

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 within 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 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 operating 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 is responsible to educate, train, and motivate employees to understand and comply with this policy and applicable laws. Mandatory training includes, but is not limited to Human Rights, Company's Code of Conduct, Ethics Compliance and other high-risk areas for Supply Chain which includes, employees, contractors, sourcing and supply chain leaders.

HD Microsystems is a 50/50 Joint Venture of Qnity Electronics and Resonac and aligns with Parent company core values, ethics, and policy statements available on their website.

[Ethics & Compliance](#)