

Weichai Power Co., Ltd.

Code of Supplier Conduct

1. Background and Objectives

As an international company operating across multiple sectors and industries, Weichai Power Co., Ltd. (hereinafter referred to as “Weichai Power”, the “Company”, or “We”) has established a sustainable development system architecture with Weichai Power characteristics, with the mission of "Tech Empowered Future Equipped" and the vision of "To become a technology-driven, green-oriented, and world-leading multinational group in high-end equipment manufacturing".

Weichai Power attaches great importance to the impact of its own and supply chain on the environment, society, and economy, and fully realizes the importance of building a sustainable supply chain to promote the sustainable development of the industrial chain. The company requires suppliers (including contractors) to comply with all applicable laws and regulations in the country/region where they operate, and this is a prerequisite for cooperation with the company; Encourage suppliers (including contractors) to benchmark against industry best practices and continuously improve the level of sustainable development management. The company hopes to standardize cooperation with suppliers (including contractors) in environmental, social, and governance aspects by implementing the Weichai Power Supplier Code of Conduct (hereinafter referred to as the "Code"), and jointly commit to supporting the reputation and core values of Weichai Power's brand.

2. Applicable scope

This Code applies to all partners (including but not limited to suppliers, contractors, service providers, distributors, etc.) and all employees (including full-time employees, part-time employees, labor dispatch employees, interns, etc.) who provide products or services to Weichai

Power and its domestic and foreign subsidiaries. Signing this Code indicates that the supplier is aware of all the contents of this Code and should strictly follow the applicable laws and regulations and the principles stipulated in this Code during the period of maintaining business relations with Weichai Power. We encourage suppliers to urge their upstream suppliers to jointly comply with this Code.

3. Principles and Statements

Weichai Power has the right to conduct on-site audits of suppliers to evaluate their ESG management and compliance with this Code. Weichai Power incorporates ESG performance into the entire supply chain management process, including supplier review, admission, selection, daily management, risk assessment, performance evaluation, and full lifecycle management of exit. Prioritize or increase the share of the following suppliers when appropriate: suppliers who establish and articulate sustainable development values and commitments; Suppliers who adopt internationally recognized management systems and guidelines related to sustainable development, including but not limited to ISO 9001 quality management system, ISO 14001 environmental management system, ISO 50001 energy management system, ISO 45001/OHSAS 18001 occupational health and safety management system, ISO 26000 social responsibility guidelines, or other equivalent system certifications.

We will ensure compliance of supplier behavior through regular reviews, and take corresponding measures, including reducing procurement share and terminating cooperation, for suppliers who do not meet the requirements. We will continue to provide specialized training for internal procurement and related personnel to ensure the effective implementation of this guideline and various ESG management requirements.

4. Content and Details

4.1. Legal and Regulatory Compliance

Weichai Power is committed to strict compliance with laws and regulations in all countries and regions where it conducts business. The Company expects suppliers and mandates their upstream suppliers to jointly adhere to these requirements.

Suppliers and their upstream suppliers must strictly comply with all applicable laws and regulations in countries and regions related to their business with Weichai Power, including but not limited to labor practices, anti-corruption, anti-bribery, fair competition and anti-monopoly, environmental protection, trade secrets and intellectual property protection, data protection, export controls, economic sanctions, and China's Anti-Foreign Sanctions Law. Suppliers and their upstream suppliers shall also respect and align their operations with internationally recognized practices.

4.2. Labor management

Suppliers and their upstream suppliers shall strictly comply with all applicable labor and employment laws and regulations, international labor conventions, the Universal Declaration of Human Rights, international treaties ratified and acceded to by the Chinese government, along with globally recognized ethical standards. Suppliers shall respect and safeguard employees' legitimate rights and interests, maintain a safe and healthy workplace, and ensure the complete absence of forced labor, child labor, human rights violations, discrimination, and harassment or any unlawful practices. They must promptly address Weichai Power's compliance inquiries and submit verifiable documentation to substantiate adherence.

