

**CHINT** |

**The Code of Integrity,  
Compliance and  
Business Conduct**

# *The Code of Integrity, Compliance and Business Conduct*

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## Foreword

**CHINT Group is a world-renowned smart energy solution provider. We unwaveringly adhere to the culture of people-oriented, value-sharing and mission of making electric power safer, more green, more convenient and more efficient.**

**CHINT Group regards “customer-focus, innovation, modesty in learning, integrity, collaboration, responsibility” as its core values and “creating values for customers, seeking career development for employees and taking on responsibilities for the society” as its business philosophy to build the enterprise image of green energy-saving, sustainable innovation, reliability and comprehensiveness, and win-win cooperation.**

### **CHINT Principle:**

- promotes innovation and collaborative work;
- strives to create and maintain a healthy and safe environment toward its employees, Business Partners and everyone who interacts with CHINT Group;
- constantly acts with integrity, transparency, dignity and respect in the performance of the day-to-day activities;
- is always grateful for the trust and the investment of its shareholders and investors.

### **CHINT ICP:**

In order to better protect our values and identity, it is a priority that everyone, individually or collectively, behave in harmony with the values set out in our Integrity and Compliance Programme.

CHINT Integrity and Compliance Programme is an integral part of our business and is critical to the existence and success of our business, our common welfare and the harmonious development of humankind. because the principles of CHINT Integrity and Compliance Programme derives from essential elements of our culture such as honesty, loyalty, integrity, sharing values and reciprocal assistance.

# 01 Introduction to the Code of Integrity, Compliance and Business Conduct

## 1.1. CHINT Integrity and Compliance Programme

CHINT Group's Integrity and Compliance Programme includes:

- The Code of Integrity, Compliance and Business Conduct (the "Code"), which sets forth the rules, the principles and the procedures of CHINT Group's compliance and integrity policy as well as ethical and respectful business conduct ;
- The Business Partners Code of Conduct (the "BP Code") sets out forth the rules and principles which guide our business decisions and behavior to ensure integrity and transparency in all aspects of CHINT Group's relationships with its Business Partners ;
- The Standard Operational Policies ("SOP"), which are adopted at the level of each entity of the Group in the application of the BP Code and the Code;
- Integrity Compliance Manual (hereinafter referred to as the "Manual") or similar document, any instructions, guidelines or similar instruments, which may be adopted by the management of the Group in compliance and pursuant to the Code, the BP Code and the SOP.

## 1.2. Scope of Application

The Code are applicable in conjunction with any and all applicable national and international laws wherever the business of CHINT Group is conducted. The Code is a mandatory requirement for doing business with CHINT Group. It applies to all of CHINT Group's Business Partners, their employees and their Business Partners.

CHINT Group reviews and updates regularly the Code. You will find the most recent version on : [https://www.chint.com/guideline\\_info.html](https://www.chint.com/guideline_info.html)

It is critical that the Code be put to use on a daily basis and that CHINT Group's Business Partners uphold and convey its values within their organisations.

The Code outlines the most important aspects of maintaining ethical business relationships, but it is not exhaustive.

The Code is not meant to be a legal advice and therefore, you may also need to consult with your advisors or counsels.

## 1.3. Consequences of the breach of the Code

There are serious consequences for breaching the Code and any applicable laws, including the loss of future business dealings with CHINT Group, heavy indemnities, possibly the termination of the business relationship and impairment of employees' rights and interests, without any indemnity due to the Business Partner.

# 02 Definitions

In the Code the defined terms shall have the following meaning, unless the Code otherwise provides for.

**CHINT Group:** means CHINT Group Corporation and its subsidiaries and sub-subsidiaries. In the Code reference to “us” or “our” refer to CHINT Group.

**Business Partners:** means any individuals or entities which / who are in business relation with CHINT Group or with whom CHINT group intends to be in business relation, whether or not they act on its behalf. The Business Partners include but are not limited to agents, distributors or other intermediaries, resellers, franchisees, purchasers, co-contractors, subcontractors, sales representatives, customs agents, visa agents, business development consultants or business introducers, general consultants, lawyers, accountants, financial consultant or other advisors.

**Person:** means an individual, legal entity, partnership, association, trust, foundation not having the form of legal entity.

**Employee(s):** means all individuals working at all levels, including but not limited to senior managers, officers, directors, employees (whether permanent or temporary or home-workers), trainees, wherever they are located.

