complaints regarding promotion decisions and discuss major disputes over employees' evaluation results.

We regularly conduct staff performance reviews each year and establish a dual-channel career development path (Management Path and Specialization Path). We grant employees the autonomy to choose single-channel vertical promotion or cross-channel horizontal development, so as to fully explore their strengths and expand their career development space. By the end of 2020, the promotion ratio in the management channel reached 43.8%, and totaling 7,962 in-service managers; the promotion ratio in the profession channel reached 29.1%, and totaling 31,862 in-service professions.



## Management Trainee Program

During the year, we launched a management trainee program for newly recruited college graduates, helping them better adapt to the job and fit in the Company. We make overall evaluation on the management trainees from capacity model building, retention system, executive coaching system, organizational incentive system and team integration mechanism.



College Graduates in Management Trainee Program

## 2.2 Sound Remuneration Management System

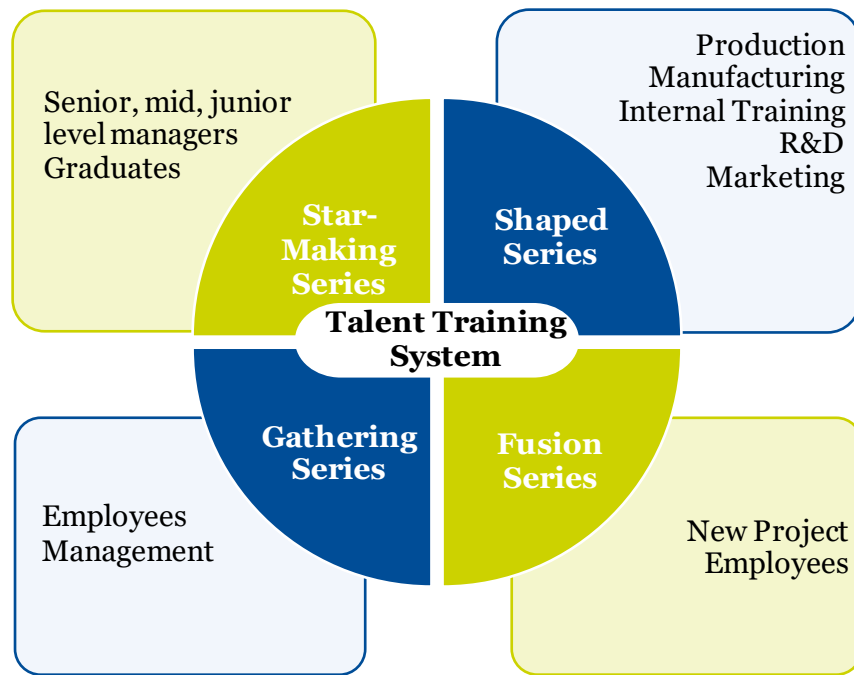
Strictly following relevant laws and regulations, Luxshare Precision formulates remuneration management measures for salary, performance bonus, year-end bonus, etc., providing employees with competitive remuneration guarantee in a rational and reasonable manner. We have a sound remuneration management system in place that provides "social insurances and housing fund" for employees and pays their salaries on time. In order to help employees better understand how their job responsibilities match with capabilities, we set up a multi-dimensional performance evaluation system (including employee self-evaluation and superior evaluation) to objectively and comprehensively evaluate employees' annual performance. Every year, the Group holds annual performance communication with employees to ensure that every one of them can obtain sufficient resources and support for his/her career development in Luxshare Precision, so as to improve and optimize their work experience. Our rich remuneration packages include year-end bonus, project bonus, equity incentive for core management, outstanding employee bonus, etc.

## 2.3 All-round Employee Training

Luxshare Precision attaches great importance to employee career planning and is committed to talent development. We have established a sound talent training system to attract and motivate more talented people, and promote the growth of employees and the Group.

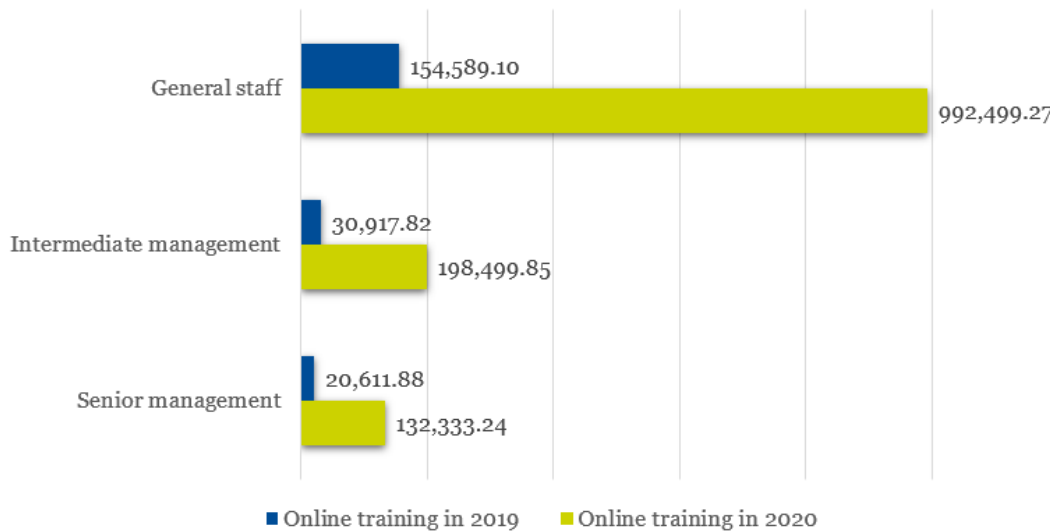
We have built a learning platform that combines online and offline trainings, with multidimensional training for different types of employees and new projects. Relying on the platform, we provide all staff with tiered targeted training, focusing on different Groups of people, different needs launched a different training series. For example, for high, middle and junior level managers and key high-potential reserve talent, we focus on "Star-Making series" training to create an efficient and dynamic team of employees. For talent in production and manufacturing, research and development technology, marketing, supply chain and other key areas, focus on the "Shaped Series" training, and continuously

improve the professional ability of employees in different positions. We also carry out school-enterprise cooperation projects to encourage employees to obtain professional qualifications of the company and the community, thereby improving the production level and social recognition of the whole Group. Meanwhile, we also strive to create a "Gathering series", set up a "Luxshare classroom" "executive forum" and other learning and exchange platforms, for excellent Luxshare people to provide a stage for self-expression, in order to create a good learning atmosphere, promote the integration and exchange of all staff. In addition, to complement the implementation of key strategies and changes in a given period of the Group, we conduct "Fusion Series" training based on business needs.



To regulate employee training management, the *Measures for Management of Educational Training*, the *Educational Training Operating Procedures*, and the *Measures for the Management of Internal Lecturers* have been formulated and updated on a regular basis, specifying training procedures during each career stage including orientation, job preparation, on-the-job training, job transfer, and promotion. Each factory has introduced the *Educational Training Management Procedures* and relevant management measures according to the Group's management norms, and factories have also released annual training plans for their factories and respective departments according to their annual development plans. The core competitiveness of employees and the Company has been enhanced to achieve the goal of mutual growth.

## Annual online training duration of employees by level (hours)



### Diversified Training Program

This year, we launched a variety of employee training programs, covering different employee groups, including but not limited to: group management cadres, internal lecturers, non HR department heads, production line leaders, etc. the training program aims to comprehensively improve the technical and management capabilities of trainees.

#### Internal Lecturers Orientation:

Facing the Group of internal lecturers, excellent students and excellent teams have been set up in the courses, and excellent lecturers have been set up in the Group's annual evaluation. At present, it has trained nearly 150 certified internal trainers for the entire group, laying a foundation for internal curriculum development and organizational experience accumulation.





### Line Leader Training:



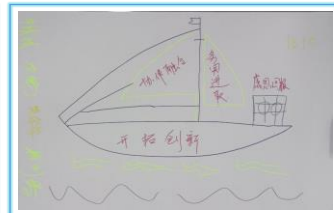
In 2020, to promote the improvement of the skills of the Group's front-line managers, the East China factory has launched a special line team leader training. The training covered a total of 409 people. The front-line managers' working mindset and methods have been improved, and the working performances have been further promoted after the training.

### Advanced Management Training:

To comprehensively improve the capabilities of the core management team, the Company continues to carry out the "Management Promotion" training program. Based on the leadership portrait design, starting from the three dimensions of management business, team building, and self-growth, the program aims to accelerate the growth of Luxshare



managers, strengthens the corporate culture of organizational talent learning and growth, and creates an echelon of high-performance management cadre.



### New Employee Orientation:

As the fresh blood of Luxshare, the Company piloted a variety of learning forms such as online learning, offline integration, scene-based video teaching, and gamification teaching to help new employees quickly understand Luxshare's culture, rules and regulations, and provide quick integration into the new environment. The platform helps newcomers to smoothly transition to the trial phase.



In order to ensure that every employee has a clear understanding of labor rights and our requirements, we provide education opportunities for employees among factories, and placing employee rights at the heart of training, familiarize them with requirements on issues like sustainable procurement, safe and environmentally friendly chemicals promotion.

### **3. Employee Communication and Care**

Luxshare Precision highly values our employees' sense of happiness and satisfaction, striving to build harmonious labor-capital relations. We listen to feedback and opinions on employees' daily life and labor rights through various channels, take timely actions to address employees' demands, trying to create a communication environment of equality and mutual trust. To create a relaxing and warm working atmosphere, we promote work-life balance through various cultural and sports activities, care for employees' children, and support for needy employees.

#### **3.1 Building a Smooth Communication Channel**

We have formulated the *Measures for the Administration of Employee Relations, the Employee Complaints and Whistleblowers Operating Procedures, the Employees Complaints Operating Procedures* and made it clear to department managers that it is the responsibility of every manager to create a harmonious employee relationship, and that any employee who is unlawful, unreasonable, or unfairly treated or finds any violation of the law or company policy may voluntarily choose to complain and communicate in real name or anonymously. In order to create a variety of employee communication and complaint channels, the Company opened an official WeChat public number, opinion box, mail, telephone and text messages, face-to-face communication and staff unions and other channels of communication and complaints. If the employee is not satisfied with the communication and the outcome of the complaint, he or she may appeal directly to the Group leadership for reconsidering of the complaint. We strictly protect our complaints employees, require departments or personnel that receive reporting information not to disclose whistle-blower information, and prohibit any form of retaliation against whistle-blowers. In 2020, there had been no human rights-related complaints and incidents of child labor and forced labor.

## Case

### *Bridge the Gap among Employees*

Luxshare Precision has set up an Employee Care Center and Care Hotline for employees to call when encountering work and life troubles, allowing them to work more positively once the issue is promptly solved. During the epidemic, we responded to and resolved a large number of employees' inquiries on anti-epidemic measures and work resumption policies through a 24-7 Care Hotline and Company WeChat, offering immediate assistance and greatly easing employees' anxiety.



Employee Care Center of Jiashan Factory



Employee Care Center Solving Issues

### Our Support to Employee Complaints (pic)

	Communication & Grievance Report	Grievance Confirmation and Review	Results Notification	Secondary appeals & Rulings
Description	<ul style="list-style-type: none"> <li>Discrimination, harassment and abuse, forced, child labor and minor protection, the rights and interests of female workers, wages and benefits and other violations of the rights and interests of employees</li> <li>Employees may voluntarily choose to communicate and complain under real names or anonymously</li> </ul>	<ul style="list-style-type: none"> <li>Confirm the details and facts of reported grievance through communication with employees</li> <li>Listen to the grievant about desired measures</li> <li>Review remedial measures according to confirmed details</li> </ul>	<ul style="list-style-type: none"> <li>Deliver results of review and gather feedback from grievant</li> <li>The grievant's personal information is strictly protected</li> </ul>	<ul style="list-style-type: none"> <li>Employees can appeal directly to Group management if they are not satisfied with the communication and the outcome of the complaint</li> <li>After the final ruling results are issued, the relevant departments or personnel make timely rectification, and make internal publicity if necessary.</li> </ul>
Time Frame	Reply within 24 hours	Process within 5 days	Complete within 7 days	

### Luxshare Precision Employee Communication Process

### 3.2 Conveying Warmth and Showing Care for People

We attach great importance to the physical and mental health of our employees, and take a number of measures to relieve their stress at work. To enrich employees' leisure life, the Group establishes employee activity center and organizes a wide range of cultural and sports activities under the premise of complying with the relevant regulations of local governments on pandemic prevention and control, such as basketball games, football matches, game contests, and singing contests. We also hold regular activities in various forms, including employee birthday parties and activities for employees' children. Mental health lectures are provided to help employees handle pressures during life and work. Through such employee activities, we show our care for employees in enriching their leisure life and enhancing their sense of belonging and team cohesion.

