

**HONG KONG AERO ENGINE SERVICES LIMITED  
CODE OF CONDUCT POLICY**

**Document Control**

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# HAESL Code of Conduct

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## **1.0 Introduction**

### **1.1 Why We Have This Code**

High standards of ethical behaviour and compliance with laws and regulations are essential to protecting the reputation and long term success of HAESL. Each of us, through our actions and decisions, has a personal responsibility for building our reputation and living up to our values.

This HAESL Code of Conduct (the Code) helps us do this by setting out the ethical principles that underpin our statement of values and the way in which we conduct our business.

This Code provides guidance on how to apply these principles in everything we do.

### **1.2 Who This Code Applies to**

All employees of HAESL are required to comply with this Code.

We will request that our suppliers, subcontractors, temporary workers and other third parties we work with apply the principles of this Code or work to their own similar standards.

### **1.3 Your Commitment to This Code**

You must make time to read and understand the principles and rules set out in this Code. If you have any questions, speak to your manager or seek advice from the HR department.

If you are a manager or supervisor, you have a particular responsibility to:

- lead by example and promote and display good ethical behaviour and business conduct, as well as complying with laws and regulations;
- make sure your team members have access to and understand this Code;
- make sure your team members get training on ethical issues and policies related to this Code;
- create an environment in which members of your team feel confident and able to raise ethical concerns;
- make sure that any ethical concerns that are raised are taken seriously and followed up.

You should not seek to avoid these provisions by using agents, partners, contractors, family members or parties acting on your behalf.

Breaches of this Code are not acceptable and will result in the Company taking action which may include disciplinary action up to and including dismissal.

It is not possible for this Code to be exhaustive and set out every legal or Company requirement. In some situations, you will need to use common sense and good judgement to make ethical decisions based on the principles contained in this Code. If you are faced with a dilemma and you are unsure how to solve it, then you should ask for help.

### **1.4 Identifying and Solving Ethical Dilemmas**

At work you may be faced with situations where there is no obvious right answer and you are unsure which course of action to take. This section will help you to identify instances where there may be an ethical dilemma and to find your way through these to make sound ethical decisions.

How to identify unethical behaviour or an ethical dilemma

Ask some of the following questions:

- Are these actions legal, fair and honest?
- How would I feel about myself afterwards?
- How would this issue look if it was reported in the media?
- Would I be comfortable explaining this in court?
- How would I feel if my family and friends knew about my actions?

Listen to the conversations around you. If you find yourself hearing or saying phrases like the ones below, you may well be facing an ethical dilemma:

- “No one will ever know.”
- “It doesn’t matter how it gets done as long as it gets done.”
- “Everyone else does it, so it must be OK.”
- “Don’t worry; it’s the way we do things around here.”
- “I don’t want to know.”

### **1.5 Asking Questions and Speaking Up**

We are committed to having an environment where you can ask questions and raise concerns about business ethics without fear of retaliation. If you have experienced or witnessed unethical behaviour in the workplace, including something illegal, we would encourage you to speak up. Do not hesitate to seek guidance on these matters. It is better to ask a question and speak up at an early stage than to ignore an ethical issue that could have more serious consequences in the longer term.

You have a responsibility to raise concerns and speak up about potential violations of the Code, including possible improprieties in financial reporting and internal controls. Any such concerns should be raised in the first instance with your immediate superior and if no satisfaction is gained then the head of the department. If a substantive complaint is received, an impartial and prompt investigation will be held. If the issue still remains unresolved, it will be raised to the respective General Manager. Any material concerns raised through the respective General Manager will be reported to the Staff Committee which will ensure that appropriate investigative steps are taken. All information received will be kept confidential.

If you feel unable to speak to your manager, or are unsure of where to go for help, you can also raise your concern through the EthicsPoint system. All information will be treated with confidence, except where the company is required to disclose the information by law or regulation. The person providing the information must also keep it confidential unless required to disclose it by law or regulation.

#### **How to raise a concern**

HAESL EthicsPoint (website: [www.haesl.ethicspoint.com](http://www.haesl.ethicspoint.com)) enables you via either the telephone or the Internet to ask a question or seek advice about any ethical issue, or raise a concern with the Company so that it can be investigated.

