

Luxshare Precision Labor Management Periodic Report



Report Preparation: Sustainable Development Center
Reporting Period: 2025 Half-Yearly Progress Report
Reporting Scope: Same as that of Luxshare Sustainability Report 2024

September 2025



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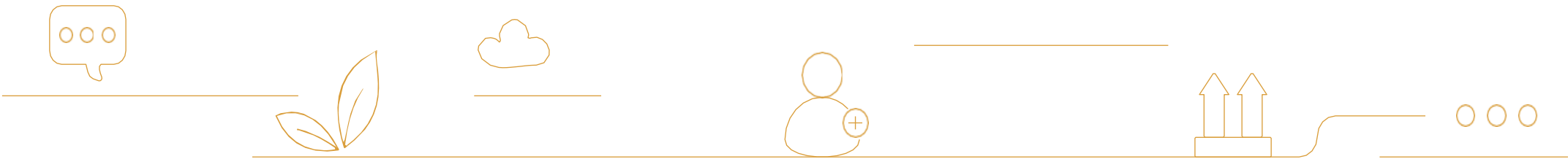
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Labor Rights Protection

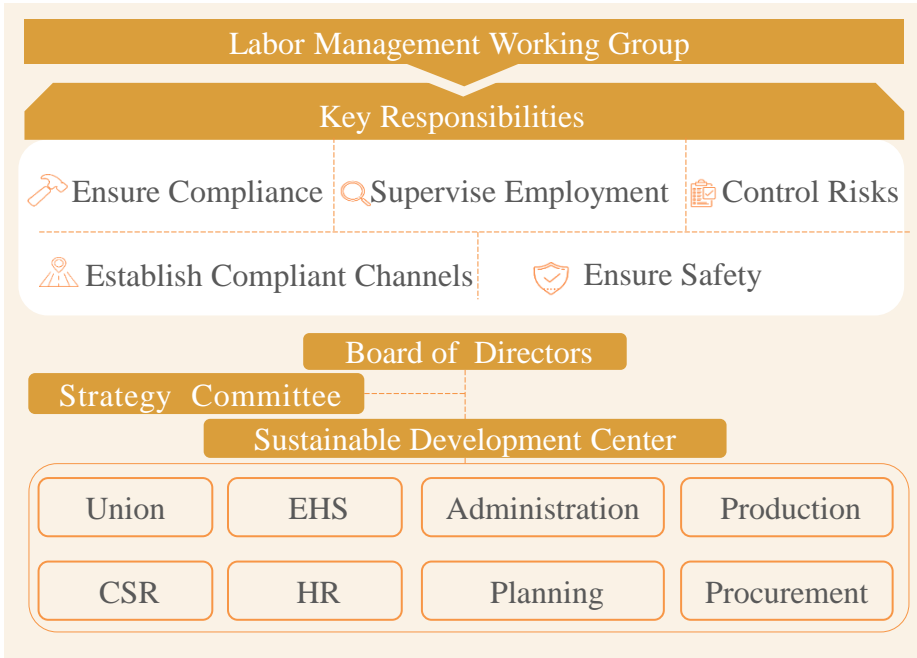
Luxshare Precision Industry Company Limited (hereinafter referred to as “Luxshare Precision” or “the Company” or “we”) protects employees' rights by establishing a labor framework, implementing compliant practices, ensuring open communication, and adopting diverse employment models.

Labor Management Framework

The Company's labor management system is aligned with RBA¹ standards. Through internal and external audits, it forms a closed loop of "design-implementation-self correction-validation," systematically safeguarding labor rights and driving sustainable supply chain development.

Labor Management Structure

We built a labor management structure led by the Board and Strategy Committee, with the Sustainable Development Center as the hub driving labor rights protection across the value chain.



