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@Hengtong Group



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#### Hengtong International Business Group

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# HENG TONG GROUP

## BUSINESS CONDUCT GUIDELINES

ENLIGHTENING THE FUTURE

CREATE EXCELLENCE ADVOCATE CIVILIZATION



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## 01 PURPOSE

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*The Business Conduct Guidelines set out the fundamental principles and rules of conduct we expect from our employees. These well-established guidelines, which are applicable to all HENG TONG employees, provide detailed instructions on how to develop self-discipline, promote sustainable partnership, support affiliated transactions, compete fairly for business, etc. With our Business Conduct Guidelines, we are committed to full compliance with all applicable rules and regulations wherever we do business.*



## 02 MESSAGE FROM THE CHAIRMAN OF THE BOARD

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Here at HENG TONG, our value lies in the satisfaction and success of our customers, our constant pursuit of becoming a trailblazer in the market, and our ultimate mission to be a booster of the industry.

Here at HENG TONG, development based on talents and innovation is the key that drives us forward and makes us sustainable.

And here at HENG TONG, we always keep in mind the principles of lawful business activities, fair cooperation, co-construction and sharing, and win-win growth.

Hengtong Group, as well as our subsidiaries and affiliates around the world, will be dedicated to making ourselves a leading global business trusted by customers and employees, favored by local communities and authorities, and respected by the public.

**Cui Genliang**  
Chairman of the Board of Heng tong Group



## 03 OUR VALUES

- Integrity
- Commitment
- Responsibility
- Win-Win



# 04

## OUR BASIC PRINCIPLES

### 4.1 Respect & Inclusiveness

Hengtong Group believes that, a good relationship with companies and individuals always comes from diversity, fair treatment and non-discrimination. And that is why we firmly respect the privacy and rights of our employees and embrace their diverse views and experience. We are committed to an inclusive, fair and free-of-discrimination workplace for every HENG TONG employee, regardless of their background, race, color, age, sex, beliefs and values.

### 4.2 Integrity

We always know that, it is integrity that matters in our relationship with all companies, customers, the market, the public and all our stakeholders.

### 4.3 Sense of Responsibility

Every HENG TONG employee, of whatever position, should be aware of his/her role and duties. That is to say, employees are expected to act responsibly in daily work so as to meet the requirements of their current position. We believe that, a responsible attitude towards work will always lead to success. And that is why we expect every HENG TONG employee to be self-disciplined.

### 4.4 Protection of Corporate Interests

We expect our employees to act in the best interest of the Group. All employees are obliged to protect HENG TONG's tangible and intangible assets (e.g., intellectual property rights, reputation and trade secrets). Every employee who contributes to the sustainable development of the Group will also benefit from such development.

### 4.5 Compliance with Laws and Group Policies

These guidelines set out in general terms the standards of business conduct and procedures, but they cannot cover every issue that may arise. Our employees are expected to act in line with applicable local laws, regulations and the policies of the Group in the first place. A violation of the applicable laws or the policies of the Group may result in disciplinary action (up to termination of employment) or legal action. It shall be noted that, non-compliance of an employee with these guidelines may trigger civil or criminal penalties not only on the employee but also on the management and the Group.



# 05

## OUR RESPONSIBILITIES

### 5.1 We Care About Our Employees

Employee matters. That is the reason why HENG TONG is committed to harmonious employment relations. We strive to provide our employees with a tidy and homelike work environment and a well-established social security system that aims to ensure the lawful rights and interests of our employees as well as their health and safety. We believe that, outstanding employees stay when they know they are valued, appreciated and promoted.



## 5.1.1 Work Environment

### 5.1.1.1 Basic Working Conditions

- 1 HENGTONG strictly controls overtime hours to ensure compliance with all applicable working-hours regulations at all locations throughout the world;
- 2 HENGTONG appreciates an efficient working style, and ensures that employees have regular breaks, holidays and vacation time;
- 3 HENGTONG provides employees with adequate compensation. We have set up a scientific performance appraisal system to make sure that all our employee will be fairly paid based on their performance and contribution to the Group.

