

Luxshare Precision Industry Co. Ltd. (Luxshare)

TICKER
002475

MARKET CAPITALIZATION
US\$43.7 billion

HEADQUARTERS
China

DISCLOSURES

UK Modern Slavery Act: No 

Australia Modern Slavery Act: Not applicable

California Transparency in Supply Chains Act: Not applicable

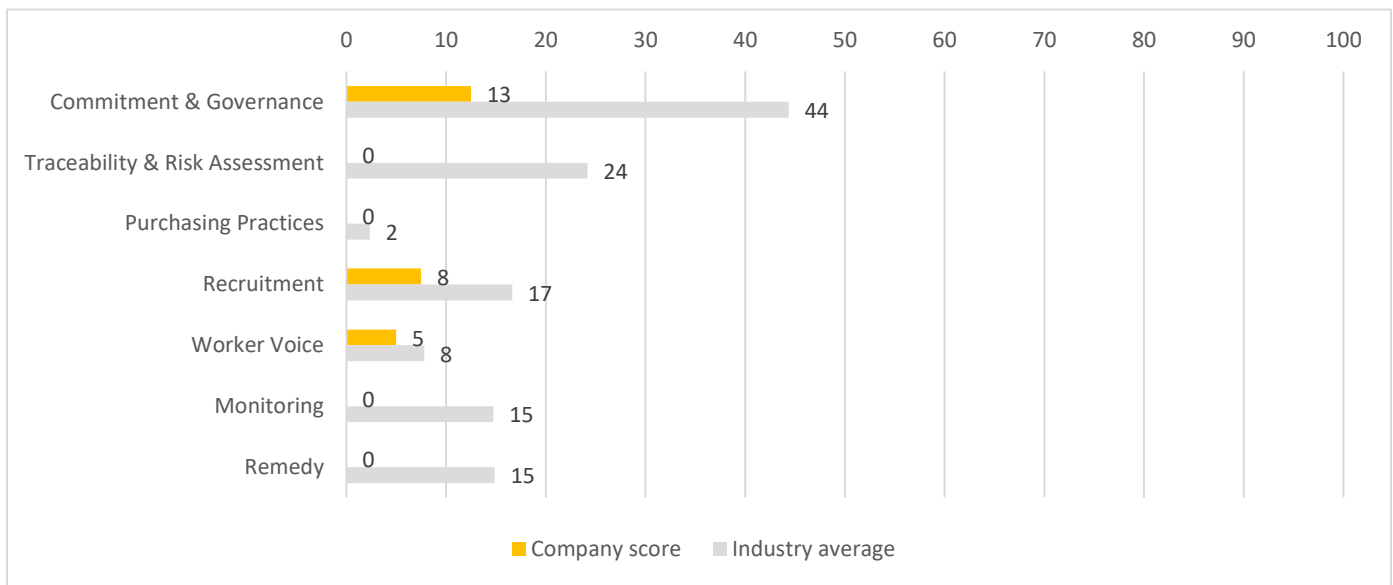
OVERALL RANKING

54 out of **60**

OVERALL SCORE

4 out of **100**

THEME-LEVEL SCORES



KEY DATA POINTS

SUPPLIER LIST

 No

NO-FEE POLICY

Yes (Employer Pays Principle)

RISK ASSESSMENT

 No


REMEDY FOR SUPPLY CHAIN WORKERS

 No

ENGAGED WITH KNOWTHECHAIN¹

 No

HIGH-RISK SOURCING COUNTRIES

 Likely China and/or Malaysia²

SUMMARY

Luxshare Precision Industry Co. Ltd. (Luxshare), an electronic components manufacturer which supplies to companies such as Microsoft and Nokia, ranks 54th out of 60 companies, and scores zero on four out of seven themes. It is alleged that the company is using Uyghur forced labour in its direct operations.³ The company's score is based on its disclosure of a supplier code of conduct that prohibits forced labour and worker-paid recruitment fees. The company is encouraged to improve its performance and disclosure across all themes, in particular on the themes of Commitment & Governance, Traceability & Risk Assessment, and Monitoring.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: While the company discloses that it has adopted the Responsible Business Alliance code of conduct as its supply chain standard, which prohibits forced labour, the company is encouraged to establish and disclose a managerial structure with clear responsibilities and accountability for the implementation of its supply chain policies that address forced labour, and provide oversight of such policies at the board level.

Traceability & Risk Assessment: The company is encouraged to assess and disclose forced labour risks across different tiers of its supply chains and disclose how it engages with relevant stakeholders to address forced labour risks identified. In addition, the company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers, information on its below-first-tier suppliers, and the countries from which it sources raw materials at high risk of forced labour.

Monitoring: The company is encouraged to adopt and disclose a supplier monitoring process to verify that its suppliers are compliant with its supply chain policies. Implementing specific practices, such as interviewing workers and, in particular, using worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities), may help the company detect forced labour risks in its supply chains. Disclosing information on the results of its monitoring efforts, such as a breakdown of findings, assures stakeholders that the company has strong monitoring processes in place.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

² Most electronic devices are produced at least in part in China and/or Malaysia, two countries where electronics may be produced using forced labour. KnowTheChain (June 2020), "[2020 KTC ICT Benchmark Report](#)."

³ This allegation is not taken into account by KnowTheChain as it relates to the company's direct operations. However, it is included in the allegations against Amazon, Microsoft and Nokia as part of their supply chains. See, for example, Business & Human Rights Resource Centre (7 March 2022), "[Amazon suppliers linked to alleged forced labour in Xinjiang](#)."