#### Case

##### Sport Events at Factories

To encourage our employees to enrich their spare time by taking an active part in physical exercises, we held several sport events such as basketball games, football matches and tug-of-war. By participating in such events, employees not only strengthened their physical fitness, but also enhanced the cohesion among them.



Basketball Game at Jiangxi Factory



Football Match at Vietnam Factory



Tug-of-war at Shanxi Factory

#### Case

##### Luxshare Precision Year-end Party Entertainment Activities

In order to color up employees' life, various entertainment activities were held at all factories, including singing contests, year-end party, performing arts festivals, providing platforms for employees to show talents, and facilitating a richer cultural life for employees in their spare time.



Singing Competition Held by Suzhou Meite Factory



Singing and Dancing Activities Held by Labor Union of Vietnam Factory

## Case

### Welfare Activities for Employees' Children

To enhance employees' sense of belonging, the Group organized various welfare activities for employees' children of each factory, and operated a kindergarten for employee families with special needs, thus reduced the burden on employees' lives and families.



Welfare Activities for Employees' Children

We are always committed to promoting the protection of women's rights and interests, so that they can be respected and treated fairly in the workplace. In 2020, we carried out different forms of celebrations in all factories to thank women employees for their contribution to the Company and to give them more spiritual support and encouragement.

## Case

### Lady-Goddess Day Event

On International Women's day, Luxshare precision Kunshan factory and Jinxi town Federation jointly launched the "love you like this" goddess Festival. Kunshan factory's women employees were sent with festival flowers with great warmth.



Factory "Goddesses" Receiving Flowers

To integrate employee diversity into the corporate culture, Luxshare Precision has been devoting to creating a workplace where all employees are valued and respected. This year, considering the customs and traditions of the locations where we operate, we organized caring activities of all forms to sincerely show our care for employees.



## Case

### Festival Care for Overseas Employees

In 2020, the Group launched employees caring activities for Women's Day and Mid-Autumn Festival at the Vietnam Factory, not only sending warmth and festive care to employees in overseas operating locations, but also integrating Chinese and Vietnamese culture to form a diversified and harmonious culture.



Caring Activity for Women's Day at Vietnam Factory



Caring Activity for Mid-Autumn Festival

## Case

### Support to Impoverished Employees

We have been caring about the living conditions of our employees, especially those in poverty. During the year, we sent supplies to impoverished employees, to help improve their life conditions and alleviate their burdens. Acting up to show care for families of impoverished employees, Jiangxi Factory paid visits to 61 families to learn about their living conditions, and sent supplies and cash amounting to RMB 122,000 in total.



Jiangxi Factory Supports Impoverished Employees



## (4) Establish a Responsible Supply Chain

The core of Luxshare Precision supply chain management lies in urging suppliers to manage social responsibility risks and fulfill their social responsibility. Striving to maintain mutually beneficial and win-win partnerships with our suppliers, Luxshare works together with suppliers to strengthen and improve the social responsibility management system of the supply chain, so as to ensure that the production is conducted in a socially responsible manner and achieve sustainable development of the supply chain.

### 1. Social Responsibility Requirements for Suppliers

As one of the world's leading electronic devices manufacturers, Luxshare Precision has established close relationships with quality suppliers worldwide. Our global network of supply chain requires us to take responsibilities worldwide. Luxshare treats domestic and foreign partners fairly. As for laws and regulations, all suppliers are required to abide by laws, regulations, and relevant industry standards of the countries and regions in which they operate.

Luxshare Precision strictly abides the rules and standards of RBA. Combining with corporate's situation of development, the Company has established *Code of Conduct Guarantee of the Responsible Business Alliance*, and asked all suppliers to sign on a commitment to monitor and supervise suppliers' behaviors on social responsibilities as follows:

#### Labor



- Prohibit child labor, and provide labor protection for underage workers and female employees;
- Allow employees to freely choose their profession and association;
- Prohibit discrimination against applicants or employees regarding race, ethnicities, skin color, gender, disability, pregnancy, political views, religious belief, union member and marital status;
- Treat all employees with respect and dignity, and ensure they are not subject to physical, sexual, psychological or verbal harassment; uphold the humane principle, and prohibit any insult, physical punishment, assault, illegal confiscation and imprisonment;
- Comply with laws, regulations and RBA requirements relating to the working time and break time. And allow employees to choose to work overtime voluntarily;
- Ensure that employees are paid no lower than the local minimum pay standard, calculate and pay salaries as stipulated by the law and make no punitive deduction; provide employees with paid-leave, statutory holidays, sick leave, maternity leave and social insurance as required by the law.

## Code of Ethics



- Prohibit all employees and management from taking or receiving kickbacks, bribes, commissions or other illegal remunerations;
- Disclose information on business activities, structure, financial position and performance in accordance with applicable laws and regulations;
- Protect intellectual property of the Company and our customers;
- Prohibit false or misleading advertisements, and comply with laws and regulations on fair business and advertisements;
- Provide channels for employees to report suspected ethical misconduct and keep information of whistle-blowers confidential.

## Environment



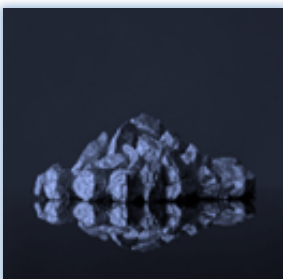
- Comply with policies and standards of national and regional government laws/regulations regarding identification, evaluation, declaration, storage, and discharge permits of wastewater, gas, solid waste, hazardous waste, noise and other substance affecting the environment;
- Reduce consumption and emission of water, electricity, paper, materials, fuel and other resources by adopting systematic methods;
- Ensure that no hazardous substance prohibited or controlled by laws, regulations, industries and customers is used in goods or services of the Company.

## Occupational Safety and Health



- Provide a safe and healthy working environment for employees through effective identification, evaluation and control of hidden safety hazards;
- Provide safe, clean food and drinking water for employees;
- Provide sufficient and qualified sanitary and social facilities for employees;
- Provide suitable accommodation for employees to come and go as they please.

## Conflict Mines



- Guarantee the sourcing of gold (Au), tantalum (Ta), tungsten (W) and tin (Sn) are from lawful mines.

## **2. Supplier Responsibility Management Practice**

Luxshare Precision actively pushes the building and improving of social responsibility management system of supply chains, and controls each phase from supplier development, qualification evaluation, performance appraisal to subsequent development, so as to ensure that suppliers act in line with our social responsibility requirements. Pursuant to the *Suppliers Management Operating Procedures* formed by the Company, social responsibility management process of suppliers is divided into four phases, i.e. basic entry, risk assessment, audit and inspection and continuous improvement, in order to ensure effective practice of responsible supply chain management.

### **2.1 Basic Entry**

Quality is the fundamental requirement for us to choose partners. To secure the quality of our products and services and effectively safeguard customers' legitimate rights and interests, we require suppliers to obtain a quality certification such as the ISO9001, IATF16949, ISO13485, TL9000, QCo80000, SONYGP, or other equivalent third-party quality system certificate. As a responsible Company, Luxshare fully considers social responsibility and environmental benefits, and gives priorities to suppliers that actively undertake social responsibilities so that our products and services can achieve a balanced economic and environmental benefits. As such, suppliers with certification of the ISO14001, OHSAS18001, SA8000, RBA-VAP, or other third-party SER would be our preferred partners.

### **2.2 Risk Assessment**

Risk assessment on new suppliers is an important step in our supplier management system. Identifying the production capacity and social responsibility risks of new suppliers is conducive for us to develop long-term and efficient partnerships and ensure effective practice of sustainable management of the supply chain. Suppliers that meet the threshold criteria must provide a completed *Supplier Information Survey Form*, *Materials and Finished Products Restricted Substance Management Specification*, *Environmental Statement*, *Social Responsibility Code of Conduct Statement*, *Quality Contract* and *Supplementary Agreement*, *Terrorism Prevention Agreement*, *Non-Disclosure Agreement*, *Manufacturer's Letter of Commitment of Honesty and Integrity*, *Statement of Non-Infringement*, and other sealed documents to make sure that new suppliers are aware of, and actually follow our responsible supplier management standards. In addition, new suppliers shall also fill out self-assessment forms such as the *New Supplier Audit Report* and *SER Comprehensive Audit Checklist* for subsequent risk assessment. Based on the basic information and self-assessment forms submitted by suppliers, our specialized audit team then conduct a comprehensive social and environmental responsibility risk assessment on suppliers' quality, services, environmental protection, and the SER to ensure that new suppliers meet the compliance requirements of supply chains operation.

### **2.3 Audit and Inspection**

To ensure the sustainable development of supply chains, Luxshare will keep track of qualified suppliers to evaluate whether they always meet our compliance requirements. The Company regularly releases the *Quarterly Supplier Evaluation Form* for departments of Quality Control, Strategic Buying, Business Buying and Component Engineering to jointly conduct performance evaluations on qualified suppliers regarding their quality, delivery, price, technology, social environmental responsibility, etc. Suppliers are graded into four classes: Class A, B, C, and D, in descending order of scores. We have zero tolerance for environmental pollution and lack of integrity, suppliers identified with

environmental abnormalities or integrity issues will be directly rated as D and are required to rectify and solve such environmental protection issues within 3 months.

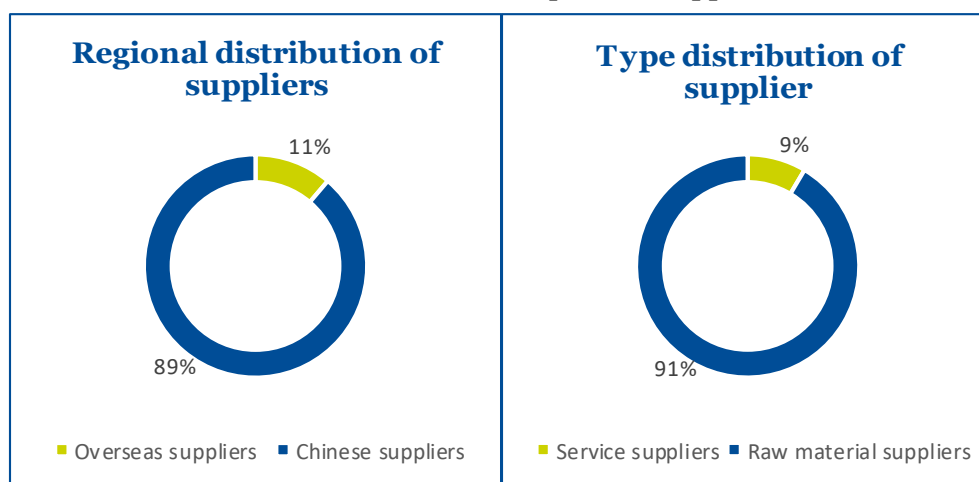
In 2020, the Company conducted sustainability assessments on 2,608 core suppliers. The details are as follows:

Audit forms	Number of audits	Audit coverage rate
Document audits	Once per year	100%
Field or online audits	Once per year	78%

## 2.4 Continuous Improvement

Based on the audit results of suppliers' performance, Luxshare analyses the direction for suppliers to make continuous improvement, and helps to enhance suppliers' social responsibility awareness and management capabilities, working together to establish responsible supply chains. For high-performing suppliers in the evaluation, we will consider increasing purchase orders, offering priority orders or long-term contracts, granting preferential payment terms or reducing future costs and other performance incentives; for low-performing suppliers in the evaluation, we will urge them to make improvements by a series of measures including: offering system improvement report and inviting senior management of suppliers to the Company for reviews. Meanwhile, the Company provides suppliers with guidance in many forms to help them meet the requirements of Luxshare and customers. If the supplier refuses to cooperate or fails to meet our requirements within the specified time, we will consider reducing orders or even terminating the partnership.