### 5.1.1.2 Fair Employment

- 1 HENGTONG provides equal opportunity and values to each and every of our employee.
- 2 HENGTONG has prepared a full set of career development plans as well as a fair promotion system for our employees. Forced labor is strictly prohibited at HENGTONG.

### 5.1.1.3 Involvement of Employees in Corporate Governance

HENGTONG employees are expected not only to perform their duties of the position, but also actively participate in corporate governance. Employees are encouraged to offer advice and suggestions so as to help optimize the management system and fuel the growth of the Group.

### 5.1.1.4 Share Incentive Scheme

A long-term share incentive scheme is what we apply to motivate our employees. According to this scheme, we will award share options to core and key employees who make a significant contribution and add outstanding value to the Group. Such employees may act as a shareholder of the Group in decision making and receive dividends that the Group may pay.



### 5.1.1.5 Freedom of Association

- 1 HENGTONG strictly complies with all applicable local laws and regulations, and recognizes the legal rights of our employees to join a labor union.
- 2 HENGTONG manages good relationship and effective communication with labor unions in terms of wages, salary, benefits, safety, hygiene, etc. In this way, we are able to continuously improve benefits for our employees and help employees with family commitments, disability or other concerns.



### 5.1.1.6 Prohibition of Child Labor

HENGTONG undertakes that, all our employees are of legal age for employment. And we will never cooperate with any individual or entity that supports or illegally uses child labor.

### 5.1.1.7 No Discrimination or Intimidation

- 1 HENGTONG strictly prohibits discrimination in terms of conditions of employment, compensation, training opportunities, promotion, discharge, job placement, etc.
- 2 HENGTONG maintains zero tolerance on intimidation, whether physical, verbal or of other nature. Any employee who engages in intimidation may be subject to strict disciplinary action up to termination of employment and legal action.

### 5.1.1.8 No Workplace Harassment or Bullying

- 1 HENGTONG strives to create a work environment of mutual respect and understanding. Under no circumstances will we tolerate any sexual harassment in the workplace.
- 2 HENGTONG expects employees to respect each other. We do not tolerate inappropriate behaviors such as humiliation, libel, slander, spreading of malicious rumors, willful damage to work or personal properties, abuse of power, and autocratic management.



## 5.1.2 Occupational Health and Safety

### 5.1.2.1 We Ensure a Safe and Healthy Work Environment

HENGTONG offers employees a safe and healthy work environment free of occupational and potential hazards and with continuously improved working conditions. While we take effective measures to prevent accidents and occupational diseases, we also expect our employees to follow safe operating procedures, complete safety and health trainings, and develop awareness of workplace safety.

### 5.1.2.2 We Listen to Employees' Mental Health Concerns

HENGTONG cares about employees' mental health. We are always ready to help employees to alleviate their mental stress and anxiety. To this end, we offer various team building activities to strengthen employees' sense of belonging, give timely rewards and praise when our employees do great things, and do everything to boost their sense of achievement and fulfillment.







### 5.1.2.3 We Care About Employees' Personal Security

HENGTONG undertakes to first of all protect the personal security of each and every of our employees when natural disasters or accidents strike. And all together we will strive to minimize the loss to the Group in such a circumstance.

We will do everything possible to identify and analyze global security risks, assess their potential impact and in a timely manner inform our employees of updated personal security tips. In this way, we will keep our employees safe in the countries or regions to which they will be travelling.

An employee who visits a risk country/region is expected to:

- 1 Learn about risks of the country/region and buy applicable business insurance before visiting the country/region;
- 2 Follow the safety tips and warnings from the Group as well as the local authorities, embassy or consulate;
- 3 Call the emergency hotline of the Group and follow the safety instructions given by the embassy in the event of an emergency;
- 4 Report major security incidents promptly to the Group and keep contact with the direct supervisor.



