

HD MicroSystems L.L.C. (HD MicroSystems) Statement on Transparency in Supply Chains

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) went into effect in California. On March 26, 2015, Modern Slavery Act 2015 was signed into law. The laws are designed to increase the amount of information made available by manufacturers and retailers regarding their efforts to address the issue of slavery and human trafficking.

HD MicroSystems efforts include:

- **Verification** – HD MicroSystems is committed to conduct its business in an ethical and responsible manner that supports and respects the protection of human rights. We will work to identify and do business with suppliers and contractors who aspire to conduct their business in a similar manner and, to that end, have established a risk assessment process for contract operations driven by country leaders with the procurement function to prioritize contract operations that should undergo an audit process. Our current verification process does not employ a third party.
- **Auditing** – Audits by HD MicroSystems employees may be conducted on operations with a high-risk profile. The Internal Audit function includes some human rights components in their annual plan. Currently, our audit efforts are not independent and are not unannounced.
- **Certification** - We include child and forced labor and human trafficking questions as part of initial supplier qualification for high risk areas. Procurement agreements issued by HD MicroSystems require that direct suppliers accept the HD MicroSystems principles.
- **Internal Accountability** - Compliance with this policy and applicable laws is the responsibility of every employee and contractor acting on our behalf and is a condition of their employment or contract. A supplier's failure to correct any violation may result in the termination of the contractual relationship.
- **Training** – Management in each business is responsible to educate, train, and motivate employees to understand and comply with this policy and applicable laws. Regular network sessions to cover training on Human Rights and other high-risk areas for supply chain management including contract manufacturing administrators, sourcing leaders and supply chain leaders.

HD MicroSystems is a 50/50 Joint Venture of DuPont and Resonac and aligns with Parent company core values, ethics, and policy statements. In 2003, DuPont implemented a policy on child and forced labor. Since then, DuPont has upgraded its policy based on societal expectations. Their current policy is available at: <https://www.dupont.com/position-statements/child-and-forced-labor.html>.