As of December 31<sup>th</sup>, 2020, the total number of qualified suppliers was 9,455<sup>4</sup>.



The Company adheres to the joint development with suppliers, besides annual evaluation of suppliers and performance appraisal, we also strive to work with suppliers to carry out capacity-building, improve supplier quality, social responsibility and other aspects of management capabilities, to create a high-quality supply chain. In 2020, the Company

<sup>4</sup> The statistical caliber of suppliers in 2020 has changed. The raw and auxiliary materials and packaging materials are merged into raw and auxiliary materials. Meanwhile we have a systematic updated to eliminate long-term non cooperative suppliers and one-time procurement suppliers.



organized 3 training orientations for the suppliers and there were total of 1,662 suppliers participated in these orientations.

### **3. Steadily Promoting Conflict Mineral Management**

As human rights and environmental issues in mineral procurement are drawing increasing attention from society, Luxshare Precision, a responsible Company, firmly responds to the call of international community, actively assumes corporate social responsibilities and promotes responsible mineral procurement.

#### **3.1 Management Policies**

Luxshare Precision follows the RMI, the United Nations and OECD's *Guidelines for Responsible Supply Chain Responsibility for Minerals in Conflict-Affected and High-Risk Areas*. The Company and all suppliers and outsourcers only purchase from the RMI, LBMA or the Responsible Jewelry Committee approved or certified smelters and refineries. We do not purchase and support areas affected by armed conflict, and ensure all suppliers adopts responsible practices in purchasing minerals, respecting the human rights and environment in conflict areas.

#### **3.2 Management System**

In accordance with the requirements of the Responsible Business Alliance (RBA), Luxshare Precision has formulated the *Measures for the Management of Conflict Minerals*, and established a sound management system for conflict minerals. Through the management process of "commitments, due diligence, risk control and internal training", we conduct supply chain investigations to effectively enhance risk control capabilities and strengthen the management of conflict minerals.

##### **(1) Commitments**

All suppliers must sign the *Social Responsibility Code of Conduct Statement* (including conflict minerals policies) when entering into partnership agreement with us. Suppliers are required to purchase raw materials only from environmentally and socially responsible suppliers, and to purchase metals from smelters and refineries certified and confirmed by the RMI, LBMA or Responsible Jewelry Committee. Smelters and refineries that are not certified by the RMAP or are not compliant with customer requirements must be removed from the supply chain, in order to ensure that these minerals will not directly or indirectly provide funds or bring benefits to armed groups violating human rights in Congo and other politically unstable areas.

##### **(2) Due Diligence**

Luxshare conducts a survey on suppliers' conflict minerals at least once a year, and has set a target reply rate of no less than 90%. Class A & B suppliers must reply to the survey to maintain their standing. Suppliers must complete the conflict mineral survey sheet to confirm the country of origin for the tin, tantalum, tungsten, gold, and cobalt used by their smelters and refineries, and suppliers. The Company will verify and confirm the conflict mineral survey sheet submitted by suppliers to evaluate whether origins of raw materials meet requirements, and compile the results into the *Luxshare Precision CMRT Survey* which will be provided to customers upon request. Luxshare will follow up on suppliers that have not made responses. If the suppliers fail to give a reply or sign the *Guarantee of Non-Use of Conflict Minerals*, they will be graded as Class C & D suppliers, and any new collaboration will cease. In 2020, we sent out questionnaires on conflict minerals to 2,756 suppliers, with 2,662 replies, representing a reply rate of 96.6%.

## (5) Shoulder Corporate Responsibilities Through Actions

As a responsible listed Company, Luxshare Precision has been proactively fulfilling corporate responsibilities. Through continuous cooperation with stakeholders and diversified public welfare activities, we support the development of local community where we operate, and build a harmonious and mutual-trust relationship.

### 1. Contributing to the Community with Our Responsibilities

We actively organize volunteer activities to help fight the epidemic and contribute positively to building a better society. In 2020, the Group donated about RMB 17.8 million to the Red Cross and the government's epidemic prevention and control departments, including cash, masks, medical equipment and other related epidemic prevention materials and living materials, and actively participated in the fight against the epidemic. The factories in Vietnam donated about RMB 910 thousand to the Bac Giang province's authority in Vietnam, including masks, medical equipment and other related epidemic prevention materials, to help people who live around our oversea operation location fight the epidemic.

#### Case

#### Fulfilling Corporate Responsibilities

Luxshare Precision has been implementing social responsibilities and carrying out public welfare activities to contribute to the community. In 2020, we carried out numerous corporate responsibility activities such as the Care for the Senior on the Double Ninth Festival and the Voluntary Blood Donation, delivering our care to the local community while enriching employees' spare-time life.

Fulfillment of corporate responsibilities in overseas locations where we operate is also our concerns. This year, our donations of cash and medical devices to fight against the epidemic and donations for flood relief and poverty alleviation were successively awarded by the People's Committee and the Fatherland Front Committee of Tỉnh Bắc Giang, Vietnam, in recognition of our outstanding contributions to the local community.



Kunshan Lanto Electronic's Care for the Senior on the Double Ninth Festival



Dongguan Xuntao's Voluntary Blood Donation



Enshi Luxshare's Sympathies for Underprivileged Rural Families



Our Contributions to the Epidemic Prevention and Control in Tỉnh Bắc Giang, Vietnam

## Case

### Assisting Farmers

On March 17<sup>th</sup>, knowing that sales of vegetables grown by farmers were restricted during the lockdowns and that Kunshan Factory was in need of a mass of vegetables for daily meals for employees, the Factory, together with the Jinxi Trade Union, launched the activity of "Assisting Farmers" and purchased about 100 tons of vegetables, effectively solving the problem of vegetable overstock and staff dining.



## 2. Dedicated to Community Environmental Protection

Through cooperation with local governments and regional organizations, we exert positive and lasting impact on the local community where we operate. This year, we took the lead to proactively participate in community environmental protection.

## Case

### "Village-Corporate Cooperation" in Environmental Improvement

On December 3<sup>rd</sup>, 2020, in order to build a beautiful village and favorable residential environment, Luxshare Precision Kunshan Factory worked together with Weixing Village of Jinxi Town to launch the activity of "Village-Corporate Cooperation" in Environmental Improvement - "Joint Efforts in Environmental Improvement", with 20 participants involved. Through the activity, local environment was improved and so was our employees' sense of social responsibility.



### Factory Greening

In 2020, in order to maintain a green environment and enhance employees' senses of belonging and responsibility, Huizhou Merry Factory conducted greening. All departments of the Factory, based on the designated responsible area for greening, carried out multiple tree care and weeding activities around the Factory.



# Environmental Responsibility

We fully aware that while designing and manufacturing products, we also shoulder the great responsibility of protecting the Earth and responding to climate change. As a responsible Company, we adhere to the corporate environmental management policy of "full participation, prevention of pollution, and provision of green products that meet environmental protection requirements; clean production, continuous waste reduction, and operation of a green enterprise that meets regulatory requirements", and formulate an environmental management system that meets the requirements of local environmental protection. Together with industry partners, we will continue to improve the level of chemical management, provide customers with green and environmental friendly products through technological innovation, and help the development of low-carbon economy.



5 national or provincial green factories  
1 selected as a national green product



Carbon emission density 5.92 tons/million sales revenue



Investment in energy saving and emission reduction exceeded RMB 12 million



190 restricted substances identified





It is a shared goal for China and beyond to respond to challenges arising from climate change and accelerate the shift to a low-carbon economy. In 2020, President Xi Jinping stated at the General Debate of the 75<sup>th</sup> Session of the United Nations General Assembly that by adopting more vigorous policies and measures China would scale up Intended Nationally Determined Contributions. China also aimed to have CO<sub>2</sub> emissions peak before 2030 and achieve carbon neutrality before 2060. We are fully aware of our great responsibility in response to climate change in product design and manufacturing. As a responsible Company, we adhere to the corporate environmental management policy of "Total Involvement, Pollution Control, and Supply of Environmentally-Compliant Products, Clean Production, Keeping Waste Reduction, and Environmentally-Compliant Operation", to effectively integrate environmental protection and climate change into our production and operations.

Luxshare Precision is committed to the "30 • 60" Carbon Neutrality Target. Following the four concepts of actively respond to the climate change, create "green factories", consist a safe, environment-friendly and transparent chemical management, as well as taking the initiative to practice environmental protection, we promote positively to develop and manufacture environment-friendly products and implement various environmental protection measures to prevent hazardous substances from our value chains and seek for safer chemical substitutes to effectively reduce the environmental load. By means of environmental management technical renovation and product life cycle management, we reduce our impact on the environment, and contribute to the green development with actions.



### Tackling Climate Change

- ★ Empowering Green Products with the Low-carbon Concept
- ★ Promoting Green Energy Practices
- ★ Improving Energy Efficiency
- ★ Reducing Factories' Carbon Emissions



### Green Operation of Factory

- ★ Valuing Water Resources
- ★ Conducting Waste Management above the Bottom Line
- ★ Minimizing the Impact of Waste Gas, Wastewater and Noise on the Mankind and the Environment



### Safe, Green and Transparent Chemical Management

- ★ Strict Identification and Testing
- ★ Responsible Manufacturing and Delivery

## (1) Tackle Climate Change

Today, the unsustainable manufacturing and lifestyle have imposed negative impacts on the environment, such as worsening climate change, accelerating exhaustion of resources and energy and increasingly frequent occurrence of extreme weather. However, we are deeply aware that corporate development shall not come at the cost of destroying the natural environment, instead we should assume environmental responsibilities to protect the global sustainable future. The Group has set the carbon reduction target: we are committed to reducing carbon intensity by 40% in 2025 compared to that in 2017. For this purpose, we will take effective measures to reduce factories' carbon emissions, promote green energy practices, improve energy efficiency, and explore low-carbon green products in active response to the impact of climate change.

### 1. Empowering Green Products with The Low-carbon Concept

As an important bridge between raw materials and finished products, we are deeply aware that more low-carbon, recyclable and efficient products are conducive to "cooling down" the planet. Starting from the product life cycle such as raw material procurement, product research and development, manufacturing, transportation, usage and disposal, we are dedicated to minimizing negative impacts of our products on the mankind and the environment, improving product efficiency, and enhancing the product recyclability. In the future, the Group will apply for more green product certifications and put more efforts in green product research, development and innovation.

In accordance with the *General Principles and Requirements of Eco-Design for Products* (GB/T 24256-2009), the *General Principles for Eco-Design Product Assessment* (GB/T 32161-2015), the *Technical Specifications for Green-Design Product Assessment, the Environmental Management - Life Cycle Assessment - Principles and Frameworks* (GB/T 24040-2008), the *Environmental Management — Life Cycle Assessment — Principles and Framework* (ISO 14040:2006) and other relevant standards, the Group has formulated the General Principles of Eco-Design for Products and the Assessment Indicator System of Eco-Design for Products, to guide product research and development and evaluate product information such as the natural resource usage, energy consumption and chemical content in a more scientific manner.