## 5.2 Data Protection and Privacy

### 5.2.1 We Respect Privacy and Protect Work-Related Data

#### *Personal Data Matters to Us*

- 1 HENGTONG keeps strict confidential the personal data of our employees (such as passport number, ID number, social security number, residential address, financial statements, contact information and family dependents), and resolutely prevent any improper disclosure or use of such data.
- 2 HENGTONG will never collect, access, use or disclose personal information of our employees unless required for a legitimate business purpose, and will never share such information with anyone who does not have a business need to know it.
- 3 HENGTONG has established a Confidential System of Employee Personnel Files to ensure that only authorized individuals can have access to the personal files. Any employee who suspects that his/her personal information has been compromised or misused may follow the instructions herein to seek advice.

### Customer Data and Partner Data Matter to Us

- 1 Our customers or other entities may disclose proprietary information to us and authorize us to use such information for business purpose. To maintain their trust, we will never use, duplicate, distribute or disclose such information to others, except for the purpose specified in relevant contracts. And, we will only use such information for legitimate purpose so as to protect the Group from being charged with unlawful or unauthorized disclosure.
- 2 A HENGTONG employee, both during and after termination of his/her work, is required to comply with the confidentiality obligations concerning all confidential information specified in a contract between HENGTONG and a third party.



## 5.2.2 Cyber Security

5.2.2.1 HENGTONG provides our employees with a variety of electronic devices and mediums such as laptops, cell phones, e-mail addresses, software and databases. And we have taken active measures to ensure the information security and prevent any unauthorized access to these devices and mediums.

5.2.2.2 HENGTONG employees are expected to stay alert to information and messages. It is strictly prohibited to download, upload or distribute improper, pornographic, offensive information or other illegal information via the e-office system whether during or after work.

5.2.2.3 To the extent permitted by applicable law, HENGTONG has the right to monitor each employee's use of the e-office system, subject to our respect of privacy.

5.2.2.4 All HENGTONG employees are expected to follow the rules as follows:

- 1 Do not install or use pirated software or hardware in the e-office system;
- 2 Keep confidential the username and password assigned to every employee and do not share it with any others;
- 3 Do not access, download, create or forward any e-mail, document, image or other digital data that may offend your colleagues or make them feel uncomfortable, painful or harassed;
- 4 Do not use the e-office system for personal purpose;
- 5 Save and back up all digital data in the e-office system for individuals.





## 5.3 We Act Properly

### 5.3.1 Financial Integrity

HENGTONG upholds the principle of financial integrity, which is reflected in our compliance with all laws, practices, standards, rules and regulations concerning corporate finance and tax payment. We remain honest and accurate in fully recording and reporting our financial results. That is our commitment to every of our investors, customers, employees and partners.

#### 5.3.1.1 Basic Principles of Financial Integrity:

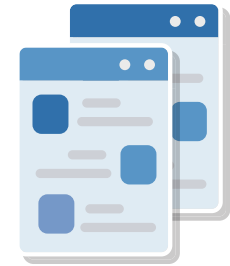
- 1 ■ Ensure the authenticity, accuracy and completeness of all our financial disclosures and statements. Always make financial records of the Group available upon request;
- 2 ■ Keep full and complete documents as proof of transactions;
- 3 ■ Ensure complete accounting records and documents in accordance with local laws and regulations;

- 4 ■ Be prepared to assist in the internal or external audit/supervision and provide auditors with accurate information and authorize their access to relevant documents.

#### 5.3.1.2 What HENGTONG Employees Should Not Do:

- 1 ■ Maliciously falsify financial records or other records;
- 2 ■ Dispose of or transfer any corporate assets without authorization or permission under any corporate policy or legal document;
- 3 ■ Provide false or misleading any financial statement or statement of expense for the purpose of reimbursement;
- 4 ■ Destroy any information to conceal wrongdoings.

5.3.1.3 Any employee who suspects that there is any deficiency or misconduct concerning audit, financial reporting or internal management may report the situation to his/her direct supervisor in a timely manner. Or, an employee may seek advice through any other channel specified herein if he/she believes it a better way.



