

ACM RESEARCH, INC.

Labor and Human Rights Policy

ACM Research, Inc., (“ACM”), is committed to respecting, protecting, and promoting the human rights and dignity of its employees including all individuals within our operations, relationships with our global business partners, and the communities where we live and work. ACM adheres to the principles of equal opportunity and fair employment, supports employee growth and development, promotes physical and mental well-being, and strives to foster a safe, inclusive, and supportive workplace. ACM respects the dignity and value of its employees, is committed to upholding internationally-recognized human rights standards, and complies with applicable laws and regulations in the countries and regions where it operates. Principles of this policy are embodied in the related standalone policy (“[ACM Research \(Shanghai\), Inc. Labor Management Statement](#)”) as adopted by our subsidiary.

Guiding Principles

This policy is developed with reference to internationally recognized principles, standards, and guidance, including the *Universal Declaration of Human Rights*, the *United Nations Guiding Principles on Business and Human Rights*, the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*, the *ILO Declaration on Fundamental Principles and Rights at Work*, the *Women’s Empowerment Principles*, and the *ILO Core Conventions*.

Scope of Application

This policy applies to ACM’s global R&D centers, manufacturing sites, and related business operations, covering all employees (including full-time permanent employees, full-time contractors, and part-time employees).

The company expects third-party partners, including suppliers, service providers, distributors, contractors, and other business partners, to comply with this policy or equivalent labor and human rights standards.

Labor and Human Right Governance Framework

ACM has established a governance framework for labor and human rights, with the Board of Directors providing oversight and senior management responsible for implementation and continuous improvement. The framework covers key areas including occupational health and safety, working conditions, employee communication and engagement, career development and training, prevention of child labor and forced labor, prohibition of human trafficking, prevention of discrimination and harassment, and protection of employee rights.

- **Board of Directors:** Responsibilities include overseeing the development and implementation of labor and human rights policies, regularly reviewing related risks, and evaluating management effectiveness.
- **Senior Management:** Responsibilities include developing and implementing labor and human rights policies, identifying and assessing related risks, implementing appropriate management measures, and continuously improving

labor and human rights management practices.

Labor and Human Right Practices

Prohibition of Child Labor, Forced Labor, and Human Trafficking

ACM prohibits all forms of child labor, forced labor, human trafficking, and other unlawful employment practices. Any employee who becomes aware of any facts or circumstances indicating the possibility of forced labor, child labor, or human trafficking in connection with any aspect of our business must immediately suspend the underlying activities or transactions and contact the CFO for further guidance. Knowingly failing to do so constitutes a violation of company policy and may result in disciplinary measures.

The company is committed to conducting regular assessments to identify, evaluate, and mitigate potential forced labor risks within its operations and supply chain. ACM ensures that employment relationships are entered into voluntarily and that employment agreements are provided in a language understood by employees. No entity within ACM's global supply chain may confiscate, destroy, conceal, or withhold employees' identity documents or immigration documents, except where required by applicable laws and regulations.

Anti-Discrimination and Anti-Harassment

ACM is committed to open recruitment, fair competition, and merit-based employment practices. The company promotes equal opportunity and prohibits discrimination based on race, color, gender, nationality, religion, age, disability, or any other legally protected characteristic.

ACM maintains a workplace free from harassment and prohibits any form of harassment, including sexual harassment, coercion, threats, intimidation, exploitation, or other inappropriate conduct. The company is committed to protecting employees from harassment and ensuring a respectful workplace environment. ACM maintains mechanisms to identify, investigate, and address potential non-compliance related to discrimination and other workplace misconduct.

Employee Rights and Benefits

ACM values and aims to protect employees' rights and dignity by providing reasonable working hours, competitive compensation and benefits, and a comprehensive performance management system. The company complies with applicable laws and regulations regarding working hours, rest periods, and leave arrangements. Employee compensation consists of base salary, performance-based compensation, overtime pay, and annual bonuses. ACM periodically reviews compensation practices to help ensure that employee wages remain competitive and align with applicable living wage standards.

ACM conducts annual performance reviews and provides employees with timely

feedback to support continuous improvement and career development. The company also provides equity incentive programs to align employees' interests with long-term business growth and encourage participation in innovation and value creation.

ACM provides employee benefits in accordance with applicable laws and regulations.

ACM provides multiple channels for employees to communicate opinions, suggestions, and concerns. The company conducts annual employee satisfaction surveys to evaluate employee engagement and review labor management practices.

Health and Safety

ACM is committed to providing a safe and healthy workplace by complying with applicable occupational health and safety laws and regulations, conducting regular safety assessments, and identifying and eliminating potential hazards. The company encourages worker participation in workplace health and safety management through safety training, hazard identification, risk assessment, incident reporting, and consultation mechanisms, enabling employees to actively contribute to the identification of safety risks and the improvement of occupational health and safety practices. We have a commitment to emergency preparedness, industrial hygiene, sanitation, and humane housing conditions. We provide employees with appropriate safety gear, clean drinking water, and sanitary living and working spaces when applicable. We have appropriate emergency procedures in place, including a clear response and communication plan, and appropriate training for assigned tasks. These efforts are designed to protect the health and safety of employees, suppliers, visitors, and other relevant stakeholders.