#### Case

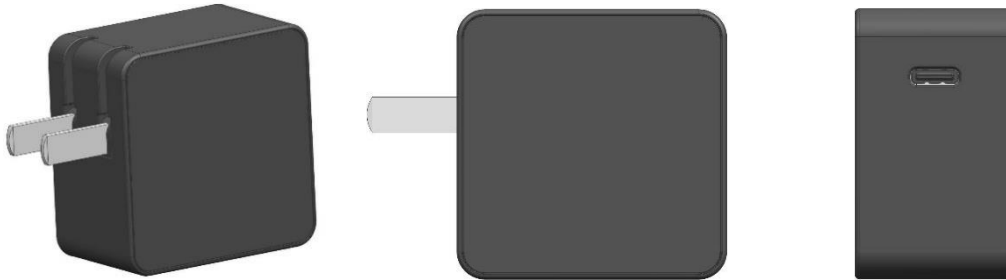
##### High-Speed VR Cables

In 2020, Huzhou Factory independently designed and developed a green product - High-Speed VR Cables. The factory has fully taken into account the independence and recyclability of the cables as an accessory during the product design. Recyclable materials are used for the cables as much as possible. Copper is the main raw material, as it has relatively high recyclability and renewability rates - more than 95% (inclusive) and 80% (inclusive) respectively. In product manufacturing, carbon emissions mainly derive from energy usage, manufacturing processes and waste disposal (including wastewater, solid wastes and waste gas). Packaging materials used from production to delivery include cartons + PE bags, with the recyclability and renewability rates of the cartons more than 80% (inclusive) and 70% (inclusive) respectively. Throughout the product life cycle including obtaining raw materials, manufacturing, logistics, usage and waste disposal, our carbon emissions are calculated as about 220kg CO<sub>2</sub>/km of the cable.

## Case

### 65W GaN Chargers

In order to integrate the concept of green manufacturing into product research and development, the Company has self-developed 65W GaN chargers based on the design concept of light weight, high efficiency and low energy consumption. Compared with traditional chargers, our chargers use 41.8% fewer plastics, being more compact and lightweight. Meanwhile, the efficiency of our chargers is 1.4% higher than that of traditional ones. On the assumption that they are used for 8 hours a day, our chargers could save 2.9 million KWh each year, equivalent to CO<sub>2</sub> emissions reduction by 2,900 tons.



## Case

### Smart Loopback Series Products

In response to low efficiency and heavy weight of traditional exchanges, a core device in data centers, during the data communication testing before delivery, we have designed and developed Smart Loopback series products-a more lightweight and efficient access exchanger for data centers, with a lower cost. As our products cover most of terminal devices, one of our products is sufficient for the testing which previously requires coordination among multiple traditional exchangers, greatly reducing the use of metal materials such as copper cables and optical modules, compared with traditional ones.



## 2. Promoting Green Energy Practices

We have been putting more efforts in renewable energy sources, to provide the community with green energy sources by further expanding self-built photovoltaic projects and purchasing green electric power. We are endeavoring to resolve environmental problems by shifting from fossil fuels to renewable energy sources.

### 2.1 Integrating Solar Energy into Daily Operations

In order to accelerate the adoption of renewable energy sources, we strive to spread solar photovoltaic panels throughout our factories, ensuring a continuous and stable clean power for daily operations. Meanwhile, we have been committed to improving the generating efficiency of the photovoltaic systems, making photovoltaic power as the main power source. Luxshare Kunshan Lanto and Luxshare Electronic independently introduced photovoltaic power stations, which were connected to the state grid in July 2019 and June 2020. Luxshare Electronic Technology (Kunshan) Co., Ltd Photovoltaic Project has reached an annual generating capacity of 4,300 MWh, equivalent to CO<sub>2</sub> emissions reduction by approximately 2,535.07 tons. Lanto Electronic Limited Photovoltaic Project has reached an annual generating capacity of 1,200 MWh, equivalent to CO<sub>2</sub> emissions reduction by approximately 707.46 tons. In the future, the Group will further invest and expand the installation of photovoltaic projects in multiple plants in China and overseas.



Lanto Electronic Limited  
Photovoltaic Project

Project power generation: 4,300 MW  
Exchanging to the carbon reduction: 2,535.07  
tons

Lanto Electronic  
Photovoltaic Project

Project power generation: 1,200 MW  
Exchanging to the carbon reduction: 707.46  
tons

### 2.2 Purchasing Green Power

Luxshare Precision proactively purchases green power as a substitute for traditional energy sources, speeding up the transformation to a green and low-carbon economy, and moving towards carbon neutrality. In 2020, Luxshare Precision Kunshan Factory, Baoding Factory and Huzhou Factory purchased a total of 152,415.51 MWh of green power, equivalent to CO<sub>2</sub> emissions reduction by approximately 90,038.42 tons. In the future, the Group will further actively seek green power purchase.





Kunshan Factory's I-REC Certificate upon the Procurement of Wind Power of 150,000 MWh

### 3. Improving Energy Efficiency

Through a series of means such as equipment optimization, investment in high-efficiency equipment, construction of energy management system, implementation of energy-saving technical transformation, we made the increase of greenhouse gas emissions controllable. In 2020, the Group invested more than RMB 12 million in energy-saving technical renovation projects, saving 26,150 MWh in energy consumption.

Furthermore, for the better management of all factories' energy efficiency, we have formulated a series of management regulations such as the *Control Procedures for Energy Management and Planning*, the *Measures for the Management of Energy Conservation and Emission Reduction*, the *Control Procedures for Energy Conservation and Consumption Reduction* and the *Control Procedures for Energy Assessment*. Under the guidance of the *Control Procedures for Reward and Punishment of Energy Conservation Assessment*, we encourage and urge all factories to work on energy conservation and emission reduction and improve energy efficiency.

#### Vigorously Conducting Energy-Saving Technical Renovation

In order to implement the green concept of energy conservation and emission reduction, the Company actively supports the equipment upgrade and renovation in all factories. This year, the hot water system in the living area was upgraded in East China Factory. Through recovering the excess heat from air compressors during production and storing it in an insulation box for heating water in the living area, instead of using air source heat pumps only for heating, we saved energy sources and improved energy efficiency to a great extent. In addition, technical optimization was carried out for the air handling unit (AHU) of the 1000-class dust free room. We connected the pipeline of waste heat recovery tanks of air compressors to the AHU, thus getting rid of power consumption-based heating. After the optimization, the Factory can reduce annual power consumption by 30.7 MWh or 65.08%.

Meanwhile, in order to ensure the effective implementation of energy management and energy conservation and emission reduction policies, the Group's factories have actively participated in the certification for ISO50001 Energy Management System. In the future, other factories will also be included.



Optimization of 1000 Class Clean Room Air Conditioning (AHU) System

#### 4. Reducing Factories' Carbon Emissions

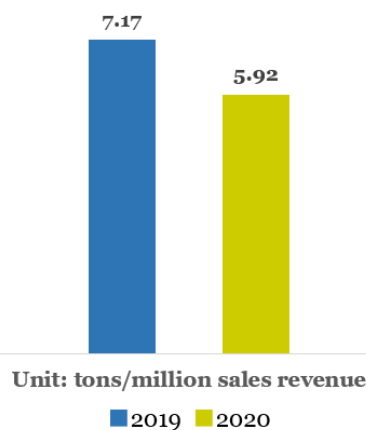
We have embraced the green sustainable development philosophy, continuously innovating and practicing carbon reduction in terms of management and technologies to realize green and low-carbon operations. Furthermore, we have been focusing on carbon emissions reduction in our daily operations, including facilities, research and development labs, manufacturing processes and other aspects, to practice a high-efficiency and low-emission business model and build a sustainable and green ecosystem.

In 2020, the total Greenhouse gas emissions from Luxshare Precision's factories are 547,715.32 tons, a year-on-year increase of 22.25%. Meanwhile, the Greenhouse gas emission density was 5.92 tons per million sale revenue, which has decreased by 17.43% compared to that in 2019. The Scope 3 carbon emissions were also identified to control carbon emissions from logistics by adjusting logistics routes in all factories and improving the transportation efficiency. In the future, we will continue to integrate energy-saving technical renovation with clean production, and consider introducing internal carbon pricing to further support factories' carbon emissions reduction.

Total greenhouse emissions  
(Scope 1 and Scope 2)



Greenhouse gas emission  
intensity(Scope 1 and Scope 2)



In order to conduct a clearer and more transparent environmental data communication with the shareholders, we have voluntarily submitted the CDP Climate Change Questionnaire and achieved good scores. Besides, we will also consider introducing a third-party review or other best practice to ensure efficient implementation of information transparency and disclosure.

## (2) Build Green Factory

Luxshare Precision makes every effort to construct green factories centering on "valuing water resources", "conducting waste management above the bottom line", and "minimizing the impact of waste gas, wastewater and noise on the man-kind and the environment". For this purpose, Luxshare Precision conducts daily operations in a sustainable manner, actively improves all factories' water efficiency, seeks for alternative water resources and discloses water footprint. Meanwhile, the Company takes the compliant waste management as the bottom line, and works towards zero-landfill. Furthermore, we conduct strict assessment for and control over the negative impact of waste gas, wastewater and noise.

In 2020, 63.04% of the Group's factories passed the certification for ISO14001 Environmental Management System and 172 internal and external audits were carried out, with the audit improvement rate of 100%, and we will continue to promote the system in other factories.

As at December 31<sup>st</sup>, 2020, five factories of the Group were awarded as a "Green Factory" at the national or provincial levels. In the future, we will work to empower more factories of the Group to apply for the "Green Factory" award.

Luxshare Precision's Green Factory Awards:

Factory	Award	Awarded Year
Bozhou Lanto Electronic Limited	National Green Factory	2018
Bosuo Technology (Jiangxi) Co., Ltd.	Green Factory of Jiangxi Province	2019
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Green Factory of Jiangsu Province	2020
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Green Factory of Jiangxi Province	2020
Huzhou Jiuding Electronic Co., Ltd.	Green Factory of Zhejiang Province	2020

**Jiangxi Luxshare Intelligent Manufacture Co., Ltd. Selected as The Provincial Green Factory**

Jiangxi Luxshare Intelligent Manufacture Co., Ltd. established a cross-department green factory structure, organized a Green Committee and a Green Factory Management Office and specified system construction, implementation methods, and management assessment policies regarding green factory. In addition, it carried out multi-level management aiming at the construction of a green factory, including infrastructures, management systems, energy and resource inputs, environment and emissions, products and green procurement.

For instance, in order to reduce the use of raw materials, it recycled PVC from secondary materials in the emission reductions renovation project; it recycled waste heat from air compressors in the energy-saving technical renovation project; and suppliers are required to make commitments that the hazardous substances they supply are up to relevant standards. Meanwhile, employees' awareness and knowledge of green manufacturing were raised through the training program for green factory construction.



Jiangxi Luxshare Intelligent Manufacture Co., Ltd.



## 1. Valuing Water Resources

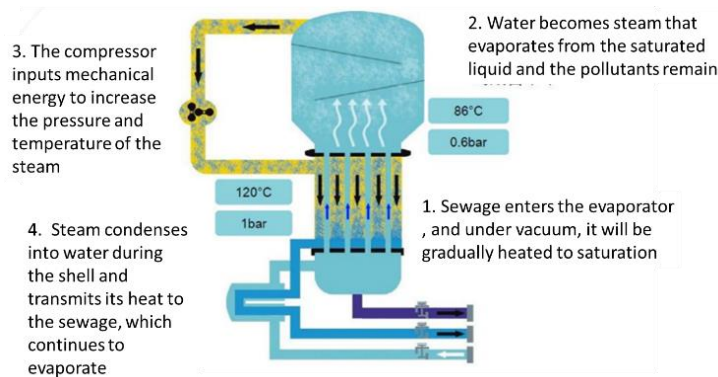
Luxshare Precision not only highlights water resources in daily production and operations, but has also been committed to identifying, managing and monitoring enterprise-level water crisis. In 2020, water consumption of the Group's factories is 5,049,275.65 tons.

Whether it is for refrigeration equipment in the manufacturing process, or for production and domestic purposes, the water used in our daily operations are always provided from safe and reliable sources. The Group knows that every drop of water is precious. As such, we focus on our water footprint and assess the potential impact on the locations where we operate, especially in the areas in shortage of water resources, committed to improving all factories' water efficiency. For manufacturing water, we strive to improve water efficiency and reduce water consumption through various measures such as reusing cooling water, recycling steam condensate, and procuring reclaimed water for all factories' cleaning and greening. For daily domestic waste, we post water-saving signs in all factories, adopt water-saving faucets, encourage and advocate water conservation among employees to cultivate their awareness in this regard.