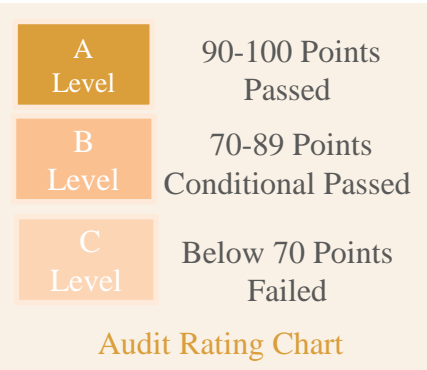
RBA Membership

The Company officially joined the RBA in 2025, committed to ensuring that all subsidiaries adhere to the RBA Code of Conduct, in order to establish a responsible supply chain and enhance compliance and accountability capabilities.

RBA Special Initiatives		
<div><div></div>Collaborate for Solutions</div> <div>Collaborate with stakeholders and experts to address labor challenges and enhance rights protection</div>	<div><div></div>Apply Expertise, Enhance Compliance</div> <div>Conduct RBA self-assessments to strengthen labor compliance and due diligence</div>	<div><div></div>Utilize Training, Deepen Execution</div> <div>Deliver RBA Code of Conduct training across all sites to ensure effective implementations</div>

Internal Audits

Following the RBA Code of Conduct, the Company conducts annual labor risk assessments for all subsidiaries and performs rolling audits to drive improvements. During the reporting period, the Company achieved 100% labor risk assessment coverage, and special audits covered 23 subsidiaries and over 110,000 employees, and raised the threshold score for rating grade. All subsidiaries received a B or higher rating in the special audits, identifying and completing 316 improvement items, achieving a 100% improvement rate.



Internal Audit Process

External Audits

During the reporting period, Luxshare Precision underwent a total of 348 RBA and CSR audits and inspections by relevant parties. This included 167 CSR-related audits by clients and third parties, and 181 health and safety inspections by government authorities, involving 81 subsidiaries and over 200,000 employees.

As of the end of the reporting period, Luxshare Precision has not identified any incidents involving forced labor, illegal servitude, child labor, violations of freedom of association and collective bargaining rights, or any form of discrimination.

¹ RBA: Responsible Business Alliance

Compliant Employment Management

We have built an end-to-end compliance system covering recruitment to employment, extended to our supply chain. Through policies against forced and child labor, standardized procedures, and digital tools such as e-contracts, we build a fair, transparent, and compliant talent management system.

Contract Compliance

We offer contracts in multiple languages, including Chinese, English, Vietnamese, and Spanish etc., clearly stating salary, working hours, and social insurance, ensuring employees understand them fully.

Fair and Transparent Recruitment

We uphold fairness and transparency as core principles in talent acquisition. Through partnerships with universities, standardized job criteria, publicly advertised openings, non-discriminatory screening procedures, and internal oversight mechanisms, we ensure an equitable and compliant recruitment process.

Case | Luxshare Dongguan Campus Open Day

Luxshare Dongguan held a campus open day from May 22 to June 6 under the theme "Open Integration, University-Enterprise Symbiosis." The event hosted representatives from universities in Guangdong, Hunan, and Hubei. Through presentations, facility tours, and discussions, it advanced industry-education integration and promoted talent development in smart manufacturing and AI.



Campus Recruitment Symposium



On-site Visits and Exchanges

Supplier Labor Management

The Company is committed to building a responsible supply chain by embedding ESG clauses covering business ethics, environmental protection, and employee rights into our procurement contracts. It is a mandatory requirement for all suppliers to sign our internationally-aligned *Supplier Code of Conduct Acknowledgement*, *Letter of Integrity Commitment for Supplier*, and *Environmental Assurance Letter*, ensuring our collaboration complies with business ethics, environmental protection and labor standards.

2022–2024, Luxshare Precision:



Percentage of suppliers signing contracts with ESG clauses

100%

Diverse Employment Practices

We believe a diverse workforce is key to sustainable development. We provide an inclusive, fair workplace where every employee across gender, age, origin, culture, and ability has equal growth opportunities. Together, this strengthens our competitive edge in precision manufacturing.

