**Code of Conduct of Weichai Suppliers**

As an international company engaging in business across fields and industries, Weichai takes “the purpose of customer satisfaction” as its core value, and has established a set of social responsibility system with Weichai’s characteristics. Meanwhile, we hope to standardize the cooperation with our Suppliers from operating, social and environmental respects by implementing *Code of Conduct of Weichai Suppliers*, so that we can jointly undertake to comply with the core values that underpin Weichai’s reputation and brand.

This *Code of Conduct of Weichai Suppliers* (hereinafter referred to as the “*Code*”) constitutes a part of the contracts signed by and between Weichai and its Suppliers. During the business relationship with Weichai, the Suppliers shall engage in business activities in strict accordance with the applicable laws and regulations and the principles set forth in the *Code*. The *Code* shall serve as a minimum standard of relevant laws, regulations or business practices. Weichai hopes that the Suppliers can follow the *Code* strictly and urge their upstream suppliers to do the same.

**1. Abiding by Laws and Compliance**

Weichai is committed to strictly abiding by relevant national and regional laws and regulations, including local laws and regulations, in all business activities, and expects that the Suppliers can do the same and urge their upstream suppliers to do the same, too.

The Suppliers and their upstream suppliers must strictly comply with all relevant laws and regulations in the countries and regions where they engage in business with Weichai, including but not limited to relevant laws and regulations on labor employment, anti-corruption, anti-bribery, fair competition and antitrust, environmental protection, trade secret and intellectual property protection, data protection, export control and economic sanctions and China’s opposition against foreign sanctions etc. Meanwhile, the Suppliers and their upstream suppliers shall respect and try to make their business operation in conformity with generally accepted international practices.

**2. Working Environment and Labor Employment**

The Suppliers and their upstream suppliers shall strictly abide by all applicable laws and regulations related to labor employment, and comply with international labor employment conventions and principles, *Universal Declaration of Human Rights*, international treaties they’ve joined as approved by Chinese government as well as recognized moral codes, respect and guarantee the legitimate rights and interests of their employees, create a healthy and safe working environment, ensure that there is no forced labor, human rights violations, and be able to respond to Weichai's investigation requirements in a timely manner and provide evidences to meet such requirements.

The Suppliers and their upstream suppliers shall provide a healthy and safe working environment for their employees, take measures to prevent hazards and accidents at the workplaces, and provide safety guarantees for employees to prevent accidents at the workplaces.

The Suppliers and their upstream suppliers shall comply with all applicable laws and regulations on working hours, wages, welfare, minimum age, working conditions, occupational health and safety as well as employee-employer relations, including but not limited to signing labor contracts, ensuring employees’ basic rights, paying salaries in full on time, creating a favorable working environment and not forcing the employees to work in any form for any reason.

The Suppliers and their upstream suppliers shall implement a fair, humane and non-discriminatory employment system, treat the employees fairly, provide the employees with dignity and respect, and encourages diversity and inclusion.

The Suppliers and their upstream suppliers shall ensure that they shall not threat to punish or control the employees by using violence, physical punishment or other forms of physical, sexual, psychological or verbal harassments or abuses.

The Suppliers and their upstream suppliers shall not employ any type of forced labor, including forced labor, bonded labor, indentured labor or child labor. Any form of slavery and/or human trafficking or other similar situations is strictly prohibited.

The Suppliers and their upstream suppliers shall provide complaint and reporting channels to ensure that the employees can report and complain to the Company and the competent government departments with regard to illegal behaviors such as forced labor etc., so as to safeguard the employees’ own legitimate rights and interests.

**3. Health and Safety**

The Suppliers and their upstream suppliers must comply with all applicable laws and regulations on health and safety to ensure the health and safety of employees.

The Suppliers shall provide the employees with effective labor protection appliances in accordance with national or industrial standards to ensure the personal safety of employees at work and protect them from suffering occupational diseases.

The Suppliers shall take effective measures to prevent accidents and make emergency plans, and provide guidance for the employees to minimize risks and impacts on health and safety.

**4. Anti-corruption and Anti-bribery**

The Suppliers’ behaviors must comply with all applicable laws and regulations on anti-corruption and anti-bribery. In line with Weichai’s “zero tolerance” policy on corruption and bribery, the Suppliers shall not engage in or tolerate any behavior that could be construed as corruption or bribery.

The Suppliers shall not, directly or indirectly, offer, solicit, pay or accept illegal benefits of any kind, including but not limited to bribes, kickbacks, secret commissions, rewards, discounts, cashes, gifts, loans, employment, facilitation fees or other valuables (benefits) in order to acquire improper commercial benefits.

The Suppliers shall formulate compliance policies and control systems related to anti-corruption and anti-bribery, ensure the implementation of such policies and systems, publicize them to the employees on a regular basis, and resolutely fight against all corruptions or briberies. In case that a supplier finds out briberies, bribe-taking or bribe- extorting amid cooperation with Weichai, such supplier shall refuse resolutely and make a complaint or report to the competent department of Weichai.

