



**SINOCHEM**  
IN SCIENCE WE TRUST

# SINOCHEM GROUP INTEGRITY AND COMPLIANCE MANUAL



## Message from the Chairman and General Manager

Sinochem Group Co., Ltd. (the “Sinochem Group”) is a leading integrated operator in oil and chemical industry, providing agricultural inputs (seeds, agrochemicals and fertilizers) and modern agricultural services, and exerting strong influence in city operation and non-banking financial service sector. As a market-oriented global conglomerate, Sinochem Group has long been upholding the value of “In Science We Trust” and its quality products and services are relevant to many aspects of the mass economy and people’s well-being.

Practice has proved that integrity and compliance is the fundamental principle of Sinochem Group in its establishment and the criteria in its developing into a stronger enterprise in the new era. As a pioneer in deepening the reform of state-owned enterprises and a practitioner of the strategic concept of “In Science We Trust”, Sinochem Group upholds the value of integrity and compliance, promotes the establishment of integrity and compliance awareness, and creates an atmosphere of integrity and compliance culture. We will continue to put the concept of integrity and compliance above the economic interests of the enterprise, take integrity and compliance as the top priority to be reflected in all aspects during the management, and seeped into the management and cultural construction, constantly improving every employee’s awareness of integrity and compliance.

The implementation of integrity and compliance philosophy relies on every employee’s practice. Every one of us, and every builder of Sinochem Group, should start from ourselves, abide by the law, respect the rules, strictly observe the discipline, pursue morality, construct the thought of integrity and compliance, and identify with the integrity and compliance culture.

The “Integrity and Compliance Manual” provides basic behavioral guidelines for all employees of Sinochem Group. Every employee of the company should be familiar with and strictly abide by the requirements, by internalizing the concept in mind and putting it in practice. We should act together, uphold and practice the integrity compliance, carry forward with it, let integrity compliance lead to the development of Sinochem Group, and to create a prosperous future!

Chairman: 宁高宁

General Manager: 杨泽



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## About the Integrity and Compliance Manual

### Whom to govern

This Integrity and Compliance Manual (this “Manual” ) applies to all employees, board members and consultants of Sinochem Group Co., Ltd. ( “Sinochem Group” or “the Company” ) and other persons acting on behalf of or in the name of the Group.

Sinochem Group<sup>1</sup> encourages its business partners, third-party partners (including but not limited to suppliers, professional consultants and contractors), etc., to maintain integrity and compliance and behave in conformity with the requirements of this Manual.

### How to use

Each employee of Sinochem Group should read and fully understand the content and requirements of this Manual and comply with such requirements in his or her work. Sinochem Group encourages employees to report any activities or circumstances that are not in compliance with this Manual.

In addition to keeping to this Manual, employees should also abide by laws and regulations, as well as internal rules of Sinochem Group. In case of any matter not covered by this Manual, employees should make judgments and take actions based on the principles of integrity, compliance and fairness and may, where necessary, consult their department supervisors and the legal & compliance department of Sinochem Group.

When conducting business overseas, we should act on the strictest standards among various applicable ones in addition to complying with local laws and regulation in case there is any discrepancy or conflict between this Manual and local laws, regulations, public order or good custom. Employees who have any questions in dealing with such discrepancy or conflict may consult their department supervisors and the legal & compliance department of Sinochem Group.

### How to dispose

Sinochem Group does not tolerate any non-compliance with applicable laws or regulations or the requirements of this Manual. Any employee who violates this Manual will be disposed by Sinochem Group in accordance with its internal rules; in case of a serious violation, Sinochem Group will terminate the employee’s labor contract pursuant to relevant labor and employment laws; or if the violation is suspected of constituting a crime, the employee will be brought to judicial authorities.

<sup>1</sup> In this Manual, unless otherwise specified, each of the words “Sinochem Group” , “Company” and “we” means and includes the headquarters, business departments and specialist subsidiaries (including subordinate enterprises) of Sinochem Group Co., Ltd.

## Relationship between the Company and its Employees



The vitality of the Company comes from the creativity of the staff. We treat our employees as our most valuable resources and business development supporters. We deeply care for our employees by providing them with human resources support and a good circumstance and space for their personal development.

### (1) Hire employees in accordance with law

The Company strictly abides by the labor laws and regulations applicable in the jurisdictions where it carries out business activities, as well as applicable international rules and conventions, such as the Universal Declaration of Human Rights, and the Declaration of Fundamental Principles and Rights at Work, and upholds the principles advocated by the International Labor Organization.