Diverse Employment Practices

Dimensions	Practical Initiatives
Gender Equality	Non-discriminatory hiring practices, provision of maternity rooms, breastfeeding leave, and related benefits
Age Inclusion	Youth Management Trainee Program, senior technician "mentoring and guidance"
Geographic Diversity	Ethnic minority employees ² cultural integration activities
Disability Inclusion	Barrier-Free Factory Renovations, Adaptive Job Development, Targeted Recruitment in Partnership with Disabled Persons' Federation

As the end of the Reporting Period, Luxshare Precision:



Percentage of female employees

41.6%



Percentage of employees age 29 or below

51.4%



Percentage of ethnic minority employees

18.5%



Percentage of disabled employees

0.5%

² Ethnic minority employees are categorized according to regional legal classifications.

Employee Communication and Grievance

Luxshare Precision offers anonymous reporting channels—including an internal app, the “My Voice” platform, a hotline, and email—for prompt and fair complaint handling. The Company also conducts regular satisfaction surveys to gather feedback systematically. Insights from the analysis help improve the work environment and policies, creating a closed-loop management system.

Communication Channels

The Company maintains a comprehensive employee communication network through multiple internal channels. These allow staff to share feedback openly, embodying our culture of openness and inclusiveness. These mechanisms are more than ways to raise concerns—they form a foundation for a secure and trusted workplace where every employee feels heard, respected, and protected.

Employee Communication Channels

Online		Offline	
<div>AI Support</div> <div>Instant answers to common questions</div>	<div>Voice Hotline</div> <div>Open feedback channel</div>	<div>Seminars</div> <div>Foster dialogue & teamwork</div>	<div>Mailbox</div> <div>Unified feedback platform</div>
<div>Service Platform</div> <div>Integrated services & self-help</div>	<div>Anti-Retaliation Hotline</div> <div>Ensures safe reporting</div>	<div>Care Center</div> <div>Comprehensive support hub</div>	<div>Workshop Channels</div> <div>Accessible & multi-tier communication</div>

During the Reporting Period, Luxshare Precision:



Employee requests and suggestions received
10,368 entries



Closure rate³
98%

Employee Satisfaction Survey

Luxshare Precision conducts regular employee satisfaction surveys using fully anonymous surveys to ensure confidential and objective feedback, providing a secure channel for all employees. The process categorizes employees as direct or indirect based on their roles, to gather targeted insights and identify specific management needs.

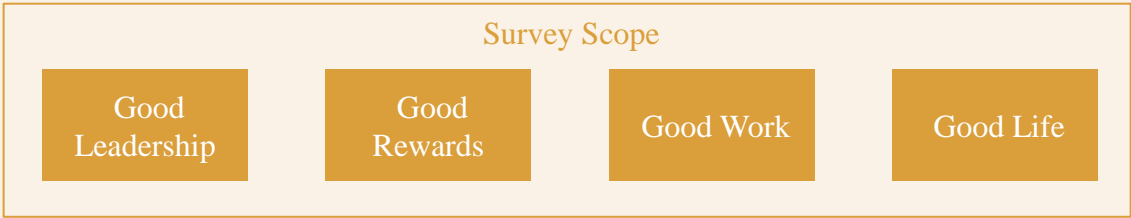
Employee Satisfaction Survey Process



In Q2 2025, we completed the employee satisfaction survey. Data shows a rise in overall satisfaction from the previous survey, along with valuable feedback. We will analyze the results and create targeted plans to improve management and the employee experience.

2025 Employee Satisfaction Survey Results

Valid direct employee questionnaires: 193,650, with a satisfaction score of 64.56 points, representing a year-on-year increase of 2.19 points



Valid questionnaires from indirect employees: 55,080, with a satisfaction score of 83.69 points, representing a year-on-year increase of 2.81 points



³ Closure Rate: Some requests and suggestions remain under tracking and improvement as of the reporting period

Occupational Health and Safety

We safeguard our employees’ health and safety through four key dimensions, which are system development, technical prevention and control, routine management, and emergency response. This approach achieves standardized management and source-level control.