The Suppliers shall establish relevant audit system, and conduct anti-corruption and anti-bribery audits on a regular basis to ensure the implementation of the policies and systems. Meanwhile, the Suppliers shall offer the reporting channels to ensure that the employees can timely report the corruptions they find out.

**5. Fair Competition and Antitrust**

The Suppliers shall compete fairly, comply with all applicable laws and regulations on antitrust and anti-unfair competition, and be committed to maintaining a fairly competitive market environment.

The Suppliers must avoid entering into any understandings or agreements with their rivals or business partners that may impede competition, shall not manipulate bids and monopolize prices by means of bidding collusion, and shall not restrict transactions, reject transactions, restrict investment, or restrict the development of new technologies by entering into agreements.

The Suppliers shall obtain business opportunities through fair competition and shall not hinder the normal operation of other rivals or obtain improper benefits by misleading, false publicity or using technical means.

The Suppliers must ensure that any statement, representation or other information they provide for Weichai are true, accurate and complete.

**6. Environmental Protection**

Weichai is devoted to protecting the environment, bearing corporate responsibilities and pursuing sustainable business development. Meanwhile, Weichai expects that its Suppliers can uphold Weichai’s principles in environmental protection to reduce environmental burdens.

The Suppliers shall comply with all applicable codes, laws and regulations on environmental protection related to their business operation and ensure that all environmental permits and registrations required for their business are obtained and held.

The Suppliers shall actively adopt strategies such as emission reduction, resource preservation and ecological damage avoidance to minimize the negative impact from their operations, products and services on the environment.

The Suppliers shall formulate environmental protection strategies in production and other business links, carry out environmental protection assessments, report relevant environmental protection data to the competent department in accordance with laws, and resolutely stop and report violations against environmental protection laws and regulations.

**7. Material Compliance and Conflict Minerals**

Weichai is devoted to complying with laws, regulations and customer requirements regarding prohibited and restricted substances, including hazardous substances and conflict minerals. Therefore, the Suppliers shall ensure that the goods supplied to Weichai comply with the scope of prohibited or restricted substances as required by all relevant laws and regulations. The Suppliers should implement policies on conflict minerals and carry out due diligence to confirm the source of the minerals. Moreover, the Suppliers shall respond to Weichai’s requests in a timely manner and provide evidences to meet such requests.

**8. Trade Secret and Intellectual Property Protection**

Weichai may share some confidential information and intellectual property-related information with its Suppliers amid business activities. When dealing with Weichai’s Confidential Information, the Suppliers shall comply with the confidentiality provisions signed by and between both parties and take appropriate measures to protect Weichai’s Confidential Information from improper disclosure, theft or abuse.

The Suppliers shall ensure that they do not infringe on the trade secrets and intellectual property rights of others amid their daily operation, and shall take appropriate measures to ensure that the business in cooperation with Weichai does not infringe on the intellectual property rights or secret information of any other person.

The Suppliers must treat Weichai intellectual property in the same way, and shall particularly protect the intellectual property from improper disclosure, theft or abuse.

**9. Data Protection**

Weichai shall strictly abide by all applicable laws and regulations related to data protection and shall strictly keep confidential the personal information, trade secrets, intellectual property information and other data information acquired during the process of business operation, and shall apply such information to the promised purposes only to prevent disclosure or improper use of such information.

Weichai expects that the Suppliers shall also comply with all applicable laws and regulations related to data protection, strictly protect the trade secrets and personal information obtained amid cooperation, and shall not steal Confidential Information by any technical means. In addition, the Suppliers shall formulate relevant policies on data protection and take measures for data protection to ensure the security of information and avoid leakage or improper use.

**10. Trade Compliance**

Weichai has developed a comprehensive trade compliance regime and established a trade compliance system to ensure that the business is carried out in conformity with applicable laws and regulations on trade compliance. Therefore, in order to ensure the compliance in business, Weichai hopes that the Suppliers can also comply with the applicable laws and regulations on trade compliance regarding export control and economic sanctions and China’s opposition against foreign sanctions etc. in the countries and regions where the business is carried out, learn the applicable laws and regulations on trade compliance, establish the organizational structure of trade compliance, set up a management and control system of trade compliance, conduct risk assessments on the planned and ongoing business activities, strictly prohibit the business in violation of relevant laws and regulations on trade compliance, and ensure that the cooperation with Weichai and the products provided for Weichai comply with all applicable laws and regulations on trade compliance.

**11. Implementation of the *Code***

The Suppliers shall take appropriate measures to ensure that the guiding principles of this *Code* are conveyed to, adopted and applied by its staff and the whole supply chain (including the suppliers, subcontractors and business partners involved in the provision of products and services for Weichai) (if applicable) The Suppliers shall promptly and honestly provide relevant information to prove their compliance with this *Code*.