

Sunny Optical Technology Human Rights Policy

1. Foreword

Sunny Optical Technology (Group) Co., Ltd. (Hereinafter referred to as “the Group”) firmly believes that respecting and promoting human rights is the cornerstone of sustainable development and global operation of enterprises. Human rights protection is not only essential for the well-being of employees and social justice, but also a key prerequisite for the Group to win the trust of stakeholders and achieve long-term value creation.

To ensure compliance and responsible operations globally, and resolutely put an end to any infringement or violation of labor and human rights, the Group upholds the following core principles, guided by both internationally recognized human rights standards and local laws and regulations:

United Nations Universal Declaration of Human Rights.

United Nations Guiding Principles on Business and Human Rights.

Core Conventions of the International Labour Organization (including core issues such as freedom of association and the right to collective bargaining, elimination of forced labor, abolition of child labor, and elimination of employment discrimination).

Code of Conduct for Responsible Business Alliances (RBA Code of Conduct).

Laws and regulations related to labor, human rights and social protection applicable to the operating locations of our group both domestically and internationally.

The Group is committed to working with all stakeholders, including employees, contractors, suppliers, business partners, customers, government agencies and community organizations, etc. to jointly promote the implementation and popularization of the concept of human rights and build an operating ecosystem that respects human rights and is fair and inclusive.

2. Scope of application

This policy applies to Sunny Optical Technology and all its affiliated subsidiaries, covering all employees directly and indirectly employed. At the same time, this policy is also binding on the Group's supply chain and business partners, including but not limited to: raw material suppliers, component suppliers, outsourcing service providers, engineering contractors, sales agents, logistics partners and other third parties acting on behalf of the Group or related to the Group's business.

3. Core Practice of Human Rights Protection

The Group integrates the concept of human rights into the whole process of operation and management, focusing on the implementation in the following key dimensions:

3.1 Diversity and inclusion:

- Respect the identity diversity of employees, suppliers, business partners and all stakeholders, and regard "non-discrimination" as the basic principle of employment, cooperation and business decision-making.
- Discrimination on the basis of any legally protected characteristic, including but not limited to race, ethnicity, nationality, gender, religion, age, color, disability, sexual orientation, political affiliation, marital status, trade union membership, gender identity and expression, language, citizenship, ancestry, pregnancy, illness, etc. is strictly prohibited.
- Ensure that there are no discriminatory terms or practices throughout the employment cycle, including recruitment, hiring, training, promotion, compensation, benefits, termination, etc.; When cooperating with a third party, the cooperating party is equally required to comply with the anti-discrimination principle.
- Commitment to provide all employees with a working environment free of harassment, violence and coercion, and prohibit any form of inhuman treatment, including but not limited to: physical violence, gender violence, sexual harassment, non-sexual harassment, sexual abuse, psychological harassment, verbal harassment, corporal punishment, mental or physical coercion, workplace bullying, public humiliation, etc.
- Establish relevant standards to clarify the definition criteria, reporting process, investigation mechanism and punishment measures (including warning, demotion, termination of labor contract, etc.) for harassment behavior, so as to ensure that all complaints are handled fairly and promptly.
- Training courses on human rights, management methods and recruitment are regularly conducted, and channels for expressing opinions, complaints and reporting violations are publicized. Once the violation of discrimination, harassment and other facts are found, the responsible department is immediately required to improve and return the rights and interests of employees.

3.2 Absence of forced labour and human trafficking:

- Eliminate all forms of forced labor, including but not limited to forced labor through debt bondage, physical restraint, threats and intimidation, violence or sexual violence, fraud, deduction of wages, excessive overtime without freedom to refuse, withholding of identity documents (passports, identity cards, etc.), restrictions on freedom to leave and other means, and strictly prohibit participation in or association with any activities related to human trafficking.
- To ensure that all employment relationships are based on "voluntary participation" and that employees have the right to choose to join or terminate the employment relationship according to the legal or agreed reasonable notice period, and that there are no unreasonable restrictions or obstacles in the process of leaving.
- For special groups such as foreign employees and dispatched employees, the terms of employment (including salary, working hours, posts, etc.) are clearly informed, and disguised restrictions on labor freedom in the form of "prepaid expenses" and "guarantees" are prohibited.
- Strengthen education and training, interview employees regularly, and ensure that policies and actions are consistent.

3.3 Guarantees of freedom of association, freedom of religion and the right to collective bargaining:

- Fully respect the right of employees to freedom of association according to law, including the right to organize, join or withdraw from legal labor organizations such as trade unions, and prohibit any form of interference, restriction or retaliation against the association of employees.
- Respect the right of employees to conduct collective bargaining with management through trade unions or other legitimate representatives, conduct equal consultation on issues such as salary and welfare, working conditions and labor protection, actively respond to the reasonable demands of employees, and build harmonious labor relations.
- Guarantee that everyone has the right to choose their own religion or not to believe in any religion, and set up a place for religious activities for employees.