All questions and concerns raised through this reporting channel will be reviewed promptly by a professionally trained EthicsPoint intake specialist. A report will then be sent to the HAESL DGM and GMFA. If it is not appropriate to send the report to the HAESL DGM and GMFA, it will be directed to an outside

HAESL Director for action.

You may choose to remain anonymous. Although it may be easier in many cases to address your issue by having you identify yourself, you are not required to do so and may submit your concern anonymously.

Retaliation against anyone who raises an ethical concern in good faith is not acceptable and may result in disciplinary action.

## **2.0 Working Together**

### **2.1 Performance and Reward**

#### **Our principles**

- We seek to reward our employees fairly and take account of individual contributions to the performance of the business.
- We assess performance objectives in a fair and consistent manner.
- We regularly review the performance of our people and provide constructive feedback.
- We invest in training, education and development to improve the skills of our employees and the capability of the business.

#### **What this means for you**

You must:

- perform your job to the best of your ability, seeking support and feedback as required;
- participate as required in the Company performance management process;
- as a manager, evaluate the performance of your team fairly and consistently and provide them with regular feedback;
- as a manager, support and promote the development of your staff; and
- as a manager, actively manage under performance.

### **2.2 Diversity, Inclusion and Respect in the Workplace**

We are committed to providing an inclusive work culture which appreciates and recognises that all people are unique and valuable and should be respected for their individual abilities. We will not tolerate bullying, harassment or discrimination on the basis of gender, religion, race, nationality or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, family status, age or political opinion. The Code requires you to behave with courtesy and respect towards everyone encountered in the course of business. All HAESL employees are required to comply with HAESL's "Diversity and Inclusion Policy" and "Respect in the Workplace Policy".

### **2.3 Employee Engagement**

#### **Our principles**

- We encourage openness and honesty in all our relationships.
- We work globally and expect mutual respect and collaboration between all our people.
- We engage and involve our people in improving the business and welcome their feedback.
- We endeavour to share information and discuss business and work issues with our people and their representatives.
- We resolve disputes fairly.

### **What this means for you**

You must:

- ask for, provide and act on feedback;
- accept accountability for delivering the best results for our customers;
- be open with the people you work with;
- as a manager, involve your team, make sure they know what's expected of them and talk regularly to them about the contribution they're making to our success; and
- as a manager, be aware of how your decisions and actions affect your team and make sure they have the help and support they need.

## **3.0 Running our Company**

### **3.1 Operating Principles**

Our Operating Principles commit the business and you to:

- provide high quality products and services;
- maintain high standards of business ethics and corporate governance;
- ensure the safety of employees, customers, suppliers, business associates and the general public as a whole;
- meet the highest standards in discharging our corporate social responsibility commitments;
- behave with courtesy and respect to everyone we encounter within the course of our business;
- respect the privacy of personal and business data;
- not permitting any breaches of employment law or the use of child or forced labour;
- comply with any legal requirements concerning the collection, holding, processing, disclosure and use of personal data.

### **3.2 Keeping of Records**

We are committed to keeping proper records and following sound accounting policies. All company books, invoices, records, and accounts must be created and maintained to reflect fairly and accurately and in reasonable detail the underlying transaction and disposition of company business. All relevant expenses should be properly approved and captured in the financial records.

This Code prohibits you from

- making any false or misleading statements or other entries in financial records;
- creating, maintaining and using any off-the-record accounts with banks or any third parties;
- destroying company records before the normal destruction date.

### **3.3 Use of Confidential Information**

#### **Policy and values**

We safeguard HAESL confidential information and that of our customers and suppliers and we do not use information which we should not have. Disclosure or inappropriate use of confidential information can cause serious harm to HAESL.

It is your responsibility to read, understand and apply the Confidential Information Policy correctly and always seek further guidance if you are unsure.

#### **Expectations**

All HAESL employees must:

- do not use HAESL Confidential Information for purposes other than intended;
- not share or make available Confidential Information to anyone outside of HAESL without proper authorisation to do so;
- not use confidential information or insider information to secure advantage personally or for another party;
- protect customer and supplier Confidential Information as you would HAESL Confidential Information;
- not accept or seek Confidential Information which you are not permitted to receive;

- use Confidential Information only in the way you are authorised to do so;
- keep all Confidential Information secure and protect it from unauthorized or accidental disclosure;
- follow any applicable laws, regulations or rules relevant to Confidential Information, including Export Control Regulations, General Data Protection Regulations (GDPR), and Competition laws.

