

CHINA LESSO GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2128)

CODE OF BUSINESS CONDUCT AND ETHICS (the “Code”)

1. Purpose

The Code of Business Conduct and Ethics covers the values, attitudes and principles that China Lesso Group Holdings Limited and its subsidiaries (the “Group”) should demonstrate in its business practices and relationships with stakeholders, and presents general guidelines applicable to the conduct of business. Where the standards covered in the Code are higher than those required by business practices or applicable laws, regulations or rules where the Group operates, we shall comply with such higher standards. The Group believes that the Code will help us standardize corporate governance and enhance corporate value. The Code can guide and provide us with solutions to problems or risks which we may face.

2. Scope of Application

The Code applies to all directors, management and employees, whether they are full-time, part-time or temporary employees (collectively referred to as “employees”), and interested third parties such as suppliers, contractors and outsourcing service providers, of the Group. The board of directors is responsible for leading, shaping, establishing and regularly reviewing a healthy culture of our purpose, values and strategy and promoting it across all levels.

If you have any questions about the Code, or want to report any violation activity, you can write directly to the dedicated email address: DSJ@lesso.com

3. Integrity and Impartiality

3.1 Conflicts of interest

A conflict of interest may arise when the private interests of employees affect in any way or may affect the interests of the Group as a whole. Employees shall actively avoid any private interests that may affect their ability to act in the interests of the Group or make it difficult for them to work objectively and efficiently. The Group requires employees to timely and fully report any circumstances that would normally be expected to give rise to a conflict of interest. Where an employee suspects a conflict of interest, or what would normally be deemed as conflict of interest, the employee must immediately report it to the Group.

3.2 Anti-corruption

Our reputation for operating in good faith is of paramount importance to us. The Group treats all its business partners fairly and strictly prohibits employees from engaging in or tolerating bribery, blackmail, fraud or any other form of corruption. Political contributions are prohibited. The Group, employees and its agents are strictly prohibited from offering, promising, authorizing or giving money or things of value to influential outsiders or any other person or entity for the purpose of seeking any improper benefit or obtaining, directing or retaining business.

[Anti-fraud Management System and Whistleblowing Policy](#)

3.3 Anti-money laundering

The Group only works with reputable partners that operate legally, carefully checks the identity and supporting documents of potential customers, business partners and third parties, and takes all reasonable measures to ensure transparent business relationships. The Group does not acknowledge any remuneration obtained through fraud, tax evasion, false accounting, kickbacks and other forms, or income from unknown sources (money laundering). Employees are prohibited from using fictitious accounts at financial institutions to make circular remittances, purchase shares of unidentified corporate bonds, and make large-amount contributions or donations for unknown purposes.

3.4 Respect for intellectual property rights

Intellectual property rights are a source of value for enterprises and society and are widely protected worldwide. While the Group is committed to the creation and protection of its own intellectual property rights, it shall not cause unjustified infringement upon the intellectual property rights of others. The intellectual property rights of third parties may be used only if we have obtained the right to use them.

3.5 Protecting information security

In the event that the secret information is leaked outside the Group, it may cause certain losses to the Group's interests or credit. The Group clearly specifies what types of information are managed as secrets, and requires employees to handle relevant information in strict accordance with the relevant policy on internal secret information formulated and adopted by the Group. The Group also requires employees to properly use secret information or intellectual properties of partners in the performance of their duties in all cases.

3.6 Information disclosure and exchange

The Group is required to report its financial results and other important information relating to its business to its stakeholders and the stock exchange to maintain a fair and transparent operation. The Group should carry out extensive communication with customers, suppliers, employees, shareholders, investors, regional society and other stakeholders, carefully listen to their expectations, needs and values and opinions that are different from the Group, and appropriately reflect them in corporate activities.

[Shareholders Communication Policy](#)

4. Trust and Collaboration

4.1 Protecting fundamental human rights

The Group has a commitment to upholding basic human rights and fully respects international norms related to human rights, on the basis of complying with the laws of different countries and regions on minimum wage, working hours and other working conditions of workers. We reject all forms of child labor and forced labor. We respect the fundamental right to freedom of association within domestic law and the right on union bargain. We make sure there are no negative consequences for employees who engage in such form of work. We recognize the employees' right of appropriate remuneration, including social benefits.

4.2 Diversified and inclusive environment

The Group respects the diversity and individuality of its employees, does not tolerate any illegal discrimination based on race, ethnicity, region, gender, age, nationality, marital relationship, disability or any other protected category, nor does it tolerate corporal punishment, mental and physical violence, verbal assault, sexual harassment, power harassment, violence and other acts that disregard personality. All such efforts are to create a diverse and inclusive work environment. The Group also supports the efforts to build a diverse employee team. The board of directors and senior management team should have diverse backgrounds, professional experience, gender and age groups according to the business needs of the Group, so that they can obtain enough diverse views and suggestions.

[Board Diversity Policy](#)

4.3 Health and safety

The Group is committed to providing a safe and healthy working environment for its employees. Every employee is obligated to comply with environmental, safety and health rules, participate in environmental, safety and health related training and drills, perform their duties in a safe manner, maintain a safe and healthy working environment for other employees, and report accidents, injuries and unsafe equipment, practices or conditions.

4.4 Supporting career development

The Group believes that talent cultivation is the source of sustainable management. By providing all kinds of vocational skills training, we support employees to obtain academic qualifications or vocational skills that meet the needs of career development, and comprehensively cultivate outstanding talents who are capable of independent thinking and action.

4.5 Trust and partnership

We will always treat suppliers, customers and other partners in an equal and fair manner, and conduct transactions in good faith according to relevant laws and contracts. We will not exclude our sales partners, or engage in wrongful discrimination or put unfair or inappropriate restrictions on business activities. Customer satisfaction is our goal. We fully consider the safety and quality of products and services according to relevant laws and regulations.

5. Sustainability

5.1 Protecting the Earth's environment

The Group takes the comprehensive protection of the Earth's environment as its corporate responsibility, and a strategic plan to achieve sustainable development as one of the important business issues. On the basis of keeping compliance with relevant environmental laws and regulations, we will make every effort to prevent the burden on the Earth's overall environment caused by business activities and the provision of products and services. Additionally, through business practices, the Group is committed to the research and development of environmentally friendly technologies and products, and actively contributes to the solutions to various environmental issues, such as building a low-carbon society on a global scale, building a circular society and preserving biodiversity.

5.2 Social contribution

The Group actively coordinates and cooperates with the society, peers, international organizations and other third parties and potential partners to maintain good relationships. Based on our operation philosophy and business practices, we select social topics that are appropriate for investment of resources and time, and actively organize and participate in social contribution activities on topics such as rural revitalization, fighting against the pandemic, and helping the poor and the disabled in the long term to give back to the society.