EHS Management Framework

Luxshare Precision considers EHS a core pillar of sustainable development, aiming to create a “zero accident, zero injury” workplace. More than a compliance requirement, it is a strategic foundation that enhances long-term competitiveness. Through its systematic EHS management, the Company reduces operational risks, protects employee well-being, fulfills social responsibility, and improves efficiency. Luxshare has established EHS audit protocols and a closed-loop management system based on “prevention, process control, and continuous improvement” to strengthen risk prevention.

EHS Committee Structure	
Decision-Making Level Board of Directors	<ul style="list-style-type: none">Responsible for overall planning of the Company's EHS-related workListen to the reports on EHS work by the Director-General of EHS
Planning Level EHS Management Committee	<ul style="list-style-type: none">Establish and continuously improve the EHS management systemDevelop and improve management system documentsHold quarterly EHS meetings and coordinates overall EHS workFormulate EHS inspection plans and standards, conduct audits, and follow up issue resolutionCoordinate and command emergency response efforts, activating emergency procedures as needed
Execution Level EHS Officers of Facilities	<ul style="list-style-type: none">Fully responsible for EHS work at the facility level, including leading BG/BU EHS inspectionsCollaborate with the Group EHS Director-General to implement EHS management tasks, ensure the implementation of EHS measures and review funding allocations

During the Reporting Period, Luxshare Precision:



EHS on-site audit

11 sites



Supervised the completion of

233 rectifications

Technology-driven Risk Defense

Luxshare Precision actively leverages technological innovation to empower EHS system development. By utilizing advanced technologies such as intelligent monitoring, IoT sensing, and big data analytics, the Company comprehensively enhances the precision, real-time responsiveness, and reliability of environmental, health, and safety management. This fortifies safety defenses, enabling risks to be identified, prevented, and controlled, and continuously builds a smarter, safer production and operational environment.