### 5.3.2 Anti-Money Laundering & Terrorism Funding

#### 5.3.2.1 No Money Laundering

HENGTONG strictly complies with laws as well as the corporate policy against money laundering whenever we do business.

- 1 ■ We offer trainings with regard to laws and regulations against anti-money laundering so as to create a sense of anti-money laundering for all our employees;
- 2 ■ We assist authorities in supervision and administration of money laundering;
- 3 ■ Any employee who suspects a money laundering activity in the Group is obliged to report it through the channels specified herein.

#### 5.3.2.2 No Terrorism Funding

HENGTONG acts strictly in line with the International Convention for the Suppression of the Financing of Terrorism as well as applicable laws of China. We will never make available any financial service or facility to terrorists or terrorist organizations on UN terrorist lists.

How to identify terrorists or terrorist organizations and prevent doing business with them?

- 1 ■ Ask the intended partner to provide corporate registration information or identity document before doing business;
- 2 ■ Submit the information/document to the Legal Department of the Group and request them to compare such information with the terrorist lists;
- 3 ■ In the event that the intended partner is found to be a terrorist or belong to a terrorist organization, refuse to do any business with it;

### 5.3.3 Anti-Bribery and Corruption

HENGTONG always acts fairly and put integrity at the heart of all business we do. We have zero tolerance for all forms of bribery and corruption.



*5.3.3.1 HENGTONG strictly prohibits our employees from taking advantage of their positions to embezzle, steal, defraud or by other means to illegally possess any corporate asset. Any employee who violates this article shall be liable for civil compensation, and in serious cases criminal penalties. To be more specific, HENGTONG employees shall NOT:*

- 1 ■ Dispose of corporate assets held by them without authorization;
- 2 ■ Take possession of or use profits of the Group's transactions for personal use by means of not recording such profits in corporate accounts;
- 3 ■ Draw corporate funds without authorization of the Group, and refuse to return such funds upon request;
- 4 ■ Apply for reimbursement of any non-business personal expense;
- 5 ■ Collude with others to provide a higher quotation when purchasing materials for the Group or providing services in the name of the Group for the purpose of keeping the difference or accepting kickbacks.

*5.3.3.2 HENGTONG employees are strictly prohibited from offering or promising to offer funds, assets or other benefits to any customer, partner or public official (including any person commissioned by the public authority) for the purpose of selling products/services. To be more specific, HENGTONG employees shall NOT:*

- 1 ■ Make any payment or receive any payment in cash without keeping accounts. Under no circumstance shall our employee give or receive kickbacks;
- 2 ■ Give or accept excessive gifts or entertainment that conflict with the Group's rules and regulation;
- 3 ■ Seek reimbursement for non-business personal expenses of customers or offer any facilitation payment such as travels or free visits to any customer;
- 4 ■ Give or accept financial advantages in the name of advertising, sponsor or consulting services.

### 5.3.4 Hospitality to a Reasonable Extent

*5.3.4.1 Gifts and invitations to entertainment events are important for developing business relationships. However, some gifts or entertainment may influence the decision-making of the Group and our partners. To prevent this from happening, HENGTONG has strict rules and regulations to ensure that the expenditures of such gifts and entertainment are within the reasonable limit set by the Group.*

*5.3.4.2 HENGTONG employees (including executives), as well as their family members, shall NOT:*

- 1 ■ Make or receive any payment in cash;
- 2 ■ Give or receive cash equivalent gifts;
- 3 ■ Offer or accept any entertainment beyond the standard set up by the Group;
- 4 ■ Offer or accept excessive gifts or other financial benefits.

*5.3.4.3 Any employee who is unsure about the feasibility or criteria of these guidelines regarding gifts and entertainment may seek advice through the channels specified herein.*

## 5.3.5 Prevention of Insider Trading

5.3.5.1 In our daily business activities, we may receive some confidential information that may affect the decision-making of our investors and even significantly affect the stock exchange price of the Group. Such confidential information, which is not disclosed to the investors, is called "insider information".

