

Environmental Policy Statement ("this Statement")

China Lesso Group Holdings Limited (hereinafter referred to as "the Company") strictly complies with and implements all applicable national laws and regulations concerning pollutant emissions, greenhouse gas emissions, energy conservation, and dual control of energy consumption that have a significant impact on the Company. These include, but are not limited to, the *Environmental Protection Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Noise Pollution Prevention and Control Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, the *Circular Economy Promotion Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Regulation on the Administration of Permitting of Pollutant Discharges*, and the *Measures for Energy Conservation Supervision*. Based on the aforementioned laws and regulations and after extensive consultation with stakeholders, the Company hereby formulates this Environmental Policy Statement ("this Statement").

1. Purpose

Accelerated industrialization and population growth have intensified environmental challenges, including climate change, resource depletion, and biodiversity loss, threatening human survival and global economic stability. Therefore, the Company recognizes the importance of environmental management and regards it as a core part of its social responsibility. This Statement aims to reduce environmental pollution and resource consumption in production and service processes through the implementation of effective environmental management measures, improve resource utilization efficiency, promote a circular economy, and actively participate in environmental protection and ecological restoration, thereby contributing to sustainable development.

2. Scope of Application

This Statement applies to all production bases, subsidiaries, suppliers, and stakeholders closely related to the Company's production and operations, and it comprehensively covers environmental management across all scenarios, including production activities, equipment operation and maintenance, waste disposal, and new project construction, with the aim of ensuring the effective implementation of high-quality environmental management in every aspect of the Company's production and operations, thereby laying a solid foundation for the Company's sustainable development.

3. Core Commitments and Actions

The Company is committed to integrating environmental responsibility into every aspect of its operations through the following key actions:

3.1 Compliance Management

Comply with all applicable environmental laws and regulations, continuously implement and improve the environmental management system, and strive to meet or exceed industry best practices. Strictly implement Environmental Impact Assessment (EIA), energy conservation assessment, and supporting acceptance procedures throughout the entire project lifecycle to ensure legal compliance of approval formalities and the consistency between the construction process and approved requirements.

3.2 Project Lifecycle Management

Conduct environmental status surveys and pollution prediction analyses in accordance with the laws from the initial planning stage, scientifically prepare EIA and energy conservation reports, and improve plans through public participation. Integrate the Three Simultaneous System (i.e. the simultaneous design, construction, and operation of requisite pollution prevention/energy-saving facilities with the main project) into pollution control and energy conservation facility design. Strengthen environmental supervision and dynamic energy consumption monitoring during the construction to prohibit unauthorized modification of processes or environmental protection measures, ensuring that construction activities are fully aligned with EIA conclusions and energy-saving standards. Conduct specialized acceptance of environmental protection and energy conservation in strict accordance with approved requirements after completion, focus on verifying pollutant discharge and energy efficiency indicators, and mandate rectification within deadlines for any non-conformities until closure. By establishing internal compliance reviews, dynamic regulatory tracking, and third-party professional supervision mechanisms, the Company has built an environmental and energy management system covering the entire project lifecycle, which continuously improves green construction standards and earnestly fulfills its responsibilities for ecological protection and resource conservation.

3.3 Pollution Control

Reduce emissions of air pollutants, water pollutants, hazardous waste, and non-hazardous waste, improve resource utilization efficiency, and minimize the negative environmental impact of the Company's production and operations.

3.4 Climate Change Response

Actively address the challenges posed by climate change, optimize energy and resource utilization, continuously reduce greenhouse gas emission intensity, and achieve the overall goals of carbon peak before 2030 and carbon neutrality before 2060.

3.5 Green Products and Innovation

Promote green product design, and drive innovation in sustainable green products and green processes. Integrate green and low-carbon concepts into the entire product lifecycle (from raw materials, production, and procurement to sales, transportation, and recycling) to create new business opportunities.

3.6 Resource Efficiency and Circular Utilization

Set environmental goals related to energy conservation, emission reduction, and resource utilization efficiency, and continuously improve environmental performance based on these goals.

3.7 Biodiversity Conservation

Support and strengthen biodiversity management, use land legally and compliantly, improve land use efficiency, protect arable land, and avoid ecological damage caused by the Company's operations.

3.8 Supervision and Audit

Conduct annual online or offline environmental compliance audits on all production departments of the Company to ensure coverage of all production bases.

3.9 Green Value Chain

The Company is committed to building a green value chain system, raising environmental awareness among internal and external stakeholders, and collaboratively advancing ecological and environmental protection as well as green and low-carbon initiatives. Employees are provided with various training to help them understand the environmental impact of their work and their environmental responsibilities and obligations. The Company maintains open communication with relevant parties to ensure that partners such as contractors and suppliers are aware of and comply with their environmental responsibilities through multiple stakeholder engagement and communication channels, and strives to bring positive environmental impacts to the communities where the Company operates by maintaining positive relationships with stakeholders.

4. Roles and Responsibilities

4.1 Governance Level

The Board of Directors, as the highest decision-making body for ESG management, is responsible for approving and overseeing the Company's environmental strategy, objectives, and management system to ensure the establishment of appropriate and effective environmental risk management and internal control systems. The Sustainable Development Committee, as a specialized ESG management committee under the Board of Directors, monitors ESG matters and regularly reports significant ESG issues to the Board of Directors.

4.2 Management Level

The Environmental Management Committee, as the specialized management body for environmental issues, is responsible for coordinating the daily implementation and continuous improvement of this Statement. Its duties include ensuring effective fulfillment of commitments, monitoring environmental performance, organizing risk assessments, tracking relevant regulations, and regularly reporting its execution status and performance progress to the Sustainable Development Committee.

4.3 Employees

All employees must understand this Statement, actively implement relevant environmental requirements in their job responsibilities, and jointly contribute to the achievement of the Company's environmental goals.

5. Assessment Mechanism

The Company establishes clear reward and penalty mechanisms to commend and reward departments or individuals who demonstrate excellence in environmental management; violations of this Statement will result in accountability in accordance with relevant regulations.

6. Supervision and Revision

This Statement shall be effectively implemented under the oversight of the Board of Directors. The Board of Directors hereby authorizes the Sustainable Development Committee to conduct daily monitoring and regular reviews, with the objective of ensuring the ongoing suitability, adequacy, and effectiveness of this Statement in addressing environmental challenges and meeting legal and regulatory requirements. In case of any significant changes in internal or external conditions, the Sustainable Development Committee will promptly put forward a revision proposal to the Board of Directors, which will be implemented upon approval by the Board of Directors.

7. Information Disclosure

This Statement will be officially released and promoted to all employees through the Company's internal platforms, announcements, training, etc. Meanwhile, the Company commits to disclosing its philosophy, key measures, and performance progress in environmental protection through appropriate channels such as its official website in a timely manner, thereby subjecting itself to public oversight in a transparent manner.

8. Conclusion

Environmental management is a long-term and challenging task that requires the joint efforts and sustained commitment of the entire society. By implementing this Statement, the Company can effectively reduce its environmental impact and promote the achievement of sustainable development goals. Furthermore, the Company calls on all sectors of society to jointly focus on environmental protection issues and work together to build a Beautiful China and a Green Earth.

9. Supplementary Provisions

This Statement shall be interpreted by the Company's Board of Directors. It shall take effect upon approval by the Board of Directors, and so shall any amendment hereto.