Case | Luxcase ICT Yancheng Deployed EHS Smart Control Platform

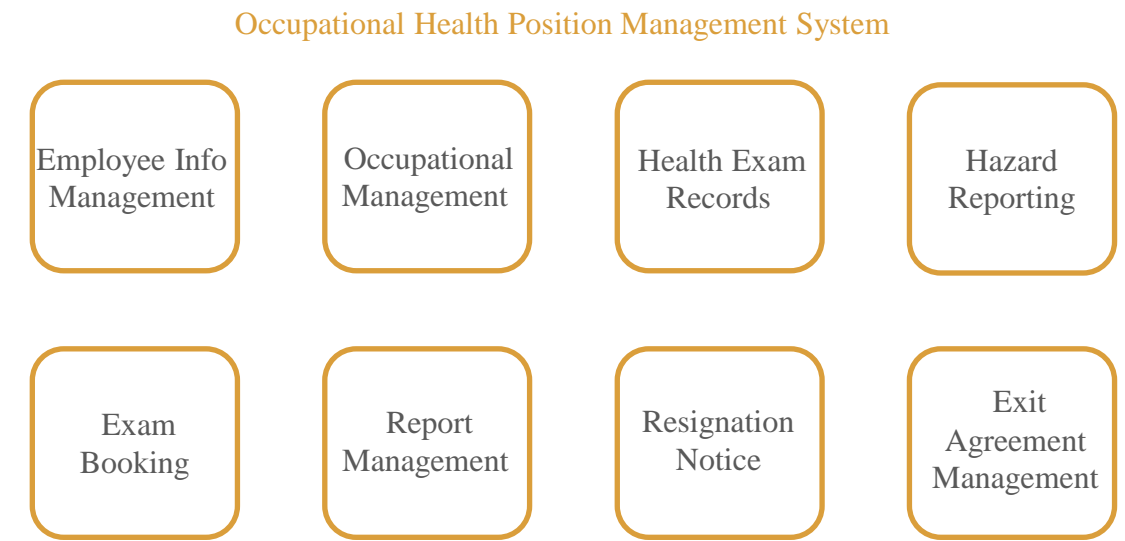
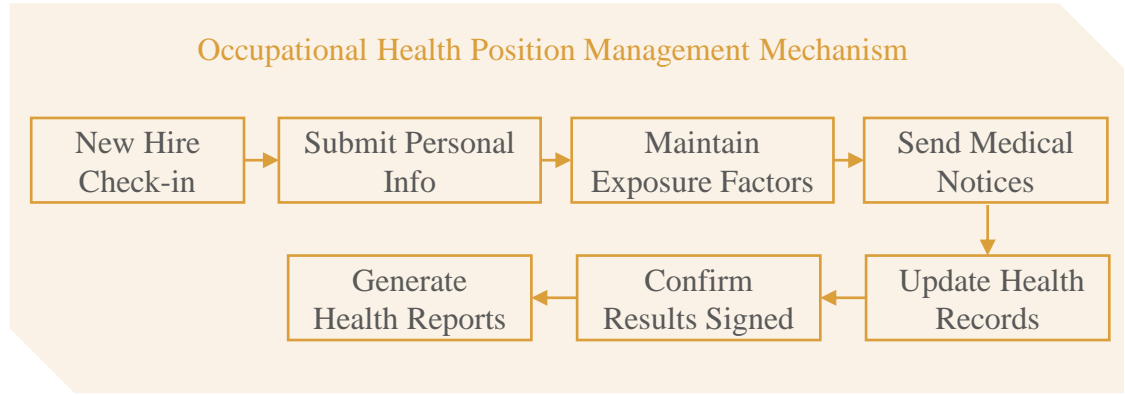
Luxcase ICT Yancheng has built an EHS smart platform that collects critical facility data—including fire alarms, equipment status, and maintenance records—via sensors and analytics. It integrates data across systems such as fire safety, occupational health, and supplier management. Through mobile, computer, and large-screen dashboards, the platform enables real-time monitoring and smart alerts, effectively reducing safety risks and improving management efficiency.



EHS Smart Central Control Platform

Routine Health Management

We leverages an occupational hazard prevention and control system to strictly enforce the issuance of *Occupational Hazard Notification Letters*, achieving routine management of occupational disease prevention and health promotion.



During the Reporting Period, Luxshare Precision:



Occupational health examination coverage rate for employees in hazardous positions
100%

Emergency Response Practice

Luxshare Precision has established a comprehensive emergency management system covering the entire process. Through practical drill mechanisms, it enhances response speed and handling capabilities for emergencies such as fires and chemical spills. This system implements a closed-loop management process—from "monitoring and early warning" to "emergency plan activation," "rapid response," and "efficient rescue"—ensuring comprehensive protection of personnel safety and asset stability while fortifying safety defenses.

During the Reporting Period, Luxshare Precision:



Comprehensive drills
232 times



Participants
237,649 person-times

During the reporting period, Luxshare Precision's domestic and overseas facilities actively conducted emergency drills to enhance employees' safety awareness and emergency response capabilities. Additionally, we implemented fire drills, skills training, facility inspections, and education programs to further strengthen employees' safety competencies.