Insider information includes but not limited to unpublished information concerning financial accounts, business plans, mergers, acquisitions, major lawsuits, changes of our controlling shareholders and officials, and any other information that may affect the stock exchange price of the Group or the decision-making of our investors on whether to purchase, hold or sell any shares of the Group.

5.3.5.2 Any misuse of insider information for the purpose of obtaining personal benefits may result in severe administrative penalties, civil compensation, and in serious cases, criminal prosecution.



5.3.5.3 How can we ensure that we are not violating the insider trading policy?

- 1 Do not seek insider information of the Group through improper means;
- 2 Do not make purchase or sale decisions with the insider information of the Group;
- 3 Do not tip insider information to others to influence their purchase or sale decisions;

## 5.3.6 Confidentiality

In daily business operations, employees may obtain any kind of information related to the Group (e.g., trade secrets). HENGTONG knows clearly the importance and value of such information. And that is why we strictly prohibit our employees from disclosing such confidential information to any entity or individual without authorization of the Group.

5.3.6.1 Confidential information includes trade secrets, know-how, employee profiles, business plans, proposals, production capacity, schedules, sales or marketing forecasts and strategies, customer lists, quotations, pricing strategies, construction plans, supplier lists, research and development information and any other privacy-sensitive information of business value that cannot be obtained by outside parties.

5.3.6.2 Confidentiality Obligations:

- 1 Obtain confidential information only with appropriate authorization;
- 2 Lock the screen when leaving the computer unattended. Lock the door of the data center when leaving;
- 3 Do not retain any confidential information without permission;
- 4 Do not copy, reproduce, duplicate or photocopy any confidential information without permission;
- 5 Do not send via regular mail delivery services or express services any confidential information;
- 6 Use devices holding confidential information only in accordance with corporate policy. Do not create unauthorized network connections;
- 7 Do not transmit confidential information via WeChat, QQ or other instant messengers without permission.



5.3.6.3 Any employee who receives any notice from a governmental regulator a claim from any other individual with regard to his/her personal information recorded in the corporate database may immediately report the situation to relevant personnel of the Group according to these guidelines.

## 5.3.7 Social Media

5.3.7.1 HENGTONG respects every employee of their freedom of expression on social media platforms. The personal opinion of any of our employees on a social media platform does not necessarily reflect the position of the Group.

5.3.7.2 HENGTONG employees shall not participate in any interview and answer questions from journalists or consultants about the Group without authorization of the competent department of the Group.

5.3.7.3 HENGTONG employees shall not post opinions or statements on social media platforms in the name of the Group, nor shall our employees attend public events on behalf of the Group.



## 5.4 We Must Act in the Interest of the Group

HENGTONG employees are expected to protect corporate assets, both tangible and intangible.



### 5.4.1 Tangible Assets

HENGTONG employees are expected to carefully use the Group's tangible assets (e.g., plants, equipment, systems, facilities and supplies) only in the interest of the Group or for any other purpose permitted by the management.

### 5.4.2 Intellectual Property Rights

Intellectual property rights, as one of the most important intangible assets of the Group, include but not limited to patents, trademarks, copyrights and trade secrets. HENGTONG employees are expected to adhere to the intellectual property and information security policies of the Group to protect and legally use the intellectual property of Hengtong Group.



### 5.4.3 Resource Efficiency

HENGTONG aims to promote resource efficiency, reduce operating costs and maximize corporate value by means of improving the business management system, coordinating existing corporate resources and optimizing the allocation of these resources.

### 5.4.4 Conflicts of Interest

A conflict of Interest exists when an employee has family ties or other relations of interest with our clients, competitors or suppliers which may prevent him/her from making fair decision when performing duties. To prevent this from happening, HENGTONG employees are expected to follow the following principles for managing conflicts of interest:

- 1 ■ Report any innovation developed in the course of work to the Intellectual Property Department of the Group for evaluation and registration;
- 2 ■ Do not grant any intellectual property right to others without permission of the Group;
- 3 ■ Do not share any intellectual proper right or trade secret to others unless agreed upon by the concerned parties in a confidentiality agreement;
- 4 ■ Do not use any intellectual property of the Group for personal benefit or any other purpose beyond the authorized scope.

