



Prinx Chengshan Holdings Limited

浦林成山控股有限公司

Stock Code: 1809.HK

**Prinx Chengshan
Code of Integrity and Compliance**

THE BACKGROUND:

The current unprecedented changes in the world are accelerating, while the globalization process is encountering headwinds, and international trade rules are facing restructuring. International compliance is the cornerstone for Prinx Chengshan Holdings Limited (hereinafter referred to as the “Company”) to progress steadily and go far, the bridge to integrate into the global economy, and the guarantee to achieve mutual benefits and win-win outcomes. Prinx Chengshan draws on advanced international experience, strengthens international compliance capability building, enhances compliance management level, and actively responds to changes in the international trade environment and rules.

The ancients said, "Without rules, nothing can be accomplished." Prinx Chengshan actively promotes the compliance construction, guides the employees to establish compliance awareness, and builds a sound compliance management system to better adapt to the international market rules and enhance its competitiveness. The *Prinx Chengshan Code of Integrity and Compliance* is the basic standard of Prinx Chengshan's compliance requirements. Through lawful and compliant management, the company aims to achieve the vision and mission of "leading tire innovation, contributing to smart travel and sustainable development, and achieving a better life."

Scope of Application:

The *Prinx Chengshan Code of Integrity and Compliance* applies to all employees of Prinx Chengshan Holdings Limited and other personnel who represent Prinx Chengshan or conduct various tasks in the name of Prinx Chengshan. The company encourages its third-party partners (including but not limited to suppliers, consultants, contractors, distributors, etc.) to maintain integrity and compliance, and to ensure their actions are consistent with the relevant provisions of the *Code of Integrity and Compliance*.

Key Content:

I. Obey the law, operate in compliance with the regulations

- 1) Accounting and financial compliance
 - Abide by financial accounting regulations, strictly follow the company's relevant review and approval procedures.
 - Comply with financial voucher management requirements and adhere to the relevant provisions of the fiscal and tax system of the country (or region) where the business is located.
 - Fulfil tax obligations according to the law, and disclose tax information in accordance with the applicable tax laws and regulations of China and each country (region) where business is conducted.
- 2) International Trade and Investment
 - The Company complies with the trade control laws and regulations and international conventions of China, the countries (regions) where it operates, fulfilling its export control responsibilities and obligations, establishing an image of corporate integrity and

responsible international operations to gain the trust of partners and customers.

3) Business Partner Management

- The company's business partners include suppliers, contractors, subcontractors, agents, distributors, joint venture partners, and customers. The company's development cannot be separated from the support and help of its business partners. The company is committed to establishing a cooperative relationship of mutual respect, mutual trust, and fair trade with them.

4) Compliance Consultation and Reporting

- Prinx Chengshan commits to establishing a good compliance consultation and reporting mechanism, encouraging all employees, customers, business partners, and other relevant parties to consult or report possible violations through appropriate channels. As needed, employees can provide relevant information about potential violations confidentially or anonymously, and the company will review all reports and take appropriate measures. The Company will protect whistleblowers from unfair dismissal or harm for reporting any true incidents.
- Prinx Chengshan Compliance Management Department is the Internal Control Office under the President's Office. For the reporting process, please refer to the Company's 'Regulations on the Management of Reporting and Handling'.
 - a) Ethics Hotline: 0631-7520235
 - b) DingTalk: Internal Audit Department
 - c) Reception Room: Prinx Chengshan (Shandong) Eastern Office Area A213
 - d) Reports against senior management can be made via email (whistleblower@prinxchengshan.com).

II. Respect human rights, protect employees' rights and interests

1) Working Conditions

- The working conditions provided by Prinx Chengshan for employees comply with all applicable laws and regulations. The Company commits to signing written employment agreements with employees in accordance with laws and regulations, clearly stipulating employment conditions in easily understandable language. The Company respects and cares for employees, and effectively safeguards their legitimate rights and interests.