The Company is committed to ensuring that the remunerations of all staff are in line with internationally accepted labor and social standards.

The Company absolutely forbids the employment and use of child labor and resists all forms of forced or compulsory labor.

### (2) Treat employees equally

The Company adheres to equal employment, treats employees of different nationalities, ethnics, races, religions, genders, ages, sexual orientation or marital status or in pregnancy equally, and promotes a diversified and inclusive working circumstance for the employees.

### (3) Safeguard the rights and interests of employees

The Company respects and cares about its employees and makes the best endeavors to safeguard the legitimate rights and interests of the employees. The Company establishes and improves a democratic management system featuring an employee representative congress, guarantees the employees' rights to know, express and supervise, and pays attention to and actively responds to employees' demands.

### (4) Assist in employees' development

The Company gives weight to the development and cultivation of talents and strives to create a good environment suitable for their growth and development. By establishing a well-organized, sound and effective training system and talent development mechanism, the Company improves the overall abilities and qualities of the employees and helps them grow together with the Company.

### (5) Resolve disputes in accordance with law

The Company encourages and advises the employees to make their demands in a reasonable manner. If an employee thinks that he or she is unfairly treated or that his or her lawful rights and interests are not protected, he or she may promptly bring the issue to the human resources department or legal & compliance department of the Company. Even in case of a dispute, the Company will try to seek solutions for the benefit of both the Company and the employees concerned.

### (6) Maintain a good working environment

The Company provides a friendly, fair and safe work environment for the employees and requests the employees to maintain jointly with the Company. Employees must wear work clothes with labor protection devices at production and working sites as required under the rules of the Company. They should also respect, trust and help each other.

### (7) Anti-discrimination and anti-harassment

The Company does not tolerate any discrimination or harassment. No one is allowed to commit any intimidation, violence, bullying or other similar acts, or insult, discriminate or harass others in words or actions, or spread rumors or other slanderous or discriminatory information.



## Conflict of Interests

Employees should avoid conflicts of their personal interests with those of the Company and should not perform any acts that may endanger the interests or reputation of the Company. Employees should also promptly report to or consult their department supervisors and relevant departments<sup>2</sup> of the Company any existing or potential conflicts of interests and take the initiative to withdraw from handling relevant matters as instructed by the Company.

To avoid any conflict of interests, employees should act on the following norms:

### **(1) No misappropriation of the Company's resources**

All resources, information and opportunities accessed and used by the employees at the Company may ONLY be used for the purpose of their work for the Company. No employee may use any assets, information, opportunities or other resources of the Company or take the advantage of his or her position at the Company to benefit any person or party in interest other than the Company.

### **(2) No abuse of power and authority**

Employees should rightfully and properly exercise their powers and authorities conferred on them by the Company for the benefit of the Company, not for any personal purposes.

### **(3) Avoid external conflict of interests**

Unless assigned by the Company, no employee may work or hold a concurrent post in any entity which competes with the Company, or acts in detriment to the business of the Company, or has any business relationship with the Company, nor may any employee provide service or assistance of any form to any such entity, or invest in any such entity in any form (except for holding no more than 5% of the shares in such entity if the entity is a listed company).

### **(4) Avoid internal conflict of interests**

An employee should promptly report to the Company any form of kinship or affinity existing between him or her and any other employee and deal with the situation as instructed by the Company.

### **(5) No representation without authorization**

No employee may conduct any business survey or negotiation, execute a contract, invite bids, bid, provide security, issue certification, or carry out any other business activities in the name of the Company or in his or her name as an employee of the Company, or air any opinions or release any news through any media on behalf of the Company, or attend any public activities, unless a prior approval or authorization has been obtained from the Company.

### **(6) No concurrent post without approval**

Employees should concentrate on their own work and may not, in principle, work part-time with or without payment or provide service to any third parties.

### **(7) Potential conflict of interests**

If an employee is uncertain about whether an activity may trigger a conflict of interests, he or she shall promptly consult his or her department supervisor and relevant departments and deal with the situation as instructed by the Company.

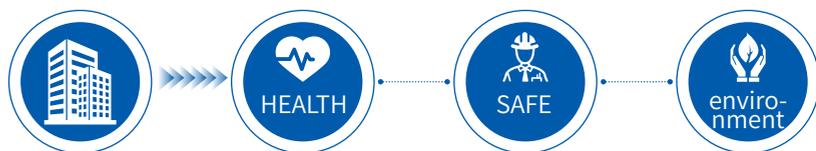
<sup>2</sup>Including departments that are directly relevant or may be relevant to the matters involved, and the legal & compliance department.