### Case

#### Dongguan Factory Introduced Advanced Wastewater Treatment Systems for Plant Area Greening

Luxshare Dongguan Factory introduced advanced MVR wastewater treatment systems, which boiled wastewater into steam, temporarily stored distilled water in a special bucket and automatically transported to the greening pool. As 97% of the recycled water can be directly used for greening, about 10,000 tons of greening water can be saved each year.



Schematic diagram of smart MVR system

Not content with merely complying with water resource regulations, the Group has been optimizing management of water resources, so as to use water resources in a more responsible manner that is beneficial to society, environment-friendly and sustainable, and transparently disclose water footprint. In 2020, we actively respond to CDP water questionnaire and conduct disclosure. We also actively identify and evaluate the water pressure in the operating location by using WRI Aqueduct Water Risk Atlas.

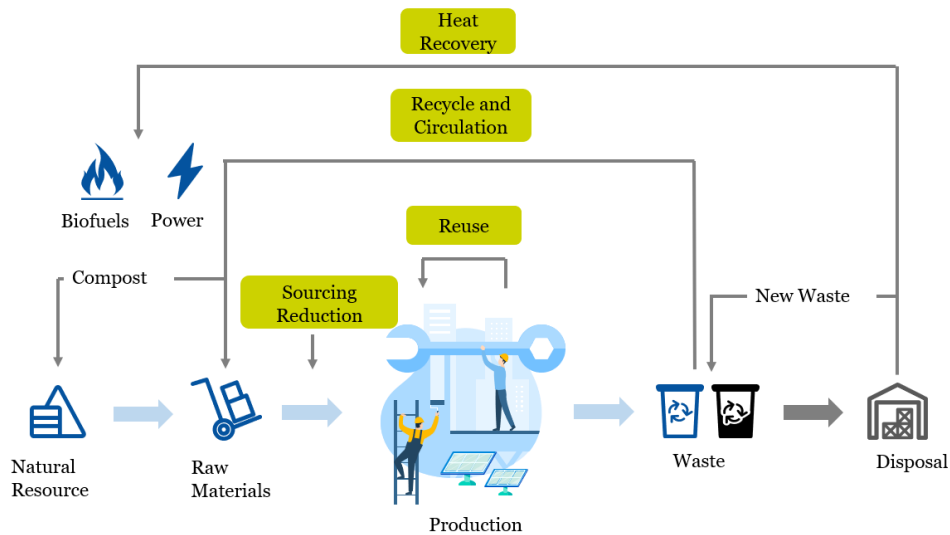
## 2. Conducting Waste Management above the Bottom Line

In accordance with the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *National Catalogue of Hazardous Wastes* and other national and local laws and regulations, Luxshare Precision has formulated many management policies such as the *Operating Procedures for Waste Control*, to reduce environmental impact and prevent pollution.

We strictly stick to the principle of "Classified Recycle, Centralized Storage, Unified Disposal" for comprehensive waste management. The Group has established a waste management department in all factories, responsible for coordinating the daily management and statistics of various wastes, and assisting all units to promote waste reduction and recycle. We require all factories to define general wastes and hazardous wastes, and based on the actual production, wastes are classified into three categories: A/B/C, and a waste list is made specifying the monthly waste quantity, waste category, waste disposal/recycle/transportation methods, and name of waste recyclers. In case of any changes in processes or manufacturing, the waste list will be timely updated.

We have specific storage areas for hazardous wastes to be sealed and prevent second leakage. To ensure proper disposal of hazardous wastes, each factory signs hazardous waste treatment contracts, rubber shafts and cartons recycling agreements, etc. with professional third-party disposal agencies that possess legal qualifications. Also, we regularly review third-party disposal agencies to ensure the disposal is in compliance with regulations. In 2020, Luxshare Precision generated non-hazardous wastes of 12,519.25<sup>5</sup> tons, and transferred hazardous wastes of 856.99 tons.

Luxshare Precision is actively exploring zero-waste to landfill, and thoroughly recycling electronic wastes for complete reuse. In order to reasonably use resources and ease environmental impacts, Luxshare Precision's factories have vigorously promoted the concept of recycling, and formulated the *Guidelines for Product Decomposition and Recycle* to guide all employees to correctly dismantle waste products for recycle and improve recyclability as well as to achieve the corporate value of recycling economy.



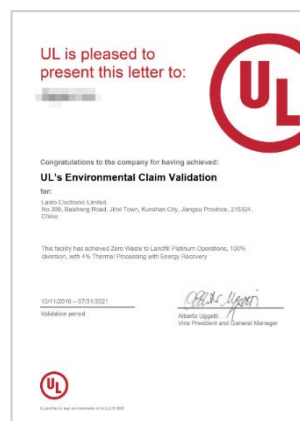
Luxshare Precision's Whole-Process Waste Management

<sup>5</sup> In 2020, the Group's non-hazardous wastes included office wastes, domestic wastes and kitchen wastes.

## Case

### Kunshan Factory Awarded UL's Top-level Wastes Zero-landfill Validation

In 2020, Lianto Electronic Limited successfully passed the UL 2799 Top-level Wastes Zero-landfill Validation, achieving "100% waste conversion rate (including 4% heat treatment energy recovery)". This award revealed Luxshare Precision's resolution in waste reduction and management. Through practical actions, we have improved the resource recyclability and improved the waste management system through the validation.



### 3. Minimizing the Impact of Waste Gas, Wastewater and Noise on the Mankind and the Environment

Luxshare Precision strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Integrated Wastewater Discharge Standard (GB8978-1996)*, the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)* and other local laws and regulations. For waste gas, wastewater and noise, Luxshare Precision follows the management process of "Precise Identification-Effective Control-Regular Inspection" to minimize the impact of waste gas, wastewater and noise on the mankind and the environment.

We have established a sound management system for waste gas, wastewater and noise. The EHS Management Department is responsible for identifying equipment, facilities and procedures regarding waste gas, wastewater and noise and summarizing such information into the *EHS Monitoring List* for annual assessment and review. Timely responses and modification will be made in case of any changes in manufacturing equipment, operating procedures or working time for precise identification of emission sources. In addition, relevant departments are responsible for installing and maintaining pollutant control equipment for the purpose of effective control over emissions, ensuring compliant discharge. The Company arranges a special responsible management department to inspect pollutant discharge to avoid abnormalities. Meanwhile, a qualified monitoring agency is hired for regular monitoring at least once a year to ensure the compliant discharge of waste gas, wastewater and noise.

### (3) Safe, Green and Transparent Chemical Management

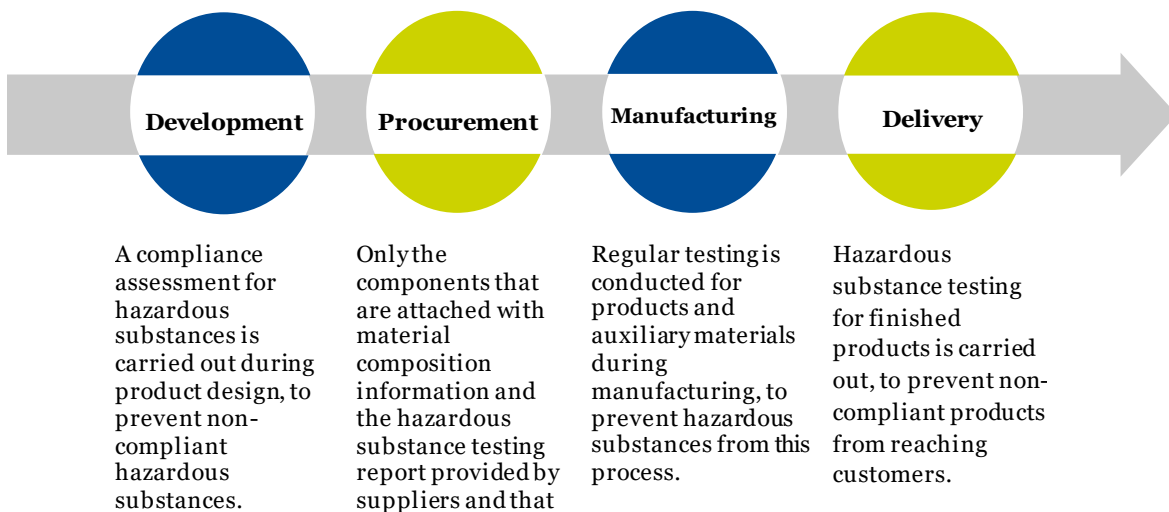
As a bridge between suppliers and customers, Luxshare Precision is not only responsible for providing customers with green products, but is obliged to specify raw material requirements for suppliers. The Group aims to minimize the use of hazardous substances in product design and development, raw material certification and procurement, manufacturing, and delivery management and further innovate quality green products, providing green channels for customers who are contributing to the low-carbon economy. The Group sets a target in chemical usage - to promote the substitutes for hazardous chemicals in global factories, reduce the use of hazardous chemicals, ease the negative impact of chemicals on our employees and the environment and maintaining 100 %

compliance with relevant laws and regulations as well as customer specifications for products free of hazardous substances in future operations.

Luxshare Precision has been practicing the proper management of chemicals. In 2005, we revised our *Regulations for the Management of Restricted Substances in Materials and Finished Products* ("the Regulations") for the first time. Additionally, we have kept abreast of the updates of international, local and national laws and regulations as well as customer requirements for environmental protection, including the *Registration, Evaluation, Authorization and Restriction of Chemicals* ("REACH"), the *Restriction of Hazardous Substances* ("RoHS", 2011/65/EU) and subsequent amendments ((EU) 2015/863), the *Waste Electrical and Electronic Equipment* ("WEEE", 2002/96/EC), and the IECQ-HSPM QC080000-2017. According to the latest specification of the 32nd edition, the chemical hazardous substances are classified and controlled. The applicable objects include materials, components, semi-finished products, packaging materials, auxiliary materials used in the process and finished products. Different control requirements are formulated, including 190 kinds of restricted substances, 59 kinds of declared substances and 74 kinds of exempted substances.

In 2020, 32.61% of the Group's factories passed the certification for the QC 080000 Management System and 174 internal and external audits were carried out, with the audit remediation rate of 100%, and we will continue to promote the system in other factories.

### Luxshare Products' Whole-Process Management and Control over Hazardous Chemicals



#### 1. Strict Identification and Testing

In order to ensure compliant procurement of restricted chemicals, Luxshare Precision requires raw material suppliers to sign the *Hazardous Substance Commitment*, stipulating that no restricted chemicals, parts and packaging materials shall be supplied to Luxshare. In accordance with the *Supplier Audit List*, the RBA and the *Green Product Audit List*, we conduct strict audits on chemicals supplied, committed to reducing and forbidding substances in materials and finished products that cause the environmental burden and preventing non-green materials, components and products from our product chains.



Luxshare Precision has established a whole-process management for hazardous chemicals. All labs are equipped with hazardous substance detectors, including the X-ray fluorescence spectrometer, inductively coupled plasma emission spectrometer, ion chromatograph, gas chromatograph-mass spectrometer, ultraviolet-visible spectrophotometer and TVOC detector, a total of 50 units. International testing standards are adopted for qualitative and quantitative testing of hazardous substances such as ROHS2.0, halogen and phthalates, to prevent environmental risks of materials to the greatest extent. The labs in Dongguan, Jiangxi, Kunshan, and Taiwan have passed the ISO/IEC17025 Certification.

Meanwhile, all labs have established a testing management system that manage and control the whole process of testing, result and feedback. The person in charge of the testing will be auto alerted on any abnormality of testing through the system, for remediation and follow up. Abnormal materials will be immediately checked, recovered, marked and isolated in a special area or scrapped for non-compliant products.