2) Salary and Benefits

- Prinx Chengshan promises to adhere to internationally accepted human rights and labour standards, providing fair remuneration and benefits, paid leave, and health protection in accordance with applicable laws, regulations, and local market conditions. The company strictly follows relevant regulations to pay employees' salaries on time and in full, pays social insurance for employees in accordance with the law, ensures employees' rights to rest and vacation according to the law, and strives to improve and enhance employee benefits. The company employs, promotes, and provides development opportunities to employees based on their overall qualifications and performance in their respective positions. According to each person's knowledge, experience, and ability, provide appropriate support and development opportunities.

3) Equality and Inclusion

- The Company provides equal opportunities for every employee, and does not discriminate or treat employees differently in recruitment, compensation and benefits, career development, rewards and punishments due to ethnicity, religion, gender, nationality, and other reasons. The company formulates rules, regulations, and policies concerning the vital interests of employees, fully listens to their opinions and suggestions, and all are reviewed through the employee representative conference system.
 - The Company respects the cultural traditions of each country and region. Employees should also understand, grasp, and respect the culture, religion, customs, and business etiquette of the countries and regions where they conduct business.
- 4) Prohibit Discrimination and Harassment
- Prinx Chengshan is committed to providing fair opportunities to all employees, prohibiting discrimination based on age, race, colour, gender, sexual orientation, origin, nationality, religion, or disability. The company actively promotes employee diversity to create a diverse work environment that respects different opinions, perspectives, and beliefs.
 - The Company does not tolerate any acts of discrimination and harassment, and prohibits threats, violence, bullying, and other similar behaviours; it is forbidden to insult, discriminate against, and harass others in speech or behaviour; and it is prohibited to spread rumours or other defamatory and discriminatory information.
- 5) Prohibition of child labour and forced labour
- Prohibit the use of child labour, and child labour shall not be used at any stage of work. ("Child labour" refers to those under 16 years old, or those subject to stricter regulations according to local laws.) Do not accept any suppliers or subcontractors using child labour or forced labour.
- 6) Occupational Health and Safety (Safe Production, Labour Protection Appliances, Safety Education and Training, Hidden Hazard Accident Report)
- Everyone is responsible for safe production, and the Company always puts safe production and employee safety first. Employees must perform any work under effective safety management, eliminating all behaviours that violate safety management.
 - Company employees must dress according to regulations when entering the production workshop, wearing masks, safety shoes, dust-proof clothing, and other protective appliances; they must apply for a permit and obtain approval before working inside containers and equipment.
 - The Company attaches great importance to employees' occupational health, continuously improves specialised management of occupational health, and constantly enhances the Company's occupational health management level; employees should take it seriously and actively participate in related activities organised by the Company, such as inspections, physical examinations, notifications, and training, and wear personal protective appliance as required.
 - The company conducts diversified safety training, including three-level safety training, key position safety training, and safety technical training for special operation personnel, etc. All employees should actively cooperate and participate in various trainings organised by the company, learning and mastering relevant knowledge through safety drills, safety production, safety knowledge competitions, and safety videos, etc..

- Employees should report potential accident hazards promptly. If a major hazard threatening personal safety is discovered, they should take all possible measures and then evacuate the production site. Employees must report any discovered or occurring accidents immediately, rescue the injured promptly, and protect the accident scene, taking appropriate measures to prevent further accidents or injuries.

7) Labour Relations Dispute

- The Company encourages and guides employees to reasonably reflect their demands. If employees believe they are being treated unfairly or their legitimate rights are not being protected, they can report it to the company's union or the Human Resources Department in a timely manner. Even in the event of a dispute, the Company strives to seek solutions that reflect the interests of both the Company and its employees.

III. Protect the Company's Assets

1) Business Records and Document Management

- Prinx Chengshan promises to honestly, accurately, and objectively record all financial and non-financial information of the Company, ensuring the integrity and security of the documents.

2) Information Disclosure and Insider Information Management

- Prinx Chengshan, as a listed company, is required to fulfil the disclosure obligations of a listed company. The company discloses information about the company and related matters to investors and the public through announcements, periodic reports, and interim reports. Each employee involved in information disclosure or aware that the provided data will be used for information disclosure must ensure the truthfulness, accuracy, completeness, and timeliness of the information disclosed.
- Prinx Chengshan promises that the disclosed information is true and accurate, protects insider information, and avoids insider trading. Personnel aware of inside information shall not use or disclose inside information without authorization.

