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About Luxshare Precision

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Environmental and Social Audits

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

Supplier Capability Building

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

Supplier Capability Building		
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During the Reporting Period

The number of supplier training sessions organized by Luxshare Precision was

9

Had a cumulative attendance of

5,529

 participants

Environmental and Social Responsibility Management

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

During the Reporting Period

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

100%

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