Luxshare Xuancheng Fire Emergency Drill



Dongguan Leader Food Poisoning Emergency Drill



Jia Shan Ri Shan Computer Fire Emergency Drill



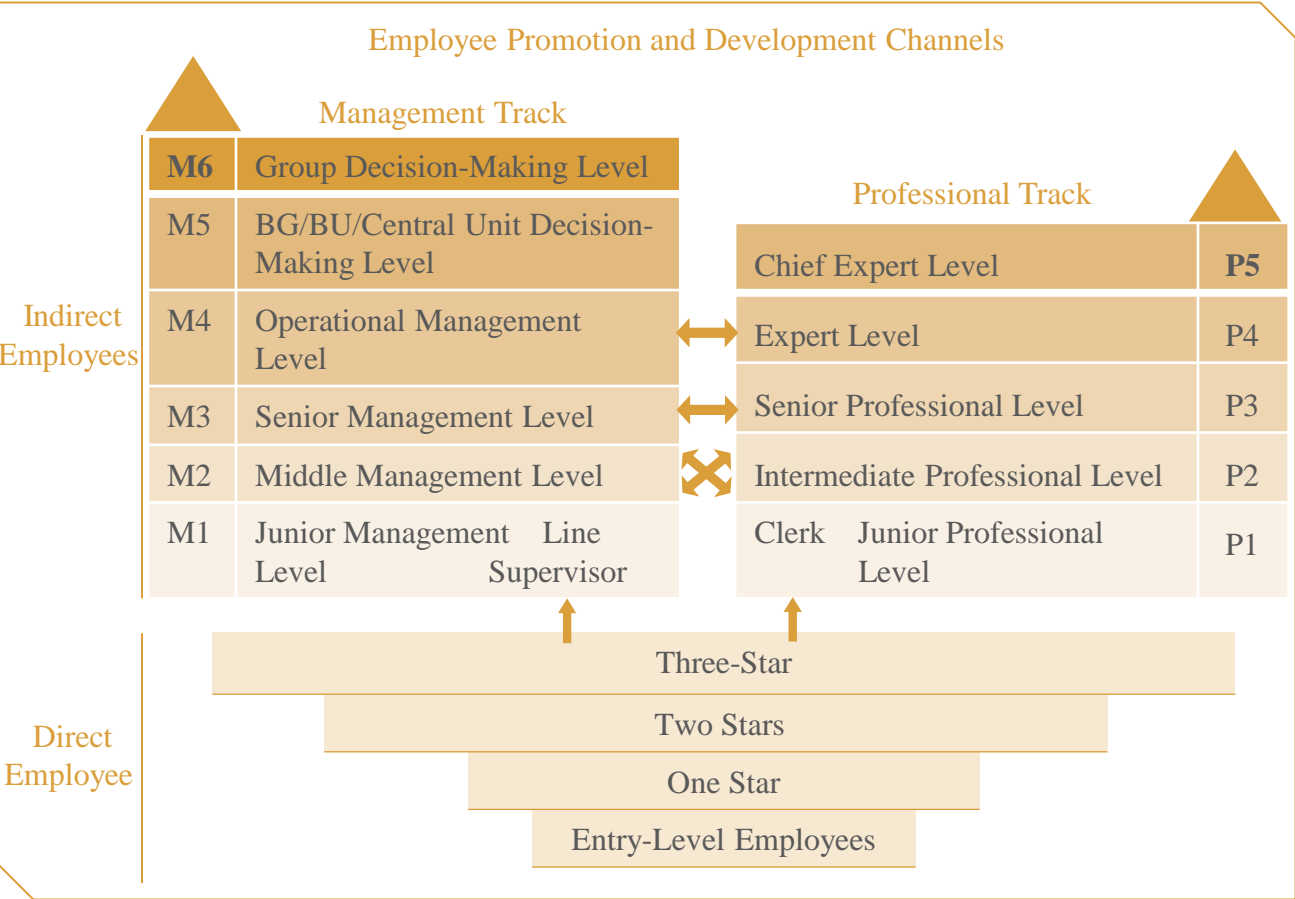
Luxis Beijing Nighttime Fire Emergency Drill

Employee Training and Development

Luxshare Precision has established a comprehensive training system and dual career development pathways covering the entire employee lifecycle. Through systematic training and clear promotion mechanisms, we empower employees to grow alongside the Company.

Employee Promotion and Development

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



Employee Care and Benefits

We combines employee care with incentive systems, providing health psychological support alongside competitive compensation and long-term development programs. This approach enhances employees' sense of belonging and motivation, fostering mutual growth for both the Company and employees.