### **Types of confidential information**

#### **Competitor Information**

Any information relating to a competitor which is not in the public domain. If you are offered competitor information always ensure that the person offering the information is authorised to disclose it to HAESL. Competitor information must only be used in accordance with applicable competition laws.

#### **Customer Information**

Any customer information provided to HAESL must only be used in accordance with the limits of the authorisation provided. If you have doubts about whether a person is authorised to provide customer information to HAESL seek further advice from your supervisor.

Never use a non-work email address to receive Confidential Information, it is not permitted and exposes you and HAESL to suspicion if the information is ever called into question. Always be on the lookout for red flags, if you are unsure politely refuse to accept the information and seek guidance.

#### **Supplier Information**

Any information relating to a supplier or provided by a supplier which is not in the public domain will be Confidential Information. An example of this would be a pricing proposal provided in response to a confidential bidding process, this is Confidential Information.

You must protect supplier's Confidential information in the same way as you protect HAESL Confidential Information. You must not share suppliers Confidential Information with anyone outside of HAESL or use it as a negotiation tool with other suppliers.

#### **Use and Disclosure Restrictions**

Always observe the restrictions that are placed on the use and distribution of Confidential Information. You must not attempt to receive any Confidential Information by unethical or disreputable means. Never accept any Confidential Information from a representative who is not authorised to share the information. If in doubt always ask the supplier of Confidential Information if they are authorised to share the information with you and record their response.

## **3.4 Safeguarding Our Assets**

### **Our principles**

- Our technologies, intellectual property and commercially sensitive information are vital assets of our business and we protect them from unauthorised use and disclosure.
- We take individual responsibility for the proper use of our business and customer property, including IT systems, materials, facilities and equipment.
- We do not tolerate the use of our business information systems to access, copy, store, or transmit any information or data considered to be offensive, obscene or inappropriate.
- The unauthorised appropriation of goods and services belonging to HAESL for personal use or resale and the unauthorised use of company assets for personal benefit are strictly prohibited.

### **What this means for you**

You must:

- only use our assets for business purposes, unless you have authorisation for other use, and maintain them with care, guarding against waste and abuse;
- not seek personal gain from the use, sale, transfer or other disposal of our business assets without authorisation;
- value the Company's time, and work diligently to fulfil the responsibilities of your role;
- not try to circumvent IT security controls;
- not alter equipment or facilities or install software without specific authorisation;
- not develop your own applications without management approval;
- exercise security precautions when using personal computers, and all computer software should be used in strict compliance with the laws of copyright;
- keep all our documents protected and secure.

### **3.5 Media and communications**

#### **Our principles**

- Our reputation is a key asset and we behave in a manner that maintains and reflects well on our brand at all times.
- We sponsor activities that will meet commercial objectives and have a positive effect on the reputation of our business and its stakeholders.
- We work with the media to assist them in understanding our business and make sure that the information we provide is accurate and not misleading.
- We keep all our shareholders well informed by providing information that they can access easily.
- Senior Management is responsible for the management of any company official business presence and comment on social media channels.

#### **What this means for you**

You must:

- act in a way that protects or enhances our reputation and brand at all times. Items posted onto the social media should not reflect negatively on HAESL, or otherwise embarrass the company.
- use care and good judgement when speaking about our business or people, even when not in the workplace.
- not speak to the media about our business without prior authorisation. If you explicitly identify yourself as a HAESL employee when you publish something on social media, you should make it clear that the views you express on social media are yours alone.
- not engage in social media forums for business purposes while acting on behalf of the company in an official capacity, without prior written approval from Senior Management.
- ensure that your social networking conduct is in compliance with those laws governing defamation, discrimination, harassment, data privacy, copyright and fair use, and also is consistent with all HAESL policies. Do not use social media to post or display information about the company and its stakeholders that is vulgar, obscene, threatening, intimidating, harassing, libellous or discriminatory.
- not make implicit or explicit reference to colleagues, business partners, or suppliers without their approval. Respect the privacy of colleagues, business partners, and suppliers, and do not post photos of them without their approval.
- not use HAESL logo, unless specifically authorized to do so.

(Please refer to the Information Security Policy for details.)