4.2.1. Human Rights

Suppliers and their upstream suppliers shall comply with all applicable laws and regulations related to working hours, wages, benefits, minimum age, working conditions, and labor relations, including but not limited to signing labor contracts, ensuring the basic rights of employees, paying wages on time and in full, and creating a good working

environment.

4.2.2. Anti Harassment and Abuse

Suppliers and their upstream suppliers shall prohibit the use of violence, corporal punishment, or any form of physical, sexual, psychological, or verbal harassment or abuse to discipline or control employees.

4.2.3. Prohibition of Forced Labor and Child Labor

Suppliers and their upstream suppliers shall not engage in forced labor for any reason or in any form, and 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 similar situations are strictly prohibited.

4.2.4. Anti Discrimination

Suppliers and their upstream suppliers shall adhere to the principle of equal employment and shall not engage in discriminatory behavior based on gender, age, region, education, religious beliefs, nationality, race, sexual orientation, disability, etc., providing equal job opportunities for all employees. Employees should be treated fairly, with dignity and respect, and diversity and inclusiveness should be encouraged.

4.2.5. Freedom of Association and Collective Bargaining

Suppliers and their upstream suppliers should respect the right of employees to choose to form and join trade unions and engage in collective bargaining, and protect employees from discrimination, harassment, coercion, or retaliation due to the exercise of the right to form, join, or refuse to participate in trade unions and collective bargaining.

4.2.6. Living Wage Commitment

Suppliers shall strictly comply with all local laws and regulations regarding wage payments in the jurisdictions where they operate,

ensuring that wages paid to employees meet or exceed the statutory minimum wage and are sufficient to cover basic living needs.

They shall commit to paying employees fully and punctually without unjustified delays, deductions, or withholdings.

They shall establish internal oversight mechanisms to regularly audit wage payment practices, including verifying the accuracy of wage calculations, compliance with payment timelines, and completeness of wage documentation. They shall also institute internal whistle blowing channels to encourage employees to report violations related to wage payments and ensure strict protection for whistle blowers.

4.3. Health and Safety

Suppliers and their upstream suppliers must comply with all applicable health and safety laws and regulations as well as Weichai Power's health and safety policies to ensure the health and safety of employees.

Suppliers and their upstream suppliers shall provide employees with a healthy and safe working environment, take measures to prevent hazards and accidents in the workplace, and provide safety protection to employees to prevent incidents occurring at work.

Suppliers and their upstream suppliers shall provide employees with effective personal protective equipment that meets national or industry standards to ensure their safety and prevent occupational illnesses.

Suppliers and their upstream suppliers should establish a health and safety management system, set health and safety goals, continuously monitor and improve health and safety performance, take effective measures, prevent accidents, develop emergency plans, and provide guidance to employees to minimize health and safety risks and impacts. Weichai Power encourages suppliers and their upstream suppliers to obtain ISO 45001 or other equivalent system certifications.

4.4. Business Ethics

4.4.1. Anti Corruption and Anti bribery

Suppliers must conduct business in compliance with all applicable anti-corruption and anti-bribery laws and regulations. In line with Weichai Power's zero-tolerance policy toward corruption and bribery, suppliers shall neither engage in nor tolerate any act that could be construed as corrupt or bribery.

They shall not directly or indirectly offer, solicit, pay, or accept any form of illegal benefits, including but not limited to bribes, kickbacks, secret commissions, rewards, favors, cash, gifts, loans, employment, facilitation fees, or other items of value, to obtain improper business advantages.

Suppliers shall establish anti-corruption and anti-bribery compliance policies and ensure their implementation. During cooperation with Weichai Power, they shall immediately report any suspected acts of bribery, corruption, or solicitation.

They shall also provide regular anti-corruption and anti-bribery training to all employees to maintain a healthy, safe, and efficient work environment and conduct audits periodically to ensure policy implementation.