## HSE and Product Quality

When it comes to health, safety and environment ( “HSE” ), we adhere to the guidelines “to put people first, focus on preventive measures, involve everyone and continuously improve” and never fail to incorporate occupational safety, safe production and environment protection as vital parts of the performance of our social responsibilities in the Company's sustainable development scheme. The Company carefully complies with HSE-specific laws and regulations of China and other countries or regions covered by our business and has built an intrinsically safe, eco-friendly and resource efficient enterprise by the deployment of an HSE management regime fit for the Company and the implementation of systematic, professional and detailed HSE management. The care for life, health and environment is not only the Company’ s commitment, but also the responsibility of everyone working for the Company.

The Company upholds the governance guideline to put quality at the core and strictly complies with laws and regulations on product quality of China and other countries or regions our business reaches. We place great emphasis on quality control and persist in providing top-class products and services to the clients, with a view to sharing benefits and developing in tandem with our clients.



### (1) Focus on occupational health

The Company gives particular attention to the occupational health of the employees by continuously improving the professional management of occupational health, constructing long-lasting effective mechanism to ensure occupational health and constantly enhancing the administration of the Company’ s occupational health aspect.

The employees are required to take seriously and actively participate in the relevant tests, physical examinations, lectures, trainings and other activities organized by the Company. Personal protective equipment is required.

### (2) Ensure safe production

The Company employs advanced industrial technologies and equipment to ensure intrinsic safety and has built a safe production management network covering the entire process of production, operation and management, and the Company keeps raising the awareness and skillfulness of the employees through training programs and perfecting the management of production safety by way of enhancing risk prevention and hidden hazard screening mechanism.

The employees must fortify their awareness of safety and firmly conform to all safety rules of the workplace to avoid occurrence of any accident due to incompliance with any such rules. If any employee discovers any conduct incompliant with the safety rules, such employee shall attempt to stop the conduct immediately and report the same upwards.

The Company should establish and implement strict “life-saving rules” and has in place the “zero tolerance” policies against the violation of such “life-saving rules” .

### (3) Protect the environment

The Company implements policies for environmental impact assessment, regularly assesses the impact on the environment and shoulders social responsibilities to protect the environment in each country or region where we conduct our businesses. By promoting clean production, thoroughly utilizing resources, adopting state-of-the-art industrial technologies and equipment and replacing potentially polluting raw and auxiliary materials, etc., the Company manages to continuously reduce resource consumption and discharge of pollutants through tackling the issues at the source. The Company also reuses or decontaminates waste water, waste gas and solid waste to keep improving the level of eco-friendliness of the Company and help the Company to develop in harmony with nature.

The Company encourages the employees to take on obligations and responsibilities to protect the environment both at work and in their personal lives by actively taking part in environmental charity campaigns, choosing a low-carbon lifestyle and protecting the environment.

#### **(4) Tighten the administration of contractors**

Since the products and services provided by the contractors of the Company would have direct and significant impact on the Company's realization of our quality and HSE goals, the Company requires our entire staff to comply with the mechanism of the Company to select contractors, reinforces the assessment of any candidates' eligibility, guides all contractors to raise their awareness of the Company's requirements of quality and HSE management and requires the contractors to follow relevant rules of the Company when performing their contracts entered with the Company.

When signing a contract with a contractor, the Company shall take into consideration HSE-related requirements and step up the monitoring of the contractor's compliance with HSE requirements, and in case of any issue relating to HSE arising during the performance of the contract, the Company shall timely respond.

#### **(5) Get ready for emergencies**

With profound understanding of the importance and necessity of emergency response, the Company keeps improving the contingency plans for the risk rating based on the existing situation, maintains emergency preparedness supplies, organizes emergency responding teams, conducts emergency drills simulating real-world scenarios, and is always ready to anticipate any state of emergency.

The employees should actively participate in the Company's emergency drills, be alerted to HSE emergencies, and timely discover, report and dispose of any anomaly. In case of emergency or accident, they shall report the same without delay and promptly take responsive measures.

#### **(6) Keep improving the quality of products and services**

The Company builds our brands by placing quality at the core of our tenets, complies strictly with our quality commitments and realizes quality control throughout the production process by virtue of scientific management system and advanced technologies and methods, so as to keep improving the quality of our products and services.