3) Intellectual Property

- Employees should protect the company's intellectual property, must not illegally obtain, use, disclose, protect, and strictly prohibit the leakage of the company's confidential information. Preventive and corrective measures should be actively taken against infringement and leakage.

4) Data and Information Security

- Prinx Chengshan ensures the availability, integrity, and confidentiality of data and information through employee management, business process control, and related technical safeguards. By promoting and implementing various data and information security management systems, we ensure information security during business operations and interactions with all parties, and guarantee the continuity of business development.
- If employees discover situations that may lead to data and information security risks, they should report to the company's information technology department in a timely manner.

5) Protection of trade secrets

- Prinx Chengshan emphasises strengthening employees' confidentiality awareness by signing confidentiality agreements with employees or cooperating third-party companies and other measures to prevent the leakage and loss of the company's trade secrets.

6) Privacy Protection

- Prinx Chengshan respects and protects the personal information and privacy of employees, customers, and other partners. Protecting company data is the responsibility of every employee.
- Employees should only collect, store, process, and use personal information for legitimate business needs or to comply with specific legal or policy requirements. The collection, processing, disclosure, and retention of personal information must comply with the principles of legality, transparency, fairness, and purpose limitation. If it is necessary to transmit or share personal information for legitimate business purposes, reasonable authorization must be obtained, and the data must be encrypted as necessary.

IV. Open and transparent, adhering to the bottom line of integrity

1) Anti-bribery, anti-corruption

- Prinx Chengshan adopts a zero-tolerance attitude towards bribery and corruption. In business operations, the company always adheres to the principles of integrity and honesty, and strictly complies with the applicable laws and regulations of the place of operation and high standards of business ethics. Company employees must conduct business activities in a legal and compliant manner, and must not offer or accept any form of bribe, kickback, or other improper benefits in business dealings.

2) Gifts and Hospitality

- Prinx Chengshan opposes any form of commercial corruption and fraudulent behaviour, but does not restrict legitimate and ethically compliant exchanges of courtesies. The company requires all employees to comply with applicable anti-corruption laws and regulations, conduct business activities in a legal and compliant manner, and strictly prohibit obtaining business or other benefits through offering gifts or entertainment.

3) Conflict of interest

- The resources, information, and opportunities that employees come into contact with and use in the company may only be used for work purposes. The employees must not misappropriate company resources to seek benefits for any individual or stakeholder other than the company.
- If any employee has any form of familial or intimate relationship with other employees, such employees should promptly inform the company and handle it according to the company's instructions to avoid internal conflicts of interest.
- The employees should exercise the powers conferred by the company correctly and appropriately for the benefit of the company, and must not abuse their powers for any personal purposes.
- To avoid external conflicts of interest, employees shall not hold a position or part-time job at any institution that competes with the company, is detrimental to the company's business, or has business dealings with the company, nor provide any form of service or assistance to the aforementioned parties, unless assigned by the company.

4) Fair Competition and Anti-monopoly

- The Company insists on fair trade and competes with competitors in a legal and compliant manner, strictly adhering to applicable anti-monopoly laws and regulations, and resolutely prohibits any behaviour that violates the Anti-Monopoly Law and related anti-

monopoly laws and regulations.

5) Export Controls and Trade Sanctions

- The Company complies with the relevant compliance requirements of the countries/regions and entities/individuals involved in the transactions, and adheres to applicable laws, regulations, and related provisions.

6) Anti-money laundering

- Prinx Chengshan complies with relevant laws and regulations on anti-money laundering, and the company only cooperates with business partners whose commercial activities comply with legal requirements and whose sources of operating funds are legal and traceable.
- To avoid receiving illegal funds or participating in activities and transactions involving illegal funds, it is necessary to carefully check and verify the identity information of customers, business partners, and other third parties who wish to conduct business with the Company.