## 4.0 Conducting our Business

### 4.1 Bribery

We have a zero tolerance policy for bribery and corruption. We are committed to abiding by, or even exceeding, all relevant laws in order to prevent bribery whenever we undertake business. This applies to:

- You not accepting bribes: You must not solicit any advantage from any person having business dealings with the Company. Nor should you accept any such advantage if such act could affect your objectivity in conducting the Company's business or induce others to act against the interest of the Company, or lead to allegations of impropriety. Further you must ensure that the appropriate managers in the Company are informed of any advantage you have accepted.
- You not giving bribes: You must not offer a bribe to any person or company for the purpose of influencing their actions. Any advantage given in the conduct of the Company's business should be with the prior written approval of the respective General Manager.

Items considered bribes are advantages which include money, loans, fees, rewards, gifts, employment, offices, contracts, services or other favour. There is, of course, no restriction on normal loans from banks or other financial institutions made at prevailing rates and terms, nor does bribery include traditional gifts of nominal value given during festive seasons.

Although entertainment is an acceptable form of business and social behaviour, you should not accept lavish or frequent entertainment from persons with whom the Company has business dealings if, by doing so, it might be perceived that you are placing yourself in a position of obligation to the offering party. When giving entertainment, company functions are preferable to entertaining individuals.

You should therefore exercise good judgement and practice moderation in giving and receiving business gifts and entertainment. These should not be given in cash, cash equivalent, or loans; they should not be excessive in frequency or value. Gifts bearing a HAESL logo are preferred.

If you receive a gift which you believe is of more than token value, you must promptly notify your manager and return the gift to the sender with a courteous letter stating that Company policy prohibits accepting it.

(Please refer to the Gifts and Hospitality Policy for details.)

### 4.2 Business Ethics

We are committed to conducting all our business with integrity and fairness. You are expected to maintain the highest standards of professionalism in all your dealings with others. You must seek mutually beneficial relationships with contractors, suppliers and joint venture partners. You are required to promote the application of this Code in all

dealings and to give preference to business partners who adhere to similar business ethics.

You must comply with all applicable legal requirements and company policies.

The privacy of others and the confidentiality of information received in the course of business dealings are respected.

We encourage our partners and employees to report any actions that may be in violation of the law or any of HAESL's other regulations and policies. HAESL has subscribed to an online screening platform, an online solution which provides critical information on high-risk persons and entities from around the world to help identify companies or individuals that may present a risk of: money laundering, bribery, corruption or who have economic sanctions in place. All potential suppliers, service providers, customers, operators and shipping destinations shall be screened prior to entering into any business arrangement. If you have any concerns or Red Flags are signalled via the screening platform, you must report them to your Function Head immediately. In addition HAESL prohibits the use of Intermediaries or Advisors, with the exception of Professional advisors such as lawyers, accountants and surveyors etc. acting for HAESL in such capacity as part of their professional practice under their professional rules. Should you have any questions regarding this please talk to your Function Head.

HAESL understands our corporate responsibility in respect of relevant tax legislation and we are committed to complying with the relevant tax requirements in the jurisdiction that we operate our business. We also request our business partners (e.g. suppliers, service providers, vendors, etc.) take appropriate measures to refrain from any action or activity where doing so is or was intended to directly or indirectly facilitate or commit any offence of tax evasion.

### **4.3 Procurement Principles**

In procurement we require that you support the following principles:

- You must follow established policies when tendering is carried out to procure products or services, taking into consideration the size of the purchase, the number of approved and qualified suppliers in the market, and whether tendering is a practical means of securing the required products or services in the time scale needed to meet operational requirements. When tendering is used to procure products and services, suppliers should be selected on the basis of competitive tendering including the impartial selection of appropriately qualified suppliers.
- Where appropriate and practical re-tendering should in general take place at least every three years.
- Monitoring systems should be put in place to ensure the proper fulfilment of contractual obligations and to provide reasonable assurance that fraudulent or corrupt activities are prevented.
- Suppliers in their business dealings with our personnel should comply with all relevant and applicable local laws and legal requirements governing business transactions and practices.

#### **4.4 Gambling**

You are advised not to engage in gambling of any kind with persons having business dealings with the Company.

#### **4.5 Export Controls**

We are committed to meeting all relevant export controls for goods and technology transfers. We will pay particular attention to controls applying in Hong Kong, the People's Republic of China, the United Kingdom and the United States of America. Key employees are made aware of why export controls exist, the consequences of not having export controls and how we will ensure compliance with specific legislation and regulations in respect of the goods and technology that we export.