3.4 Compliance Guarantees Compensation Benefits and Working Hours:

- Strictly comply with all local laws and regulations on salary, social security and

working hours to ensure that employees are not paid less than statutory minimum wage in the territory and that "equal pay for equal work" is achieved (that is, employees in the same position and with the same performance are not paid differently due to factors not related to their ability to work).

- Pay social insurance for employees in accordance with the law, pay wages in time and in full, and do not default or deduct without reason.
- Organize employee training regularly, understand the company's welfare and working hours regulations, and strictly control the working hours of employees. In addition, organize regular audit of working hours and wages of employees to ensure compliance of wage payment and implementation of equal pay for equal work.

3.5 Strict prohibition of child labour and protection of juvenile workers:

- Strictly abide by the Minimum Age Convention of the International Labour Organization and the requirements of territorial laws and regulations, strictly prohibit the employment of any person under the age of 16, and put an end to any form of child labor.
- For juvenile workers over 16 years old but under 18 years old, their scope of work shall be limited in strict accordance with the laws and regulations of the place of operation: it is forbidden to arrange them to engage in heavy, toxic, harmful (such as exposure to hazardous chemicals, high-altitude operations, high temperature and high pressure operations, etc.) or work and dangerous operations that may endanger their physical and mental health.
- Establish a special protection mechanism for juvenile workers to ensure that their right to education and development is not affected.
- When recruiting, the company should carefully check the relevant information held by the applicant and adopt appropriate recruitment channels to avoid recruiting child labor. At the same time, regular audits are conducted to ensure timely detection of child workers who enter the company due to false identity or any other reason. Once the misuse of child labor is found, the company will immediately terminate the labor contract with them and send them back to their original place of residence to their parents or other legal guardians.

3.6 Equal protection of the employment rights and interests of the disabled:

- Strictly abide by the laws and regulations on the protection of persons with

disabilities in the place of operation, ensure that persons with disabilities enjoy equal rights with other employees in employment, training, promotion, salary and welfare, and prohibit any discrimination based on disability.

- Provide suitable workplace and labor protection conditions for disabled employees (such as auxiliary equipment, adjustment of work position, etc.), carry out regular occupational health examination, and protect their safety and health in the process of work according to law.
- Actively respond to the government's policy guidance on the employment of the disabled (such as arranging employment for the disabled in proportion, paying the employment security fund for the disabled, etc.), and fulfill the social responsibilities.

3.7 Special protection of the rights and interests of female workers:

- Any form of discrimination against female employees is strictly prohibited, especially discrimination against female employees during pregnancy, childbirth and breastfeeding (such as salary reduction, post transfer, dismissal, promotion restriction, etc.).
- We will resolutely put an end to any compulsory pregnancy test or virginity test, and respect the physical autonomy and privacy of female workers.
- To ensure that female workers enjoy the right to equal employment and equal pay for equal work, and to protect their special rights and interests in accordance with the law, such as reducing labor intensity during pregnancy, providing statutory leave for prenatal examination, maternity leave and breast-feeding, setting up nursing rooms, and avoiding arranging female workers to engage in work contraindicated during menstruation, pregnancy and breast-feeding.
- Organize female employees to talk regularly; Regular audits shall be organized, and if any violation of women's protection is found, the responsible department shall be immediately required to improve and return the rights and interests of women workers, and the departments where the above incidents have occurred shall be included in the list of key audits.

3.8 Standardize and protect the rights and interests of foreign workers:

- Ensure that all foreign employees hold legal and valid passports, visas and work permits required by the territorial government, strictly prohibit the employment of

"illegal foreign workers", and assist foreign employees in handling necessary residence, social security and other procedures.

- Provide necessary language support (such as working language training and translation services) to foreign employees to ensure that they fully understand the terms of employment, working procedures, safety regulations and rights protection measures.
- The salary and welfare, working hours and labor protection of foreign employees shall be implemented in accordance with the laws and regulations of the territory and the policies of the Group without discrimination.

3.9 Enhance workplace health and safety:

- With the goal of "zero injury and zero accident", establish and improve the occupational health and safety management system (such as ISO 45001 certification), and strictly abide by all applicable health and safety laws and regulations and industry standards.
- Carry out regular workplace risk assessment (such as mechanical injuries, electrical safety, chemical hazards, noise pollution, etc.), take targeted prevention and control measures (such as installing protective equipment, providing personal protective equipment PPE, optimizing operation procedures, etc.), and reduce occupational hazards.
- Provide employees with free occupational health examination (especially for posts exposed to occupational hazards), establish employee health records; formulate contingency plan (such as fire, earthquake, chemical leakage, etc.), organize emergency drills regularly, and ensure that employees master self-rescue and mutual rescue skills.
- Encourage employees to participate in health and safety management, set up an EHS suggestion box, and respond to employees' feedback on potential safety hazards in a timely manner.