7) Value Chain Compliance

- Prinx Chengshan firmly opposes any form of commercial bribery and fraud. Business partners should comply with Prinx Chengshan's compliance requirements regarding their working environment and human rights, health and safety, business ethics, and environmental protection.

V. Environmental Protection

1) Environmental Management

- The Company strictly complies with the relevant environmental protection laws, regulations, and standards in the places where it operates. The Company has established and implemented environmental protection procedures, a comprehensive environmental management system, and policies. It has also set up procedures for identifying and controlling environmental factors to effectively manage risks related to climate change, resource utilisation, and environmental pollution. Two of its production bases have obtained ISO 14001 Environmental Management System Certification, and they annually promote and achieve energy-saving and emission reduction targets to minimise the Company's impact on the environment. The Company promotes environmental protection regulations and internal policies of the Company to employees annually and provides relevant training.

2) Energy Management

- Prinx Chengshan formulated and implemented the '**Energy and Energy-saving Management Measures**', actively promoting the construction of the company's energy management system. At the same time, the Company has set medium-term and long-term environmental KPI targets for water and energy consumption according to the requirements of the Hong Kong Stock Exchange:

- a) As of 2025, the solar power generation is more than three times than that of 2021.
- b) By 2030, the company's CO2 emissions per unit of product in the tyre production (including tyre refurbishment) process will be reduced by 27% compared with the data in 2021.
- c) Energy Management:

- i. Shandong Production Base: By 2025, the energy consumption limit per unit product for TBR/PCR tires will reach 175/226 kilogrammes of standard coal per tonne of qualified products; by 2030, the energy consumption limit per unit product for TBR/PCR tires will reach 168/219 kilogrammes of standard coal per tonne of qualified products.
 - i i. Thailand Production Base: By 2025, the energy consumption limit per unit product for TBR/PCR tires will reach 199/243 kilogrammes of standard coal per tonne of qualified products; by 2030, the energy consumption limit per unit product for TBR/PCR tires will reach 191/234 kilogrammes of standard coal per tonne of qualified products.
 - d) By 2025, water consumption per unit of product will be reduced by approximately 50% compared with 2021; By 2030, water consumption per unit of product will be reduced by approximately 50% compared with 2021.
- 3) Green Office
- The Company actively practises green office culture, requiring all employees to start with details, saving water, electricity, and office supplies. By creating a green office environment, raising employees' energy-saving awareness, and striving to reduce carbon emissions.

VI. Product and Service Quality

- 1) Quality Management
- Prinx Chengshan establishes a brand philosophy centred on quality, adheres to quality commitments, relies on a scientific management system and advanced technological methods to achieve comprehensive quality control, and continuously improves the quality of its product and service.
 - Training company employees should be proficient in and continuously learn the quality standards related to their positions, and strictly implement various process requirements and specifications.
- 2) Customer Service
- Prinx Chengshan insists on being customer-centered, striving to provide products and services that meet customer needs and exceed expectations by understanding customer demands and expectations.
- 3) Consumer Rights Protection
- Prinx Chengshan adheres to the principle of honesty and trustworthiness, providing true and accurate product information to protect consumer rights from infringement. At the same time, it also provides channels for consumers to file complaints and appeals, ensuring that consumers' legitimate rights and interests are promptly protected.
 - a) Service Hotline: 400-618-8899;
 - b) Service Mailbox: CS400@prinxchengshan.com

VII. Supply Chain Management

- Prinx Chengshan and all its suppliers follow the principles of sustainable development in procurement activities. It practices and encourages all suppliers to take positive actions in corporate social responsibility, to reduce impact to the environment, to promote the

enhancement of social responsibility, and to improve the overall efficiency and transparency of the supply chain. Please refer to the *Prinx Chengshan Sustainable Procurement Policy* for specific details.

VIII. Social Responsibility

- Prinx Chengshan earnestly fulfils social responsibilities and actively supports community public welfare. The employees must respect the interests of the local community and the public when conducting business. The Company encourages employees to participate in community public welfare and volunteer activities.