#### **4.6 Conflicts of Interest**

A conflict of interest arises where a person's private interests interfere with the proper discharge of his official duties. We are committed to conducting our business without conflicts of interest and this Code requires you to avoid any situation which may lead to an actual or perceived conflict of interest. In case of any potential conflicts of interest, you should gain approval from your Function Heads (FORM03406).

We do not encourage or support you to take any secondary employment outside HAESL as we have to ensure your personal safety and product safety, in addition to preventing any potential conflict of interest.

You must not foster any relationship with any supplier, customer, competitor or contractor of HAESL that compromises your ability to transact business in the best interests of the Company in an objective manner.

#### **Ownership and Other Financial Interests**

You must not influence the Company's decision to place external business with a company or other business that is owned or controlled directly by you or indirectly by you through other persons, or with a publicly traded company in which you or parties related to you:

- Control more than 5 percent of the company; or
- Have a lower level of economic interest that might influence or appear to influence your judgement.

External business may be placed with such a company or other business only if you have not influenced HAESL's decision to place the business there.

#### **Employment of Outside Parties**

The recruitment, management and development of HAESL employees must be free from any actual, perceived or potential conflict of interest.

#### ***Family Members and Personal Friends***

You must not directly supervise, undertake performance appraisal of, or participate in any selection activity involving a family member or personal friend.

You must discuss and disclose to your manager situations where the employment of a family member or personal friend could represent an actual, perceived or potential conflict of interest. Your manager will determine the appropriate action that is required.

#### *Government Officials*

You must adhere to the relevant laws relating to the recruitment, or the use as consultants, of current or former Government Officials. If you are approached by a current or former Government Official about employment opportunities at HAESL, you should discuss with your manager. Your manager will consult Human Resources and Senior Management.

#### *Family of Customers, Suppliers, Government Officials and Connected Parties*

A conflict might arise if you became aware that an individual who is seeking employment with the Company has family members who:

- work for the Company's customers, suppliers and connected parties or
- are Government Officials.

This does not preclude them from becoming HAESL employees, or from providing services to HAESL, provided that they meet all applicable requirements for the position for which they are applying and are appointed on merit.

If you are approached about, or become aware of, the employment of any individual referred to above, you should discuss with your manager.

## **4.7 Competition**

We conduct our business in compliance with competition laws, known in some countries as antitrust laws. A "Competition Law Compliance Manual" is available on the Company portal which provides specific guidance for compliance with the Hong Kong Competition Ordinance.

### **Our principles**

- We believe in open and fair competition.
- We conduct business in an honest and straightforward way.
- We comply with competition and antitrust laws.

### **What this means for you**

You must:

- report any suspicions or allegations of anti-competitive behaviour to your manager;
- always seek advice from your manager if you are unsure how to proceed or need more guidance;
- avoid making formal or informal agreements with competitors which result in price fixing, bid rigging, market allocation and arrangements to limit supply as these are almost always illegal;
- be careful before you agree to any restrictions on customers, or joint venture partners or suppliers as to who they can sell to or buy from and on what terms; and
- not share commercially sensitive information with competitors, which may include information relating to prices, on-going bids, terms and conditions of sales, market

share, costs or profit margins.

## 5.0 Our Place in the World

### 5.1 Environment, Health and Safety

HAESL is committed to sustainable development and corporate social responsibility as part of our vision: "Best in the World, Best for the World". We include environmental, health and safety considerations in our daily decision-making and work practices to help protect our employees, the environment and the local community.

### 5.2 Political Contributions

We make no political contributions in the normal course of business. We may however lobby through government, inter-governmental bodies or through trade associations to promote policies that encourage business and achieve workable legislation.

### 5.3 Community Investment

We are committed to building positive relationships in the communities that we live and work.

#### Our principles

- We seek to contribute to the economic development and social wellbeing of the community in which we operate.
- Community investment is an intrinsic part of the way we do business, supporting our business strategy and future success.
- We encourage community investment activities that help us to recruit, retain, engage and develop our people whilst at the same time building our reputation and demonstrating good corporate citizenship in the community in which we operate.
- We make sure that company charitable contributions are appropriate and proportionate.

To this end, HAESL encourages all employees to report improprieties promptly and anonymously in accordance with HAESL's "Whistleblowing Policy".