ACM promotes mental health awareness by fostering a supportive workplace culture and encouraging employees to pay attention to their mental well-being. We have a commitment for continuous improvement to ensure the safest outcomes.

Social Dialogue

ACM promotes an open, transparent, and inclusive communication environment and respects employees' freedom of association and right to collective bargaining in accordance with applicable laws and regulations. Employees are not subject to discrimination, wage reduction, termination, or other adverse consequences for exercising these rights.

Employee Training and Development

ACM has established a talent development system to support employee capability building and career growth. The Company provides multi-level training programs tailored to different roles and career stages for employees, including full-time employees, contractors, and part-time employees.

Training programs include internal training, external learning opportunities, and

research initiatives, covering professional knowledge, technical capabilities, leadership development, and management skills, with the goal of enhancing employees' professional competencies and overall capabilities.

The company provides employees with role-specific professional training and external certification opportunities, enabling employees to strengthen their expertise, realize their potential, and achieve professional development goals.

ACM has also established an integrated employee development framework that provides targeted leadership, management, and professional skills training for employees at different levels, including frontline employees, middle managers, and senior executives. Based on factors such as experience, responsibilities, competencies, performance, position requirements, and market considerations, ACM has established career advancement mechanisms covering various functions, including management, support functions, R&D, engineering, and after-sales technical services. Employees are provided with dual career development pathways in both management and professional tracks designed to maximize their potential.

Human Rights Due Diligence

ACM proactively identifies, assesses, and manages potential human rights impacts and risks arising from its operations and value chain. The company continuously improves its human rights due diligence processes and implements preventive, monitoring, and mitigation measures across relevant business functions, including supply chain assessments, employee training, and periodic risk reviews, to address potential human rights risks.

Whistleblowing and Grievance Mechanism

ACM has established a whistleblowing and grievance mechanism where employees and stakeholders can promptly report potential misconduct or violations and raise grievances regarding the handling of such reports. Matters include any known or suspected violations of applicable laws in the jurisdictions where the company operates, internal company policies, or high standards of labor and human rights, covering areas such as health and safety, rights and benefits, discrimination and harassment, freedom of association and collective bargaining, and employee training and development.

Employees and stakeholders may submit reports or grievances, either anonymously or by name, through the following channels: directly to the Chair of the Audit Committee or the Chief Financial Officer (Compliance Officer); to appropriate members of management or the Human Resources department; or via in-person, written, email, or telephone communication. If an employee or stakeholder disagrees with the handling of a report, they have the right to submit grievance to the supervising leader of the investigative department, ensuring a fair and impartial resolution.

ACM will maintain the confidentiality of whistleblowers and grievance submitters

to the best efforts to maintain confidentiality of the identity of the complainant so long as this does not hinder or frustrate the purpose of the investigation or where disclosure is required by law, to prevent a crime, or in the public interest and will take reasonable measures to protect their identities during investigations. The company prohibits any form of discrimination or retaliation against individuals who report in good faith or cooperate with investigations. Any acts of retaliation or discrimination will be considered serious violations. Offenders will be disciplined in accordance with the relevant provisions of the Employee Handbook, and if a criminal act is involved, the matter will be referred to the relevant judicial authorities.

For additional details, please refer to ACMR's official [Whistleblower Policy](#).

Stakeholder Engagement

ACM is committed to engaging with relevant stakeholders, including employees, suppliers, and business partners, in the development, implementation, and continuous improvement of its human rights policies and practices.

To enhance human rights awareness among employees and stakeholders, ACM conducts human rights training and awareness programs covering topics such as anti-discrimination and anti-harassment, employee rights and benefits, health and safety, and human rights due diligence, and the prevention of human trafficking and forced labor.

Improvement and Oversight

ACM's senior management is responsible for overseeing the review and update of this labor and human rights policy and related governance practices. The company regularly reviews and updates these policies for continued alignment with applicable laws, regulatory requirements, and evolving labor and human rights risks.

This policy has been approved by the Board of Directors of ACM Research and will be updated as appropriate in response to regulatory changes, business developments, and other factors.

Definitions / Glossary

This section of the document provides clear definitions for terms used throughout this policy and procedure.

Term	Definition
Forced Labor	Includes any work for which someone has not offered himself or herself voluntarily; any work performed under threat of penalty; any work that is demanded as repayment for a loan or debt; any work for which the worker was recruited, transported, harbored, obtained, or received through the use of deception, intimidation, threat, force, or other forms of coercion for the purpose of exploitation; and any work performed by a prisoner that is not performed voluntarily or for which he or she does not receive pay. Signs of forced labor can include: holding, destroying, concealing, confiscating, or denying access of employees to their identification documents, such as passports, work permits, and travel documentation, and/or requiring workers to pay recruitment and other fees and costs that create circumstances of debt bondage.
Prohibited Child Labor	Includes employment of child workers younger than the applicable required minimum age or workers under the age of 18 to perform work that is physically, socially, or morally dangerous or harmful, that deprives children of an education or requires a child to combine education with long hours and heavy work.
Human Trafficking	Refers to the process through which individuals are placed or maintained in an exploitative situation for economic gain. This can include recruitment, transportation, transfer, harboring or receipt of an individual by means of threat or use of force or other form of coercion.