3.10 Strictly protect personal privacy and data security

- Collect and use personal information (such as ID card number, contact information, health data, etc.) of employees and stakeholders in accordance with the principle of "legality, legitimacy and necessity", clearly inform the purpose and scope of information collection, and do not disclose or use it for unauthorized purposes

without their consent.

- Establish a data security management system, and take technical (such as encryption, access control) and management (such as authority classification, regular audit) measures to prevent personal information leakage, loss or abuse.
- Strictly abide by the relevant laws and regulations of global data protection (such as EU GDPR, China's Personal Information Protection Law, etc.), and protect the rights of individuals to inquire, correct and delete their information.

3.11 Product Responsibility and None Conflict Minerals Commitment:

- To clarify the human rights responsibilities of enterprises for the whole life cycle of products, covering raw material procurement, production and manufacturing, product use, waste recycling and other links, to ensure that all links do not involve human rights violations.
- Adhere to the commitment of "none conflict minerals" procurement, and strictly prohibit the purchase or use of conflict minerals (mainly including tin, tantalum, tungsten and gold (3T G)) from "conflict areas and high-risk areas" (such as the Democratic Republic of Congo and its neighboring countries), or any metals and products involving forced labor, child labor and armed conflict in the manufacturing and production process.
- Establish a due diligence mechanism for conflict minerals, require upstream suppliers to provide proof of mineral origin, verify supply chain mineral compliance through third-party audits, and promote human rights protection in the mineral supply chain.

3.12 Supply chain human rights risk management:

- Communicate the Group's human rights policy requirements to all suppliers using the Responsible Business Alliance Code of Conduct (RBA) as the core standard, and incorporate human rights compliance into the core indicators of supplier access, evaluation and cooperation.
- All suppliers are required to sign the Social Responsibility Agreement to clarify their obligations in anti-discrimination, prohibition of forced labor/child labor, health and safety protection, etc. Regular CSR risk assessment and on-site audit are carried out for suppliers, and rectification plans are formulated and tracked for non-conformities found. Suppliers who refuse to rectify or seriously violate the

regulations are terminated.

- Suppliers are required to sign the Commitment to Not Use Minerals from Conflict Zones and conduct annual due diligence on conflict minerals to promote suppliers to transmit human rights requirements to their upstream supply chains and build a supply chain system of "full chain human rights compliance".

4. Our commitment

In order to ensure the effective implementation of the human rights policy, the Group made the following commitments to all stakeholders and established a supporting implementation mechanism:

4.1 Review annually and revise and improve the contents of the policy according to the update of international human rights standards, changes in territorial laws and regulations, feedback from stakeholders and business development needs of the enterprise, so as to ensure the timeliness, compliance and operability of the policy.

4.2 Continue to empower the Group's employees and suppliers with human rights, and enhance their concern and attention to human rights issues.

4.3 Conduct regular internal and supply chain human rights due diligence to assess human rights risks. If any human rights risk, potential impact or violation is found, a special group shall be established immediately to formulate risk mitigation measures (such as rectification plan and remedial plan), specify the responsible department and completion time limit, and track and verify the rectification effect; if actual damage is caused, compensation or relief shall be provided to the affected party in accordance with the law and regulations.

4.4 The Human Resources Committee coordinates the implementation of human rights policies, regularly reviews the progress of human rights work and risk management, and ensures that human rights management is included in the strategic decision-making of the enterprise.

5. Communication and grievance

We value the voices of all stakeholders, and we are committed to taking each stakeholder's feedback seriously, encouraging active feedback from internal and external stakeholders, and helping us conduct self-examination and self-correction in a more timely manner. At the same time, we will keep the whistleblower and the content

of the report strictly confidential, and take appropriate protective measures to protect the whistleblower's personal data and privacy according to law. Ensure that whistleblowers are not subject to retaliation.

If a violation of the human rights policy is found, it can be reported by submitting specific facts, relevant information and documents through the following channels, either publicly or anonymously.

Channels for reporting complaints:

"Shunyujia" WeChat Public Number, Feishu SunnyHR

Tel: 0574-62531934

Complaint platform:



Grievance handling process

Acceptance: After receiving the report, the Ministry of Human Resources shall register the report information, judge whether it falls within the jurisdiction of the human rights policy, and accept those that meet the requirements; for those who do not meet the requirements, the reasons shall be explained and the informer shall be informed.

Investigation: a special investigation group shall be set up to carry out the investigation through interviews, access to information, on-site verification and other means to ensure that the investigation process is objective and fair, and the written investigation results shall be issued within 5 working days.

Handling: according to the investigation results, issue a rectification notice and follow up the implementation of the confirmed violations; those suspected of violating the law shall be handed over to the judicial offices for handling.

Feedback: After the investigation is completed, the handling results shall be fed back to the informant (anonymous reporting can be fed back by agreement), and the informant's opinions on the handling results shall be solicited.