The employees must command and keep learning quality standards relating to their duties and firmly carry out each technical requirement and standard, and they shall, at each stage of production, employ strict screening scheme to prevent the production of subpar products. The concealment of inferior quality or shortfall quantity may not be tolerated.



## Business Activities and Market Competition

In business activities, the Company holds fast to principles of honesty, integrity, equal negotiation, mutual benefit and co-development and complies with both business ethics and relevant laws and regulations. The Company participates in competition as per law and puts enterprise integrity and compliance before the economic benefits of the Company, and commercial bribery, monopoly and other unfair competition practices are entirely forbidden. The Company also respects and conforms to laws and regulations on export control and sanctions.

### (1) Build healthy business partnership

The business partners of the Company include our suppliers, contractors, subcontractors, agents, distributors, JV partners and clients. We cannot possibly hope to develop without the help and support from our business partners, so the Company strives to forge relationship with each partner where both parties may mutually respect and trust one another and conduct fair business.

### (2) Prevent commercial bribery and corruption

The Company strictly abides by all applicable anti-commercial bribery and anti-corruption laws and regulations, and any form of bribery and corruption is absolutely banned, such forms including direct or indirect payment and receipt of cash, gift money, valuable securities, objects, rebates, traveling, entertainment, job opportunities and other monetary or non-property interests. The Company takes a hard-lined “zero tolerance” policy against commercial bribery and corruption.



### **(3) Forbid unfair competition**

Unfair competition refers to competing with other business operators via violation of law, breach of business ethics, disturbance of market competition order and other misconducts, thus injuring the lawful rights and interests of other business operators or the consumers. When conducting business, the employees should participate in the competition in strict accordance with the Anti-Unfair Competition Law and other laws and regulations applicable to fairness in competition.

### **(4) Comply with anti-monopoly laws**

The Company persists in competing with the rivals fairly and in compliance with laws and regulation and closely adheres to anti-monopoly laws and regulations, any action in violation of the Anti-monopoly Law or any relevant laws and regulations will be absolutely prohibited by the Company.

### **(5) Conform to laws and regulations relating to export control and sanctions**

The Company complies with laws and regulations on export control and sanctions of China and any other country or region where we conduct business, and those that are internationally prevalent, and relevant international treaties on export control and sanctions, and effectively performs the responsibilities and duties regarding export control to establish an internationally recognized image of being honest and responsible, thus winning the trust of our business partners and clients.

When engaged in outbound trade of goods, technologies and services and investment, employees of the Company shall actively get familiar with applicable rules on export control and sanctions to ensure that their operational activities are compliant throughout the process and in every aspect. In case of any unfamiliarity or doubt concerning any laws or regulations on export control and sanctions, the employee shall promptly make inquiry thereabout to the legal & compliance department of the Company.

### **(6) Comply with anti-money laundry laws and regulations**

The Company firmly conforms to anti-laundry laws and regulations effective in the countries or regions where we conduct business.

The employees of the Company should get a detailed insight into our business partners and conduct thorough due diligence investigation, so as to ensure that we only cooperate with partners with good reputation and accountable source of funds, and that all accounting schemes and procedures of the Company are strictly followed.

In case an employee encounters any suspicious behavior or has any doubt before proceeding with any deal, he or she shall promptly inquiry about the same to relevant department of the Company and preserve relevant evidence.



## Government and Community

The Company places at the core of its development the synergetic relationship with the government and community in a sense we make active efforts to build and develop the constructive and strategic relationship with the government and pays extra attention to the public interest of the local community in the country (region) where we operate business. The Company is among the driving forces to promote community and social development, which is demonstrated by its endeavors to further the progress of local philanthropy sector such as organizing charitable activities, its sustainable growth and creation of more jobs.

### **(1) Communicate with the government**

Employees of the Company should maintain an amicable relationship with the government, follow due and lawful proceedings to present the Company's demands to the local governments and should observe all local laws, regulations and anti-bribery requirements when doing so. Employees shall be forbidden to provide any interests to any government officials or employees.

### **(2) Support local charitable cause**

The Company takes its social responsibility in the form of effective performance of the same and proactively engages in the local philanthropy work.

Employees should respect local community and residents' interest when conducting business.

The Company encourages employees to participate and volunteer in the community charity work.

### **(3) Respect local customs and religions**

The Company is respectful of the cultural tradition of all countries and regions. Amid business activities, employees must be aware of, fully understand and respect the cultural, religious, customary and commercial etiquette in the country and region where they conduct business.



