



Supply chain sustainability management policy

Mission

Build a sustainable ecological supply chain system, adhere to ethical and compliant operations, continue to strengthen the communication among stakeholders, promote the harmonious development of the supply chain, ensure the sustainable development of the supply chain, and give back to customers and society.

Policies

Shenzhen AV-Display Co., LTD. (hereinafter referred to as "AVD" or the "Company") 's general policy and action principles for supply chain sustainability management are as follows:

Take sustainable development as an important part of procurement strategy, enhance the weight of sustainable development in supplier certification, performance evaluation and procurement decision-making, deepen cooperation with customers, suppliers and industry organizations, promote sustainable development of suppliers through procurement business, reduce supply risks, improve customer satisfaction and supply chain competitiveness.

1. Strictly comply with all important laws and regulations, international norms and other stakeholder requirements in the field of social, economic, human rights and environmental protection, such as the Social Responsibility Standard (SA8000), the Universal Declaration of Human Rights, ISO 45001, ISO 14001, the Responsible Business Alliance (RBA) related standards, etc. Strengthen communication with local governments and related organizations. In accordance with relevant regulations and the Supplier Conduct Manual of Akita Microelectronics, all suppliers and their upstream suppliers are required to: prohibit the use of child labor, prohibit the use of forced labor, and strive to prevent human trafficking, bonded labor, indentured labor and hard labor; Prohibit any type of discrimination, requiring the prohibition of any type of discrimination based on sex, marital status, race, color, origin, religion, sexual orientation, disability, political orientation,



- or other personal characteristics; Corporal punishment, physical or verbal abuse, bullying or other unlawful harassment, and any threats or other forms of intimidation are prohibited.
2. Abide by the laws of your country regarding maximum working hours, and do not work more hours in a week (including overtime) than the maximum working hours specified by applicable local law, except in emergency or exceptional circumstances; Abide by the laws of the country where you are located concerning minimum wage, except in special circumstances; To encourage the provision of fair and equitable levels of remuneration; Work conditions that comply with all occupational health and safety regulations applicable to their facilities, encouraging the establishment of healthy, accident-free workplaces and, if accommodation is provided, livable accommodation; That employees of the supplier have the right to bargain collectively, freely associate, peacefully assemble, and form trade unions without discrimination, intimidation, or harassment, subject to local laws; Or may use the relevant expressions in the Company's Supplier Conduct Manual.
 3. Treat all personnel with dignity and respect in accordance with international norms such as the Universal Declaration of Human Rights: The Company provides channels, including anonymous reporting methods, for suppliers, business partners and other interested parties to provide relevant feedback to the Company or report suspected violations; If a violation is found to be true, the company will require appropriate improvement measures; The Company communicates its compliance with international standards, including the Universal Declaration of Human Rights, to suppliers, business partners and other interested parties and requires partners to adhere to similar standards, and regularly reviews and evaluates relevant risks, practices and impacts as part of the Company's supplier management system.
 4. The Company is committed to adopting the Due Management Guidelines for Responsible Mineral Supply Chains in China (hereinafter referred to as the China Guidelines), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Responsible Supply Chain Due Management for Minerals from Conflict-affected and High-risk Regions (Third edition)



(hereinafter referred to as the OECD Guidelines), As well as the Dodd-Frank Wall Street Reform and Consumer Protection Act (hereinafter referred to as the Dodd-Frank Act) on the management of tungsten, tin, tantalum and gold (hereinafter referred to as 3TG) minerals in conflict zones. The Company has always been committed to ethical sourcing and has committed not to use mineral resources from conflict zones. It also explicitly requires suppliers not to use mineral resources from conflict areas and in violation of company policy. To this end, suppliers of materials such as tungsten, tin, tantalum, gold, cobalt and mica contained in the materials purchased by the Company are required to conduct reasonable due diligence to ensure that their products do not contain minerals from conflict areas, and to provide written certification if required. Akita Microelectronics will widely disseminate this policy and implement it throughout the mineral resource supply chain in accordance with the China Guidelines and OECD Guidelines.

5. The company will continue to pay attention to and reduce the environmental impact of the operation of its suppliers. Whether to establish the environmental management system ISO14001 will be included in the supplier audit project. In the production process, Akita Microelectronics suppliers need to reduce the generation of three wastes (waste water, waste, waste gas, etc.) and use a certain proportion of renewable resources (recycled materials, clean energy, etc.).
6. The company established energy management system certification (ISO50001)), greenhouse gas investigation, and committed to resources and energy conservation and carbon reduction activities, but also encourage suppliers to establish the corresponding resources and energy management system, greenhouse gas accounting work, and ensure that energy efficiency at a high level.
7. The company pays attention to the consideration of occupational health and safety of employees in the operation of suppliers. Suppliers need to ensure a suitable working environment, identify occupational hazardous waste factors at the work site and equip them with necessary labor protective equipment, identify possible emergency situations, formulate emergency plans and conduct appropriate drills to ensure the health of employees.



8. The Company requires its suppliers not to use counterfeit and shoddy products and to ensure that the intellectual property rights of all parties are fully protected and respected.
9. The company pays attention to the improvement of social responsibility system and management ability in the supply chain, and pays attention to the training and education of employees in the labor, environment, occupational health and safety, integrity and ethics systems in the supply chain, so that employees can fully understand their rights and responsibilities, and increase their awareness of the importance of compliance.
10. AVD suppliers are required to disclose relevant supply chain information to meet the basic needs of OECD when maintaining conflicts of interest among parties.
11. The Company passes on all sustainability management requirements and compliance requirements to all suppliers to help them enhance sustainability management capabilities and value. This policy is maintained by the Purchasing Department and issued with the approval of senior management. It requires and promotes all suppliers to operate in a socially and environmentally responsible manner.

Shenzhen AV-Display Co., LTD

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