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Appendix

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

## Conflict Minerals Management

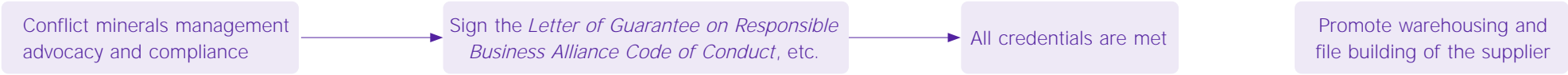
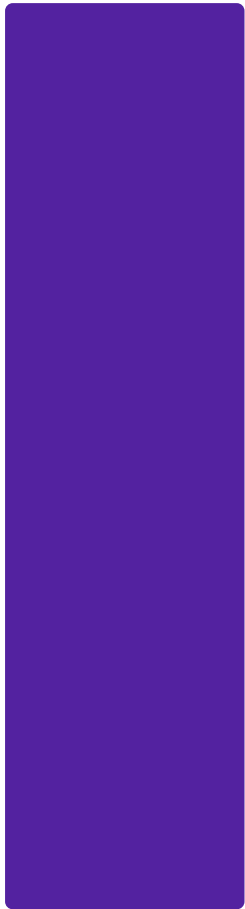
Luxshare Precision does not directly purchase or use mineral ores, but the materials and components necessary for our production may contain metals such as 3TG and cobalt. Committed to responsible mineral procurement, the Company continuously improves conflict minerals management procedures, and strives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

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

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



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Supply Chain Management System

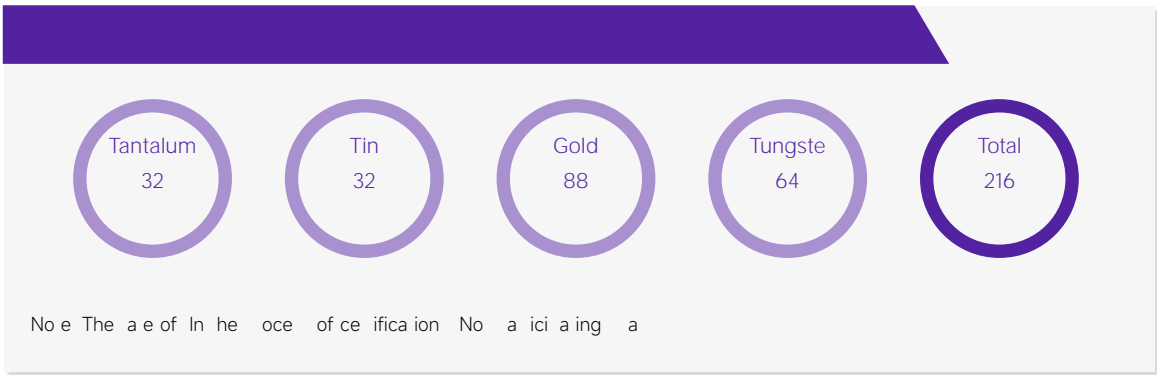
Conflict Minerals Management

Green Supply Chain

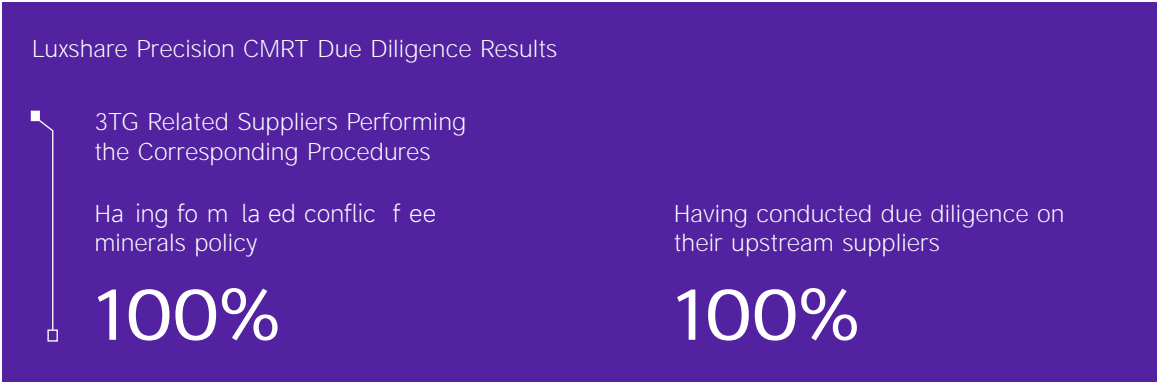
Giving back to the Society

Appendix

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



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



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



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