## **2. Responsible Manufacturing and Delivery**

We always require all factories' HSF<sup>6</sup> employees to conduct strict assessments and update the *Hazardous Substances Reduction Plan* at regular intervals, and implement strict management and control of chemicals based on the *Operating Procedures for Chemicals Control*. For chemicals storage and transportation, we strictly follow the *Regulations on the Safety Management of Hazardous Chemicals*. Meanwhile, we have formulated the *Operating Procedures for Chemicals Control*, requiring the management and control of hazardous chemicals to avoid chemical pollution and damage to the environment and people, prevent safety accidents, and ensure the safe use of hazardous chemicals.

The Group completely prevents restricted chemicals from production factories such as manufacturing processes, storage areas, warehouses and avoid misuse, mix and pollution of such chemicals. Detailed management measures include identification and management, isolation, establishment of testing procedures and benchmarks, the first-in and first-out method, warehousing management, etc.

Our electronic products are not only delivered to customers in the electrical and electronic equipment sectors which are subject to RoHS, but also to those in the automobile and medical device sectors. In order to prevent the mis-delivery due to human errors, the Group has input RoHS-related information of all products into the sales management system. Through the unified management of the system, verification can be carried out when we accept orders or issue delivery instructions. Any unverified products shall not be delivered.

By eliminating prohibited chemicals in our products, we have improved the disclosure system of the chemical information of our products, including: the sustainability reports, supplier conferences, supplier audits, customer enquiries and customer audits. In response to customer enquiries about chemicals in our products, we have, through the Group's chemical management system, established a rapid and accurate feedback system, for the purpose of whole-process management of customer enquiries from acceptance to response feedback.

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<sup>6</sup> HSF, the abbreviation of "Hazardous substances free", refers to the control, reduction and elimination of hazardous substances in products.

## (4) Environmental Performance

### Greenhouse Emissions

Indicator <sup>1, 2</sup>	2020	2019	2018	2017
Total greenhouse emissions (Scope 1 and Scope 2) (tons)	547,715.32	448,015.14	265,847.72	197,645.46
Sales revenue (million RMB)	92,501.26	62,516.31	35,849.96	22,826.10
Greenhouse gas emission intensity (Scope 1 and 2) (tons/million sale revenue)	5.92	7.17	7.42	8.66
Direct greenhouse gas emissions (Scope 1) (tons)	6,511.42	5,301.50	3,126.08	3,762.23
Indirect greenhouse gas emissions (Scope 2) (tons)	541,203.90	442,713.64	262,721.64	193,883.23
Outsourced power (tons) <sup>4</sup>	541,203.90	442,713.64	262,721.64	193,883.23

Notes:

1. Except for special instructions, the statistical scope of environmental performance data includes the Group and subsidiaries
2. When calculating the emission, energy consumption and waste intensity, the revenue is the annual income per million sales revenue.
3. Based on the nature of the Group's business, greenhouse gas emissions are mainly from purchased electricity and fossil combustion. The greenhouse gas includes carbon dioxide, methane and nitrous oxide. The greenhouse gas emission data are presented according to carbon dioxide equivalent, and the 2020 greenhouse gas is calculated according to the emission factors of China regional grid reference line of emission reduction projects in 2019 issued by the Ministry of ecological environment of the people's Republic of China and the guideline for the list of gases in national temperature room of IPCC 2006 published by the Intergovernmental Panel on climate change (IPCC)
4. In 2020, we comprehensively combed the past greenhouse gas emission data and further improved the data quality. The carbon dioxide equivalent is calculated based on the latest emission factor currently in force in the year. The relevant data are subject to the disclosure of this annual report

## Resource Consumption

Indicator	2020	2019
Total energy consumption (MWh) <sup>1</sup>	1,042,308.66	664,726.16
Annual energy consumption per revenue (MWh / million RMB)	11.27	10.63
Direct energy consumption (MWh) <sup>2</sup>	30,606.44	22,641.58
Petrol (MWh)	3,206.19	3,298.92
Diesel (MWh)	3,657.40	8,161.04
Natural gas (MWh)	19,082.63	10,462.53
Liquefied petroleum gas (MWh)	4,660.22	719.09
Indirect energy consumption (MWh)	1,011,702.22	642,084.58
Outsourced power (MWh)	1,006,326.76	640,421.77
Clean energy (MWh)	5,375.46	1,662.81
Emissions (tons) <sup>3</sup>	76.93	41.59
Annual emissions per revenue (tons / million RMB)	0.00083	0.00067
Industrial sewage (tons)	0.50	0.00
Boiler waste gas (tons)	12.65	30.77
Kitchen fume (tons)	63.78	10.82
Total hazardous waste (tons) <sup>4</sup>	856.99	658.62
Annual hazardous waste per revenue (tons / million RMB)	0.009	0.010
Total non-hazard waste (tons) <sup>5</sup>	12,519.25	9,299.84

Annual non-hazardous waste per revenue (tons / million RMB)	0.14	0.15
Office waste (tons)	813.88	811.14
Household waste (tons)	8,676.76	7,111.75
Kitchen waste (tons)	3,028.61	1,376.95
Total water consumption (tons)	5,049,275.65	2,587,716.88
Annual water consumption per revenue (tons / million RMB)	54.59	41.39
Industrial wastewater (tons)	44.27	70.00

Notes:

1. The main energy consumption sources of the Company are natural gas, petrol, diesel oil, liquefied petroleum gas, clean energy and purchased electric power
2. Energy consumption is calculated based on the consumption of electricity and fuel, and the conversion factors provided in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008).
3. Based on the nature of the Group's business, exhaust gas emissions mainly include boiler exhaust gas, kitchen fume and industrial exhaust gas
4. Hazardous waste includes waste mineral oil, waste chemical containers, etc. The weight of hazardous waste is summarized according to the data in the hazardous waste transfer form of each factory
5. Non-hazard waste includes office waste, household waste and kitchen waste



## VII. Our Honors & Awards

Company Name	Provincial-Level and Above Honors
Luxshare Precision Industry Company Limited	National High-tech Enterprise
	China Top 500 Enterprise
	Top 100 National Enterprise in Electronic Components
	CNAS-Certified National Laboratory
	National Pilot Enterprise Implementing IT Application-Industrialization Integration Management Systems
	Pilot Enterprise Implementing IT Application-Industrialization Integration Management Systems in Guangdong Province
	Engineering Technology Research Center of Guangdong Province
	Intelligent Manufacturing Model Enterprise of Guangdong Province
	Caijing Evergreen Award for Sustainable Development Green Award
	Demonstration Enterprises for the Construction of The Rule Culture in Guangdong Province
Dongguan Xuntao Electronic Co.,Ltd.	National High-Tech Enterprise
	Engineering Technology Research Center of Guangdong Province
	Contract-Abiding and Trustworthy Enterprise of Guangdong Province
Dongguan Leader Precision Industry Co., Ltd.	National Intellectual Property Standard Pilot Enterprise
	High-Tech Enterprise of Guangdong Province
	Engineering Technology Center of Guangdong Province
Shenzhen Luxshare Acoustics Technology Ltd.	National High-Tech Enterprise
	Demonstration Enterprises for the Construction of The Rule of Law Culture in Guangdong Province
	May 1st Labor Award of Guangdong Province

Company Name	Provincial-Level and Above Honors
Shenzhen Luxshare Acoustics Technology Ltd.	Model Workers' Home of the Worker Union in Guangdong Province
Merry Electronics (Huizhou) Co.,Ltd.	National High-Tech Enterprise
	Engineering Technology Center of Guangdong Province
	High-growth Small and Medium-sized Enterprises in Guangdong Province
Asap Technology (Jiangxi) Co.,Ltd.	National Postdoctoral Research Station
	National High-Tech Enterprise
	Provincial Science and Technology Innovation Model Enterprise of the Year of Jiangxi Province
	Top 100 Private Enterprise of Jiangxi Province
	Top 100 Private Manufacturing Enterprise of Jiangxi Province
	Intelligent Manufacturing Pilot Model Enterprise of Jiangxi Province
	Famous Brand Award of Jiangxi Province
	Advanced Quality Management Enterprise of Jiangxi Province
	New Product Development Award of Jiangxi Province
	Postdoctoral Innovation Practice Base of Jiangxi Province
	HF Cable Connection Component Engineering Research Center of Jiangxi Province
	High-Tech Enterprise of Jiangxi Province
	Gazelle Enterprise of Jiangxi Province
	Famous Brand Product of Jiangxi Province
	May 1st Labor Award of Jiangxi Province
Large-Scale Enterprise of the All-China Federation of Industry and Commerce in Jiangxi Province	
Top 100 Parks Non-Public Trade Union of Jiangxi Province	

Company Name	Provincial-Level and Above Honors
Asap Technology (Jiangxi) Co.,Ltd.	Industrial Design Center of Jiangxi Province
	Green Factory of Jiangxi Province
	Best Social Responsibility Award of Jiangxi Province
	Advanced Enterprises for Foreign Trade Exports in Jiangxi Province
	Top 100 Enterprise in Jiangxi Province
	Certificate of Excellent New Products in Jiangxi Province
Xiexun Electronic (Ji'an) Co.,Ltd.	National High-Tech Enterprise
	National Computer Software Copyright Registration Certificate
	Excellent Enterprise of the Year of Jiangxi Province
	Key New Product Certificate of Jiangxi Province
	Outstanding New Product Certificate of Jiangxi Province
	Top 100 Private Enterprise of Jiangxi Province
	Top 100 Private Manufacturing Enterprise of Jiangxi Province
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Postdoctoral Innovation Practice Base of Jiangxi Province
	Top 100 Enterprise in Jiangxi Province
	National High-Tech Enterprise
	National Employment and Social Security Advanced Private Enterprises
	National Industrial Internet Platform and New Model Pilot Demonstration Project
	Excellent Enterprises in Jiangxi Province
	Enterprise Technology Center of Jiangxi Province
	Gazelle Enterprise of Jiangxi Province IT Application-Industrialization Integration Demonstration Enterprise of Jiangxi Province

Company Name	Provincial-Level and Above Honors
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.	Tax Payment Contribution Award of Jiangxi Province
	Green Factory of Jiangxi Province
	Jiangxi Province Intelligent Manufacturing Benchmark Enterprise
	"Three Products" Strategic Demonstration Enterprise of Jiangxi Provincial Consumer Goods Industry
	Outstanding Contribution Enterprises in Prevention and Control of the Covid-19 Epidemic
	Jiangxi Province Meritorious Enterprise of the Year
	Top 100 Private Manufacturing Enterprise of Jiangxi Province
	Top 100 Private Enterprise of Jiangxi Province
	Top 100 Enterprise of Jiangxi Province
	Advanced Enterprises for Foreign Trade Exports in Jiangxi
	Intelligent Bluetooth Headset and Wearable Terminal Device Engineering Research Center in Jiangxi Province
	Pilot Enterprises for the Integration of Advanced Manufacturing and Service Industries in Jiangxi Province
	Manufacturing Single Champion Demonstration Enterprise in Jiangxi Province
	New Product Certificate in Jiangxi Province
	Certificate of Excellent New Products in Jiangxi Province
ASAP Electronics (Jiangxi) Co., Limited.	National High-Tech Enterprise
	National Computer Software Copyright Registration Certificate
	New Product Certificate in Jiangxi Province
	Certificate of Excellent New Products in Jiangxi Province

Company Name	Provincial-Level and Above Honors
Lanto Electronic Limited	National High-Tech Enterprise
	Technical Renovation Special Fund for Electronic Information Industry of National Development and Reform Commission
	National Top 100 Electronic Information Enterprises
	Postdoctoral Research Station of Jiangsu Province
	Engineering Technology Research Center of Jiangsu Province
	Enterprise Technology Center of Jiangsu Province
	Key Enterprise R&D Institute of Jiangsu Province
	Credit Management Model Enterprise of Jiangsu Province
	Management Innovation Model Enterprise of Jiangsu Province
	Science and Technology Private Enterprise of Jiangsu Province
	Model Intelligent Workshop of Jiangsu Province
	Industrial Internet Development Model Enterprise of Jiangsu Province (4-Star Enterprise of ShangYun)
	Enterprise with Global Influence and Internationally-leading R&D Institute of Jiangsu Province
	Business Startups and Innovation Team in Jiangsu Province
	Intelligent Manufacturing Demonstration Factory in Jiangsu Province
Industrial Internet Benchmark Factory in Jiangsu Province	
Industrial Design Center in Jiangsu Province	
Luxshare Electronic Technology (Kunshan) Co.,Ltd.	National High-Tech Enterprise
	National Top 100 Electronic Information Enterprise