## Company Asset and Financial Integrity



### **(1) Stringently implement financial and tax systems**

1. Obey the financial and accounting rules and follow relevant Company audit, review and approval proceedings.
2. Make sure that the financial information and reports are complete, accurate and authentic, and that every employee is bound by financial integrity.
3. Follow rules for management of the financial documents and abide by finance and tax related regulations in the country (region) where business is located.
4. Comply with tax obligations in accordance with law and make disclosure of tax information as per the applicable tax law and regulations in China and any other country (region) where business is operated.

### **(2) Properly use and protect assets**

Company assets are the material and legal foundation for the Company's sustainable development. Such assets shall only be used for purposes related to Company

business, but not for appropriating benefits for any individual in any way.

Employees are obliged to use and dispose of the Company assets in a proper and responsible manner, keep them safe and protect them from any loss or damage.

### **(3) Protect intellectual property rights**

Intellectual property rights are a valuable asset of the Company, one of those manifesting the greatest competitive value. The Company focuses not only on the construction, protection and utilization of its own intellectual property rights, but also equally respects those of others, the principle of which has been translated into effective measures to prevent IP infringement.

Company employees should show respect for the intellectual property rights of any third party in a sense that any use of such rights in daily production or operational activities shall be duly authorized and permitted.

## Information Protection

### (1) Protect confidential information

The Company shall establish a comprehensive confidentiality administration system in compliance with all applicable laws and regulations related to confidentiality, so as to ensure the safety of national secrets and Company's business secrets.

Employees should strictly abide by confidentiality related laws and regulations as well as Company rules. Employees must keep confidential of all confidential information disclosed to them by any client or third party or they otherwise might access during daily business operation, under which circumstance, in order to prevent any undesirable disclosure of such information, the level of care exercised by the employees to such confidential information of any third party to which the Company has confidential obligation shall be equivalent to that they give to the Company's own confidential information.

### (2) Prohibit insider trading

Divulging insider information or making insider trading is illegal. The Company and its employees are obliged to obey all applicable laws and regulations regarding securities trading. Insider dealing is strictly prohibited, so is disclosure of any insider information, nor shall anyone use such insider information for personal or third party's interest.

### (3) Disclose information according to law

Any publication of Company information shall be done by authorized personnel in accordance with relevant rules of the Company. No employee of the Company shall disclose any information to any outsider without prior authorization or approval.

Employees responsible for information disclosure or publication should strictly comply with the content and format prescribed in applicable laws and regulations and rules of regulatory authorities for this purpose, and accurately, completely and timely deliver and disclose such information with absolute authenticity, while ensuring no confidential information is disclosed.

Employees shall not disclose work related information of the Company, his/her colleagues, clients and him-/herself while using social media for personal purposes.

### (4) Step up cybersecurity management

The Company conducts regular cyber security accreditation, inspection and risk assessment, and formulates cybersecurity incident contingency plan, which, accompanied by timely remedy of, among other things, system vulnerabilities, computer viruses and cyberattacks, effectively protects the Company from any information safety risk.

### (5) Collect and use information in accordance with law

The Company shall be guided by the principal of legality, legitimacy and minimum necessity when gathering, using and dealing with information of any individual including our employees, as well as information relating to the marking, finance, human resources and strategic planning of our business partners and interested parties, and shall install measures of caution to ensure information security. Unless through public channels, any obtaining of the foregoing information shall be authorized in advance.

Employees are forbidden to process, transmit, buy and sell, publicize or provide to another the information they collected, unless it is otherwise permitted by law.





## Report of Violation

For the purpose of discovering and eliminating inappropriate behavior and complaint and protecting employees and the Company from any possible risks or damage caused thereby, employees shall have the obligation to report to their department supervisors or legal department any non-compliant or suspiciously non-compliant act. When necessary, employees may provide such information in secretive situation or anonymously, and the Company shall review every such report and act accordingly.

The Company grants no tolerance to any retaliation to the individual lodging complaint or report, and upholds a hardline policy against those committing retaliatory acts to employees who report suspected non-compliant behavior or individuals who may cause risk to the Company business.

This Manual does not contain an exhaustive list of all non-compliant or dishonest acts, if any employee is not sure whether a certain matter or behavior might violate this Manual or any other regulations, systems of the Company or laws, he/she should consult his/her department supervisor and legal & compliance department without hesitation.

Any questions and further information or requirements regarding this Manual may be submitted to or obtained from the department supervisors or legal & compliance department of Sinochem Group.

Sinochem Group's compliance hotline: [compliance@sinochem.com](mailto:compliance@sinochem.com)

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