4.4.2. Fair Competition and Anti Monopoly

Suppliers shall engage in fair competition and comply with all applicable anti-monopoly and anti-unfair competition laws and regulations, striving to maintain a fair market environment.

Suppliers must refrain from entering into any formal or informal agreements or understandings with competitors or business partners that may restrict competition, including but not limited to practices such as bid-rigging, price-fixing, market allocation, or agreements aimed at

limiting and refusing transactions, restricting investments, or impeding the development of new technologies.

They shall compete ethically to secure business opportunities, refraining from misleading practices, false advertising, or exploiting technical means to obstruct competitors or gain improper advantages.

They must ensure the truthfulness, accuracy, and completeness of all declarations, statements, or other information provided to Weichai Power.

4.4.3. Trade Secrets and Intellectual Property Protection

Weichai Power may share confidential information and intellectual property related information with suppliers in its business activities. Suppliers should comply with the confidentiality terms signed by both parties when handling confidential information of Weichai Power, and take appropriate measures to protect Weichai Power's confidential information from improper disclosure, theft, or abuse.

Suppliers should ensure that they do not infringe on others' trade secrets and intellectual property rights in their daily operations, and take appropriate measures to ensure that the business they cooperate with Weichai Power does not infringe on anyone's intellectual property or confidential information.

Suppliers must handle Weichai Power's intellectual property in the same way, especially to protect it from infringement such as improper disclosure, theft, or abuse.

4.4.4. Privacy and Data Protection

Suppliers shall comply with all applicable privacy and data protection laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's

Republic of China, strictly protect commercial secrets and personal information obtained during the cooperation process, and shall not use any technical means to steal confidential information. In addition, suppliers should develop relevant data protection policies, take data protection measures, ensure the security of information, and avoid leakage or improper use.

4.4.5. Trade Compliance

Weichai Power has formulated a comprehensive trade compliance system, established a trade compliance system, and ensured that business operations comply with relevant trade compliance laws and regulations. In order to ensure the compliance of business operations, Weichai Power hopes that suppliers will also comply with the export control, economic sanctions, and China's Anti-Foreign Sanctions Law and other trade compliance laws and regulations required for business operations, understand the applicable trade compliance laws and regulations, establish a trade compliance organizational structure, establish a trade compliance control system, and conduct risk assessments on planned and ongoing businesses. It is strictly prohibited to conduct business that violates relevant trade compliance laws and regulations, and ensure that cooperation with Weichai Power and products provided to Weichai Power comply with all applicable trade compliance laws and regulations.

4.4.6. Reporting Management and Whistleblower Protection

Suppliers should provide channels for complaints and reporting, and establish a whistleblower protection system to ensure that employees and stakeholders can report and complain about illegal and irregular behaviors to the company and government regulatory authorities, and protect their legitimate rights and interests.

4.5. Addressing Climate Change

4.5.1. Climate Risk Management

Suppliers should actively identify and evaluate the potential impact of

climate change on their business activities, including climate risks and opportunities in procurement, production operations, and market sales, and develop response strategies to ensure the stability and continuity of the supply chain.

Suppliers should actively participate in the Weichai Power Climate Change Action and jointly promote the establishment of a long-term mechanism to address climate change risks.

4.5.2. Carbon Management

Suppliers should actively carry out carbon emission management, establish a carbon management system, set carbon emission reduction goals, set carbon emission reduction paths, actively participate in the research and application of green and low-carbon technologies, cooperate with Weichai Power's value chain carbon reduction work, and promote the green transformation of the industrial chain.

4.6. Environmental Management

4.6.1. Environmental Protection

Weichai Power is committed to environmental protection, actively assuming corporate responsibility, and pursuing sustainable commercial development. At the same time, Weichai Power expects its suppliers to adhere to the principle of protecting the environment and reduce the burden on the environment, just like the company, in the business process.