*5.4.4.1 All employees, including senior managers and directors, shall act in the best interest of the Group. Any employee who may be subject to conflicts of interest shall do it best to avoid such conflicts, and shall be scrupulous in separating public from personal interests. No employee is allowed to take advantage of his/her position to gain personal benefits and damage the interests of the Group.*

5.4.4.2 HENG TONG encourages our employees to fully disclose or proactively declare any situation that may result in conflicts of interest. Employees who believe they may be in a conflict of interest must disclose the matter to their manager and sign a declaration of conflicts of interest so as to prevent any damage to the Group or other employees that may arise out of such conflicts.

5.4.4.3 HENG TONG will review all conflicts of interest and all HENG TONG employees are expected to unconditionally support such review by providing the Group with following information:

- 1 ■ Investments or interests in the Group's partners, suppliers, customers or competitors;
- 2 ■ Investments or interest in other entities that has business with our suppliers or customers;
- 3 ■ Secondary employment;
- 4 ■ Holding of any position in other entities that has business with us;
- 5 ■ Family ties with other employees of the Group or with employees of other entities that has business with us.



## 5.5 We Create Value

### 5.5.1 Our Partners

5.5.1.1 HENG TONG carefully selects suppliers and prefers to award business to quality suppliers for win-win growth. With a sustainable and stable supply chain system and a well-established quality assurance system, we ensure the quality of all products for our customers.

5.5.1.2 HENG TONG strictly follows the principles as below while carrying out business with our partners.

- 1 ■ We have close cooperation and partnership with our suppliers and partners;
- 2 ■ We support our suppliers in improving their production capacity and developing their production technologies;
- 3 ■ We conduct proper due diligence on any supplier or partner we cooperate with for the first time according to the internal management requirements of the Group;
- 4 ■ We always assess risks before bidding.

### 5.5.2 We Provide our Customers with Quality Products and Services

5.5.2.1 HENG TONG strives to provide our customers with quality products and professional services. We understand customers' needs and provide them with well-designed solutions. With advanced technologies, customized solutions and integrated packages, we aim to satisfy our customers in a better way.

5.5.2.2 In order to provide quality after-sales service for our customers, we have set up a well-developed after-sales service management system with professional technicians. We provide call-back services as well as on-site visits to ensure that our products function at full efficiency. Upon request of our customers, we will dispatch our technicians for on-site visits so as to maintain our products, answer questions and collect feedback. In this way, we will have a deeper understanding of the needs of our customers, which enables us to provide our customers with better services.

### 5.5.3 Our Commitment to Quality

Every HENGTONG employee is obliged to ensure the quality of our products. To this end, employees are expected to develop quality awareness, strictly control every step of the production, carry out delivery inspection according to our standards and customers' requirements without any negligence, and say no to non-performing and defective products.



## 5.6 Fair Competition

### 5.6.1 We Act Fairly and Honestly

*5.6.1.1 HENGTONG seeks business opportunities and customer recognition with competitive products and quality services. We act fairly and honestly with our business partner. And we will never make any false declaration on the function, quality and availability of our products, nor will we deceive our customers or win business through improper means.*

*5.6.1.2 HENGTONG always respects our competitors. We will not preclude our competitors from fair competitions with fraud offences, nor will we maliciously disparage their products or unfairly damage their reputation and goodwill with fake statements. What we expect is a fair and healthy business environment which will lead to a better future of the industry.*

### 5.6.2 We Comply with International Competition Law and Antitrust Law

*5.6.2.1 HENGTONG Employees are expected to follow corporate policies on fair competition as well as all applicable fair competition laws and regulations enacted by a local government wherever we do business. It is our duty to help in creating a business environment encouraging fair competition.*



### 5.6.2.2 We Always Support Free and Fair Competition:

- 1 ■ HENGTONG never abuses our dominant market position to preclude or inhibit our competitors through pricing agreement, price discrimination, refusal of or forced transactions or monopoly agreement;
- 2 ■ HENGTONG never enters into anticompetitive agreements with our suppliers, distributors or customers to offer tie-in sales, limit resale of products or prevent sales to any party or purchasing from any supplier;
- 3 ■ HENGTONG reports every merger, acquisition or overseas investment to the competent anti-trust authorities according to local laws and regulations.