**Third Party:** means a Person in business relation with the Business Partner or with who the Business Partner intends to be in business relation for the purpose of the Contract, whether or not they act on its behalf. The Third Party includes but is not

limited to agents, distributors or other intermediaries, resellers, franchisees, purchasers, co-contractors, subcontractors, sales representatives, customs agents, business development consultants or business introducers, general consultants, lawyers, accountants, financial consultant or other advisors.

**Misconducts:** means Corrupt practice, Fraudulent practice, Collusive practice, Coercive practice or Obstructive practices.

**Corrupt practice:** means directly or indirectly offering, giving, receiving or soliciting any value item in order to influence another party in an improper manner. Corrupt Practices may be Private sector Corruption and Public sector Corruption.

**Bribery:** means directly or indirectly offering, promising, giving, authorizing (active bribery) or accepting (passive bribery) of any undue pecuniary or other advantage (which could be nonpecuniary) to, by or for a Public Official at international, national or local level, a political party, party official or candidate to political office, and a director, officer or employee of a private Person, or for anyone else in order to obtain or retain a business or other improper advantage, e.g. in connection with public or private procurement contract awards, regulatory permits, taxation, customs, judicial and legislative proceedings.

**Extortion or Sollicitaion:** means the demanding of a Bribe, whether or not coupled with a threat if the demand is refused.

**Public sector Corruption:** shall mean any form of Corrupt Practice where the purpose of the Corrupt Practice is to obtain an undue advantage from an act or omission of a Public Official in relation to his/her public duties.

**Private sector Corruption:** means any form of Corrupt Practices where the purpose of the Corrupt Practice is to entice a private individual, such as a director, officer or employee of a private sector Person to breach his/her duties towards that Person.

**Trading in influence:** means the offering or solicitation of an undue advantage in order to exert an improper, real, or supposed influence to obtain from a Public Official an undue advantage for the original instigator of the act or for any other Person.

**Convenience fee:** also known as "facilitation fee," "reward fee," "lubrication fee," etc., means unofficial, improper, small-value payments made to an official to secure or expedite the performance of a routine or necessary action.

**Fraudulent Practice:** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a Person to obtain a financial or other benefit or to avoid an obligation.

**Collusive Practice:** means an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another Person.

**Coercive Practice:** means impairing or harming, or threatening to directly or indirectly impair or harm any Person or the property of the Person, in order to improperly influence the actions of a Person.

**Obstructive Practice:** means:

- Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigations or making false statements to investigators in order to materially impede any investigation, into allegations of a Corrupt, Fraudulent, Coercive, or Collusive practice; and/or threatening, harassing or intimidating any Person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
- Acts intended to materially impede the of exercise the inspection and audit rights by the relevant authority or institution.

**Laundering:** means the process of transferring the value of illegal funds to make them appear legitimate for the purpose of concealing proceeds from criminal activities, and also includes concealing the flow of funds through transactions to finance various criminal activities, such as terrorist financing.

**Tax evasion:** means to an illegal act of using illegal means to reduce or avoid tax obligations. When individuals, businesses, or trust funds are aware of their tax obligations but fail to declare or declare with fraudulent intent by underreporting income or earnings or overreporting deductions or losses, it constitutes tax evasion.

**Forced labor:** means individuals are compelled to work against their will under the threat of violence or other forms of punishment, is a form of modern-day slavery.

03

# Prohibition of Misconduct

CHNT

Corrupt Practice

Fraudulent Practice

Collusive Practice

Coercive Practice

Obstructive Practice



# Prohibition of any Misconduct

CHINT Group attaches great importance to and continuously cultivates the enterprise integrity culture. We firmly adhere to the integrity and compliance requirements of the World Bank, and strictly prohibit employees from directly or indirectly engaging in any form of improper conduct such as corruption, fraud, collusion, coercion, and obstruction through agents or other intermediaries. At the same time, CHINT Group also requires Business Partners to comply with the same prohibitive requirements and jointly establish a fair, transparent, and honest business environment.