Employee Care

Guided by our "people-oriented" philosophy, we have built a holistic employee care system that supports employees throughout their entire lifecycle. By integrating institutional safeguards, resource investment, and cultural development, we ensure every employee receives respect and full support in their career development, continuously strengthening a warm and cohesive organizational culture.

Employee Care System

Onboarding Support

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

Social Connection

Facilitate employee interaction and strengthen team cohesion through social clubs, holiday events.

Warm Assistance

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

Smooth Communication

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

Health Assurance

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

Motivational Engagement

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

Career Development

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

Sports and Fitness

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

Respectful Retirement

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

Cultural Entertainment

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

The Company consistently prioritizes employees' physical and mental well-being. By the end of the reporting period, we had established 57 counseling rooms, staffed with 378 professional consultants and 262 internal mental health volunteers. Employees receive tailored support—including counseling, mindfulness training, and emotional management programs—based on their psychological needs, enhancing their resilience and emotional stability.



Luxshare Electronic Kunshan Mental Health Knowledge Competition



Lanto Kunshan Mental Health Knowledge Lecture

To support daily life across all factories, we implemented comprehensive measures ranging from basic amenities to family care. During the reporting period, 137 dormitories were renovated to improve living conditions. 489 employees with children attending national exams were offered remote work options, demonstrating support for family needs. Additionally, 120 commuter bus routes were launched to facilitate transportation.



厂内充电

厂区3号门保安亭后，电瓶车停放点，可享受员工福利“一分钱充电”。



厂外充电

厂外宿舍区可享受员工福利“一分钱充电”，在厂外宿舍5号楼与4号楼之间。



出厂安检

下班离厂时停车积极配合保安检查电瓶车后座，严禁将公司物品带离厂区。

注：厂内电瓶车停放需向部门文员提出申请，通过后领取“电瓶车停放证”。（装有遮阳棚的电瓶车禁止入内）

Luxshare Anhui Electric Scooter Charging Convenience Service



Jinxi Factory Thoughtful Accompaniment Benefits for College Entrance Exams

Case | "One Dream, One Luxshare": The Luxshare Cup Global Dream Relay

The 6th Luxshare Cup successfully concluded on May 23 after 11 days of events. With an innovative nine-month trophy relay across 28 domestic and international locations, the tournament engaged many employees and teams globally. Blending competition, technology, charity, and culture in a hybrid online-offline format, it reinforced the "One Luxshare" vision and the values of unity and collaboration. The energy and teamwork generated by the games carried over into daily operations, motivating all employees to collectively drive Luxshare Precision toward a better future.



Global Relay Launch Ceremony



Opening Ceremony



Fun Tournament



Soccer Championship Awards Ceremony



Badminton Championship Awards Ceremony



Closing Ceremony

Employee Incentive Mechanism

Luxshare Precision has built a multi-faceted employee care system that combines material and non-material incentives and covers both essential and developmental benefits. This approach supports the shared growth of both talent and the organization.

Multi-tiered Equity Incentive Mechanism

Long-term equity incentives are offered to core technical and management staff. During the reporting period, 3,106 recipients were granted a total of 176,631,740 stock options, enabling them to share in the Company's long-term value.

Diversified Non-Monetary Incentive System

Luxshare Precision builds a diversified non-material incentive system to motivate employees. We enhance the honor system with various awards to benchmark and inspire excellence. We empower talent growth through dual career paths in management and technical roles, enhancing capabilities. We cultivate collaboration by fostering an open, trusting environment, enabling efficient innovation.

The Company has established awards such as "Star of Excellence" and "Outstanding Employee." During the reporting period, subsidiaries used transparent selection methods to recognize and motivate high-performing employees and key contributors.



Jiangxi Province
Outstanding Employees



Luxshare ReChuan
Excellence Star



Luxshare Vietnam
Outstanding Individuals



Luxshare Vietnam Self-
Driven Growth Award



Luxshare Vietnam Quality
Pioneer



Luxshare Suzhou
Component Star