Suppliers shall comply with all applicable environmental regulations, laws, and regulations related to their business operations, and ensure that they obtain and hold all environmental permits and registrations required for their business operations.

Suppliers should implement an effective environmental management system, conduct internal inspections of environmental management, continuously monitor and improve environmental performance, actively

adopt strategies such as reducing exhaust gas, wastewater, harmless waste, and hazardous waste, protecting resources, and avoiding ecological damage, to minimize the negative impact of operations, products, and services on the environment.

Suppliers should develop environmental protection strategies, conduct environmental assessments, and report relevant environmental protection data to the competent authorities in accordance with legal requirements in production and operation. Any violations of environmental protection laws and regulations should be resolutely stopped and reported.

Suppliers should comply with relevant laws and regulations on biodiversity conservation, take measures to protect the ecological environment and resources such as forests, water bodies, and land, and avoid and reduce the impact of operations on biodiversity.

4.6.2. Water Resource Management

Suppliers should develop clear, comprehensive, and compliant water resource management policies that clarify the importance of water resource protection and rational utilization. Suppliers should set specific, measurable, and achievable water resource management goals based on their own business characteristics and local water resource conditions, implement water resource management plans, record and monitor water sources, usage, and emissions, and seek opportunities for water conservation and pollution control channels. Before discharge or disposal, all wastewater must be monitored, controlled, and treated as needed. Suppliers should regularly monitor the performance of their wastewater treatment and control systems to ensure optimal performance and regulatory compliance.

4.6.3. Material Compliance and Conflict Minerals

Weichai Power is committed to complying with laws, regulations, and customer requirements regarding prohibited and restricted substances,

including harmful substances and conflict minerals. Therefore, suppliers should ensure that the goods provided to Weichai Power comply with all relevant laws and regulations regarding the scope of prohibited or restricted substances. Suppliers should implement policies regarding conflict minerals and conduct due diligence to confirm the source of minerals; Timely respond to Weichai Power's requirements and provide evidence of meeting these requirements.

4.6.4. Circular Economy

Suppliers should actively practice the concept of circular economy and advocate for efficient utilization and recycling of resources. Suppliers should actively optimize production processes, prioritize the use of environmentally friendly technologies and processes, and promote resource recycling.

4.7. Product Safety and Quality

Suppliers should ensure that their production and operation comply with relevant national and international laws and regulations, industry standards, and certification requirements, such as ISO 9001, IATF 16949 quality management system standards, product safety certification, etc.

Suppliers should establish a comprehensive internal quality control system and conduct strict quality inspections on raw materials, production processes, and finished products. In the raw material procurement process, inspect each batch of raw materials to ensure that they meet quality standards; During the production process, set key quality control points, conduct spot checks on semi-finished products, and promptly identify and correct quality issues; Before leaving the factory, conduct a comprehensive final inspection to ensure that the product fully meets safety and quality requirements. Meanwhile, the supplier should keep detailed inspection records for Weichai Power to refer to at any time.

Suppliers should establish an emergency communication mechanism for

emergency situations that may affect product safety and quality, such as sudden changes in raw material quality, major production process issues, and serious quality defects reported by the market. Once such a situation occurs, the supplier should notify Weichai Power as soon as possible (no more than 8 hours) and provide detailed event descriptions, preliminary cause analysis, and emergency measures taken. Weichai Power will respond quickly, establish an emergency response team with suppliers, develop solutions, and minimize the impact on product safety and quality.

5. Implementation of this Code

Suppliers shall disseminate the principles of this Code to their employees and entire supply chain (including suppliers, subcontractors, and partners involved in providing products or services to Weichai Power), and promptly and transparently provide evidence demonstrating compliance with this Code.

Approved by the ESG Committee of the Board of Directors of Weichai Power, this Code shall take effect upon issuance. Weichai Power shall review this policy at least annually and update it in accordance with evolving national laws and international conventions.