## How do we do it?

**CHINT is committed to maintaining the highest standards of integrity and compliance conduct and to abiding by our values. Furthermore, CHINT Group is committed to:**

- **Zero-tolerance of any misconduct;**
- **Making integrity and the combats against misconduct central to CHINT Group's culture;**
- **Ensuring upstream exist effective control and monitoring in order to prevent, detect and remedy any behavior that would be unethical or non-compliant or would constitute Misconduct or a breach of the law;**
- **Following permanent and continuous improvement of the requirements and standards;**
- **Ensuring efficient protection and incentive for whistler blowers.**

### **Corrupt Practices**

We require our employees not to engage in commercial bribery and corrupt practices in any region, under any circumstances, and in any form. We prohibit commercial bribery in disguise through gifts and hospitality, the use of official facilitation to commit any fraudulent acts, and corruption with public officials.

### **Fraudulent Practice**

We promise not to engage in any form of fraudulent behavior and to uphold a cooperative atmosphere of integrity and transparency.

### **Collusive Practice**

We prohibit employees from engaging in purposefully designed arrangements or collusion between two or more parties to improperly influence the behavior of another party in order to achieve an improper purpose.

### **Coercive Practice**

We prohibit employees from directly or indirectly injuring, damaging, or threatening to harm or destroy any party or their property, thereby improperly influencing the behavior of that party.

### **Obstructive Practice**

We prohibit employees from obstructing or preventing the relevant authorities or agencies from exercising their right to investigate for any reason and in any form, and prohibit employees from intentionally destroying, falsifying, tampering with, or concealing evidence of significance to the investigation, or making false statements to the investigator, among other acts.

04

# Conduct Business Fairly

CHNT

- Fair competition
- Trade compliance
- Prevent insider trading
- Avoid conflicts of interest
- Anti-Money Laundering
- Anti-Tax Evasion

# Conduct Business Fairly

CHINT Group attaches great importance to law compliance and firmly adheres to applicable laws and regulations in conducting fair competition. We adopt strict control measures for trade compliance, preventing insider trading, avoiding conflicts of interest, anti-money laundering and anti-tax evasion. At the same time, CHINT Group also requires Business Partners to comply with the same requirements and jointly establish a fair, transparent, and legally compliant business environment.

## How do we do it?

CHINT is Committed to maintaining the highest standards of integrity and compliance conduct and to abiding by our values . Furthermore, CHINT Group is committed to:

- Zero-tolerance for any behavior that undermines fair competition;
- Making Trade Compliance significant to CHINT Group's culture;
- Ensuring upstream exist effective control and monitoring in order to prevent, detect and remedy any behavior that undermines fair competition;
- Following permanent and continuous improvement of the requirements and standards;
- Ensuring efficient protection and incentive for whistler blowers.

### Fair competition

We prohibit any unfair competition that harms consumers and the public interest of society, and consciously maintain a healthy market order.

### Trade compliance

We promise to abide by all applicable domestic and international trade compliance laws and regulations in our business activities and transactions, including but not limited to those about export controls, sanctions, customs, and taxation.

We prohibit commercial activities or transactions with entities or individuals listed on the export control lists, any embargoed country or region, or sanctioned entities or individuals that may result in the violation of laws and regulations and contractual obligations related to export control and sanctions. We prohibit the smuggling of goods and items into and out of the country as well as the use of smuggled goods and items.

### Prevent insider trading

We prohibit ourselves and our Business Partners from utilizing undisclosed information related to the

issuer's operations, finances, or any other material information that could significantly impact the market price of the issuer's securities for trading purposes.

### Avoid conflicts of interest

We prohibit ourselves and our Business Partners from engaging in personal financial transactions or other business dealings with companies or individuals who pose a conflict of interest, including direct or indirect consent or other conflicts of interest.

### Anti-Money Laundering

We promise to abide by all applicable anti-money laundering laws and regulations, not to use our products and services for money laundering purposes, and to conduct business transactions that do not involve money laundering.

### Anti-Tax Evasion

We promise to abide by applicable tax laws and accounting, bookkeeping and financial reporting requirements related to transactions and payments, and to pay taxes in accordance with the law.

05

# Human Rights and Anti-Forced Labor

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**CHNT**

**Human Rights**

**Anti-Forced Labor**

**Anti-Child labor**

**Conflict Minerals Protection**

**Working hours and pay**

**Working Environment**



# Human Rights and Anti-Forced Labor

CHINT Group adheres to the Universal Declaration of Human Rights, joins the United Nations Global Compact (UNGC), respects the individual rights of all internal and external employees, complies with the labor standards of the company is located and the governments of the respective regions, and opposes any form of forced labor and child labor. At the same time, CHINT Group also requires Business Partners to comply with the same prohibitive requirements and jointly establish a fair, transparent, and equal business environment.

