

Sanhua Intelligent Controls

Business Ethics Statement

Scope of Application

Revisions and Updates

Implementation and Review

The Audit, Supervision, and Legal departments conduct a comprehensive review of this Business Ethics Statement at least annually to ensure its legality, reasonableness, and effectiveness, and to assess its alignment with the Company's existing business and future development strategy. The review results serve as important input for continuous policy improvement, driving the dynamic optimization of the business ethics management system.

All employees have signed the "Employee Integrity and Self-Discipline Agreement", explicitly committing to comply with relevant policy requirements and actively cooperate with the Company's supervision and inspection regarding business ethics (including anti-corruption, anti-bribery, anti-fraud, anti-money laundering, prevention of conflicts of interest, information security protection) and other compliance matters. For employees who violate business ethics regulations, the Company will initiate accountability and disciplinary procedures in accordance with rules. Depending on the nature and severity of the violation, possible measures include verbal warnings, performance appraisal actions, and termination of labor contracts, ensuring strict enforcement of the Company's business ethics requirements.

Management Structure and Functions

The Audit Department is responsible for formulating the company's internal audit system and improving the risk management system covering risk identification, assessment, response, and improvement.

The Supervision Department, in accordance with the laws of the locations where the company operates, formulates business ethics management policies, promotes the implementation of related work, fulfills supervisory duties, establishes grievance and reporting channels, and investigates and handles received report cases.

The Legal Department identifies, monitors, and inspects the company's production and operational activities according to relevant laws.

The Information Security Office and Infrastructure Department are responsible for the overall planning of the company's network architecture and guiding various business sectors in carrying out network security management work.

Sanhua's Action Commitments

1. Employee Integrity Management

3.Preventing Conflicts of Interest

5.Ensuring Information Security and Personal Privacy

Anti-Corruption Related Targets:

Information Security Targets:

Communication and Reporting Channels