### 5.6.3 We Comply with Trade and Export Control Regulations

Wherever we do business, we first of all take into consideration various factors including our international responsibilities, state interests, technology development and market competition, after which we will take applicable export control measures on certain products, technologies and services.

*5.6.3.1 HENGTONG strictly abides by the applicable import and export control laws as well as the regulations of the Group wherever we do business. We will never export any product prohibited for export by law, and will go through formalities for any product restricted for export by law.*

*5.6.3.2 HENGTONG always keeps properly the accurate information of the products we exported or imported, including product name, price, country of origin and place of origin.*



### 5.6.4 Our Commitment to International Agreements and Regulations

As a global enterprise, HENGTONG is committed to strictly complying with all applicable international conventions and agreements within the framework of domestic laws and actively participating into the construction of a fair international business order.

### 5.6.5 We Fight Against Any Antisocial Behavior

HENGTONG always respects laws and regulations of the country or region where we do business and makes contributions to the local administration, public safety and social stability. We strictly forbid our employees from organizing or participating in any unlawful activity that may destroy the stability of the society.





## 5.7 Our Responsibility to Society

As an enterprise with social responsibility, HENG TONG is striving to improve our economic efficiency, provide the society with more opportunities available, safeguard the basic rights and interest of our employees, develop their sense of achievement and well-being, support environmentally friendly development, respect the environment and be a strong backup force of culture, education and good works.

### 5.7.1 Respect for Human Rights

HENG TONG always cares for people. We have respect for human rights, which is reflected by our business operations. We are continuously improving our internal incentive and control system for the purpose of developing a people-centered culture and ensuring the lawful rights and interest of our employees.



## 5.7.2 Respect for Environment

HENG TONG evaluates our subsidiaries in terms of not only business performance, but also a variety of ecological factors including resource consumption, environmental impact and ecological results.