Company Name	Provincial-Level and Above Honors
Luxshare Electronic Technology (Kunshan) Co.,Ltd.	Pilot Enterprise Implementing IT Application-Industrialization Integration Management Systems in Jiangsu Province Medium or Large-sized Enterprise of the Internet Upgrade Project Funded by the Special Fund for Industrial and Information Industry Transformation and Upgrading of Jiangsu Province Science and Technology Private Enterprise of Jiangsu Province Enterprise Technology Center of Jiangsu Province Industrial Internet Development Model Enterprise of Jiangsu Province (5-Star Enterprise on the Cloud) Engineering Technology Research Center of Jiangsu Province Model Intelligent Workshop of Jiangsu Province Intelligent Factory of Jiangsu Province Green Factory of Jiangsu Province 5G Application Collection Competition Industrial Internet Special 3rd Prize
Kunshan Luxshare Precision Industry Co., Ltd.	National High-Tech Enterprise Industrial Internet Benchmark Factory of Jiangsu Province Enterprise with Global Influence and Internationally leading R&D Institute of Jiangsu Province Engineering Technology Research Center of Jiangsu Province Enterprise Technology Center of Jiangsu Province Key Enterprise R&D Institute of Jiangsu Province Science and Technology Private Enterprise of Jiangsu Province Model Intelligent Workshop of Jiangsu Province

Company Name	Provincial-Level and Above Honors
Kunshan Luxshare Precision Industry Co., Ltd.	Enterprise Supported by the Professional, Lean, Characteristic and Original Special Fund of Jiangsu Province
Kunshan Luxshare RF Technology Co., Ltd.	National High-Tech Enterprise National Industrial Foundation Strengthening Project Medium or Large-sized Enterprise Internet Upgrading Project Funded by the Special Fund in Jiangsu Province
Luxshare Precision Components (Kunshan) Co., Ltd.	National High-Tech Enterprise Science and Technology Private Enterprise of Jiangsu Province
Luxshare Automation (Jiangsu) Ltd.	National High-Tech Enterprise Enterprise Technology Center of Jiangsu Province Science and Technology Private Enterprise of Jiangsu Province
Luxshare Precision Industry (Suzhou) Co., Ltd.	Science and Technology Private Enterprise of Jiangsu Province
Merry Electronics (Suzhou) Co., Ltd.	National High-Tech Enterprise National Postdoctoral Research Station Gazelle Enterprise of Southern Jiangsu Province Science and Technology Private Enterprise of Jiangsu Province Small or Medium-Sized Science and Technology Enterprise of Jiangsu Province Pilot Enterprise for the IT Application-Industrialization Integration of Jiangsu Province Enterprise Engineering Technology Center of Jiangsu Province Ultra-Thin Micro Receiver Workshop of Jiangsu Province Intelligent Speaker Assembly Workshop of Jiangsu Province Foreign-Funded R&D Institute of Jiangsu Province

Company Name	Provincial-Level and Above Honors
Merry Electronics (Suzhou) Co., Ltd.	Suzhou Industrial Design Center Award
Huzhou Jiuding Electronic Co.,Ltd.	National High-Tech Enterprise
	Postdoctoral Research Station of Zhejiang Province
	Patent Model Enterprise of Zhejiang Province
	Top 50 Characteristic Electronic Information Growth Enterprise of Zhejiang Province
	Small or Medium-sized Science and Technology Enterprise of Zhejiang Province
	High-Tech Enterprise R&D Center of Zhejiang Province
	Enterprise Research Institute of Zhejiang Province
	Enterprise Technology Center of Zhejiang Province
Fujian JK Wiring Systems Co., Ltd.	National High-Tech Enterprise
	Enterprise of Small or Medium-sized Professional, Lean, Characteristic, and Original (Characteristic) in Fujian Province
	Enterprise Technology Center of Fujian Province
	Advanced Intellectual Property Rights Enterprise of Fujian Province
Bozhou Lanto Electronic Limited	National High-Tech Enterprise
	Green Factory of Anhui Province
	Enterprise Technology Center of Anhui Province
	National-level integration management system standard pilot enterprises
	Certificate of New Products in Anhui Province
Shanxi Luxshare Precision Industry,Ltd.	National High-Tech Enterprise
	Demonstration Enterprise of Intelligent Workshop in Shanxi Province
Luxshare iTech(Zhejiang) Co.,Ltd.	National High-Tech Enterprise
	Intelligent Factory of Zhejiang Province

Company Name	Provincial-Level and Above Honors
Xuancheng Luxshare Precision Industry Co.,Ltd	Newly Identified High-level Cultivation Enterprises in Anhui Province
	Small or Medium-Sized Science and Technology Enterprise in Anhui Province
LUXSHAR-ICT(VIETNAM) LIMITED	Contribution Award for Poverty and Social Security Activities in Bac Giang Province, Vietnam
Wuxi Huihong Electronic Co.,Ltd	High-Tech Enterprise in Jiangsu Province
Kunshan Luxshare Precision Mould Co., Ltd	Private Science and Technology Enterprises in Jiangsu Province
	Pilot Enterprise for the IT Application-Industrialization Integration of Jiangsu Province
	Credit Standard Enterprise in Jiangsu Province
Suining Luxshare Precision Industry CO., Ltd	Certificate of Sichuan Enterprise Technology Center
	High-tech Enterprises in Sichuan Province
YongXin County Boshuo Electronics Co., Ltd	The Trade Union of Non-Public Enterprises in the Top 100 Parks of Jiangxi Province"
	Specializes in special new small and medium-sized enterprises in Jiangxi Province
Luxshare Precision Industry (Baoding) Co., Ltd.	National High-Tech Enterprise
	Small or Medium-Sized Science and Technology Enterprise in Hebei Province
	Specializes in special new small and medium-sized enterprises in Hebei Province
Wan'an Xiexun Electronic Co.,Ltd	Little Giant of Science and Technology in Hebei Province
	National High-Tech Enterprise
	Harmonious Enterprise of Labor Relations in Jiangxi Province Advanced Units for the Disclosure of Factory Affairs in Jiangxi Province





Company Name	Provincial-Level and Above Honors
Luxshare Precision Industry (Chuzhou), Ltd.	National Pilot Enterprise for the Integration of Management System of Industrialization and Industrialization
	National Import and Export Enterprise with Outstanding Contributions
	National Top Ten Large-scale Enterprises
	Price Monitoring Units in Anhui Province
	Safety Production Standardization Secondary Enterprise Certificate in Anhui Province
	Top 100 Manufacturing Comprehensive Private Enterprise in Anhui Province
	Provincial High-tech Enterprises
	"Branded Products" in Anhui Province
	Top 100 Private Enterprise in Anhui Province
	Top 100 Enterprise in Anhui Province
	Identification Enterprise Technology Center in Anhui Province
	Top 100 import and export enterprises of famous enterprises in Anhui Province (top 10 enterprises)
	Industrial Design Center in Anhui Province
	Member Unit of the 6th Council of the Quality Management Association in Anhui Province
	Quality Award in Anhui Province
	Huzhou Jiuding Electronic Co., Ltd.
National High-Tech Enterprise	
National Green-Design Product	
Postdoctoral Workstation in Zhejiang Province	
Zhejiang Patent Demonstration Enterprise 50 Growth Characteristic Enterprises of Electronic Information in Zhejiang Province	


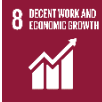
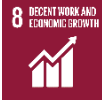




<b>Company Name</b>	<b>Provincial-Level and Above Honors</b>
Huzhou Jiuding Electronic Co., Ltd.	Certificate of Small or Medium-Sized Science and Technology Enterprise in Zhejiang Province
	High-tech Enterprise Research and Development Center in Zhejiang Province
	Zhejiang Enterprise Research Institute
	Zhejiang Enterprise Technology Center
	ShangYun Benchmark Enterprise in Zhejiang Province
	Intelligent Factory of Zhejiang Province
	Green Factory of Zhejiang Province
	Top 50 Characteristic Growth Enterprises in Zhejiang Province
	Zhejiang Manufacturing and Internet Integration Demonstration Enterprise
	Zhejiang Talent Engineering

## VIII. Appendix: GRI Standard Index






Aspect	Number and Description	SDGs	Section/ Declaration
1. Company Overview	102-1 Name of the organization		Company Profile
	102-2 Activities, brands, products and services		Company Profile
	102-3 Location of headquarters		Company Profile
	102-4 Location of operations		Company Profile
	102-5 Ownership and legal form		Company Profile
	102-6 Markets served		Company Profile
	102-7 Scale of the organization		Company Profile
	102-8 Information on employees and other workers	 	Safeguard Labor Rights and Interests /Protection of Employees' Health and Safety /Focus on Employee Diversity and Individual Development
	102-9 Supply chain	   	Building a Responsible Supply Chain
	102-10 Significant changes to the organization and our supply chain		Company Profile/Building a Responsible Supply Chain
102-11 Precautionary principle or approach		Corporate Governance	
102-12 External initiatives		Industrial Development	
102-13 Membership of the association		Industrial Development	
2. Strategy	102-14 Statement from senior decision-maker		Message from the Chairman



	102-15 Key impacts, risks, and opportunities		Message from the Chairman
3. Ethics and Integrity	102-16 Values, principles, standards, and norms of behavior		Business Ethics
	102-17 Mechanisms for advice and concerns about ethics		Stakeholder communication
4. Governance	102-18 Governance structure		Corporate Governance
	102-19 Delegating authority		Corporate Governance
	102-20 Executive-level responsibility for economic, environmental, and social topics		Sustainability Management
	102-21 Counselling stakeholders on environmental, and social topics		Stakeholder communication
	102-22 Composition of the high governance body and its committees		Corporate Governance
	102-23 Chair of the highest governance		Corporate Governance
	102-24 Nomination and selecting the highest governance body	 	Corporate Governance
	102-25 Conflicts of interest		Protection of Shareholders' Rights
	102-26 Role of the highest governance body in setting purpose, values, and strategy		Sustainability Management
	102-27 Collective knowledge of highest governance body		Sustainability Management
	102-28 Evaluating of the highest governance body's performance		
	102-29 Identifying and managing environmental and, social impacts		Stakeholder communication
102-30 Effectiveness of risk management processes			



















	102-31 Review of economic, environmental, and social themes		
	102-32 Highest governance body's role in sustainability reporting		Sustainability Management
	102-33 Communicating critical concerns		Stakeholder communication
	102-34 Nature and total number of major concerns		Stakeholder communication
	102-35 Remuneration policies		Disclosure of Remuneration /Focus on Employee Diversity and Individual Development
	102-36 Process for determining remuneration		Disclosure of Remuneration
	102-37 Stakeholders' involvement in remuneration		Disclosure of Remuneration
	102-38 Annual total compensation ratio		
	102-39 Annual total salary growth rate		
5. Stakeholder participation	102-40 Stakeholder groups		Stakeholder communication
	102-41 Group agreements		Safeguard Labor Rights and Interests
	102-42 Identifying and selecting stakeholders		Stakeholder communication
	102-43 Approach to communicating with stakeholders with stakeholders		Stakeholder communication
	102-44 Key topics and concerns raised		Sustainability Management
6. Reporting practice	102-45 Entities included in the consolidated financial statements		About this Report
	102-46 Defining report content and topic boundaries		About this Report
	102-47 List of material topics		Sustainability Management