## How do we do it?

CHINT is committed to maintaining the highest standards of integrity and compliance conduct and to abiding by our values in the performance of day-to-day activities. Furthermore, CHINT Group is committed to:

- Non-involvement in any form of human rights violations;
- Making respect for human rights and anti-forced labor significant to CHINT Group's culture;
- Ensuring upstream existit effective control and monitoring in order to prevent, detect and remedy any violations of human rights or illegal behaviors;
- Following permanent and continuous improvement of the requirements and standards;
- Ensuring efficient protection and incentive for whistler blowers.

## Human rights

We ensure that we do not interfere with employees' freedom of belief and do not discriminate against them based on factors such as ethnicity, race, nationality, religious belief, gender, age, disability, or marital status. We respect employees' rights to join trade unions in accordance with the law.

## Anti-Forced Labor

We strictly abide by all applicable laws and regulations related to labor and employment, and prohibit all forms of forced labor or modern slavery.

We promise to abide by the principle of employee voluntarism in the process of employment, to employ only those employees who have the legal right to work, to refrain from using prison or slave labor, to refrain from subjecting employees to

physical harm or any other form of forced labor, to refrain from trafficking in workers or exploiting them by threats, force, coercion, kidnapping, fraud and any other means, and to inform employees that they are free to resign and terminate their employment relationship as permitted by the law.

## Anti-Child labor

We actively verify and ensure that we do not employ any individuals younger than 16 years old or the legal minimum age (whichever is higher), and we require our Business Partners to resolutely prohibit the use of anyone below the minimum employment age prescribed by the applicable laws of the country or region where the work is located during the process of production activities or service provision, in any form whatsoever.

### **Conflict Minerals Protection**

We do not tolerate the use of conflict minerals in any form across all business scenarios , and require that Business Partners must actively avoid acquiring, trading, owning, or otherwise promoting the use of these conflict minerals.

### **Working hours and pay**

We abide by all applicable laws related to regular working hours, overtime and benefits, provide employees with equal employment opportunities and treatment, guarantee employees' statutory rest periods, insist on equal pay for men and women for equal work, ensure that all hourly pay meet at least the minimum wage or the relatively higher local industry standard, conclude labor contracts with employees in accordance with the requirements of the law, and pays overtime and bonuses as required.

### **Working Environment**

We value and encourage diversity, and combat any form of discrimination and harassment. We ensure the occupational safety of our employees by assessing and controlling the workload of high-intensity physical labor; ensuring that our workplaces, equipment, and processes meet health and safety-based requirements, and that we do not produce or sell products that have adverse consequences on personal health and the environment; maintaining a drug and alcohol-free workplace, and prohibiting the dissemination, sale, purchase, exchange, possession, and use of drugs and alcohol in the workplaces.

# 06 Data Protection

We consistently protect the personal information and privacy of employees, ex-employees, customers, suppliers, and other interested parties, adhering to relevant data protection regulations in various countries. We promise to:

- Establish a personal information protection system;
- Ensure that all business processes comply with data compliance requirements;
- Appoint a Data Protection Officer (DPO).

# 07 Information Security

We strictly abide by all applicable laws and regulations related to information security in the places where we operate, and implement appropriate measures to ensure the security of data and information. We promise to:

- Adopt effective technical means and organizational management measures to ensure the security of information;
- Promptly delete or anonymize personal data that is no longer in use;

## 08 Confidentiality

We insist on fulfilling our confidentiality obligations and taking appropriate measures to ensure that confidential information is not misused. We maintain a cautious attitude towards the exchange of confidential information and ensure that all employees value the confidentiality of such information.

Without the consent of the **data** subject, we will not disclose, copy, retain, or

## 09 Intellectual Property Protection

We actively protect all intellectual property rights of our company, respect the intellectual property rights of others, and abide by laws and regulations related to intellectual property rights in the places where we operate. We have established relevant strategies and set up specialized departments to handle intellectual property operations.

# 10

## Environment and social responsibility

We abide by relevant requirements of existing environmental and energy laws, regulations, and international treaties. In carrying out our business activities, we fully consider the impact on nature and the ecological environment, including the proper use of land resources, the compliant disposal of hazardous waste, respecting the rights of local workers, and actively participating in public welfare and charitable causes.