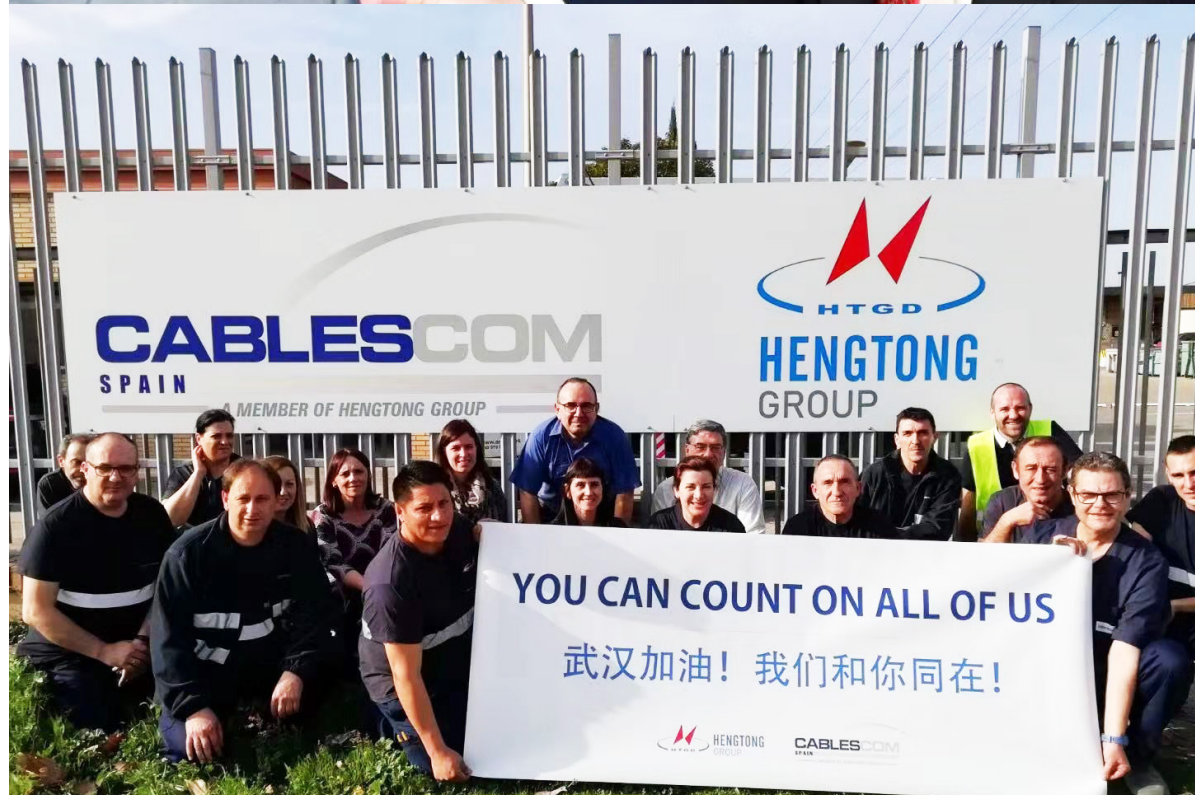
*5.7.2.1 We put the philosophy of environment protection in every step of our production ranging from product design, material selection, manufacturing to the delivery of the products. We do everything possible to improve our technical process with advanced technologies for environmental protection. We have set up a well-developed disposal system to effectively dispose of exhaust gas, waste water and other waste. And our ultimate goal is to eliminate all pollutants as much as possible.*

*5.7.2.2 All our construction projects undergo strict environmental assessment. In this way, we strive to phase out all outdated production processes and replace them with clean production processes producing less or no waste. Furthermore, we strive to accelerate our development in green products and actively introduce advanced production and management technologies for environmentally friendly production and management.*



5.7.2.3 We use natural resources scientifically and reasonably, and do everything possible to improve our recycling rate of natural resources. We have established a resource-saving development mechanism with integrated management strategies and advanced technologies in order to maximize the value of our products. While implementing the resource-saving strategy, we also strive to promote our comprehensive recycling program to help reduce waste disposal.

5.7.2.4 We focus on the research and development of green products that are harmless to both the environment and human health. In this way, we aim to minimize or eliminate the adverse impact of our production on the environment.



## 5.7.3 Our Social Responsibility

5.7.3.1 It is the support of the society that makes HENGTONG a strong and stable group. That is the reason why we always keep in mind our social responsibility and seek to do what we can for the public. We are now running the Hengtong Charity Foundation, which is a private foundation program committed to helping the poor and the vulnerable around the country in less developed regions, remote areas or communities with small population. We believe that, the fundamental way to help the poor is to support them with competitive industries, education, facilities and targeted measures.

5.7.3.2 HENGTONG plays an active role also in overseas charities and causes. We expect every of our employees to develop a sense of empathy and responsibility, care about the poor and the vulnerable around us, make a lifetime commitment to charity work, and contribute in all possible ways to a harmonious society.

5.7.3.3 HENGTONG encourages each and every of our employees to take an active part in the public benefit activities of local communities and make contributions to the public good.

# 06

## FEEDBACK-FRIENDLY CULTURE

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The effectiveness of the Business Conduct Guidelines depends not only on our compliance with the guidelines but also on the cooperation of all employees in promptly disclosing any conduct believed to violate these guidelines or applicable laws.

HENG TONG undertakes that we strictly prohibit retaliation of any kind against anyone who in good faith reports suspected misconduct. Your report will be kept confidential to the greatest extent possible. And you may report any suspected violations anonymously at your discretion.

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