	102-48 Restatements of information			Environmental Performance Table
	102-49 Changes in reporting			About this Report
	102-50 Reporting period			About this Report
	102-51 Date of most recent report			About this Report
	102-52 Reporting cycle			About this Report
	102-53 Contact point for questions regarding the report			Your Feedback
	102-54 Claims of reporting in accordance with the GRI Standards			About this Report
	102-55 GRI content index			Appendix: GRI Standard Index
	102-56 External assurance			
7. Management methods	103-1 Explanation of the material topics and its boundaries			Sustainability Management
	103-2 Management approach and its components			Sustainability Management
	103-3 Evaluation of management methods			Sustainability Management
GRI 201: Economic performance	GRI103: Disclosure of management methods	Economic performance management methods		Stakeholder communication
	Special disclosure of topics	201-1 Direct economic value and distributed		Company Profile
		201-2 Financial implications and other risks and opportunities due to climate change		
		201-3 Defining benefit plan obligations and		


















		other retirement plans		
		201-4 Government subsidies		
GRI 202 : Market performance	GRI103: Disclosure of management methods	Market performance management methods		Stakeholder communication
	Special disclosure of topics	202-1 The ratio of standard starting w local minimum wage by gender	 	Focus on Employee Diversity and Individual Development
		202-2 Proportion of employees hired from local communities		
GRI 203 : Indirect economic impacts	GRI103: Disclosure of management methods	Indirect economic impact management methods		
	Special disclosure of topics	203-1 Infrastructure investment and services supported		
		203-2 Significant indirect economic impacts		
GRI 204 : Purchasing practice	GRI103: Disclosure of management methods	Purchasing practice management methods	 	Building a Responsible Supply Chain
	Special disclosure of topics	204-1 Proportion of purchase expenditure from local suppliers		
GRI 205: Anti-bribery	GRI103: Disclosure of management methods	Anti-corruption management methods		Integrity Management
	Special disclosure of topics	205-1 Operations assessed risks related to corruption		











		205-2 Communication and training about bribery policies and procedures		Integrity Management
		205-3 Confirmed incidents corruption and actions taken		
GRI 206: Unfair competition	GRI103: Disclosure of management methods	Improper competition management methods		Anti-unfair Competition
	Special disclosure of topics	206-1 Legal proceedings against unfair competition and antitrust practices		
GRI 207: Taxation	GRI103: Disclosure of management methods	Tax management methods		
	Special disclosure of topics	207-1 Approach to tax		
		207-2 Tax Governance, control and risk management		
		207-3 Stakeholder participation and tax related issues management		
		207-4 Country-by- country reporting		
GRI 301: Materials	GRI103: Disclosure of management methods	Materials management methods		
	Special disclosure of topics	301-1 Materials used by weight or volume		


















		301-2 Recycled input materials used		
		301-3 Reclaimed products and their packaging materials		
GRI 302 : Energy	GRI103: Disclosure of management methods	Energy management methods	  	Tackling Climate Change
	Special disclosure of topics	302-1 Energy consumption within the organization	  	Environmental Performance Table
		302-2 Energy consume of the organization	  	Environmental Performance Table
		302-3 Energy intensity	  	Environmental Performance Table
		302-4 Reduction of energy consumption	  	Environmental Performance Table
		302-5 Reductions in energy requirements of products and services	  	Tackling Climate Change




















GRI 303: Water resources and sewage	GRI103: Disclosure of management methods	Water resources management methods		Green Operation of Factory
	Special disclosure of topics	303-1 Interaction between organization and water (as a shared resource)		Green Operation of Factory
		303-2 Inage related impacts management		Green Operation of Factory
		303-3 Water intake		
		303-4 Drainage		
		303-5 Consume water		Environmental Performance Table
GRI 304: Biodiversity	GRI103: Disclosure of management methods	Biodiversity management methods		
	Special disclosure of topics	304-1 The organization owns, leases, and manages its operation sites in or near the protected areas and biodiversity areas outside the protected areas		
		304-2 Significant impact of activities, products and services on Biodiversity		
		3 Protected or restored habitats		
		304-4 The habitats in the affected areas have been listed in IUCN list and		




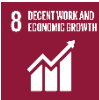













		national protection list		
GRI 305: Emissions	GRI103: Disclosure of management methods	Emissions management methods	 	Tackling Climate Change
	Special disclosure of topics	305-1 Direct (Scope 1) GHG emissions	 	Environmental Performance Table
		305-2 Energy indirect (Scope 2) GHG emissions	 	Environmental Performance Table
		305-3 Other indirect (Scope 3) GHG emissions	 	Environmental Performance Table
		305-4 GHG emissions intensity	 	Environmental Performance Table
		305-5 Reduction of GHG emissions	 	Environmental Performance Table
		305-6 Emissions of ozone-depleting substances (ODS)		
		305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other significant air emissions		
GRI 306: Effluents and waste	GRI103: Disclosure of management methods	Effluents and waste management methods	  	Green Operation of Factory
	Special disclosure of topics	306-1 Waste by water quality and discharge destination		

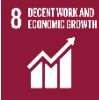

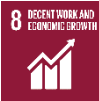

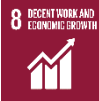



		306-2 Waste by type and disposal method	  	Environmental Performance Table
		306-3 Major leakage	  	Green Operation of Factory
		306-4 Transport of waste		Green Operation of Factory
		306-5 Water bodies affected by drainage / or runoff		
GRI 307: Environmental compliance	GRI103: Disclosure of management methods	Environmental compliance management methods		Green Operation of Factory
	Special disclosure of topics	307-1 Violation of environmental regulations		Green Operation of Factory
GRI 308: Supplier environmental assessment	GRI103: Disclosure of management methods	Supplier environmental Assessment management methods		Building a Responsible Supply Chain
	Special disclosure of topics	308-1 New suppliers that were screened using environmental criteria		
		308-2 Negative environmental impacts in the supply chain and actions taken		











GRI 401: Employment	GRI103: Disclosure of management methods	Employment management methods	  	Safeguard Labor Rights and Interests/Focus on Employee Diversity and Individual Development
	Special disclosure of topics	401-1 New employee hires and employee turnover		
		401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	  	Focus on Employee Diversity and Individual Development
		401-3 Parental leave	  	Focus on Employee Diversity and Individual Development
GRI 402: Labor relations	GRI103: Disclosure of management methods	Labor relations management methods	 	Safeguard Labor Rights and Interests
	Special disclosure of topics	402-1 Minimum notice period for operational change		Safeguard Labor Rights and Interests
GRI 403: Occupational safety and health	GRI103: Disclosure of management methods	Occupational health and safety management methods	 	Protection of Employees' Health and Safety
	Special disclosure of topics	403-1 Occupational health and safety management system	 	Protection of Employees' Health and Safety
		403-2 Hazard identification, risk assessment and incident investigation	 	Protection of Employees' Health and Safety







		403-3 Occupational health services	 	Protection of Employees' Health and Safety
		403-4 Occupational health and safety affairs: Workers' participation, consultation and communication	 	Protection of Employees' Health and Safety
		403-5 Occupational health and safety training for workers	 	Protection of Employees' Health and Safety
		403-6 Workers' health promotion	 	Protection of Employees' Health and Safety
		403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	 	Protection of Employees' Health and Safety
		403-8 Applicable workers of occupational and safety management system	 	Protection of Employees' Health and Safety
		403-9 Injury on-the-Job	 	Protection of Employees' Health and Safety
		403-10 Work related health problems	 	Protection of Employees' Health and Safety
GRI 404: Training and education	GRI103: Disclosure of management methods	Training and education management methods	  	Focus on Employee Diversity and Individual Development


	Special disclosure of topics	404-1 Average hours of training per year per employee	  	Focus on Employee Diversity and Individual Development
		404-2 Programs for upgrading employee skills transition assistance programs		Focus on Employee Diversity and Individual Development
		404-3 Percentage of employees receiving regular performance and career development reviews		
GRI 405: Diversity and equal opportunity	GRI103: Disclosure of management methods	Diversification and equal opportunity management methods	  	Focus on Employee Diversity and Individual Development
	Special disclosure of topics	405-1 Diversity of governance bodies and employees	 	Focus on Employee Diversity and Individual Development
		405-2 Ratio of basic salary and remuneration of women to men	 	Focus on Employee Diversity and Individual Development
GRI 406: Non-discrimination	GRI103: Disclosure of management methods	Nondiscrimination management methods	  	Safeguard Labor Rights and Interests
	Special disclosure of topics	406-1 Incidents of discrimination and corrective actions taken	  	Safeguard Labor Rights and Interests

GRI 407: Freedom of association and collective bargaining	GRI103: Disclosure of management methods	Freedom of association and collective bargaining management methods	 	Safeguard Labor Rights and Interests
	Special disclosure of topics	407-1 Operation sites and suppliers where freedom of association and collective bargaining rights may face risks		
GRI 408: Child labor	GRI103: Disclosure of management methods	Child labor management methods	 	Safeguard Labor Rights and Interests
	Special disclosure of topics	408-1 Operation sites and suppliers with significant risk of child labor incidents		
GRI 409: Forced or compulsory labor	GRI103: Disclosure of management methods	Forced or compulsory labor management methods	 	Safeguard Labor Rights and Interests
	Special disclosure of topics	409-1 Operations and suppliers at significant risk for forced or compulsory labor		
GRI 410: Security practice	GRI103: Disclosure of management methods	Security practice management methods		
	Special disclosure of topics	410-1 Security personnel trained inn rights policies or procedures		
GRI 411: Aboriginal rights	GRI103: Disclosure of management methods	Aboriginal rights management methods		



	Special disclosure of topics	411-1 Incidents involving violations of aboriginal rights		
GRI 412: Human rights assessment	GRI103: Disclosure of management methods	Human rights assessment management methods	  	Safeguard Labor Rights and Interests
	Special disclosure of topics	412-1 Operation sites subject to human rights review or impact assessment	  	Safeguard Labor Rights and Interests
		412-2 Staff training in human rights policies or procedures	  	Safeguard Labor Rights and Interests
		412-3 Important investment agreements and contracts involving human rights provisions		
GRI 413: Local community	GRI103: Disclosure of management methods	Local community management methods		Shouldering Corporate Responsibilities Through Actions
	Special disclosure of topics	413-1 Operations sites with local community involvement, impact assessment and development plans		
		413-2 Operations sites with actual or potential significant negative impacts on local communities		

GRI 414: Supplier social assessment	GRI103: Disclosure of management methods	Supplier social assessment management methods		Building a Responsible Supply Chain
	Special disclosure of topics	414-1 New suppliers that were screened using social criteria		
		414-2 Negative social impacts in the supply chain and actions taken		
GRI 415: Public policy	GRI103: Disclosure of management methods	Public policy management methods		
	Special disclosure of topics	415-1 Political donation		
GRI 416: Customer health and safety	GRI103: Disclosure of management methods	Customer health and safety management methods		Safe, Green and Transparent Chemical Management
	Special disclosure of topics	416-1 Assessment of health and safety impacts of products and services		Safe, Green and Transparent Chemical Management
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Safe, Green and Transparent Chemical Management
GRI 417: Marketing and logo	GRI103: Disclosure of management methods	Marketing and logo management methods		Business Ethics
	Special disclosure of topics	417-1 Requirements for product and se		Business Ethics

		information and identification		
		417-2 Violations involving product and se information and identification		
		417-3 Violations involving marketing		
GRI 418: Customer privacy	GRI103: Disclosure of management methods	Customer privacy management methods		
	Special disclosure of topics	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		
GRI 419: Socio economic compliance	GRI103: Disclosure of management methods	Socio economic compliance management methods		Business Ethics
	Special disclosure of topics	419-1 Violation of laws and regulations in social and economic fields		

## IX. Your Feedback

Dear Readers:

Thanks for your concern and reading Luxshare Precision 2020 Sustainability Report. We will appreciate your suggestions and comments to help us keep moving forward.

Please leave your comments (“√” for what you think):

Comments	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Do you get the information you want to know?					
Do you think this report is easy to read?					
Will you pay attention to Luxshare Precision’s future sustainability report?					
Which part are you most interested in the report? (Please leave comments)					
What additional topics do you want to learn after reading this report? (Please leave comments)					
What is your suggestion to the future report? (Please leave comments)					
<b>Your Contact Information</b> (Optional and Confidential. We strictly protect your personal information and will not use it for any business purposes.)					
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Email:					

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