# 11

## Integrity and Compliance Working Group

We have established the Integrity and Compliance Working Group, which consists of the Chief Compliance Officer, the dedicated Compliance Department, the Board of Supervisors, and ICP Ambassadors from various business and functional departments. Together, we carry out tasks such as establishing compliance system, laying out compliance communication network, and fostering compliance culture.

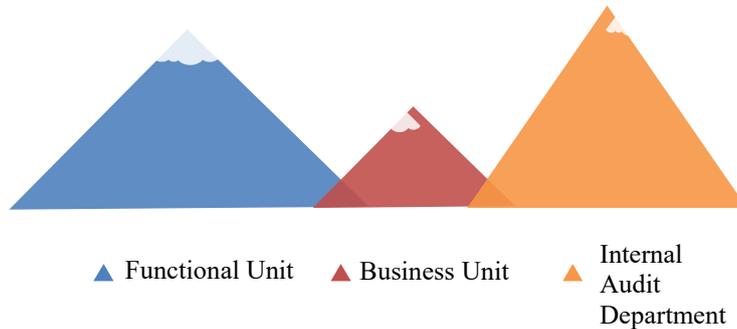


# 12

## Risk Assessment And Management

Risk assessment and management is the process of identifying, prioritizing, and assigning responsibilities for risks. Our risk assessment and management prevention model consists of a "triple line of defence", whereby responsibility is shared for managing existing or potential threats related to misconduct through risk management tools such as prevention, surveillance and the development of countermeasures.

### ✓ three-layer defence



**Functional Unit**-- First line of defence against risk.

In the brutal battle against all types of risk, business units are often at the forefront, facing the risks head-on and bearing the burden of identifying existing or potential risks.

**Business Unit** -- Always provide the strongest logistical support for our operational department.

While the business units face risks head-on, the functional units diligently provide them with ammunition, assuming risk management and oversight functions in their respective areas of expertise.

**Internal Audit Department**-- Holding firmly to the last line of defense against risks.

Responsible for ensuring the effective implementation of the management system, conducting audits of the risk management activities of the departments in accordance with the annual audit plan, and assessing and improving the effectiveness of risk management and control processes through a systematic approach.

### ✓ Risk management tools

#### Prevention

We prevent misconduct and illegal behavior through integrity and compliance training, employee integrity and compliance due diligence and assessment, record keeping and joint actions.

#### Surveillance

We monitor misconduct or breaches of the compliance management system through whistleblowing and investigations, and periodically review the effectiveness of CHINT's integrity and compliance programme to evaluate its

implementation, provide proactive and comprehensive oversight of compliance matters, and assess compliance risks.

#### Response

When misconduct is identified or a report is received, we will investigate, respond to and rectify the corresponding incident, We ensure that the investigation process is prompt, fair and confidential and that punishments are not discriminatory or unfair.

# 13

## Business Partner Management

CHINT Group consistently requires our Business Partners to commit to upholding business ethics, fair sales and marketing practices, confidentiality, and intellectual property protection, as well as adhering to a zero-tolerance standard for any improper behavior, just as we do. Responsible business practices have been established as a core element of our business partner management process.

Therefore, our explicit goal is to work closely with our Business Partners to make sustainable development a fundamental component of our business relationships, which also includes our clear commitment to integrity in business.

### How do we do it?

**We have established a comprehensive compliance management system for our Business Partners and formulated the "BP Code" applicable to them.**

**We require our Business Partners to strictly abide by laws and regulations in the course of their operations and consciously comply with the provisions of the "BP Code".**

**we require Business Partners to accept due diligence and risk assessment, continuous supervision and regular training, and consciously sign the "Business Partner's Integrity and Compliance Undertakings".**

# 14

## Contact Us

### Compliance Hotline "CHINT Listens to You"

The compliance hotline "CHINT listens to you" is a secure way of reporting potential compliance violations. Reports can be submitted at any time, in a safe, confidential and if desired, anonymous manner.

Incoming reports are not traced and reporting parties are not automatically registered.

All reports are treated confidentially. We protect the identity of whistleblowers and their persons, prohibit all acts of retaliation and ensure that whistleblowers are protected from reprisals.

**Compliance Mailbox:**  
[compliance@chint.com](mailto:compliance@chint.com)

**Compliance Hotline:**  
(0086) 021-67777777-880080

